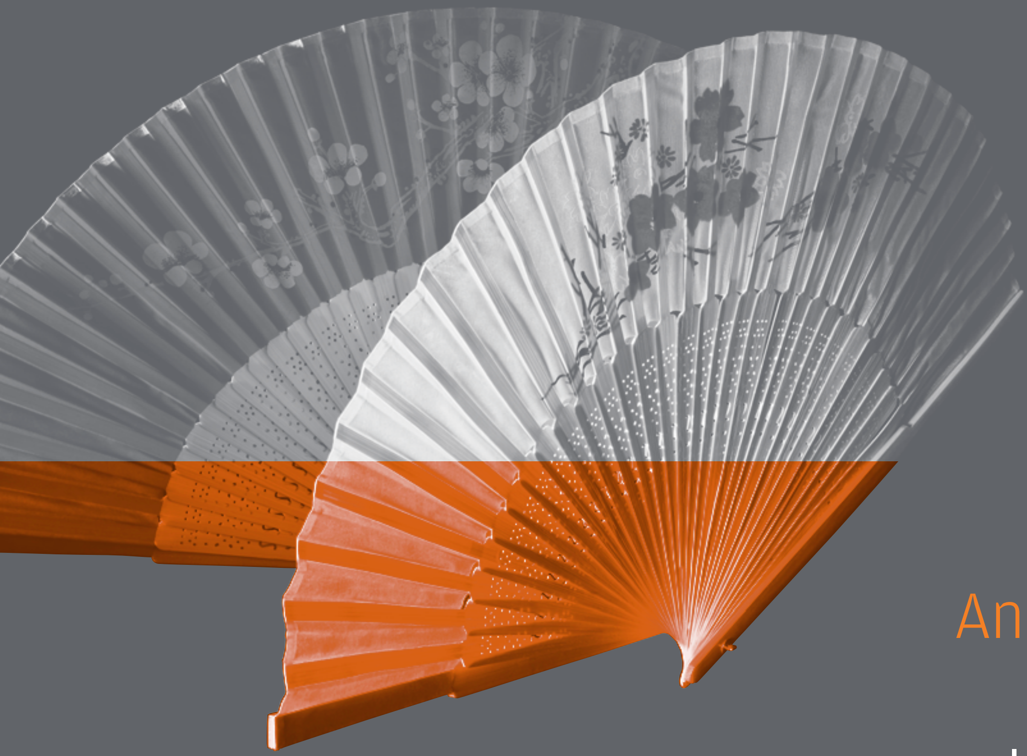


Annual Report 09

JPMorgan Asian Investment Trust plc

Annual Report & Accounts for the year ended 30th September 2009

J.P.Morgan
Asset Management

Features

Contents

Objective

Capital growth, primarily from investing in equities quoted on the stockmarkets of Asia, excluding Japan.

Investment Policies

- To have a diversified portfolio of Asian stocks.
- To have a portfolio comprising 50 to 80 investments.
- To use borrowings from time to time to gear the portfolio within a range of 90%-120% invested.

Benchmark

MSCI AC Asia ex Japan Index with net dividends reinvested, in sterling terms.

Capital Structure

The Company has an authorised share capital of 720,000,000 Ordinary shares of 25p each and 35,000,000 Subscription shares of 1p each. At the year end, 160,460,074 Ordinary shares and 31,547,885 Subscription shares were in issue.

Continuation Vote

In accordance with the Company's Articles of Association, the Directors are required to propose a resolution that the Company continue as an investment trust at the Annual General Meeting in 2011 and every third year thereafter.

Management Company

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

Financial Results

Total Returns (capital plus income)

On 4th February 2009 the Company issued Subscription shares which confer the right to subscribe for Ordinary shares on each business day between 1st April 2009 and 31st March 2014. When the conversion price is lower than the net asset value, the outstanding Subscription shares have a dilutive effect on the Company's net assets. The diluted return on net assets below is calculated using the diluted net asset value which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end at a price of 137p per share. For more detail on the Subscription shares, including the exercise prices, please refer to the Chairman's Statement and page 66.

+47.3%
Unit return to shareholders[1,2]
(2008: no Subscription shares in issue)

+41.2%
Return to Ordinary shareholders[3]
(2008: -37.0%)

+41.3%
Benchmark return[6]
(2008: -30.1%)

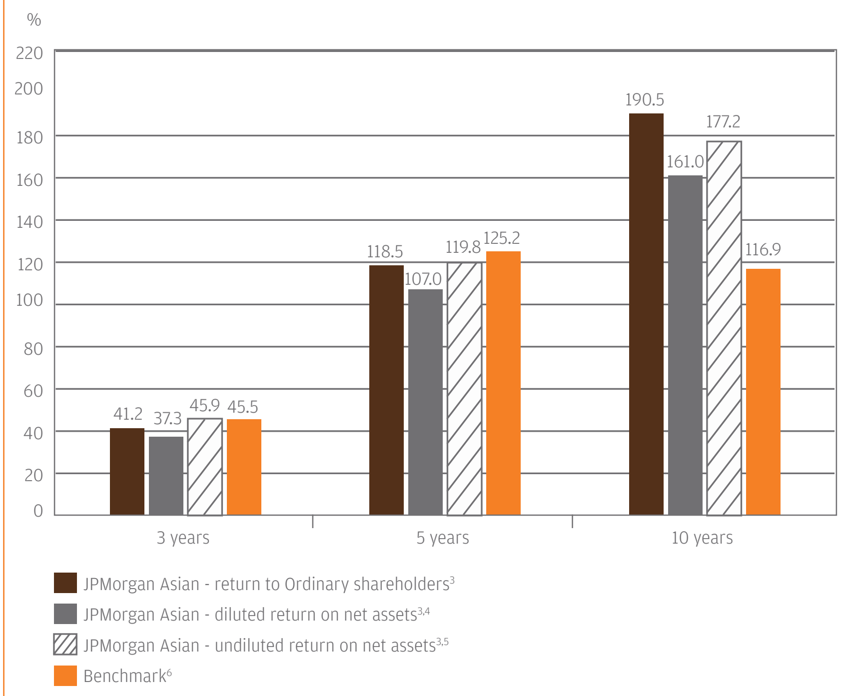
+43.2%
Undiluted return on net assets[2,5]
(2008: -35.5%)

+34.8%
Diluted return on net assets[2,4]
(2008: -35.5%)

1.50p
Dividend
(2008: 1.70p)

Long Term Performance

for periods ended 30th September 2009



A glossary of terms and definitions is provided on pages 63 and 64.

[1]A 'Unit' comprises 5 Ordinary shares and 1 Subscription share.

[2]Source: J.P. Morgan.

[3]Source: Morningstar.

[4]Return on net assets is calculated using the diluted net asset value which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

[5]Return on net assets is calculated using the undiluted net asset value.

[6]Source: MSCI. The Company's benchmark is the MSCI AC Asia ex Japan Index with net dividends reinvested, in sterling terms.

Chairman's Statement

Performance

I am pleased to be able to report a much improved performance in 2009 both in absolute and relative terms. The Company's net assets (on an undiluted basis) increased by 43.2% in the year, a 1.9 percentage point out-performance against our benchmark index. The Company's return to ordinary shareholders for the year was +41.2%. In what was another extremely volatile year for equity markets, to have delivered positive and index beating results represents a very commendable performance by our investment managers.

As detailed below, the Company issued Subscription shares during the year and, since the Company's net asset value per share is higher than the initial 137p per share exercise price, there is a dilutive impact on the Company's total return on net assets. Accordingly, the diluted return on net assets over the period was +34.8%. The Board believes, however, that the Managers' performance should be judged by reference to the undiluted returns generated, as being more fairly reflective of the performance of the Company's portfolio of investments.

Subscription Share Issue

At the Company's General Meeting held on 4th February 2009, shareholders approved a bonus issue of 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 at predetermined prices on any business day during the period from 1st April 2009 until 31st March 2014, after which the rights on the Subscription shares will lapse.

Between 1st April 2009 and 30th September 2009, applications were received to convert 452,920 Subscription shares into Ordinary shares, raising proceeds of £621,000. As at the date of this report, a further 2,042,034 Subscription shares have been converted, meaning that a total of £3,418,000 has been raised for investment by the Company.

At the time of writing, the Company's Ordinary share price is 189.4p, comfortably above the initial exercise price of 137p per Subscription share. The Subscription shares, which are separately quoted, are currently priced at 50.8p per share, which equates to a further 10p of value per Ordinary share for shareholders who qualified for the bonus issue.

Shareholders should note that the initial exercise price of 137p per Subscription share will increase to 176p per share with effect from 1st April 2010. We will be sending a reminder to shareholders in February 2010 about the increase in the exercise price.

Further details on the Subscription shares, including their exercise prices, the apportionments for capital gains tax purposes and how they may be exercised, can be found on the Company's website at www.jpmasian.co.uk and on page 66 of this Report.

Revenue and Dividends

Revenue per share for the year amounted to 1.55p (on an undiluted basis) and the Directors are recommending a final dividend of 1.50p which, if approved by shareholders, will be payable on 12th February 2010 to shareholders on the register at the close of business on 8th January 2010.

Discount

The Board continues closely to monitor the level of discount at which the Company's Ordinary shares trade to net asset value. Although no shares were bought back during the year, it is important that the Company retain the ability to be able to repurchase its shares and, accordingly, resolutions to renew the authority to repurchase Ordinary shares and Subscription shares will be put to shareholders at the forthcoming Annual General Meeting.

Manager

The Board has carried out its formal annual review of the investment management, company secretarial and marketing services provided to the Company by JPMorgan Asset Management (UK) Limited ('JPMAM').

This year the Board paid particular attention to the Manager's investment process and approach. The investment management team has been in place since mid-2006 and, as previously reported, adopts a high conviction approach to stock picking that focuses the portfolio on companies they rate highly, regardless of their current benchmark weighting. The impact of this approach is likely to result in increased volatility and greater deviation in returns against our benchmark index. Your Board fully supports the investment management team and their investment approach and looks forward to continued good performance. Accordingly, and after full consideration, the Board has concluded that the continued appointment of JPMAM on the terms agreed is in the interests of shareholders as a whole.

Performance Fee

Although the Company's undiluted NAV total return outperformed the benchmark index by 1.9%, there is no performance fee payable for the year ended 30th September 2009. A carried forward negative balance of £1.4m has to be covered by future out-performance before any further performance fee can be accrued or paid to the Manager.

Borrowing Facilities

The Company has a £25 million five year multi-currency loan facility with Lloyds TSB, which expires in May 2011. In August the Board was also able to renegotiate the Company's £20 million, 364 day multi-currency facility with ING Bank.

Chairman's Statement continued

The Board

James Strachan was appointed to the Board on 10th August 2009. After reading Economics and English at Cambridge, he worked in the City both as a commercial and investment banker. Initially with Chase Manhattan, he then spent 13 years at Merrill Lynch, latterly as a Managing Director in London and a Board member of Merrill Lynch International. Mr Strachan is currently a non-executive Director of the Financial Services Authority, Legal and General plc, Welsh Water Limited, Care UK plc, Sarasin and Partners LLP and Social Finance Limited. He is also a Visiting Fellow at the LSE (risk and regulation) and a Vice President of RNID. Until 2006, he was Chairman of the Audit Commission, the public services regulator and watchdog, and he served as a Director of the Bank of England until May 2009. Shareholders, will have a chance to meet him at the forthcoming Annual General Meeting.

Articles of Association

At the Annual General Meeting, it is proposed that the Company adopt new Articles of Association. These latest amendments to the current Articles reflect the changes in company law brought about by the 2006 Act which came into effect on 1 October 2009, changes made to the 2006 Act in August 2009 (designed principally to implement the EU Shareholder Rights Directive in the UK) and some minor technical or clarifying changes. More details on the proposed changes to the Articles are given in the Directors' Report and in the Appendix to the Notice of Meeting on pages 59 to 62.

Annual General Meeting

The forthcoming Annual General Meeting will again be held at The Salters' Hall, 4 Fore Street, London EC2Y 5DE on Monday 1st February 2010 at 12.00 noon. In addition to the formal proceedings, there will be a presentation by Joshua Tay, one of your investment managers, who will also be available to respond to questions on the Company's portfolio, investment strategy and the outlook for Asia generally. Following the Meeting there will be an opportunity for shareholders to meet the Board and the investment manager over a buffet lunch and I look forward to seeing as many of you as possible.

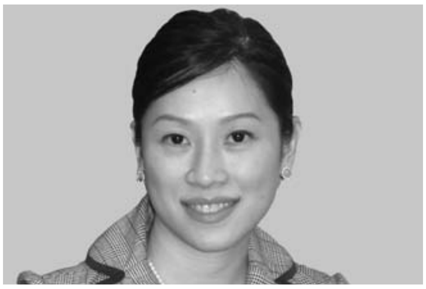
Outlook

Low interest rates, a reasonably benign oil price and a weak US dollar should continue to provide a favourable environment for Asian stock markets. Questions remain, however, about when interest rates will start to rise and a W-shaped recovery in 2010 remains a possibility. Nevertheless, Asia's superior growth prospects and robust secular earnings trends should be reflected in the performance of Asian equities relative to other stock markets around the world.

James M Long
Chairman — 15th December 2009

Investment Managers' Report


Joshua Tay


Pauline Ng

Market Review

In sharp contrast to last year, the Company's year to 30th September 2009 proved rewarding for investors in Asian equity markets. Our benchmark index, the MSCI AC Asia ex Japan with net dividends reinvested in sterling terms, ended the period 41.3% higher. It was a volatile year, with the last quarter of 2008 continuing to suffer from the fallout of the collapse of Lehman Brothers, the sub-prime crisis and the ongoing effects of global de-leveraging. Risk aversion remained high and, coupled with weakening economic data and earnings downgrades, led to equities in Asia being sold-off aggressively. In India, the market was further weighed down by the terrorist attacks in Mumbai. Nevertheless, there was a strong bounce in late November 2008 due to the introduction of massive fiscal and monetary stimulus plans by governments across Asia. In particular the announcement of China's RMB 4 trillion fiscal stimulus package, a move designed to help the fast-growing economy achieve a soft landing in the face of a rapidly deteriorating external environment, brought the region some comfort.

At the start of 2009, economic news flow became slightly more optimistic, following the move to quantitative easing in the US and bank re-capitalisation in the G7. This led to a strong rally in March. We increased the Company's gearing in the second quarter of 2009 as we gained comfort that markets were establishing an upwards trend. The real fuel in Asia remained interest rates. They were cut dramatically in China and, thanks to the formal and informal pegs to the US dollar, much of Asia found itself facing monetary policy strongly reflationary in nature. Chinese data steadily improved over the year, as measures to boost the property market began to take hold and loan growth continued at breakneck pace. This was accompanied by recovering economic data, such as a rising Purchasing Manager Index, an indicator of the health of the manufacturing sector. Subsequently, improving economic data and the delivery of the recovery, about which so much scepticism had been expressed in the West, finally fed through into an elevated level of optimism in the OECD.

Performance Review

After a disappointing year for the Company to 30th September 2008, in both relative and absolute terms, the Company's portfolio performance improved significantly in the year to 30th September 2009, rising by 44.4% and outperforming the benchmark index by 3.1 percentage points. Our decision to increase gearing in May 2009, based on our positive outlook on Asian equity markets, was a significant contributor to relative performance.

In addition, we were correctly positioned throughout the year in stocks that directly benefited from China's fiscal and monetary stimulus programmes. We owned several Chinese property stocks such as Shimao Property and Soho China and a coal stock (China Shenhua Energy) that outperformed both the Chinese market and our benchmark index. In addition, we benefited from avoiding stocks such as China Mobile and China Unicom, which registered disappointing performance over the year due to concerns over rising competition in the telecommunications sector.

Investment Managers' Report continued

Performance attribution for the year ended 30th September 2009

Contributions to total returns		
Benchmark total return		**41.3%**
Stock selection	1.5%	
Gearing/cash	2.6%	
Currency effect	-0.7%	
Dividends	-0.3%	
Investment Manager contribution		**3.1%**
Portfolio total return		**44.4%**
Management fees/ other expenses	-1.0%	
Exercise of Subscription shares	-0.2%	
Other effects		**-1.2%**
Undiluted return on net assets		**43.2%**
Subscription share dilution	-8.4%	
Structural effects		**-8.4%**
Diluted return on net assets		**34.8%**
Return to Ordinary shareholders		**41.2%**
'Unit' return to shareholders		**47.3%**

Source: FactSet, JPMAM and Morningstar.
All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

The FactSet attribution system accounts for income on a received (on the ex-dividend date) basis whereas Morningstar calculates the Company's NAV Total Return using the actual dividend(s) paid by the Company (on the ex-dividend date).

A 'Unit' comprises 5 Ordinary shares and 1 Subscription share.

A glossary of terms and definitions is provided on pages 63 and 64.

A decision to overweight Wilmar, a palm oil plantation stock, and Olam, a distributor of agricultural commodities, also contributed to performance over the year. These Singapore listed companies have their earnings linked to strong regional demand for agricultural related commodities.

The portfolio's move to overweight Korean banks, such as KB Financial, also benefited performance. After their sharp fall at the end of 2008, many of these stocks were trading significantly below book value, and we took the opportunity to build up positions in them. We were rewarded when they re-rated in 2009 as credit markets stabilized.

On the negative side, stock selection in India over the full year was disappointing. We were too bearish on this market after the credit crunch in the fourth quarter of 2008. We believed that the earnings outlook of Indian corporates would remain muted, especially given the limited scope for fiscal stimulus in India (due to the high budget deficit) compared to China. As a result, the Indian stocks in the portfolio were too defensive in nature, and did not benefit from the full upside in the Indian market, especially after the favourable election outcome in May 2009. Key detractors included our holding in a utility company, Suzlon Energy, and banking stock ICICI Bank, where we missed out on much of the performance upside, given our initial cautious view on the bank's ability to grow earnings this year.

We continue to adopt a bottom-up stock picking approach, and aim to buy stocks that deliver sustainable growth and returns to shareholders at a reasonable price. The principal parameters we use to measure risk are earnings volatility, business cycles, cashflow and solvency, management quality, and transparency (not necessarily in order of importance). We feel that our results for 2009 are satisfactory, given the enormous volatility over the financial year, but know we can do much better and hope to be able to return to the performance returns generated in 2007, when market conditions return to some normality.

Outlook

Looking ahead to 2010, low OECD growth is likely to keep interest rates at exceptionally restrained levels. This is good news for Asia although there is an inevitable asset price inflation risk associated with it. Having just witnessed the bursting of a sizable bubble, policymakers in China, Hong Kong and Singapore in particular are not going to be relaxed about seeing another inflate so quickly.

Looking ahead, markets will be seeking to determine what levels of global demand are sustainable in 2010. What has been achieved so far has come only with exceptional liquidity provisions and with government help in the form of stimulus. Monetary policy will gradually normalise and stimulus has to be paid for, so rising rates and rising taxes seem inevitable at some stage. Individual savings continue to be rebuilt and commodity prices could add further drag to the recovery. How far out the reversal in policy will occur is difficult to judge. In these fears lies the basis of the worry about economies weakening again towards the end of next year. That said, we believe Asian economies will weather another downturn much better than the rest of the world, due to their high cash savings at both corporate and government levels.

After the strong move in 2009, valuations in Asia have moved from "cheap" to "average". We expect that earnings will be increasingly important in driving Asian equities upwards rather than further re-rating of valuation multiples. For now, in Asia, there are three positives to sustain further progress: abnormally low interest rates; an oil price which we believe will stay in a US Dollar 60-80 range and, finally, a weak US Dollar. Without any major negative geopolitical events, China and India should continue to do well, even during a period in which interest rates start to rise. In the shorter term, we believe planned Indonesian infrastructure investment will drive further improvements in this economy.

Joshua Tay
Pauline Ng
Investment Managers

15th December 2009

Summary of Results

	2009	2008	
Total Returns (capital plus income) for the year ended 30th September			
'Unit' return to shareholders[1,3]	**+47.3%**	–	
Return to Ordinary shareholders[2]	**+41.2%**	-37.0%	
Diluted return on net assets[3,4]	**+34.8%**	-35.5%	
Undiluted return on net assets	**+43.2%**	-35.5%	
Benchmark return[5]	**+41.3%**	-30.1%	
Net Asset Value, Share Price, Discount and Market Data at 30th September			% change
Shareholders' funds (£'000)	**341,477**	241,612	+41.3
Diluted net asset value per Ordinary share	**200.4p**	151.0p	+32.7
Undiluted net asset value per Ordinary share	**212.8p**	151.0p	+40.9
Ordinary share price	**184.0p**	132.0p	+39.4
Ordinary share price discount to diluted net asset value per Ordinary share	**8.2%**	12.6%	
Ordinary shares in issue	**160,460,074**	160,007,154	
Subscription share price	**41.5p**	–	
Subscription shares in issue	**31,547,885**	–	
Revenue for the year ended 30th September			
Gross revenue return (£'000)	**5,363**	7,280	-26.3
Net revenue available for shareholders (£'000)	**2,477**	2,737	-9.5
Revenue return per Ordinary share - undiluted	**1.55p**	1.71p	-9.4
Revenue return per Ordinary share - diluted	**1.52p**	1.71p	-11.1
Dividend per Ordinary share	**1.50p**	1.70p	-11.8
Actual Gearing Factor at 30th September[6]	**105%**	93%	
Total Expense Ratio[7]	**0.77%**	0.95%	

A glossary of terms and definitions is provided on pages 63 and 64.

[1] A 'Unit' comprises 5 Ordinary shares and 1 Subscription share.

[2] Source: Morningstar.

[3] Source : J.P.Morgan.

[4] Return on net assets is calculated using the diluted net asset value which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

[5] Source: MSCI. The Company's benchmark is the MSCI AC Asia ex Japan Index with net dividends reinvested, in sterling terms.

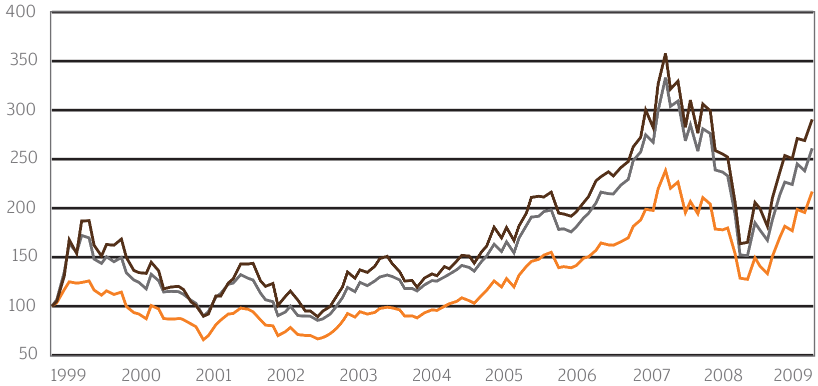
[6] Investments expressed as a percentage of shareholders' funds.

[7] Management fees and and all other operating expenses excluding interest and performance fees paid, expressed as a percentage of the average of the opening and closing net assets. No performance fee was paid in 2009 (2008: nil).

Performance

Ten Year Performance

Figures have been rebased to 100 at 30th September 1999

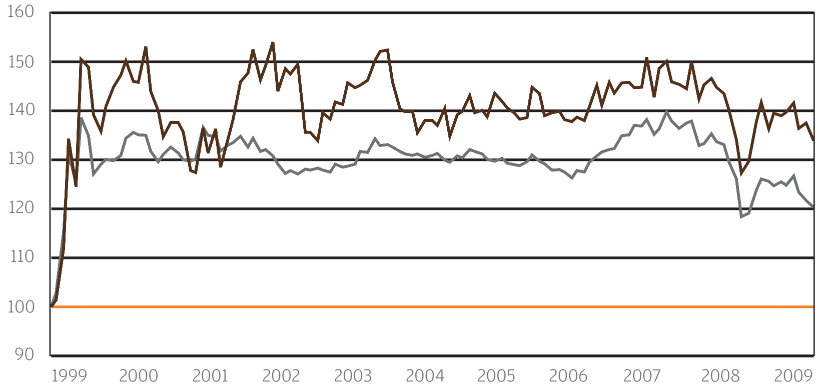


Source: Morningstar/MSCI.

JPMorgan Asian – Ordinary share price
JPMorgan Asian – diluted net asset value per Ordinary share
Benchmark

Performance Relative to Benchmark

Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.

JPMorgan Asian – Ordinary share price
JPMorgan Asian – diluted net asset value per Ordinary share
The Benchmark is represented by the orange horizontal line

Ten Year Financial Record

At 30th September	1999	2000	2001[1]	2002	2003	2004[2]	2005[2]	2006	2007	2008	2009
Shareholders' funds (£'000)	135,106	183,230	121,077	120,618	152,147	167,848	220,908	242,280	374,406	241,612	**341,477**
Diluted net asset value per Ordinary share (p)[3]	82.6	111.6	74.0	74.4	93.9	103.6	134.5	150.1	234.0	151.0	**200.4**
Undiluted net asset value per Ordinary share (p)	82.6	111.6	74.0	74.4	93.9	103.6	134.5	150.1	234.0	151.0	**212.8**
Ordinary share price (p)	68.3	101.6	61.0	68.5	86.8	88.8	119.0	134.0	211.0	132.0	**184.0**
Ordinary share price discount to diluted net asset value per Ordinary share[3]	17.3	9.0	17.6	7.9	7.6	14.3	11.5	10.7	9.8	12.6	**8.2**
Actual gearing factor (%)[4]	105	105	92	101	112	98	97	104	109	93	**105**
Subscription share price (p)	–	–	–	–	–	–	–	–	–	–	**41.5**

Year ended 30th September	1999	2000	2001[1]	2002	2003	2004[2]	2005[2]	2006	2007	2008	2009
Gross revenue return (£'000)	2,561	3,409	3,705	3,471	4,035	4,828	6,260	5,640	6,786	7,280	**5,363**
Return/(loss) per Ordinary share – diluted (p)[5]	0.53	(0.36)	0.37	0.51	1.10	1.00	1.74	1.27	1.33	1.71	**1.52**
Dividend per Ordinary share (p)	0.50	Nil	Nil	0.50	1.05	1.05	1.75	1.25	1.30	1.70	**1.50**
Total expense ratio (%)[6]	0.95	1.18	1.03	1.28	0.96	1.08	0.97	0.97	0.77	0.95	**0.77**
Total expense ratio including performance fee paid (%)[7]	–	–	–	–	–	–	–	–	1.54	0.95	**0.77**

Rebased to 100 at 30th September 1999	1999	2000	2001[1]	2002	2003	2004[2]	2005[2]	2006	2007	2008	2009
Ordinary share price total return[8]	100.0	149.7	89.8	100.8	128.6	132.9	180.3	205.6	326.5	205.8	**290.5**
Diluted return on net assets[3,8]	100.0	134.0	89.9	90.4	114.8	126.1	165.7	190.0	299.4	193.6	**261.0**
Undiluted return on net assets	100.0	134.0	89.9	90.4	114.8	126.1	165.7	190.0	299.4	193.6	**277.2**
Benchmark return[9]	100.0	99.7	65.8	70.0	88.9	96.3	128.2	149.0	219.7	153.5	**216.9**

A glossary of terms and definitions is provided on pages 63 and 64.

[1] Figures have been restated where relevant to comply with FRS 19 'Deferred Tax'.

[2] Figures have been restated to reflect changes in accounting policy regarding dividends payable. Such dividends are now included in the accounts in the year in which they are paid.

[3] The net asset value per Ordinary share calculated at 30th September 2009 assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end. There were no dilutive Subscription shares in issue at 30th September 2008 and prior years.

[4] Investments expressed as a percentage of shareholders' funds.

[5] The return per Ordinary share for the year ended 30th September 2009 has been adjusted for the effect of the dilutive Subscription shares. There were no dilutive potential Ordinary shares in issue at 30th September 2008 and prior years.

[6] Management fees and and all other operating expenses excluding interest and performance fees paid, expressed as a percentage of the average of the opening and closing net assets.

[7] Management fees, all other operating expenses and performance fees paid, but excluding interest, expressed as a percentage of the average of the opening and closing net assets.

[8] Source: Morningstar.

[9] Source: MSCI. The Company's benchmark is the MSCI AC Asia ex Japan Index with net dividends reinvested, in sterling terms.

Ten Largest Investments

at 30th September

Company	Country	2009 Valuation £'000	2009 %[1]	2008 Valuation £'000	2008 %[1]
KB Financial[2] KB Financial is the holding company for Kookmin Bank. The bank offers retail and commercial banking services, mortgage and home equity, consumer and corporate loans, credit cards, securities investment and trading services, investment banking, investment advice, foreign exchange services and insurance.	South Korea	11,088	3.0	–	–
China Shenhua Energy[2] China Shenhua Energy is an integrated coal-based energy company focusing on coal and power businesses in China. The company also owns and operates an integrated coal transportation network consisting of dedicated rail lines and port facilities.	Hong Kong & China	9,817	2.7	–	–
China Construction Bank China Construction Bank provides a complete range of banking services and other financial services to individual and corporate customers. The bank's services include retail banking, international settlement, project finance and credit card services.	Hong Kong & China	8,989	2.5	9,104	3.8
Ping An Insurance[2] Ping An Insurance provides a variety of insurance services in China. The company writes property, casualty and life insurance.	Hong Kong & China	8,938	2.4	–	–
Olam International Olam is an international integrated supplier of both raw and processed agricultural commodities. The company sources, processes, stores, transports, distributes, trades and markets agricultural products.	Singapore	8,839	2.4	9,080	3.7
Hon Hai Precision[3] Hon Hai Precision provides electronic manufacturing services for computer, communications, and consumer electronic products. The company's business operations include desktop and notebook PC assembly, connector production, cable assembly, PCB assembly, handset manufacturing, networking equipment and other consumer electronic devices manufacturing.	Taiwan	8,747	2.4	5,469	2.3
Samsung Electronics Samsung Electronics manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, peripherals, monitors, televisions, and home appliances including air conditioners and microwave ovens. The company also produces Internet access network systems and telecommunications equipment including mobile phones.	South Korea	7,862	2.1	5,637	2.3
Wharf[2] Wharf develops and invests in real estate. The company also owns and manages hotels and operates a logistics business. In addition, the company operates telecommunications, cable television and Internet-related businesses.	Hong Kong & China	7,636	2.1	–	–
United Tractors United Tractors distributes and leases construction machinery. The company also provides contract mining service and trades and assembles heavy equipment.	Indonesia	7,569	2.1	7,317	3.0
Sun Hung Kai Properties[2] Sun Hung Kai Properties develops and invests in real estate. The company also operates hotels, manages properties, car parking and transportation infrastructure. In addition, the company operates a logistics business, construction, financial services and telecommunication Internet infrastructure.	Hong Kong & China	7,371	2.0	–	–
Total		86,856	23.7		

[1] Based on total assets less current liabilities of £366.5m (2008: £241.7m).
[2] Not held in the portfolio at 30th September 2008.
[3] Not Included in the ten largest investments at 30th September 2008.

At 30th September 2008, the value of the ten largest investments amounted to £88.5m representing 36.6% of total assets less current liabilities.

Portfolio Analyses

Geographical Analysis

	30th September 2009			30th September 2008		
	Portfolio %	Benchmark %	Active Position %	Portfolio %	Benchmark %	Active Position %
Hong Kong and China	**36.3**	**36.6**	**-0.3**	37.2	35.6	+1.6
South Korea	**14.9**	**19.9**	**-5.0**	17.7	20.7	-3.0
Taiwan	**13.0**	**16.9**	**-3.9**	6.2	16.2	-10.0
India	**11.1**	**10.9**	**+0.2**	7.8	10.5	-2.7
Singapore	**10.1**	**6.6**	**+3.5**	14.0	7.3	+6.7
Indonesia	**8.1**	**2.7**	**+5.4**	9.5	2.6	+6.9
Thailand	**4.4**	**1.9**	**+2.5**	–	2.2	-2.2
Malaysia	**–**	**3.9**	**-3.9**	0.7	4.0	-3.3
Philippines	**–**	**0.6**	**-0.6**	–	0.8	-0.8
Pakistan	**–**	**–**	**–**	–	0.1	-0.1
Net current assets	**2.1**	**–**	**+2.1**	6.9	–	+6.9
Total	**100.0**	**100.0**		100.0	100.0	

Based on total assets less current liabilities of £366.5m (2008: £241.7m).

Sector Analysis

	30th September 2009			30th September 2008		
	Portfolio %	Benchmark %	Active Position %	Portfolio %	Benchmark %	Active Position %
Financials	**38.5**	**32.1**	**+6.4**	25.1	30.6	-5.5
Industrials	**20.2**	**10.3**	**+9.9**	15.6	12.1	+3.5
Materials	**12.8**	**7.6**	**+5.2**	9.2	6.7	+2.5
Consumer Staples	**7.4**	**4.1**	**+3.3**	12.0	3.9	+8.1
Information Technology	**6.5**	**19.0**	**-12.5**	6.5	16.4	-9.9
Energy	**5.5**	**8.2**	**-2.7**	6.8	9.2	-2.4
Consumer Discretionary	**5.3**	**6.8**	**-1.5**	5.9	6.1	-0.2
Utilities	**1.7**	**4.0**	**-2.3**	–	4.7	-4.7
Telecommunication Services	**–**	**7.4**	**-7.4**	12.0	9.9	+2.1
Healthcare	**–**	**0.5**	**-0.5**	–	0.4	-0.4
Net current assets	**2.1**	**–**	**+2.1**	6.9	–	+6.9
Total	**100.0**	**100.0**		100.0	100.0	

Based on total assets less current liabilities of £366.5m (2008: £241.7m).

Investment Activity

during the year ended 30th September 2009

	Value as at 30th September 2008 £'000	%	Purchases £'000	Sales £'000	Changes in value[1] £'000	Value as at 30th September 2009 £'000	%
Hong Kong and China	89,938	40.0	243,117	243,317	43,124	**132,862**	**37.0**
South Korea	42,832	19.0	65,953	66,764	12,531	**54,552**	**15.2**
Taiwan	14,891	6.6	62,558	40,499	10,824	**47,774**	**13.3**
India	18,873	8.4	41,580	27,056	7,321	**40,718**	**11.4**
Singapore	33,848	15.0	115,243	124,567	12,487	**37,011**	**10.3**
Indonesia	22,922	10.2	25,128	25,141	6,892	**29,801**	**8.3**
Thailand	–	–	23,162	12,028	4,876	**16,010**	**4.5**
Malaysia	1,800	0.8	3,177	5,058	81	**–**	**–**
Total Portfolio	225,104	100.0	579,918	544,430	98,136	**358,728**	**100.0**

[1] Total capital gains from investments for the year amounted to £98,117,000, comprising gains on sales of investments and investment holding gains of £98,136,000, realised gains on futures contracts of £31,000, less other capital charges of £50,000.

List of Investments

at 30th September 2009

Company	Valuation £'000
Hong Kong & China	
China Shenhua Energy	9,817
China Construction Bank	8,989
Ping An Insurance	8,938
Wharf	7,636
Sun Hung Kai Properties	7,371
Industrial & Commercial Bank of China	7,067
Sino Land	6,262
Huaneng Power International	6,101
Cheung Kong	5,113
China Resources Land	5,063
Parkson Retail	4,949
Pacific Basin Shipping	4,928
Jiangxi Copper	4,896
Bank of Communications	4,788
Yantai Changyu Pioneer Wine	4,780
China Yurun Food	4,682
SJM	4,056
Angang Steel	3,871
China Shipping Container Lines	3,854
Soho China	3,850
Poly (Hong Kong) Investments	3,635
Maanshan Iron & Steel	3,579
China Hongxing Sports	3,541
Huabao International	3,084
Amvig	1,807
China Resources Cement	205
Total	**132,862**
South Korea	
KB Financial	11,088
Samsung Electronics	7,862
Hana Financial	6,025
Samsung Engineering	5,492
Samsung Fire & Marine	5,371
KT&G	5,108
Shinhan Financial	4,983
Daelim Industrial	4,789
Amorepacific	3,220
Shinsegae	614
Total	**54,552**

Company	Valuation £'000
Taiwan	
Hon Hai Precision	8,747
United Microelectronics	7,176
Far Eastern Textile	5,609
Taiwan Fertilizer	5,011
Fubon Financial	4,794
Taishin Financial	4,748
Evergreen Marine	4,258
China Airlines	3,942
China Steel	3,489
Total	**47,774**
India	
Reliance Industries	7,144
Maruti Suzuki India	7,071
Larsen & Toubro GDS	6,971
Infrastructure Development Finance	5,689
Kotak Mahindra Bank	5,054
Bharat Heavy Electricals	4,519
Ambuja Cements	4,270
Total	**40,718**
Singapore	
Olam International	8,839
Neptune Orient Lines	6,676
Keppel Land	6,333
Keppel	5,744
Yanlord Land	5,565
Yangzijiang Shipbuilding	3,854
Total	**37,011**
Indonesia	
United Tractors	7,569
Bank Rakyat Indonesia	5,373
Bank Danamon	5,284
Inco	4,003
Indika Energy	3,962
Jasa Marga	3,610
Total	**29,801**
Thailand	
Banpu[1]	7,055
Siam Commercial Bank	5,568
Thai Oil	3,387
Total	**16,010**
Total Portfolio	**358,728**

[1] Includes non-voting depository receipts

Board of Directors

James Long TD (Chairman)*†

Joined the Board in 1997 and appointed Chairman in 2003.

Director of Risk and Compliance for AstraZeneca Europe. Previous roles included Corporate Finance Director of Inchcape plc and Managing Director, Asia and Emerging Markets for the ESAB Group. Mr Long is a Director of British Assets Trust PLC.

Alun Evans CMG*†

Joined the Board in 2001 and appointed Senior Independent Director in 2008.

Mr Evans's main career was with the Foreign and Commonwealth Office where he rose to senior management level with responsibility, latterly, for Far Eastern issues. He then spent thirteen years in the civil aviation industry as international affairs adviser first to British Airways and subsequently to Cathay Pacific Airways. He is also Deputy Chairman of the British-Iranian Chamber of Commerce.

Ronald Gould*†

Joined the Board in 2005.

Chief Executive Officer of Chi-X, Asia Pacific. Formerly Managing Director of BZW Investment Management, Vice-Chairman of BZW/Barclays Asset Management and President of BZW Investment Management Japan and Managing Director of Barclays Trust & Banking Japan. More recently Senior Executive Vice President and Managing Director at AXA Investment Managers and, subsequently, chief executive officer of, and now a consultant to, ABG Sundal Collier ASA. Mr Gould was formerly an adviser to the Financial Services Authority. He is also a director of Miller Insurance Services Limited and Foreign & Colonial Investment Trust plc.

Andrew Sykes*†

Joined the Board in 2004 and appointed Audit Committee Chairman in 2008.

Chairman of Absolute Return Trust Limited and Invista Foundation Property Trust Limited, Deputy Chairman of Smith & Williamson Holdings Limited, Director of Record plc, a member of the Supervisory Board of the Schroder Exempt Property Unit Trust and Chairman of the Investment Committee of the Schroder Retirement Benefits Scheme. Until March 2004, Mr Sykes was a Director of Schroders plc, with responsibility for private banking and alternative investments.

James Strachan*†

Joined the Board in 2009.

Mr Strachan is currently a non-executive director of the Financial Services Authority, Legal and General plc, Welsh Water Limited, Care UK plc, Sarasin and Partners LLP and Social Finance Limited. He is also a Visiting Fellow at the LSE (risk and regulation) and a Vice President of RNID. Until 2006, he was Chairman of the Audit Commission, the public services regulator and watchdog, and he served as a Director of the Bank of England until May 2009.

* Member of Audit Committee.

† Member of the Nomination Committee.

Directors' Report

The Directors present their report for the year ended 30th September 2009.

Business Review

Business of the Company

The Company carries on business as an investment trust and was approved by HM Revenue & Customs as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30th September 2008. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it continues to qualify. The Company will continue to seek approval under Section 842 of the Income and Corporation Taxes Act 1988 each year.

Approval for the year ended 30th September 2008 is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

The Company's registration number is 3374850.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 2 to 4, and in the Investment Managers' Report on pages 5 to 7.

Objective

The Company's objective is to achieve capital growth primarily from investing in equities quoted on the stockmarkets of Asia, excluding Japan. The performance of the Company is measured against its benchmark index, the MSCI AC Asia ex Japan Index with net dividends reinvested, in sterling terms.

Investment Policies and Risk Management

In order to achieve its objective, the Company invests in a portfolio of Asian stocks with an emphasis on capital growth rather than income, with the likely result that the level of dividend will fluctuate from year to year.

Investment risks are managed by diversifying investment over a number of Asian companies. The number of investments in the Company will normally range between 50 and 80. The Board seeks to manage the Company's risk relative to its benchmark index by limiting the active portfolio exposures to the various countries and stocks covered by the benchmark index and, in some cases, to specific stocks. These active exposure limits may be varied at any time by the Board at its discretion. Currently the maximum permitted active exposure to each country is 12% points above or below the benchmark index weighting except for Taiwan, South Korea, Hong Kong and China, where the maximum permitted active exposure is 15% points above or below the benchmark index weighting. The maximum permitted exposure to each individual company is 8% of the Company's total assets, excluding collective vehicles and Samsung Electronics. The maximum permitted portfolio weighting of any investment in Samsung Electronics is 5% points above that company's weighting in the benchmark index. The maximum proportion of the Company's total assets that may be represented by the five largest holdings in the portfolio is 40%. Unlisted investments are permitted with prior approval of the Board. The Board also permits investment in Australian listed companies, subject to a limit of 10% of the Company's gross assets.

The Company does not invest more than 15% of its gross assets in other UK listed investment companies (including investment trusts). The Company does not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed investment companies.

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's actual gearing range (investments expressed as a percentage of shareholders' funds) may fluctuate between 90% and 120%.

The use of derivatives is permitted with prior approval of the Board and within agreed limits. Currency hedging transactions are permitted up to 40% of the portfolio but only back into sterling. In addition, sales of country specific index futures are permitted, limited to the aggregate value of stocks held in the relevant market.

Compliance with investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis. These active exposure limits and restrictions may be varied by the Board at any time at its discretion.

Performance

In the year to 30th September 2009, the Company produced a total return to Ordinary shareholders of 41.2%, a diluted total return on net assets of 34.8% and an undiluted total return on net assets of 43.2%. This compares with the return on the Company's benchmark index of 41.3%. At 30th September 2009, the value of the Company's investment portfolio was £358.7 million. The Investment Managers' Report on pages 5 to 7 includes a review of developments during the year.

Total Return, Revenue and Dividends

Gross total return for the year amounted to £105.2 million (2008: loss of £128.5 million) and net total return after deducting interest, management expenses, performance fees and taxation amounted to £102.3 million (2008: loss of £130.7 million). Distributable income for the year amounted to £2,477,000 (2008: £2,737,000).

The Directors recommend a dividend of 1.50p per share (2008: 1.70p) payable on 12th February 2010 to shareholders on the register at the close of business on 8th January 2010. This distribution will absorb £2,407,000 (2008: £2,720,000). No other dividends were paid in respect of the year. The revenue reserve after this transfer will amount to £513,000 (2008: £443,000).

Key Performance Indicators ('KPIs')

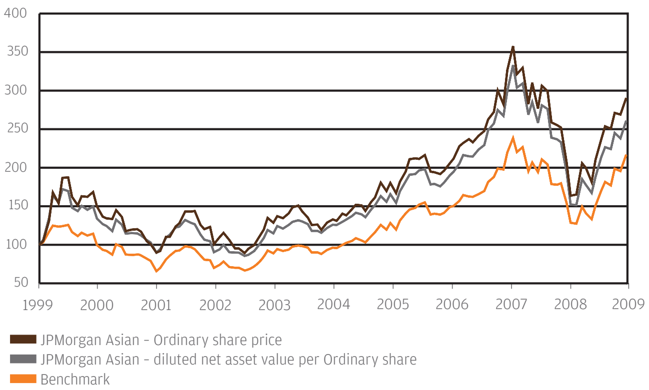
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:-

- **Performance against the benchmark index**

This is the most important KPI by which the performance is judged.

Ten Year Performance

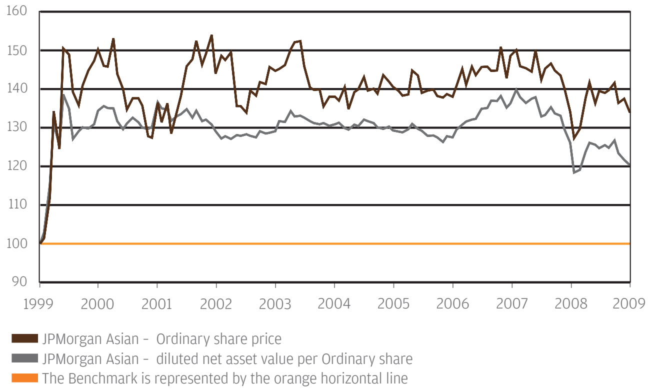
Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.

Performance relative to Benchmark Index

Figures have been rebased to 100 at 30th September 1999



Source: Morningstar/MSCI.

- **Performance against the Company's peers**

The Board also monitors performance relative to a broad range of competitor funds.

- **Performance attribution**

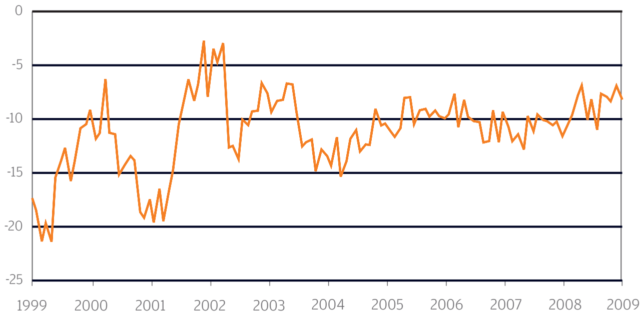
The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, gearing and stock selection. Details of the attribution analysis for the year ended 30th September 2009 are given in the Investment Managers' Report on page 6.

- **Discount to net asset value ('NAV')**

The Board has adopted a share repurchase policy that seeks to address imbalances in the supply of and demand for the Company's shares in the market and thereby reduce the volatility and absolute level of the discount to NAV at which the Company's Ordinary shares trade. The discount to NAV at the start of the year was 12.6% and at the end it was 8.2%. The highest and the lowest discounts to NAV during the year were 12.6% and 6.9% respectively.

Directors' Report continued

Discount Performance



JPMorgan Asian - share price discount to diluted net asset value

Source: J.P. Morgan

- **Total expense ratio ('TER')**

The TER is an expression of the Company's management fees and all other operating expenses excluding interest and performance fees paid, as a percentage of the average of the opening and closing net assets. The TER for the year ended 30th September 2009 was 0.77% (2008: 0.95%). The Board reviews each year an analysis which shows a comparison of the Company's TER and its main expenses with those of its peers.

Share Capital

The Company has not repurchased any shares for cancellation during the year or since the year end. A resolution to renew the authority to repurchase shares will be put to shareholders at the forthcoming Annual General Meeting.

During the year the Company issued 452,920 Ordinary shares for a total consideration of £620,000 following the exercise of Subscription shares. Since the year end a further 2,494,954 Ordinary shares have been issued for a total consideration of £2,798,000 following the exercise of further Subscription shares. Further details of the Company's Subscription shares are set out below.

Bonus Issue of Subscription Shares

On 4th February 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 April 2009 until 31st March 2014, after which the rights on the Subscription shares will lapse.

Future exercise prices, calculated at the close of business on 2nd February 2009 and based on the Company's net asset value per share of 135.04 pence, plus a percentage premium to such amount, rounded up to the nearest whole penny, have been determined as follows:

If Subscription share rights are exercised on any day between and including 1st April 2009 and 31st March 2010, 137 pence.

If Subscription share rights are exercised on any day between and including 1st April 2010 and 31st March 2012, 176 pence.

If Subscription share rights are exercised on any day between and including 1st April 2012 and 31st March 2014, 203 pence.

Further details on the Subscription shares, including the apportionments for capital gains tax purposes and how they may be exercised, can be found on page 66 of this report and on the Company's website at www.jpmasian.co.uk.

Principal Risks

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly under the following categories:

- Investment and Strategy: An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and peer companies, and may result in the Company's shares trading on a wider discount. The Board seeks to manage these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates and shareholder analyses. The Board monitors the implementation and results of the investment process with the investment managers, who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile.
  The Manager employs the Company's gearing tactically, within a strategic range set by the Board. The Board holds a separate meeting devoted to strategy each year.

- Market: Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss that the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines, which are monitored and reported on by the Manager. The Board monitors the implementation and results of the investment process with the Manager.

- Accounting, Legal and Regulatory: 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'). Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 842, it might lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 842 qualification criteria are monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are listed on the London Stock Exchange, the UKLA Listing Rules. A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing, which in turn would breach Section 842. The Board relies on the services of its Secretary, JPMAM, and its professional advisers to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules.
- Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 24 to 27.
- Operational: Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included with the Internal Control section of the Corporate Governance report on pages 26 and 27.
- Financial: The financial risks faced by the Company include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. Further details are disclosed in note 20 on pages 46 to 52.
- Political and Economic: Changes in financial or tax legislation, including in the European Union, may adversely effect the Company. The Manager makes recommendations to the Board on accounting, dividend and tax policies and the Board seeks external advice where appropriate. In addition, the Company is subject to political risks, such as the imposition of restrictions on the free movement of capital.

Future Developments

The future development of the Company is much dependent upon the success of the Company's investment strategy in the light of economic and equity market developments. The investment managers discuss the outlook in their report on pages 6 and 7.

Management of the Company

The Manager and Secretary is JPMorgan Asset Management (UK) Limited ('JPMAM'). JPMAM is employed under a contract which can be terminated on six months' notice in the event of the Board giving notice as a result of poor investment performance; the notice period is 12 months for all other circumstances, in both cases without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

JPMAM is a wholly owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Manager, noting performance relative to the benchmark over various time periods, and the quality of the service that the Company receives from JPMAM.

Management Fee

With effect from 1st October 2006 JPMAM has been paid a fee based on the Company's market capitalisation. This fee uses the average of the Company's closing middle market share price for the last five business days of the relevant month, calculated monthly and paid quarterly at a rate of 0.75% per annum, based on the average of the preceding three month end capitalisations. Investments in funds on which JPMAM charges a management fee are excluded from this calculation.

In addition to the management fee, the Company reimburses the costs of administering the Company's shareholders who hold their shares through the JPMorgan Share Plan, ISA and Pension Account.

Performance Fee

From 1st October 2006, the Manager has been eligible to receive a performance fee equal to 15% of any out-performance of the Company's audited undiluted NAV total return over the MSCI AC Asia ex Japan Index return in sterling terms with net dividends reinvested (the 'Benchmark') plus an out-performance hurdle of 1.5 percentage points (the 'Hurdle'). The performance fee has the following features:

- The Hurdle is applied in all circumstances regardless of whether out-performance or underperformance has occurred in any year.
- The performance fee is calculated on a cumulative basis. Any underperformance that has occurred in previous years has to be made up before any performance fee becomes payable.
- The performance fee is based on the audited undiluted NAV total return per share as calculated in accordance with the prevailing accounting policies. No adjustment would be made to exclude the effect of any share buybacks or share issuance.
- The amount of performance fee payable in any one year is capped at 0.75% of the average monthly total assets less current liabilities of the Company for that year. In order to reach this cap, the Company would have to outperform the Benchmark by 6.5 percentage points in any one year.
- Any performance fee earned in excess of the cap (0.75%) will be carried forward and will either be paid or be available to be offset against any future underperformance.
- The performance fee is calculated annually by reference to the average monthly total assets less current liabilities of the Company (with an estimate accrued monthly in the NAV) and paid within three months of the year end. Any earned but unpaid fees (due to the 0.75% cap restriction) are carried forward as a liability in the Company's accounts.
- The total fees paid under the management and performance fee arrangements will not exceed 5% of the Company's net asset value in any one year.

The results for the year to 30th September 2009 generated a negative performance fee for the year which is added to the negative amount brought forward at the beginning of the year. No fee is payable in the current year and no amount has been included as a liability in the accounts. A negative amount of £1.4 million is carried forward and must be offset against any future out-performance before any performance fee is earned.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 16), risk management policies (see pages 46 to 52) capital management policies and procedures (see page 53) and the 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 that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Payment Policy

It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by these terms. As at 30th September 2009, the Company had no outstanding trade creditors (2008: none).

Directors

The Directors of the Company who held office at the end of the year, together with their beneficial interests in the Company's shares are shown below:

Ordinary shares	30th September 2009	1st October 2008
James Long	14,293	12,103
Alun Evans	16,600	16,000
Ronald Gould	2,745	2,745
James Strachan[1]	4,209	–
Andrew Sykes	25,000	25,000

Subscription shares	30th September 2009	1st October 2008*
James Long	2,559	–
Alun Evans	2,600	–
Ronald Gould	549	–
James Strachan[1]	–	–
Andrew Sykes	5,000	–

* The Company issued Subscription shares on 4th February 2009.

[1] James Strachan was appointed to the Board on 10th August 2009.

Since the year end, Mr Long's beneficial holding has increased by 285 Ordinary shares.

In accordance with the Company's Articles of Association, James Strachan, who was appointed a Director on 10th August 2009, offers himself for election. James Long, having served as a Director for a period of more than nine years, stands for re-election annually.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties.

Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and

(b) each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of 418(2) of the Companies Act 2006.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure

The Company's capital structure is summarised on the inside front cover of this report.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 15 to the Notice of AGM on page 58.

Notifiable Interests in the Company's Voting Rights

At the date of this report, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
City of London Investment Management Co. Ltd.	30,204,640	18.6
JPMorgan Asset Management (UK) Limited[1]	21,094,725	13.0
JPMorgan Chase Nominees[1,2]	12,215,273	7.5
Lazard Asset Management	8,615,880	5.3
Sarasin & Partners LLP	8,168,100	5.0
Legal & General Investment Management Ltd.	6,364,023	3.9
BAE System Pension Funds Investment Management Ltd.	5,462,500	3.4

[1]Non-beneficial.
[2]Held on behalf of JPMAM ISA and Share Plan participants.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or repurchase the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors to the Company and a resolution to re-appoint them and authorise the Directors to determine their remuneration for the ensuing year, will be proposed at the Annual General Meeting.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial advisor authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 8 and 9)

The Directors will seek renewal of the authority at the AGM to issue up to 16,250,210 Ordinary shares for cash up to an aggregate nominal amount of £4,062,552 such amount being equivalent to 10% of the present issued ordinary share capital as at the last practicable date before the publication of this document. The full text of the resolutions is set out in the Notice of Meeting on page 56. This authority will expire at the conclusion of the AGM of the Company in 2011 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares to participants purchasing shares through the JPMorgan savings products and also to other investors when the Directors consider that it is in the best interests of shareholders to do so. As such issues are only made at prices greater than the net asset value (the 'NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee which is charged on

Directors' Report continued

the value of the Company's assets, over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies. The Company currently does not hold any shares in the capital of the Company in Treasury.

(ii) Authority to repurchase the Company's shares for cancellation (resolution 10)

The authorities to repurchase (i) up to 14.99% of the Company's issued share capital, granted by shareholders at the 2009 AGM, and (ii) up to 14.99% of the Company's issued Subscription shares, granted by shareholders at the General Meeting of the Company held on 4th February 2009 will both expire on 3rd July 2010 unless renewed at the forthcoming AGM. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 10 gives the Company authority to buy back its own issued Ordinary shares and Subscription shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum of (i) 24,359,065 Ordinary shares, and (ii) 4,422,927 Subscription shares, representing approximately 14.99% of the Company's issued Ordinary shares and issued Subscription shares respectively, as at 11th December 2009 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 10 is passed at the AGM, Ordinary shares repurchased might not be cancelled but rather held as treasury shares and may subsequently be re-issued at a premium. The Company does not have authority to re-issue Ordinary shares from treasury at a discount to NAV, therefore any re-issue of Ordinary shares from treasury would be at a premium to the prevailing NAV. Any Subscription shares purchased by the Company shall be cancelled and shall not be held in treasury for re-issue or resale. As at 14th December 2009 (being the latest practicable date prior to the publication of this document), there were no warrants or options over Ordinary shares in the capital of the Company, other than the 29,505,851 Subscription shares in issue (each of which gives the holder thereof the right to subscribe for one Ordinary share) which represent 18.2% of the Company's issued Ordinary share capital. If the authority to purchase the Company's Ordinary shares was exercised in full (and the authority to purchase Subscription shares not exercised at all) then the Subscription shares would represent 21.4% of the Company's issued Ordinary share capital.

The full text of the resolution is set out in the Notice of Meeting on pages 56 and 57. 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 share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

(iii) Adoption of New Articles of Association (resolution 11)

The Company proposes to adopt new articles of association. These incorporate amendments to the current articles of association to reflect the changes in company law brought about by the Act which came into effect on 1st October 2009 and changes made to the Act in August 2009 to implement the EU Shareholder Rights Directive in the UK, as well as some minor technical or clarifying changes. The principal changes in the new articles of association proposed to be adopted at the 2009 AGM relate to shareholder meetings and resolutions, the Company's constitution and share capital.

In August 2009, changes were made to the provisions in the Act on company meetings by The Companies (Shareholders' Rights) Regulations 2009 ('Shareholders' Rights Regulations') to implement the EU Shareholder Rights Directive in the UK. The new articles incorporate amendments in relation to meetings to ensure consistency with the Act (as amended by the Shareholders' Rights Regulations).

Under the Act all provisions of the Company's memorandum, but most significantly the objects clause, are deemed to form part of the Company's articles from 1st October 2009. It is possible for the objects clause to be removed or amended by amending the articles by special resolution. It is not necessary under the Act for a company to set out its objects. The Act provides that, unless the articles state otherwise, a company's objects will be unrestricted.

One of the other key provisions of the memorandum which is deemed to form part of the Company's articles from 1st October 2009 is the restriction created by the existing authorised share capital statement. The Act removes the requirement for a company to place limits on its authorised share capital.

By adopting the new articles which do not contain the objects clause or the authorised share capital statement, the Company will remove these provisions, which would otherwise be deemed to form part of the Company's articles under section 28 of the Act, from its articles. For a more detailed explanation of these and other amendments please refer to the Appendix to this document on pages 59 to 62.

A copy of the current Articles of Association and the proposed new Articles of Association will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of JPMAM, Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ from the date of this report up until the close of the AGM. Copies will also be available at The Salters' Hall, 4 Fore Street, London EC2Y 5DE, being the place of the Annual General Meeting, for 15 minutes prior to, and during, the meeting.

Recommendation

The Board considers that resolutions 8 and 11 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which amount in aggregate to 63,132 Ordinary shares representing approximately 0.04% of the voting rights of the Company.

By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
15th December 2009

Corporate Governance

Compliance

The Company is committed to high standards of Corporate Governance. This statement, together with the Statement of Directors' Responsibilities on page 29, indicates how the Company has applied the principles of good governance of the Financial Reporting Council Combined Code 2008[1] (the 'Combined Code') and the AIC's Code of Corporate Governance[1], (the 'AIC Code'), which complements the Combined Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the Combined Code, insofar as they are relevant to the Company's business, and with the AIC Code throughout the year under review.

Role of the Board

A management agreement between the Company and JPMAM sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administration, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has previously been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's Corporate Governance and risk control arrangements.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

On an annual basis each Director submits a list of potential conflicts of interest for approval. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved for a period of one year. During the year the potential conflicts of interest were reviewed and considered by the Board. However, in future years they will be reviewed by the Nomination Committee which will then make a recommendation to the Board on whether or not the potential conflicts should be authorised.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Secretary, JPMAM, which is responsible to the Board for ensuring adherence to Board procedures and compliance with applicable rules and regulations.

Board Composition

The Board, chaired by James Long, consists of five non-executive Directors, all of whom are regarded by the Board as independent. The Chairman's independence was assessed upon his appointment and annually thereafter. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on page 15.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. Alun Evans, the Senior Independent Director, leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be elected by shareholders. Thereafter, a Director's appointment will run for a term of three years. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for the Director to seek an additional term. 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 Articles of Association require that Directors stand for re-election at least every three years. Any Director who has served for a period of more than nine years will stand for annual re-election.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the AGM.

[1] Copies of the Combined Code and the AIC Code may be found on the respective organisations' websites: www.frc.org.uk and www.theaic.co.uk

The Board recommends the re-election of James Long, who is subject to annual re-election as he has served as a Director of the Company for a period in excess of nine years. Before recommending the re-election of Mr Long, the Nomination Committee conducted a thorough review of his performance as Chairman and were satisfied that he continues to demonstrate effective leadership of the Company. Furthermore, having been appointed during the year, on 10th August 2009, James Strachan will stand for election at the forthcoming AGM. The Board recommends his election.

Meetings and Committees

The Board delegates certain responsibilities and functions to Committees. Details of membership of Committees are shown with the Directors' profiles on page 15. Directors who are not members of Committees may attend at the invitation of the Chairman.

During the year there were five Board meetings, plus a separate meeting devoted to strategy, two Audit Committee meetings, three Nomination Committee meetings and a number of additional Board meetings held in connection with the Company's bonus issue of Subscription shares.

The table below details the number of Board and Committee meetings attended by each Director.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Strategy Meetings Attended	Nomination Committee Meetings Attended
Alun Evans	5	2	1	3
Ronald Gould	5	2	1	3
James Long	5	2	1	3
James Strachan[1]	–	–	–	–
Andrew Sykes	5	2	1	3

[1] James Strachan was appointed to the Board on 10th August 2009 and attended his first meetings after the Company's year end.

Training and Appraisal

On appointment, the Manager provides all Directors with induction training. Thereafter, regular briefings are provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts.

The Board conducts a formal evaluation of the Manager, of its own performance and that of its Committees and individual Directors. External consultants may be used from time to time. For the current year, questionnaires were completed by each Director. The responses were discussed at a private meeting. The evaluation of individual Directors is led by the Chairman, and the Senior Independent Director leads the evaluation of the Chairman's performance. The Board as a whole evaluates the Manager, its own performance and that of its Committees.

Board Committees

Nomination Committee

The Nomination Committee, chaired by James Long, consists of all of the Directors and meets at least annually to ensure 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. A variety of sources, including external search consultants, may be used to ensure that a wide range of candidates is considered. The Board engaged the services of a recruitment consultancy with regard to the appointment of Mr Strachan.

The Nomination Committee also reviews the levels of remuneration of the Directors taking into account both boards of other trusts and corporate salaries to ensure that high quality people are attracted and retained.

Audit Committee

The Audit Committee, chaired by Andrew Sykes, consists of all Directors and meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee.

The Committee reviews the actions and judgements of the Manager in relation to the Half Year Report and Annual Report & 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. In the Directors' opinion the Auditors are considered independent.

Representatives of the Company's Auditors attend the Audit Committee meeting at which the Half Year Report and the Annual Report & Accounts are considered.

Corporate Governance continued

The Directors' statement on the Company's system of internal control is set out below.

Terms of Reference

Both the Nomination Committee and the Audit Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection on request at the Company's registered office and at the Company's Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and report formally to shareholders quarterly each year by way of the Annual Report & Accounts, the Half Year Report and two Interim Management Statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders are encouraged to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is usually given by the investment managers who review the Company's performance. During the year the Company's brokers, the investment managers and JPMAM hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Secretary whose details are shown on page 65.

The Company's Annual Report & Accounts is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Secretary at the address shown on page 65.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Internal Control

The Combined Code requires the Directors, at least annually, to review the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMAM. This arrangement is kept under annual review.

The key elements designed to provide effective internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Evaluation and appointment of a manager and custodian regulated by the Financial Services Authority ('FSA'), whose responsibilities are clearly defined in a written agreement.

Management Systems – The Manager's system of internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMAM's compliance department which regularly monitors compliance with FSA rules and reports to the Board.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- reviews the terms of the management agreement and receives regular reports from JPMAM's compliance department;
- reviews the report on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- reviews every six months an independent report on the internal controls and the operations of JPMAM.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal control for the year ended 30th September 2009, and to the date of approval of this Annual Report & Accounts.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The following is a summary of JPMAM's policy statement on corporate governance and voting policy which has been noted by the Board. The full policy is available from JPMAM on request, or can be downloaded from the internet as follows: go to www.jpmorganassetmanagement.co.uk/institutional and within the "Commentary & Analysis" tab you will find a section on Corporate Governance.

"JPMAM is committed to delivering superior investment performance to its clients worldwide. We believe that one of the drivers of investment performance is an assessment of the Corporate Governance principles and practices of the companies in which we invest our clients' assets and we expect those companies to demonstrate high standards of governance in the management of their business.

Proxy voting is an important part of the Corporate Governance process, and we view seriously our obligation to manage the voting rights of the shares entrusted to us, as we would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable we will vote at all of the meetings called by companies in which we are invested.

In order to do this we have formulated detailed guidelines for each region, which set out our stance on a variety of key corporate governance issues, including disclosure and transparency, board composition and independence, control structures, director independence and remuneration, as well as social and environmental issues. These guidelines form the basis of our proxy voting decisions, although it should be noted that JPMAM makes all of its voting decisions on a case by case basis, taking into account the individual circumstances of each vote."

Corporate Social Responsibility

The following is a summary of JPMAM's policy statement on corporate social responsibility which has been noted by the Board:

"We believe it is our primary duty to act in the best financial interests of our clients and to achieve good financial returns consistent with an acceptable level of risk. We recognise that non-financial issues, such as social and environmental issues, can have an economic impact and that any company run in the long-term interests of its shareholders will need to manage effectively relationships with its employees, suppliers and customers, to behave ethically and to have regard to the environment and society as a whole. Our investment managers take these factors into account as part of any investment decision."

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 421 to the Companies Act 2006. An ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on page 30.

Directors' Remuneration

(Audited Information) Director's Name	2009 £	2008 £
Alun Evans	18,667	18,000
Ronald Gould	18,667	18,000
James Long	28,667	27,500
Christopher Penn[1]	–	7,418
James Strachan[2]	2,897	–
Andrew Sykes	22,833	20,667
Total	91,731	91,585

[1] Resigned 1st February 2008.
[2] Appointed 10th August 2009.

With effect from 1st June 2009, Directors' fees were paid at a fixed rate of £31,000 (previously £27,500) per annum for the Chairman, £24,500 (previously £22,000) per annum for the Chairman of the Audit Committee and £20,000 (previously £18,000) per annum for each other Director.

The total Directors' fees of £91,731 (2008: £91,585) comprised £91,731 (2008: £81,918) in respect of aggregate emoluments paid to Directors and £nil (2008: £9,667) paid to third parties for making available the services of one Director.

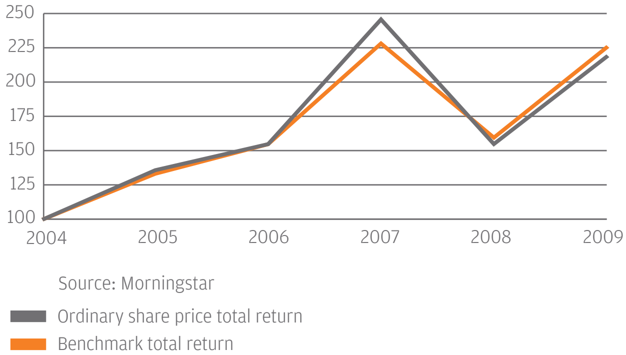
The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager and industry research on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The Directors' fees are not performance related. The Articles stipulate that aggregate fees must not exceed £150,000. Any increase in this amount requires both Board and shareholder approval.

The Company does not operate any type of incentive or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. The Directors do not have service contracts with the Company and are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out of pocket expenses incurred in connection with attending to the Company's business.

A graph showing the Company's Ordinary share price total return compared with its benchmark, the MSCI AC Asia ex Japan Index with net dividends reinvested in sterling terms over the last five years is shown below.

Five year Ordinary share price and benchmark total return to 30th September



By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
15th December 2009

Directors' Responsibilities in Respect of the Accounts

The Directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law, the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the Company as at the end of the year and of the total return for the year. In preparing those accounts, the Directors are required to:

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

The Directors confirm that they comply with these requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the Company's website at www.jpmasian.co.uk, which is maintained by the Company's Manager, JPMorgan Asset Management (UK) Limited ('JPMAM'). The maintenance and integrity of the website maintained by JPMAM is, so far as it relates to the Company, the responsibility of JPMAM.

Statement under the Disclosure & Transparency Rules 4.1.12

The Directors each confirm to the best of their knowledge that:

a) the accounts, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and

b) this Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
James M Long
Chairman
15th December 2009

Independent Auditors' Report

To the members of JPMorgan Asian InvestmentTrust plc

We have audited the accounts of JPMorgan Asian Investment Trust plc for the year ended 30th September 2009 which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 29, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; whether the significant accounting estimates made by the Directors are reasonable; the overall presentation of the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the Company's affairs at 30th September 2009 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 20, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the 2008 Combined Code specified for our review.

Ian Armfield (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, London

15th December 2009

Notes:

(a) The maintenance and integrity of the JPMorgan Asian Investment Trust plc website (www.jpmasian.co.uk) is the responsibility of the Manager; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the accounts since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Income Statement

for the year ended 30th September 2009

	Notes	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	2	–	98,117	98,117	–	(137,354)	(137,354)
Net foreign currency gains		–	1,723	1,723	–	1,570	1,570
Income from investments	3	5,306	–	5,306	6,658	–	6,658
Other interest receivable and similar income	3	57	–	57	622	–	622
Gross return/(loss)		5,363	99,840	105,203	7,280	(135,784)	(128,504)
Management fee	4	(1,637)	–	(1,637)	(2,126)	–	(2,126)
Performance fee writeback	4	–	–	–	–	2,501	2,501
Other administrative expenses	5	(607)	–	(607)	(732)	–	(732)
Net return/(loss) on ordinary activities before finance costs and taxation		3,119	99,840	102,959	4,422	(133,283)	(128,861)
Finance costs	6	(191)	–	(191)	(1,067)	–	(1,067)
Net return/(loss) on ordinary activities before taxation		2,928	99,840	102,768	3,355	(133,283)	(129,928)
Taxation	7	(451)	–	(451)	(618)	(168)	(786)
Net return/(loss) on ordinary activities after taxation		2,477	99,840	102,317	2,737	(133,451)	(130,714)
Return/(loss) per Ordinary share – diluted	9	1.52p	61.3p	62.65p	1.71p	(83.40)p	(81.69)p
Return/(loss) per Ordinary share – undiluted	9	1.55p	62.35p	63.90p	1.71p	(83.40)p	(81.69)p

A final dividend of 1.50p (2008: 1.70p) per share is proposed in respect of the year ended 30th September 2009, costing £2,407,000 (2008: £2,720,000). Further information on dividends is given in note 8 on page 40.

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

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.

The notes on pages35 to 53 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2007	40,002	4,347	977	3,009	106,481	217,084	2,506	**374,406**
Net (loss)/return on ordinary activities	–	–	–	–	–	(133,451)	2,737	**(130,714)**
Dividends appropriated in the year	–	–	–	–	–	–	(2,080)	**(2,080)**
At 30th September 2008	40,002	4,347	977	3,009	106,481	83,633	3,163	**241,612**
Bonus issue of Subscription shares	320	(320)	–	–	–	–	–	**–**
Subscription shares' issue costs	–	(352)	–	–	–	–	–	**(352)**
Exercise of Subscription shares into Ordinary shares	(5)	5	–	–	–	–	–	**–**
Issue of Ordinary shares on exercise of Subscription shares	113	507	–	–	–	–	–	**620**
Net return on ordinary activities	–	–	–	–	–	99,840	2,477	**102,317**
Dividends appropriated in the year	–	–	–	–	–	–	(2,720)	**(2,720)**
At 30th September 2009	40,430	4,187	977	3,009	106,481	183,473	2,920	**341,477**

The notes on pages 35 to 53 form an integral part of these accounts.

Balance Sheet
at 30th September 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**358,728**	225,104
Current assets	11		
Debtors		**2,125**	681
Cash and short term deposits		**14,985**	17,702
		17,110	18,383
Creditors: amounts falling due within one year	12	**(9,351)**	(1,823)
Net current assets		**7,759**	16,560
Total assets less current liabilities		**366,487**	241,664
Creditors: amounts falling due after more than one year			
Bank loan	13	**(25,010)**	–
Provisions for liabilities and charges			
Deferred tax	7	**–**	(52)
Total net assets		**341,477**	241,612
Capital and reserves			
Called up share capital	14	**40,430**	40,002
Share premium	15	**4,187**	4,347
Exercised warrant reserve	15	**977**	977
Capital redemption reserve	15	**3,009**	3,009
Other reserve	15	**106,481**	106,481
Capital reserves	15	**183,473**	83,633
Revenue reserve	15	**2,920**	3,163
Shareholders' funds		**341,477**	241,612
Net asset value per Ordinary share – diluted	16	**200.4p**	151.0p
Net asset value per Ordinary share – undiluted	16	**212.8p**	151.0p

The accounts on pages 31 to 53 were approved and authorised for issue by the Directors on 15th December 2009 and are signed on their behalf by:

James M Long
Director

The accompanying notes on pages 35 to 53 form an integral part of these accounts.

Cash Flow Statement

for the year ended 30th September 2009

	Notes	2009 £'000	2008 £'000
Net cash inflow from operating activities	17	**2,797**	1,802
Returns on investments and servicing of finance			
Interest paid		**(180)**	(1,118)
Taxation paid		**(341)**	–
Capital expenditure and financial investment			
Purchases of investments		**(578,441)**	(369,117)
Sales of investments		**542,930**	406,820
Settlement of futures contracts		**31**	500
Other capital charges		**(47)**	(23)
Net cash (outflow)/inflow from capital expenditure and financial investment		**(35,527)**	38,180
Dividend paid		**(2,720)**	(2,080)
Net cash (outflow)/inflow before financing		**(35,971)**	36,784
Financing			
Subscription shares' issue costs		**(352)**	–
Issue of Ordinary shares on exercise of Subscription shares		**620**	–
Bank loan drawn down/(repaid)		**31,928**	(42,725)
Net cash inflow/(outflow) from financing		**32,196**	(42,725)
Decrease in cash for the year	18	**(3,775)**	(5,941)

The accompanying notes on pages 35 to 53 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30th September 2009

1. Accounting Policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (the 'SORP') issued by the AIC in January 2009. All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments at fair value.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value which is bid market price for listed investments.

Gains and losses on sales of investments including the related foreign exchange gains and losses of a capital nature, performance fees realised and other capital receipts and payments, are dealt with in capital reserves within 'Gains and losses on sales of investments'. Increases and decreases in the valuation of investments held at the year end, provisions for performance fees and unrealised foreign exchange gains and losses are dealt with in capital reserves within 'Holding gains and losses on investments'.

All purchases and sales are accounted for on a trade date basis.

(c) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of any withholding tax.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest receivable and stock lending income are taken to revenue on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue with the following exceptions:

- performance fees are allocated 100% to capital;
- expenses incidental to the purchase of an investment are included within the cost of the investment and those incidental to the sale are deducted from the sale proceeds. These expenses are commonly referred to as transaction costs and include items such as stamp duty and brokerage commissions. Details of transaction costs are given in note 10 on page 41;
- Subscription shares' issue costs are charged to share premium.

(e) Finance costs

Finance costs are accounted for on an accruals basis and in accordance with the provisions of FRS 25 'Financial Instruments: Presentation' and FRS 26 'Financial Instruments: Measurement'.

Finance costs are allocated wholly to revenue.

Notes to the Accounts continued

for the year ended 30th September 2009

(f) Financial instruments

Cash and short term deposits may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other receivables and payables do not carry any interest, are short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method.

(g) Foreign currency

In accordance with FRS23: 'The effects of changes in Foreign Currency Exchange Rates' the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets and liabilities and equity investments held at fair value, denominated in foreign currencies at the year end, are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising on monetary assets from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature. Gains and losses on investments and loans arising from a change in exchange rates are included in 'Holding gains and losses on investments'.

(h) Taxation

Deferred taxation is accounted for in accordance with FRS 19: 'Deferred Tax'.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred taxation liabilities are recognised for all taxable timing differences but deferred taxation assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is allocated to capital.

(i) Dividends

In accordance with FRS 21: 'Events after the Balance Sheet Date', dividends are included in the accounts in the year in which they are approved by shareholders.

(j) VAT

Irrecoverable VAT is included in the expense on which it has been suffered. The basis on which it has been calculated is the partial exemption method using the proportion of taxable supplies to non taxable supplies.

	2009 £'000	2008 £'000
2. Gains/(losses) on investments held at fair value through profit or loss		
(Losses)/gains on sales of investments held at fair value through profit or loss based on historical cost	**(28,243)**	46,388
Amounts recognised in investment holding losses/(gains) in the previous year in respect of investments sold during the year	**51,064**	(70,931)
Gains/(losses) on sales of investments based on carrying value at previous balance sheet date	**22,821**	(24,543)
Net movement in investment holding gains and losses	**75,315**	(113,290)
Realised gains on futures contracts	**31**	500
Other capital charges	**(50)**	(21)
Total gains/(losses) on investments held at fair value through profit or loss	**98,117**	(137,354)

	2009 £'000	2008 £'000
3. Income		
Income from listed investments		
UK dividend income	**97**	–
Overseas dividends	**5,076**	6,492
Scrip dividends	**133**	166
	5,306	6,658
Other interest receivable and similar income		
Deposit interest	**53**	603
Stock lending fees	**4**	19
	57	622
Total income	**5,363**	7,280

	2009 £'000	2008 £'000
4. Management and performance fees		
Management fee	**1,637**	2,195
VAT recoverable[1]	**–**	(69)
	1,637	2,126
Performance fee writeback	**–**	(2,501)

[1] The Company ceased paying VAT on management fees with effect from 1st October 2007 following HM Revenue & Customs acceptance that investment trust management fees are not chargeable to VAT. The Company has since recovered £69,000 in respect of VAT paid in the past.

Notes to the Accounts continued

for the year ended 30th September 2009

	2009 £'000	2008 £'000
5. Other administrative expenses		
Other management expenses	**432**	558
Saving scheme costs[1]	**61**	61
Directors' fees[2]	**92**	92
Auditors' remuneration for audit services	**22**	21
Total	**607**	732

[1]Paid to JPMAM for the marketing of 'wrapper' products.

[2]Full disclosure is given in the Directors' Remuneration Report on page 28.

[3]Includes £3,000 (2008: £3,000) VAT.

	2009 £'000	2008 £'000
6. Finance costs		
Interest on bank loans and overdrafts	**191**	1,067

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
7. Taxation						
(a) Analysis of tax charge in the year						
UK corporation tax at 28% (2008: 29%)	**403**	**–**	**403**	1,036	151	1,187
Double taxation relief	**(170)**	**–**	**(170)**	(846)	–	(846)
Overseas withholding tax	**270**	**–**	**270**	393	–	393
Tax attributable to performance fee writeback to capital	**–**	**–**	**–**	(17)	17	–
Current tax charge for the year	**503**	**–**	**503**	566	168	734
Deferred tax	**(52)**	**–**	**(52)**	52	–	52
Total tax charge for the year	**451**	**–**	**451**	618	168	786

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000

7. Taxation continued

(b) Factors affecting current tax charge for the year

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Net return/(loss) on ordinary activities before taxation	**2,928**	**99,840**	**102,768**	3,355	(133,283)	(129,928)
Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 28% (2009: 29%)	**820**	**27,955**	**28,775**	973	(38,652)	(37,679)
Effects of:						
Non taxable capital (returns)/losses	**–**	**(27,955)**	**(27,955)**	–	39,377	39,377
Non taxable UK dividends	**(27)**	**–**	**(27)**	–	–	–
Non taxable overseas dividends	**(415)**	**–**	**(415)**	–	–	–
Non taxable scrip dividends	**(37)**	**–**	**(37)**	(48)	–	(48)
Tax payable on disposal of an offshore fund	**–**	**–**	**–**	–	151	151
Income taxed in different periods	**62**	**–**	**62**	94	–	94
Tax relief on performance fee capitalised	**–**	**–**	**–**	725	(725)	–
Overseas withholding tax	**270**	**–**	**270**	393	–	393
Prior year expenses and charges utilised	**–**	**–**	**–**	(708)	–	(708)
Double taxation relief	**(170)**	**–**	**(170)**	(846)	–	(846)
Tax attributable to performance fee writeback to capital	**–**	**–**	**–**	(17)	17	–
Current tax charge for the year	**503**	**–**	**503**	566	168	734

(c) Deferred taxation

The provision for deferred taxation at 30th September 2008 arose from timing differences in respect of overseas dividends which have reversed during the year. The movements on deferred taxation are as follows:

	2009 £'000	2008 £'000
Opening balance	**52**	–
(Credited)/charged to revenue return	**(52)**	52
Closing balance	**–**	52

Given the Company's status as an Investment Trust Company, and the intention to continue meeting the conditions required to obtain approval, the Company has not provided deferred taxation on any capital gains or losses arising on the revaluation or disposal of investments.

Notes to the Accounts continued

for the year ended 30th September 2009

	2009 £'000	2008 £'000
8. Dividends		
(a) Dividends paid and proposed		
2008 final dividend paid of 1.70p (2007: 1.30p)	**2,720**	2,080
2009 final dividend proposed of 1.50p (2008: 1.70p)	**2,407**	2,720

The final dividend proposed in respect of the year ended 30th September 2009 is subject to approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the accounts for the year ending 30th September 2010.

(b) Dividend for the purposes of Section 842 of the Income and Corporation Taxes Act 1988

The requirements of Section 842 of the Income and Corporation Taxes Act 1988 are considered on the basis of dividends proposed in respect of the financial year, as follows:

	2009 £'000	2008 £'000
Final dividend of 1.50p (2008: 1.70p)	**2,407**	2,720

The revenue available for distribution by way of dividend for the year is £2,477,000 (2008: £2,737,000).

	2009 £'000	2008 £'000
9. Return/(loss) per Ordinary share		
Return/(loss) per Ordinary share is based on the following:-		
Revenue return	**2,477**	2,737
Capital return/(loss)	**99,840**	(133,451)
Total return/(loss)	**102,317**	(130,714)
Weighted average number of Ordinary shares in issue during the year used for the purpose of the diluted calculation	**163,311,137**	160,007,154
Weighted average number of Ordinary shares in issue during the year used for the purpose of the undiluted calculation	**160,122,194**	160,007,154
Diluted		
Revenue return per Ordinary share	**1.52p**	1.71p
Capital return/(loss) per Ordinary share	**61.13p**	(83.40)p
Total return/(loss) per Ordinary share	**62.65p**	(81.69)p
Undiluted		
Revenue return per Ordinary share	**1.55p**	1.71p
Capital return/(loss) per Ordinary share	**62.35p**	(83.40)p
Total return/(loss) per Ordinary share	**63.90p**	(81.69)p

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 year as adjusted for the conversion of all outstanding Subscription shares into Ordinary shares at the year 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 year. 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 year is treated as an issue of Ordinary shares for no consideration.

There was no dilution to the returns for the year ended 30th September 2008 as there were no dilutive potential Ordinary shares in issue at that date.

	2009 £'000	2008 £'000
10. Investments		
Investments listed on a recognised investment exchange	**358,728**	225,104

	£'000	£'000
Opening book cost	**286,335**	284,147
Opening investment holding (losses)/gains	**(61,231)**	122,990
Opening valuation	**225,104**	407,137
Movement in the year:		
Purchases at cost	**579,918**	362,962
Sales - proceeds	**(544,430)**	(407,162)
Gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	**22,821**	(24,543)
Net movement in investment holding gains and losses	**75,315**	(113,290)
Total	**358,728**	225,104
Closing book cost	**293,580**	286,335
Closing investment holding gains/(losses)	**65,148**	(61,231)
Total	**358,728**	225,104

Transaction costs on purchases during the year amounted to £1,281,000 (2008: £752,000) and on sales during the year amounted to £1,465,000 (2008: £1,067,000). These costs mainly comprise brokerage commission.

During the year, prior year unrealised gains amounting to £51,064,000 have been transferred to realised gains as disclosed in note 15 on page 44.

Notes to the Accounts continued

for the year ended 30th September 2009

	2009 £'000	2008 £'000
11. Current assets:		
Debtors		
Securities sold for future settlement	**1,842**	342
Dividends and interest receivable	**235**	230
Other debtors	**48**	40
Recoverable VAT	**–**	69
Total	**2,125**	681

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and short term deposits

Cash and short term deposits comprises bank balances and short term bank deposits. The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

	2009 £'000	2008 £'000
12. Creditors: amounts falling due within one year		
Securities purchased for future settlement	**2,630**	1,286
Bank loan	**6,253**	–
Other creditors and accruals	**235**	196
Tax payable	**233**	341
Total	**9,351**	1,823

The bank loan represents US$10.0 million drawn down on the Company's multi currency loan facility with ING Bank. Further details are given in note 20(a)(ii) on page 49.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

	2009 £'000	2008 £'000
13. Creditors: amounts falling due after more than one year		
Bank loan	**25,010**	–

The bank loan represents US$40.0 million drawn down on the Company's multi currency loan facility with Lloyds TSB. Further details are given in note 20(a)(ii) on page 49.

The Directors consider that the carrying amount of creditors falling due after more than one year approximates to their fair value.

	2009 £'000	2008 £'000
14. Called up share capital		
Authorised:		
720,000,000 (2008: 720,000,000) Ordinary shares of 25p each	**180,000**	180,000
35,000,000 (2008: nil) Subscription shares of 1p each	**350**	–
	180,350	180,000
Issued and fully paid:		
Ordinary shares of 25p each		
Opening balance of 160,007,154 (2008: 160,007,154) Ordinary shares	**40,002**	40,002
Issue of 452,920 (2008: nil) Ordinary shares on exercise of Subscription shares	**113**	–
Closing balance[1]	**40,115**	40,002
Subscription shares of 1p each		
32,000,805 (2008: nil) Subscription shares	**320**	–
Conversion of 452,920 Subscription shares into Ordinary shares	**(5)**	–
Closing balance[2]	**315**	–

[1] Represented by 160,460,074 (2008: 160,007,154) Ordinary shares of 25p each.

[2] Comprises 31,547,885 (2008: nil) Subscription shares of 1p each. The Subscription shares were issued as a bonus issue to the Ordinary shareholders on 3rd February 2009 on the basis of one Subscription share for every five Ordinary shares. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day between 1st April 2009 until 31st March 2014, after which the rights on the Subscription shares will lapse. During the year, holders of 452,920 Subscription shares excercised their right to convert those shares into Ordinary shares at a price of 137 pence, giving a total consideration received of £620,000. The conversion prices have been determined as follows:

(a) if exercised on any day between and including 1st April 2009 and 31st March 2010 – 137 pence.

(b) if exercised on any day between and including 1st April 2010 and 31st March 2012 – 176 pence.

(c) if exercised on any day between and including 1st April 2012 and 31st March 2014 – 203 pence.

	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves: Gains and losses on sale of investments £'000	Capital reserves: Holding gains and losses on investments £'000	Revenue reserve £'000
15. Reserves							
Opening balance	4,347	977	3,009	106,481	144,864	(61,231)	3,163
Exchange gains on cash and short term deposits	–	–	–	–	1,058	–	–
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	22,821	–	–
Investment holding gains	–	–	–	–	–	75,315	–
Transfer on disposal of investments	–	–	–	–	(51,064)	51,064	–
Realised gains on futures contracts	–	–	–	–	31	–	–
Bonus Issue of Subscription shares	(320)	–	–	–	–	–	–
Subscription shares' issue costs	(352)	–	–	–	–	–	–
Conversion of Subscription shares into Ordinary shares	5	–	–	–	–	–	–
Issue of Ordinary shares on exercise of Subscription shares	507	–	–	–	–	–	–
Unrealised exchange gains on foreign currency loans	–	–	–	–	–	665	–
Other capital charges	–	–	–	–	(50)	–	–
Dividends appropriated in the year	–	–	–	–	–	–	(2,720)
Net revenue for the year	–	–	–	–	–	–	2,477
Closing balance	4,187	977	3,009	106,481	117,660	65,813	2,920

	2009 £'000	2008 £'000
16. Net asset value per Ordinary share		
Diluted:		
Ordinary shareholders' funds assuming exercise of Subscription shares (£'000)	**384,698**	241,612
Number of potential Ordinary shares in issue	**192,007,959**	160,007,154
Net asset value per Ordinary share (pence)	**200.4**	151.0
Undiluted:		
Ordinary shareholders' funds (£'000)	**341,477**	241,612
Number of Ordinary shares in issue	**160,460,074**	160,007,154
Net asset value per Ordinary share (pence)	**212.8**	151.0

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end . There were no dilutive potential Ordinary shares in issue at 30th September 2008.

	2009 £'000	2008 £'000
17. Reconciliation of total return/(loss) on ordinary activities before finance costs and taxation to net cash inflow from operating activities		
Total return/(loss) on ordinary activities before finance costs and taxation	**102,959**	(128,861)
Less capital (return)/loss on ordinary activities before finance costs and taxation	**(99,840)**	133,283
Scrip dividends received as income	**(133)**	(166)
(Increase)/decrease in accrued income	**(5)**	301
Decrease in other debtors	**61**	4
Increase in accrued expenses	**25**	26
Performance fee paid	**–**	(2,392)
Overseas taxation	**(270)**	(393)
Net cash inflow from operating activities	**2,797**	1,802

	At 30th September 2008 £'000	Cashflow £'000	Exchange movement £'000	At 30th September 2009 £'000
18. Analysis of changes in net funds/(debt)				
Cash and short term deposits	17,702	(3,775)	1,058	**14,985**
Bank loans	–	(31,928)	665	**(31,263)**
Net funds/(debt)	17,702	(35,703)	1,723	**(16,278)**

19. Transactions with JPMorgan

Details of the management agreement are set out in the Directors' Report on page 19. The terms make allowance for the exclusion of management charges on investments held in funds managed by JPMorgan Asset Management ('JPMAM'). The fee payable to JPMAM for the year was £1,637,000 (2008: £2,195,000) of which £nil (2008: £nil) was outstanding at the year end.

There is no (2008: £nil) performance fee payable for the year ended 30th September 2009.

Expenses amounting to £61,000 (2008: £60,000) were payable to JPMAM for the marketing of its savings products of which £nil (2008: £nil) was outstanding at the year end.

Included in other management expenses in note 5 on page 38 are safe custody fees amounting to £142,000 (2008: £273,000) of which £47,000 (2008: £67,000) was outstanding at the year end. These fees were paid to third party custodians by JPMorgan Chase on behalf of the Company.

JPMAM carries out some of its dealing transactions through group subsidiaries. These transactions are carried out at arms' length. The commission payable to JPMorgan Securities for the year was £141,000 (2008: £147,000) of which £nil (2008: nil) was outstanding at the year end. Handling charges, incurred on dealing transactions undertaken by overseas custodians during the year, amounting to £50,000 (2008: £21,000) were payable to JPMorgan Chase of which £10,000 (2008: £7,000) was outstanding at the year end.

The Company has received £4,000 (2008: £19,000) from stock lending transactions during the year. JPMAM commissions in respect of such transactions amounted to £1,000 (2008: £5,000).

Notes to the Accounts continued

for the year ended 30th September 2009

During the year, the Company sold its Investment in the JPMorgan Funds JF India Fund which is managed by JPMorgan Asset Management. At 30th September 2008 this was valued at £4.5 million and represented 2.0% of the Company's investment portfolio. During the year the Company made no purchases (2008: £nil) and sales with a total value of £3.7 million (2008: £21.4 million). The Company received no (2008: £nil) income from this investment during the year.

At the year end, a bank balance of £14,985,000 (2008: £17,702,000) was held with JPMorgan Chase and placed on deposit with an approved list of banks. A net amount of interest of £45,000 (2008: £63,000) was receivable by the Company during the year from JPMorgan Chase.

20. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the Features page. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's financial instruments may comprise the following:

- investments in equity shares of overseas companies which are held in accordance with the Company's investment objective;

- short term debtors, creditors and cash arising directly from its operations;

- index futures and currency transactions for hedging purposes;

- multi currency loan facilities with Lloyds TSB and ING.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks, and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and the currency in which it reports). As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Foreign currency borrowing may be used to limit the Company's exposure to anticipated changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. This borrowing would be limited to currencies and amounts commensurate with the asset exposure to those currencies. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements.

20. Financial instruments' exposure to risk and risk management policies (continued)

Foreign currency exposure

The fair values of the Company's monetary items that have foreign currency exposure at 30th September are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2009							
	Hong Kong Dollars and China Renminbi £'000	S. Korea Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	India Rupees £'000	US Dollars £'000	Other £'000	Total £'000
Debtors (securities sold for future settlement, dividends and interest receivable)	147	1,602	240	–	–	73	15	2,077
Cash and short term deposits	910	–	1,809	60	15	12,009	–	14,803
Creditors (securities purchased for future settlement and accrued expenses)	(207)	(1,495)	–	(928)	–	–	–	(2,630)
Bank loans	–	–	–	–	–	(31,263)	–	(31,263)
Forward currency contracts	–	–	–	134	–	(134)	–	–
Foreign currency exposure on net monetary items	850	107	2,049	(734)	15	(19,315)	15	(17,013)
Equity investments held at fair value	129,321	54,552	47,774	40,552	33,747	6,971	45,811	358,728
Total net foreign currency exposure	130,171	54,659	49,823	39,818	33,762	(12,344)	45,826	341,715

	2008							
	Hong Kong Dollars and China Renminbi £'000	S. Korea Won £'000	Singapore Dollars £'000	US Dollars £'000	Taiwan Dollars £'000	India Rupees £'000	Other £'000	Total £'000
Debtors (securities sold for future settlement, dividends and interest receivable)	119	–	–	–	84	–	342	545
Cash and short term deposits	–	–	–	11,321	5,617	–	364	17,302
Creditors (securities purchased for future settlement and accrued expenses)	(363)	–	(758)	–	(165)	–	–	(1,286)
Foreign currency exposure on net monetary items	(244)	–	(758)	11,321	5,536	–	706	16,561
Equity investments held at fair value	85,013	42,832	38,773	11,262	14,891	11,262	21,071	225,104
Total net foreign currency exposure	84,769	42,832	38,015	22,583	20,427	11,262	21,777	241,665

The above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

Notes to the Accounts continued

for the year ended 30th September 2009

20. Financial instruments' exposure to risk and risk management policies (continued)

Foreign currency sensitivity

The following tables illustrate the sensitivity of profit after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's overseas income and monetary currency financial instruments held at each balance sheet date and assumes a 10% (2008: 20%) appreciation or depreciation in sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened this would have had the following effect:

	2009 £'000	2008 £'000
Income statement – return after taxation		
Revenue return	521	1,298
Capital return	(1,701)	3,312
Total return after taxation for the year	(1,180)	4,610
Net assets	(1,180)	4,610

Conversely if sterling had strengthened this would have had the following effect:

	2009 £'000	2008 £'000
Income statement return after taxation:		
Revenue return	(521)	(1,298)
Capital return	1,701	(3,312)
Total return after taxation for the year	1,180	(4,610)
Net assets	1,180	(4,610)

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole year. The sensitivity with regard to the Company's investments and foreign currency is subsumed into other price risk sensitivity on page 51.

(ii) Interest rate risk

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.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's actual gearing range may fluctuate between 90% and 120%.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the loan facilities. However, amounts drawn down on these facilities are for short term periods and therefore exposure to interest rate risk is not significant.

20. Financial instruments' exposure to risk and risk management policies (continued)

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below.

	2009 £'000	2008 £'000
Exposure to floating interest rates:		
Cash and short term deposits	**14,985**	17,702
Creditors: amounts falling due within one year		
– Bank loan	**(6,253)**	–
Creditors: amounts falling due after more than one year		
– Bank loan	**(25,010)**	–
Total exposure	**(16,278)**	17,702

Interest receivable on cash balances is at a margin below LIBOR.

The Company has a £25 million multi currency revolving loan facility with Lloyds TSB which expires in May 2011. Under the terms of this agreement the Company may draw up to £25 million at an interest rate of LIBOR as offered in the market for the relevant currency and loan period plus a margin of 0.45% plus the 'Mandatory Costs Rate', which is the lender's cost of complying with certain regulatory requirements. The most restrictive covenants for this facility state that the total borrowings of the Company are not to exceed 40% of the net asset value, after deducting (a) the amount by which the value of any single investment exceeds 10% of the total value of assets of the Company and (b) the value of any investments in any company with a market capitalisation of less than £150,000,000. Furthermore the Company's investment portfolio must hold a minimum of 20 separate businesses. At 30th September 2009, the Company had drawn down US$40.0 million (£25.0 million) on this facility at an interest rate of 0.7%. The Company had not drawn on this facility at 30th September 2008.

During the year, the Company arranged a £20 million 364 day multi currency loan facility with ING Bank. Under the terms of this agreement, the Company may draw down up to £20 million at an interest rate of LIBOR as offered in the market for the relevant currency and loan period plus a margin of 2.10% plus the 'Mandatory Costs Rate.' The most restrictive covenants for this facility state that the total borrowings of the Company are not to exceed 35% of the net asset value, after deducting (a) the amount by which the value of any single investment exceeds 10% of the total value of assets of the Company and (b) 100% of the value of any unlisted investments (c) 100% of the market value of any listed investments where the investments are listed on stock exchanges located in countries whose long terms foreign currency Standard & Poors (or equivalent) ratings are either below BBB- or unrated. Furthermore the Company must ensure that its adjusted net asset value does not fall below £100,000,000 at any time. The Company had drawn US$10.0 million (£6.3 million) on this facility at 30th September 2009 at an interest rate of 2.385%.

The exposure to floating interest rates has fluctuated during the year as follows:

	2009 £'000	2008 £'000
Maximum debit interest rate exposure to floating rates – net loan balances	**(18,836)**	(27,557)
Maximum credit interest rate exposure to floating rates – net cash balances	**15,377**	17,702

Interest rate sensitivity

The following table illustrates the sensitivity of the revenue after taxation for the year and net assets to a 1% (2008: 1%) increase or decrease in interest rates in regard to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date, with all other variables held constant.

20. Financial instruments' exposure to risk and risk management policies (continued)

	2009 1% increase in rate £'000	2009 1% decrease in rate £'000	2008 1% increase in rate £'000	2008 1% decrease in rate £'000
Income statement – return after taxation				
Revenue return	**(163)**	**163**	177	(177)
Capital return	**–**	**–**	–	–
Total return after taxation for the year	**(163)**	**163**	177	(177)
Net assets	**(163)**	**163**	177	(177)

In the opinion of the Directors, the above sensitivity analysis may not be representative of the whole year, as the level of exposure to floating interest rates has fluctuated as shown above. The highest amount drawn down on the loan facilities during the year amounted to £31.3 million (2008: £40.9 million) and the interest rate on these drawings fluctuated between 0.7% and 2.4% (2008: 2.9% and 5.8%).

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk reward profile.

Other price risk exposure

The Company's exposure to changes in market prices at 30th September comprises its holdings in equity investments as follows:

	2009 £'000	2008 £'000
Equity investments held at fair value through profit or loss	358,728	225,104

The above data is broadly representative of the exposure to other price risk during the year.

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 11 and 12. This shows that the portfolio comprises investments quoted on Asian stockmarkets. Accordingly there is a concentration of exposure to that region. However it should be noted that an investment may not necessarily be wholly exposed to the economic conditions in its country of domicile.

20. Financial instruments' exposure to risk and risk management policies (continued)

Other price risk sensitivity

The following table illustrates the sensitivity of net assets to an increase or decrease of 10% (2008: 20%) in the fair value of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and adjusting for change in the management fee, but with all other variables held constant.

	2009		2008	
	10% increase in fair value £'000	10% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	(269)	269	(338)	338
Capital return	35,873	(35,873)	45,021	(45,021)
Total return after taxation for the year and net assets	35,604	(35,604)	44,683	(44,683)

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in settling financial liabilities as they fall due.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements. Bank loan facilities are used to gear the Company as appropriate. Details of the current facilities are given in part (a) (ii) to this note on page 49.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	2009			2008		
	Three months or less £'000	More than one year £'000	Total £'000	Three months or less £'000	More than one year £'000	Total £'000
Creditors: amounts falling due within one year						
Securities purchased for future settlement	2,630	–	2,630	1,286	–	1,286
Bank loan	6,253	–	6,253	–	–	–
Other creditors and accruals	235	–	235	196	–	196
Tax payable	233	–	233	341	–	341
Creditors : amounts falling due after more than one year						
Bank loan	–	25,010	25,010	–	–	–
	9,351	25,010	34,361	1,823	–	1,823

Notes to the Accounts continued

for the year ended 30th September 2009

20. Financial instruments' exposure to risk and risk management policies (continued)

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in a loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager regularly monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash

Counterparties are subject to daily credit analysis by the Manager and trades can only be placed with counterparties that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

Exposure to JPMorgan Chase

The Company's assets are clearly ring-fenced in client designated accounts. Therefore, in the event that JPMorgan Chase were to cease trading, these assets would be protected.

Credit risk exposure

The amounts shown in the balance sheet under debtors and cash and short term deposits represent the maximum exposure to credit risk at the current and comparative year end.

Cash and short term deposits comprises balances held at banks that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

There were no securities on loan at 30th September 2009. The highest value of securities on loan during the year ended 30th September 2009 amounted to £2,665,000. Collateral is obtained by JPMorgan Asset Management and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency. Collateral acceptable under the Stock Lending Agreement may comprise: cash in sterling, euros or US dollars, Eurozone government securities, UK government securities and US government securities.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the balance sheet at fair value or the carrying amount in the balance sheet is a reasonable approximation of fair value.

21. Capital management policies and procedures

The Company's capital comprises the following:

	2009 £'000	2008 £'000
Debt:		
Bank loan falling due within one year	**6,253**	–
Bank loan falling due after more than one year	**25,010**	–
	31,263	–
Equity:		
Share capital	**40,430**	40,002
Reserves	**301,047**	201,610
	341,477	241,612
Total debt and equity	**372,740**	241,612

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit actual gearing within the range 90% to 120%. Gearing for this purpose is defined as investments expressed as a percentage of total net assets.

	2009 £'000	2008 £'000
Investments	**358,728**	225,104
Net assets	**341,477**	241,612
Gearing	**105.1%**	93.2%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;

- the need to buy back equity shares for cancellation, which takes into account the share price discount or premium; and

- the need for issues of new shares.

Shareholder Analyses

At 30th September 2009

Ordinary shares	Number of shares	% Holding
Unit Trusts	37,187,001	23.2
Pension Funds	32,732,011	20.4
Other Institutions	11,385,504	7.1
Insurance Companies	6,853,166	4.3
Investment Trusts[1]	6,554,649	4.1
Charities	2,678,053	1.7
Foreign Governments	1,844,010	1.1
UK Government	13,625	0.0
Total Institution Holdings	99,248,019	61.9
Private Client Brokers	29,051,164	18.0
Retail investors holding shares directly or through nominee accounts[2]	17,666,884	11.0
Individuals in the Investment Trust Share Plan[3]	10,047,700	6.3
Individuals in the Investment Trust Individual Savings Account[3]	2,805,497	1.8
Individuals in the Investment Trust Pension Account[3]	1,640,810	1.0
Total Retail Holdings	61,212,055	38.1
Total Ordinary Shares in Issue	160,460,074	100.0

Nominee accounts have been allocated to their appropriate category.

[1]Includes 5,059,147 shares held by JPMorgan Elect plc.

[2]Includes shares below 10,000 threshold.

[3]Savings products managed by JPMorgan.

Source: Thomson Reuters.

Shareholder Analyses continued

At 30th September 2009

Subscription Shares	Number of shares	% Holding
Unit Trusts	6,455,307	20.5
Pension Funds	5,710,494	18.1
Investment Trusts[1]	2,119,864	6.7
Insurance Companies	2,029,031	6.4
Other Institutions	2,291,884	7.2
Foreign Government	292,453	0.9
Charities	124,566	0.4
Total Institution Holdings	19,023,599	60.2
Retail investors holding shares directly or through nominee accounts[2]	4,759,642	15.1
Private Client Brokers	4,975,251	15.8
Individuals in the Investment Trust Share Plan[3]	2,059,364	6.5
Individuals in the Investment Trust Individual Savings Account[3]	427,447	1.4
Individuals in the Investment Trust Pension Account[3]	302,582	1.0
Total Retail Holdings	12,524,286	39.8
Total Subscription Shares in Issue	31,547,885	100.0

Nominee accounts have been allocated to their appropriate category.

[1]Includes 905,843 shares held by JPMorgan Elect plc.

[2]Includes shares below 10,000 threshold.

[3]Savings products managed by JPMorgan.

Source: Thomson Reuters.

Notice of Annual General Meeting

Notice is hereby given that the thirteenth Annual General Meeting of JPMorgan Asian Investment Trust plc will be held at The Salters' Hall, 4 Fore Street, London, EC2Y 5DE on Monday 1st February 2010 at 12.00 noon for the following purposes:

1 To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th September 2009.

2 To approve the Directors' Remuneration Report for the year ended 30th September 2009.

3 To declare a final dividend on the Ordinary shares.

4 To re-elect Mr James Long as a Director.

5 To elect Mr James Strachan as a Director.

6 To re-appoint PricewaterhouseCoopers LLP as Auditors to the Company.

7 To authorise the Directors to determine the remuneration of the Auditors.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

8 THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £4,062,552, representing approximately 10% of the Company's issued Ordinary share capital as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

9 THAT subject to the passing of Resolution 8 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 8 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £4,062,552 representing approximately 10% of the issued Ordinary share capital as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 8 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

10 THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares and Subscription shares on such terms and in such manner as the Directors may from time to time determine.

PROVIDED ALWAYS THAT

(i) the maximum number of Ordinary shares and Subscription shares hereby authorised to be purchased shall be 24,359,065 and 4,422,927 respectively, or if less, that number of Ordinary shares or Subscription shares which is equal to 14.99% of the issued share capital of the relevant share class as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for an Ordinary share or Subscription share shall be 25 pence and 1 pence respectively;

(iii) the maximum price which may be paid for a share shall be an amount equal to the highest of (a) 105% of the average of the middle market quotations for a share of that class of share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased or (b) the price of the last independent trade; or (c) the highest current independent bid;

(iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 30th June 2011 unless the authority is renewed at the Company's Annual General Meeting in 2011 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of shares pursuant to any such contract.

Adoption of new Articles of Association – Special Resolution

11 THAT (i) the Articles of Association of the Company be amended by deleting all the provisions formerly in the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and

(ii) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
15th December 2009

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.

3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the meeting or adjourned meeting.

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative(s) may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous AGM; which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting or if it would involve the disclosure of confidential information.

10. Under sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in had copy or electronic form, must identify the

Notice of Annual General Meeting continued

resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanies by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmasian.co.uk.

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of meeting to communicate with the Company for any purposes other than those expressly stated.

15. As at 14th December 2009 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 162,502,108 Ordinary shares, carrying one vote each and 29,505,851 Subscription shares with no voting rights. Therefore the total voting rights in the Company are 162,502,108.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Appendix

Explanatory Notes to Resolution 11

The Companies Act 2006 (the '2006 Act'), which is replacing the Companies Act 1985 (the '1985 Act') has been implemented in stages but is fully in force from 1st October 2009. In addition, the Shareholders' Rights Regulations which amend certain provisions of the 2006 Act relating to meetings of the Company came into force in August 2009. Under Resolution 11, the Company is adopting new Articles of Association (the 'Articles') which will reflect the changes in company law brought about by the Shareholders' Rights Regulations and by the provisions of the 2006 Act which came into effect on or before 1st October 2009. The Articles also include some other modernising and clarifying amendments, including, where appropriate, adopting the wording of the new model form articles for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 (the 'model form articles'), which are replacing the Table A articles under the 1985 Act on which many of the Company's current articles are based. Set out below is a summary of the principal changes.

1. The Company's objects

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The provisions governing the operations of the Company are currently set out in both its memorandum of association and its articles of association. Under the 2006 Act, the memorandum no longer contains an objects clause and simply records the names of the subscribers and the number of shares which each subscriber agreed to take in the Company. Under Section 28 of the 2006 Act, the objects clause and all other provisions in the memorandum are treated as part of the articles with effect from 1st October 2009 but the Company can remove these provisions by special resolution. Unless the articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1st October 2009. Resolution 11 confirms the removal of these provisions and adopts the new Articles.

2. Limited liability (Article 3)

Under the 2006 Act, the memorandum of association also no longer contains a clause stating that the liability of the members of a company is limited. For existing companies, this statement is automatically treated as having moved into the articles on 1st October 2009. As noted in paragraph 1 above, Resolution 11 confirms the removal, from the Company's articles of association, of the provisions of the Company's memorandum of association which are treated as forming part of the Company's articles of association by virtue of Section 28 of the 2006 Act, which includes the statement of limited liability. An explicit statement of the members' limited liability is therefore included in the new Articles.

3. Authorised share capital and unissued shares

The 2006 Act abolishes the concept of authorised share capital and under the 2006 Act, the memorandum of association no longer contains a statement of the Company's authorised share capital. For existing companies, this statement is deemed to be a provision of the Company's articles of association setting out the maximum amount of shares that may be allotted by the Company. The adoption of the new Articles by the Company will have the effect of removing this provision relating to the maximum amount. Directors will still need to obtain the usual shareholders' authorisation in order to allot shares.

References to authorised share capital and to unissued shares have therefore been removed from the new Articles.

4. Redeemable shares (Article 5)

Under the 2006 Act, the articles of association need not include the terms on which redeemable shares may be redeemed. The Directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the articles. The new Articles contain such authorisation.

5. Share certificates (Article 13)

The new Articles contain new provisions for the issue of consolidated share certificates, in line with the model form articles.

6. Transfer of shares (Articles 31 and 32)

The provision which gave the ability to suspend the registration of transfers of shares for periods not exceeding 30 days in any one year has been removed from the new Articles as there is no ability under the 2006 Act to close the register.

7. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital (Article 44)

Under the 1985 Act, a company required specific authorisations in its articles of association to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital. Under the 2006 Act, public companies do not require specific authorisations in their articles of association to undertake these actions, but shareholder authority is still

Appendix continued

required. Amendments have been made to the new Articles to reflect these changes.

8. Participation in meetings at different places and by electronic means (Article 55)

Amendments made to the 2006 Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The new Articles include amendments to provide greater scope for members to participate in meetings of the Company even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations, but also by any other electronic means of participation.

9. Adjournments (Article 57)

The Shareholders' Rights Regulations add a provision to the 2006 Act which requires that, when a general meeting is adjourned due to lack of quorum, at least ten days' notice must be given to reconvene the meeting. The new Articles include amendments to the provisions dealing with notice of adjourned meetings to make them consistent with this new requirement.

10. Removal of chairman's casting vote

Pursuant to changes brought about by the Shareholders' Rights Regulations, a traded company is no longer permitted to allow the chairman to have a casting vote in the event of an equality of votes. Accordingly, this provision has been removed in the new Articles.

11. Voting rights (Article 66)

The Shareholders' Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, he has one vote on a show of hands unless he has been appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been appointed by more than one member to vote for the resolution and by more than one member to vote against the resolution. Where a corporate member appoints representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The new Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

12. Voting record date (Article 67)

The new Articles include a new provision which was not previously in the Company's articles of association, dealing with the method for determining which persons are allowed to attend or vote at a general meeting of the Company and how many votes each person may cast. Under this new provision, when convening a meeting the Company may specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This new provision is in line with a requirement for listed companies introduced by the Shareholders' Rights Regulations.

13. Validity of votes (Article 71)

Following the implementation of the Shareholders' Rights Regulations, proxies are expressly required to vote in accordance with instructions given to them by members. The new Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with his instructions.

14. Termination of proxy authority (Article 77)

Article 77 provides that the termination of a proxy's authority should be in writing as this is required by the Shareholders' Rights Regulations.

15. Corporate representatives (Article 79)

The new Articles provide that the Company can require a corporate representative to produce a certified copy of the resolution appointing him before permitting him to exercise his powers.

16. Retirement of directors by rotation (Articles 85 and 86)

The new Articles have been redrafted in order to make this provision clearer and to ensure (as far as possible) a regular number of retiring directors each year, with the number to retire being the number nearest to one-third of the board, excluding those directors who are retiring and seeking re-election for other reasons. Article 85 continues to comply with Combined Code provision A.7.1 which recommends that all directors should be subject to re-election at intervals of no more than three years. New Article 86 requires any non-executive director who has held office for nine years or more to put himself up for re-election at each annual general meeting. This is in line with Combined Code provision A.7.2.

17. Alternate directors (Articles 92, 94 and 96)

Article 92 now clarifies that an alternate director is entitled to be paid expenses (but not directors' fees). Article 94 is a new provision which effectively applies the provisions of Article 90, regarding removal of directors, to alternate directors. Article 96(c) makes it clear that an alternate is subject to the same restrictions as the director who appointed him.

18. Borrowing powers (Article 98)

A number of presentational and descriptive amendments have been made to the borrowing powers provision:

(i) Article 98(1)(a) – a reference has been added to amounts "credited as paid up" on share capital to clarify that these should be included as well as amounts actually paid up.

(ii) Article 98(1)(b) – this has been amended to refer to total of "any credit balance on the distributable and undistributable reserves of the Group", to clarify that all reserves of the Group will be relevant for the calculation and to reflect the language used by those preparing the accounts. The reference to "including share premium account, capital redemption reserve and credit balance on the profit and loss account reserve" has therefore been deleted.

(iii) Article 98(1) – the last paragraph has been amended to allow the Company also to adjust for variations in its capital redemption reserve since the balance sheet date as the directors may reasonably consider to be appropriate.

(iv) Articles 98(1)(a) and 98(3)(e) – additional wording has been included to clarify how any preference shares that might be issued should be treated for the purposes of the borrowing powers. Under IFRS and UK GAAP preference shares are now treated as a debt on a company's balance sheet, rather than equity. The additional wording included in Articles 104(3)(c) and 104(1)(e) reflects this accounting treatment. The effect of this wording is to exclude the amount of any preference share capital from the calculation of the Company's share capital and reserves and to include such amount in the calculation of the Company's borrowings.

19. Delegation to persons or committees (Article 99)

Article 99 follows the new, simplified approach to delegation adopted in the model form articles, allowing the directors to delegate as they decide appropriate.

20. Directors' appointments, interests and conflicts of interest (Article 104)

Article 104, which is the provision for dealing with conflicts in our current articles, allowing directors to be interested in transactions and to be an officer of or employed by or interested in a body corporate in which the Company is interested provided that he has disclosed his interest in accordance with the articles and the provisions of the Acts, has been amended so that it contains provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict falls within the situations covered by Article 104.

21. Procedures regarding board meetings & resolution in writing (Articles 106 & 109)

The provisions of Article 106 have been amended to make it clear that notice of a board meeting may be given personally, by telephone, in hard copy or in electronic form. The requirements for giving notice to directors who are not in the United Kingdom have also been clarified. In order to clarify the procedure for written resolutions of directors, Article 109 has been amended so that, rather than referring to a resolution in writing by all directors, a resolution in writing will be valid and effectual as if it had been passed at a meeting if executed by all the directors entitled to receive notice of the meeting and who would have been entitled to vote (and whose vote would have been counted) on a resolution at a meeting.

22. Quorum (Article 110)

The proposed amendment to Article 110, which deals with the quorum requirement for board meetings, clarifies that a director cannot count in the quorum for a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but he may count in the quorum for the other matters or resolutions to be considered or voted on at the meeting.

23. Permitted interests and voting (article 111)

Article 111 has been amended to allow a director to vote on a resolution which relates to giving him an indemnity or funding for expenditure incurred in defending proceedings provided all the other directors have been given or are to be given arrangements on substantially the same terms. This exception has become a common exception for listed companies to include.

Appendix continued

24. Notice when post not available (Article 131)

Article 131 is the article covering service of notice in the event of a postal strike. It has been amended to allow the Company in such circumstances to serve notices only on those members who receive notices via electronic means, provided that, as before, the Company also puts an advertisement in two national newspapers and sends a confirmatory hard copy notice if the postal service is available again within seven days of the meeting.

25. The seal (Articles 140 and 141)

Article 140 provides that instruments (other than share certificates) to which the seal is affixed shall be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors.

26. Change of name (Article 143)

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its articles. To take advanatage of this provision, the new Articles enable the Directors to pass a resolution to change the Company's name.

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 in the Ordinary shares of the Company at the time the shares were quoted ex-dividend. Transaction costs of reinvestment are not taken into account.

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 were reinvested in the Ordinary shares of the Company at the time the shares were quoted ex-dividend. Transaction costs of reinvestment are not taken into account.

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 year end. There were no dilutive potential Ordinary shares in issue at 30th September 2008.

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 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.

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 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.

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.

Actual Gearing Factor

Investments expressed as a percentage of shareholders' funds. This shows the effect of gearing on the NAV if the market value of the portfolio were to increase by 100%.

Total Expense Ratio

Management fees and all other operating expenses excluding interest and performance fees paid, expressed as a percentage of the average of the opening and closing net assets.

Total Expense Ratio (Including Performance Fee)

Management fees, all other operating expenses and performance fees paid, but excluding interest, expressed as a percentage of the average of the opening and closing net assets.

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 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 weighted average number of Ordinary shares in issue during the year as adjusted for the conversion of outstanding Subscription shares into Ordinary shares at the year 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 year. The difference between the number of Ordinary shares issued and the number of Ordinary shares

Glossary of Terms continued

that would have been issued at the average market price of Ordinary shares during the year 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 year.

Active Position

The active position shows the difference between the Company's holding of an individual stock, sector or country versus that stock, sector or country's benchmark. A positive number indicates an active decision by the investment manager to own more (i.e. be overweight) of that stock, sector or country versus the benchmark and a negative number, a decision to hold less (i.e. be underweight) of a particular stock, sector or country versus the benchmark.

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Asset Allocation

Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock Selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities outside the benchmark.

Gearing/Cash

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Currency Effect

Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

Management Fees/Other Expenses

The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

Information about the Company

Financial Calendar

Financial year end	30th September
Final results announced	December
Half year end	31st March
Half year results announced	May
Dividend on Ordinary shares paid	February
Subscription share exercise dates	Any business day between 1st April 2009 and 31st March 2014
Interim Management Statements announced	February and July
Annual General Meeting	February

History

The Company was launched in September 1997 as a rollover vehicle for shareholders in The Fleming Far Eastern Investment Trust plc. The Company adopted its present name following approval from shareholders at the Annual General Meeting in February 2006.

Life of the Company

Under the Company's Articles of Association, the Directors are required to propose a resolution that the Company continue as an investment trust at the Annual General Meeting in 2011 and every third year thereafter.

Company Numbers

Company's registration number: 3374850

Ordinary shares

London Stock Exchange Sedol number: 0132077
ISIN: GB0001320778
Bloomberg code: JAI LN

Subscription shares

London Stock Exchange Sedol number: B3KHYY3
ISIN: GB00B3KHYY38
Bloomberg code: JAIS LN

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 are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the J.P. Morgan website at www.jpmasian.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.jpmasian.co.uk, where the Subscription share price is updated every fifteen minutes during trading hours.

Website

www.jpmasian.co.uk

aic
The Association of Investment Companies A member of the AIC

Share Transactions

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

Manager and Secretary

JPMorgan Asset Management (UK) Limited.

Company's Registered Office

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

Please contact Alison Vincent for company secretarial and administrative matters.

Registrars

Equiniti
Reference 1357
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2373

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1357.

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

Auditors

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

Brokers

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

Savings Products Administrators

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

Subscription Shares

On 4th February 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 April 2009 until 31st March 2014, after which the rights on the Subscription shares will lapse.

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 5th February 2009 the middle market prices of the Company's Ordinary shares and Subscription shares were as follows:

Ordinary shares: 127.5 pence

Subscription shares: 21.25 pence

Accordingly an individual investor who on 4th February 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 96.77% to the five Ordinary shares and 3.23% to the Subscription shares.

The conversion prices of the Subscription shares are as follows:

If Subscription share rights are exercised on any day between and including 1st April 2009 and 31st March 2010, 137 pence.

If Subscription share rights are exercised on any day between and including 1st April 2010 and 31st March 2012, 176 pence.

If Subscription share rights are exercised on any day between and including 1st April 2012 and 31st March 2014, 203 pence.

Notice of the exercise of the Subscription share rights may be given at any time from 1st April 2009 until 31st March 2014 and the Ordinary shares arising on conversion will be issued 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. For further details on how to exercise the Subscription share rights please refer to the Company's website at www.jpmasian.co.uk or contact the Secretary on 020 7742 6000.

Rollover Apportionments

For shareholders who rolled their investment in The Fleming Far Eastern Investment Trust plc into the Company, the Capital Gains Tax apportionments are shown below. The apportionment of the original base cost will depend upon which option under the Fleming Far Eastern reconstruction scheme was chosen.

Option 1	All share option	JPMorgan Asian Ordinary shares	0.95853
		JPMorgan Asian Warrants	0.04147
Option 2	Share and Japanese unit option	JPMorgan Asian Ordinary shares	0.64066
		JPMorgan Asian Warrants	0.02772
		S&P Japanese Units	0.33162
Option 3	Share and cash option	JPMorgan Asian Ordinary shares	0.25082
		JPMorgan Asian Warrants	0.01085
		S&P Cash Units	0.73833

Notes

Notes

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

Your telephone call may be recorded for your security

www.jpmasian.co.uk