2012

JPMorgan Global Emerging Markets Income Trust plc

Annual Report 2012

JPMorgan Global Emerging Markets Income Trust plc

Annual Report & Accounts for the year ended 31st July 2012

J.P.Morgan
Asset Management

Features

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Objective

The Company's investment objective is to provide investors with a dividend income combined with the potential for long term capital growth from investing in a diversified portfolio of emerging markets investments.

Investment Policies

- The Company predominantly invests in listed equities but has the flexibility also to invest in other types of securities, including, but not limited to, unlisted equities, convertible securities, preference shares, participation notes, debt securities, cash and cash equivalents. Investments in participation notes are limited to a maximum of 10% of the Company's assets.
- The Company can invest in any particular market, sector or country in the global emerging markets universe. It may also invest in securities issued by companies based in or operating in emerging markets but listed or traded on the stock exchanges of developed markets and in the securities of issuers based in developed markets that have substantial exposure to emerging markets.
- There are no fixed limits on portfolio construction with regard to region, country, sector or market capitalisation. The Company typically invests at least 80% of its gross assets in listed equities, but other security types may be used in the event of adverse equity market conditions or where they represent a more efficient means of obtaining investment income for the purposes of making dividend payments. In the event of adverse equity market conditions, the Company may hold fixed income securities of any kind to a maximum of 50% of its gross assets.
- Despite the absence of specific region, country, sector or market capitalisation limits, the Company manages its assets in a manner that is consistent with spreading investment risk.
- No more than 15% of gross assets may be invested in the securities of any one company or group at the time the investment is made.
- No more than 10% of the gross assets may be invested in unlisted securities or in other listed closed-end investment funds at the time the investment is made.
- The Company may undertake option writing in respect of up to 10% of the Company's net assets. The Company may invest in derivative instruments for the purposes of efficient portfolio management.

Benchmark

The Company's benchmark is the MSCI Emerging Markets Index, with net dividends reinvested, in sterling terms.

Capital Structure

At 31st July 2012, the Company's issued share capital comprised 173,719,438 ordinary shares of 1p each.

Life of the Company

At the annual general meeting of the Company to be held in 2015 and every three years thereafter, an ordinary resolution will be put to shareholders that the Company continues as an investment trust.

Management Company

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

Financial Results

Total returns (includes dividends reinvested)

+5.7%
Return to shareholders[1]
(2011: +11.6%)

+4.0%
Return on net assets[1]
(2011: +15.7%)

-9.8%
Return on the MSCI Emerging Markets Index[2]
(2011: +11.4%)

4.85p
Dividend
(2011: 4.7p)

Financial Data

	31st July 2012	31st July 2011	% change
Net assets (£'000)	**194,651**	159,780	+21.8
Number of shares in issue	**173,719,438**	142,655,853	+21.8
Net asset value per share	**112.0p**	112.0p	0.0
Share price	**114.25p**	112.25p	+1.8
Share price premium to net asset value per share	**2.0%**	0.2%	

A glossary of terms and definitions is provided on page 54.

[1]Source: J.P. Morgan.

[2]Source: Datastream. The Company's benchmark is the MSCI Emerging Markets Index, with net dividends reinvested, in sterling terms.

Chairman's Statement

Performance

I am pleased to report on another strong performance in the year to 31st July 2012. The Company recorded a total return on net assets of +4.0%, outperforming the benchmark index, the MSCI Emerging Markets Index with net dividends reinvested (in sterling terms), which produced a total return of –9.8%. The Investment Manager's Report reviews the Company's performance and gives details on the investment strategy and portfolio construction on the following pages. The total return to shareholders was +5.7%, as the Company's share price increased from 112.25p to 114.25p over the year.

Revenue and Dividends

Gross revenue for the year amounted to £10.5 million (2011: £8.5 million) and net total revenue after finance costs, administrative expenses and taxation amounted to £8.5 million (2011: £6.9 million). Revenue return per Ordinary share for the year, calculated on the average number of shares in issue, was 5.41p (2011: 5.76p).

The Company targeted an initial gross dividend yield of at least 4% based on the initial issue price of 100p per share. In the period from launch until 31st July 2011, the Company paid a total dividend of 4.7p. In the current financial year the Board has moved to paying quarterly dividends and, to date, three payments of 0.9p per share have been paid. The Board is pleased to recommend a final dividend of 2.15p per share. Subject to shareholders' approval at the Annual General Meeting on 21st November 2012, the dividend will be paid on 28th November 2012 to shareholders on the register as at the close of business on 2nd November 2012. This will bring the total dividend for the year to 4.85p, an increase of 3.2%.

Gearing

The Company's assets have grown substantially since launch and in order to maintain the flexibility to use gearing appropriately, a second three year loan facility of US$20 million has been taken out and drawn down in full subsequent to the year end.

Share Capital

During the year, the Company issued a total of 31.1 million new shares at a premium to net asset value. On 10th May 2012, shareholders granted authority to issue up to a further 30% of the then issued share capital. This authority will expire at the forthcoming Annual General Meeting and the Board will seek shareholder approval for its renewal. However, in order to comply with the UKLA Listing Rules, the 30% limit will be reset to 10% of the issued share capital on 13th May 2013, when the prospectus issued on 14th May 2012 will expire. More details are given in the Directors' Report.

The Board

On 1st August 2011 Pablo Forero resigned as a Director from the Company. On 1st December 2011, Richard Robinson was appointed a Director. He is Investment Director at the Paul Hamlyn Foundation and was previously Group Head of Charities & Foundations at Schroders plc. He had previously held a number of senior positions at Rothschild Asset Management and was formerly a director of Aurora Investment Trust plc.

In accordance with corporate governance best practice, all Directors will seek reappointment at this year's Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on Wednesday 21st November 2012 at 2.00 p.m. The meeting will include a presentation from the Investment Manager on investment policy and performance. There will also be an opportunity for shareholders to meet the Board and representatives of JPMorgan after the meeting.

It would be helpful if shareholders seeking answers to detailed questions put them in writing beforehand, addressed to the Company Secretary at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. Alternatively, questions may be submitted via the Company's website (www.jpmglobalemergingmarketsincome.co.uk). Shareholders who are unable to attend the AGM in person are encouraged to use their proxy votes. Proxy votes may be lodged electronically, whether shares are held through CREST or in certificate form and full details are set out on the form of proxy.

Outlook

History tells us that when price-to-book ratios of companies in emerging markets stand at levels of 1.5x to 1.6x, as they do now, future returns tend to be quite good. All else being equal, one might feel very optimistic about the prospects for these markets. But all else is not equal. The trajectory of the Chinese economy is not at all clear; and the outturn for China will materially influence profits and dividends for many companies. Coupled with a global economic malaise, currency tensions and an unstable political landscape, the investment outlook for emerging equity markets is even foggier than usual. That being said, the valuation data are comforting. Dividend yields are attractive relative to many other asset classes and long term growth prospects remain superior.

Andrew Hutton
Chairman 12th October 2012

Investment Manager's Report

During its second year, it is pleasing that the Company has again achieved its income target as well as producing a rise in net asset value of 4.0%, outperforming the benchmark, the MSCI Emerging Markets Index, which fell by 9.8%, all this despite very volatile market conditions. The Company has followed on from last year, delivering a steady income stream from a diversified portfolio of high quality companies and despite the difficult market conditions, we continue to find attractive ideas.

Excess returns have come largely from stock selection, with the Thai mobile phone service provider Advanced Info Service being the single largest stock level contributor, along with significant contributions from Brazilian IT company Cielo and Turkish bank Arcelik, more than countering underperformers such as KT Corporation, Asia Cement and Oriflame Cosmetics.

Over the year, currency has boosted performance to a small degree. By continuing to have a broad range of exposure at a country level, this diversifies our currency exposure across the asset class and across the two groups of emerging market currencies: those which are producers of raw materials, and therefore have currencies affected by commodity prices, and those of consumer-led markets. We expect that although emerging market currencies will remain volatile, the overall trend against sterling will remain positive.

Portfolio changes over the year have been modest, with overall turnover of close to 30%. This is consistent with our desire to be a long term investor and benefit from the compound growth of dividends, which is expected to average over 10-12% per annum in coming years.

The emphasis of the portfolio, favouring stable growth in sectors such as consumer, telecommunications and utilities over the cyclicality of natural resources, has remained constant. Diversification by stock, country and sector is an important part of the portfolio and the Company is expected to continue to hold 60-70 individual holdings over the coming year.

Disappointments, of which there were few, tended to be stock specific. For instance, we sold out of a position in an Indian auto-manufacturer during the year when they cut their dividend, not through anything company specific, but due to the management's view that they were paying more than their peers. Understandably, this affected our confidence in the company and the level of transparency behind the dividend policy. We believe it is critical to understand the difference between a value trap, whose profitability is deteriorating for structural reasons, and a value opportunity whose long term prospects are obscured by cyclical issues, and that this will continue to be the key to adding performance through stock selection.

Performance attribution for the year ended 31st July 2012

	%	%
Contributions to total returns		
Return on MSCI Emerging Markets Index		**–9.8**
Asset allocation	2.6	
Stock selection	13.0	
Currency effect	1.3	
Gearing/cash	–0.7	
Investment Manager contribution		**16.2**
Portfolio total return		**6.4**
Management fee/ other expenses	–1.3	
Performance fee	–1.4	
Shares issues	0.3	
Return on net assets		**4.0**
Impact of change in premium	1.7	
Return to shareholders		**5.7**

Source: Xamin/Datastream/Morningstar. All figures are on a total return basis.

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

A glossary of terms and definitions is provided on page 54.

Our customary emerging markets valuation metric, the price-to-book ratio, remains in the 1.5x to 1.6x range, sitting at the lower end of its historical trading range of 1.5x to 2.5x. This is partly due to the risk aversion of investors, which stems from macro economic uncertainties. It may also be attributable to the double dip in earnings due to cost pressures, which resulted in earnings expectations being cut for both 2012 and 2013. We believe we are at the tail end of this cycle and, given the supportive liquidity backdrop, that emerging markets equity valuations look to be at relatively attractive levels.

Richard Titherington
Investment Manager

12th October 2012

Summary of Results

	2012	2011[1]	
Total returns for the year ended 31st July 2012			
Return to shareholders[2]	**+5.7%**	+11.6%	
Return on net assets[2]	**+4.0%**	+15.7%	
Benchmark[3]	**–9.8%**	+11.4%	
			% change
Net asset value, share price and discount			
Total net assets (£'000)	**194,651**	159,780	+21.8
Number of shares in issue	**173,719,438**	142,655,853	+21.8
Net asset value per share	**112.0p**	112.0p	0.0
Share price	**114.25p**	112.25p	+1.8
Share price premium to net asset value per ordinary share	**2.0%**	0.2%	
Revenue for the year ended 31st July 2012			
Gross revenue return (£'000)	**10,532**	8,467	+24.4
Net revenue return available for ordinary shareholders (£'000)	**8,482**	6,863	+23.6
Return per share	**5.41p**	5.76p	-6.1
Dividend per share	**4.85p**	4.70p	+3.2
Actual gearing factor at 31st July 2012[4]	**106.4%**	105.9%	
Ongoing Charges[5]	**1.26%**	1.32%	
Ongoing Charges including performance fee payable[5]	**2.09%**	2.00%	

A glossary of terms and definitions is provided on page 54.

[1]For the period from 29th July 2010 to 31st July 2011.

[2]Source: J.P. Morgan.

[3]Source: Datastream. The Company's benchmark is the MSCI Emerging Markets Index, with net dividends reinvested, in sterling terms.

[4]Actual gearing represents investments, excluding holdings in liquidity funds, expressed as a percentage of shareholders' funds.

[5]Management fee and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average of the daily net assets during the year. (2011: Total expense ratio: Management fee and all other operating expenses excluding interest and performance fee, expressed as a percentage of the average of the month end net assets during the period). The Ongoing Charges are calculated in accordance with guidance issued by the Association of Investment Companies in May 2012.

Ten Largest Investments

at 31st July 2012

Company	Sector	2012 Valuation £'000	2012 Valuation %[1]	2011 Valuation £'000	2011 Valuation %[1]
Advanced Info Service (Thailand) Advanced Info Service is the largest GSM mobile phone operator in Thailand.	Telecommunication Services	**6,829**	**3.3**	3,972	2.3
SAFCO (Saudi Arabia) SAFCO is a company that produces fertilizer and other agricultural chemicals.	Industrials	**5,116**	**2.5**	4,297	2.5
Bank of China H-Shares (China)[2] Bank of China provides a range of banking and other financial services to individual and corporation customers worldwide. The bank's services include retail banking, credit card and debit card services, consumer credit, foreign currency transactions, corporate banking, settlement and clearing, investment banking and fund management businesses.	Financials	**4,817**	**2.3**	–	–
Lukoil (Russia)[2] Lukoil explores for, produces, refines, transports, and markets oil and gas, mainly from Western Siberia. The company also manufactures petrochemicals, fuels, and other petroleum products. Lukoil operates refineries, and gasoline filling stations in Russia and the United States. The company transports oil through pipelines, and petroleum products with its fleet of ships.	Energy	**4,496**	**2.2**	–	–
Arcelik (Turkey)[2] Arcelik manufactures and sells refrigerators, washing machines, cooking appliances, vacuum cleaners, refrigeration compressors, electric motors and consumer electronics products. The company markets its products under the brand names Arcelik and Beko. Arcelik sells its products in Turkey and exports throughout continental Europe, the United Kingdom, and Tunisia.	Consumer Discretionary	**4,449**	**2.1**	–	–
Quanta Computer (Taiwan) Quanta Computer manufactures and markets notebook computers and related peripheral equipment.	Information Technology	**4,421**	**2.1**	3,969	2.3
Companhia de Concessoes Rodoviarias (Brazil)[2] CCR manages highways in Brazil. The company also holds an interest in an electronic payment system and a company that inspects motor vehicles, and is part of a consortium that operates one line of the Sao Paulo Metro.	Industrials	**4,223**	**2.0**	–	–
Philippine Long Distance Telephone (Philippines)[3] Philippine Long Distance Telephone is the leading telecommunications operator in the Philippines. It provides fixed line, wireless and information and communications technology services.	Telecommunication Services	**4,198**	**2.0**	2,353	1.4
Turkiye Petrol Rafinerileri (Turkey)[3] Turkiye Petrol Rafinerileri refines petroleum. The company produces LPG, naptha, gasoline, diesel fuel, heating oil, jet fuel, lubricants and asphalt. Turkiye Petrol Rafinerileri operates refineries in Izmit, Izmir, Kirikkale, and Batman. The company imports and exports petroleum products.	Energy	**4,085**	**2.0**	3,215	1.9
Commercial Bank of Qatar (Qatar)[3] Commercial Bank of Qatar attracts deposits and offers commercial banking services. The bank offers automobile, personal, and mortgage loans, home, travel, vehicle, and health insurance, structured finance, trade finance, treasury services, investment funds, business advice, and securities brokerage services.	Financials	**4,002**	**1.9**	3,137	1.8
Total		**46,636**	**22.4**		

[1]Based on total assets less current liabilities of £208.9m (2011: £171.9m).

[2]Not held in the portfolio at 31st July 2011.

[3]Not included in the ten largest investments at 31st July 2011.

Sector Analysis

at 31st July 2012

	31st July 2012 Portfolio %[1]	31st July 2012 Benchmark %	31st July 2011 Portfolio %[1]	31st July 2011 Benchmark %
Telecommunication Services	**18.2**	**8.5**	17.1	7.3
Financials	**13.2**	**25.1**	16.5	24.7
Industrials	**13.2**	**6.7**	10.0	7.5
Information Technology	**11.4**	**13.6**	14.4	12.1
Consumer Discretionary	**11.3**	**8.0**	6.8	7.7
Consumer Staples	**10.2**	**8.5**	9.1	6.7
Energy	**9.3**	**12.7**	8.4	14.5
Materials	**8.0**	**12.0**	9.0	14.9
Utilities	**4.4**	**3.8**	7.2	3.6
Health Care	**–**	**1.1**	–	1.0
Total equities	**99.2**	**100.0**	98.5	100.0
Liquidity fund	**1.4**	**–**	0.3	–
Net current (liabilities)/assets	**(0.6)**	**–**	1.2	–
Total	**100.0**	**100.0**	100.0	100.0

[1]Based on total assets less current liabilities of £208.9m (2011: £171.9m).

Geographical Analysis

at 31st July 2012

	31st July 2012 Portfolio %[1]	31st July 2012 Benchmark %	31st July 2011 Portfolio %[1]	31st July 2011 Benchmark %
China	**13.7**	**17.8**	15.4	17.3
Taiwan	**13.2**	**10.7**	13.1	11.1
Brazil	**12.0**	**13.1**	9.6	15.5
South Africa	**9.0**	**8.1**	10.9	7.3
Thailand	**6.4**	**2.2**	6.6	1.7
Turkey	**5.5**	**1.7**	4.7	1.4
South Korea	**5.0**	**15.5**	4.0	14.7
Russia	**4.9**	**6.0**	3.9	6.8
Poland	**4.6**	**1.3**	3.3	1.7
Hong Kong	**4.4**	**–**	1.8	–
Qatar	**3.5**	**–**	3.7	–
Mexico	**2.6**	**5.0**	2.1	4.4
Malaysia	**2.6**	**3.7**	5.4	3.2
Saudi Arabia	**2.5**	**–**	2.5	–
India	**2.3**	**6.3**	1.3	7.4
Indonesia	**2.1**	**2.8**	2.9	2.6
Philippines	**2.0**	**0.9**	1.4	0.6
Kazakhstan	**1.2**	**–**	1.4	–
Czech Republic	**0.9**	**0.3**	1.1	0.4
Chile	**0.8**	**1.9**	1.1	1.7
Colombia	**–**	**1.3**	–	0.8
Croatia	**–**	**–**	1.4	–
Egypt	**–**	**0.3**	–	0.3
Hungary	**–**	**0.3**	–	0.4
Luxembourg	**–**	**–**	0.9	–
Morocco	**–**	**0.1**	–	0.2
Peru	**–**	**0.7**	–	0.5
Ukraine	**–**	**–**	–	–
Total equities	**99.2**	**100.0**	98.5	100.0
Liquidity fund	**1.4**	**–**	0.3	–
Net current assets	**(0.6)**	**–**	1.2	–
Total	**100.0**	**100.0**	100.0	100.0

[1]Based on total assets less current liabilities of £208.9m (2011: £171.9m).

List of Investments

at 31st July 2012

Company	Valuation £'000
China	
Bank of China H-shares	4,817
China Mobile	3,783
PetroChina H-shares	3,322
Jiangsu Expressway H-shares	2,897
Shanghai Industrial	2,831
Zhejiang Expressway H-shares	2,780
China Construction Bank H-shares	2,515
Industrial & Commercial Bank of China H-shares	2,416
Hutchison Port	1,898
Midland	1,456
	28,715
Taiwan	
Quanta Computer	4,421
Asustek Computer	3,760
Taiwan Mobile	3,466
President Chain Store	3,070
Taiwan Semiconductor Manufacturing[2]	3,057
Delta Electronics	2,887
Novatek Microelectronics	2,821
Far Eastone Telecommunications	2,275
Tripod Technology	1,829
	27,586
Brazil	
Companhia de Concessoes Rodoviarias	4,223
Cia Souza Cruz	3,961
Vale[2]	3,361
Cielo	3,016
Aes Tiete	2,835
Companhia de Bebidas das Americas[2]	2,732
Cia Transmissao de Energia Electrica Paulista	1,947
Energias Do Brasil	1,832
Bradespar Non Cum Preference	1,240
	25,147

Company	Valuation £'000
South Africa	
Tiger Brands	3,879
Foschini	3,335
Kumba Iron Ore	3,205
MTN	3,022
Old Mutual	2,421
Exxaro Resources	1,446
Growthpoint Properties	1,420
	18,728
Thailand	
Advanced Info Service	6,829
Charoen Pokphand Foods	2,534
Bangkok Expressway	2,079
Siam Cement	1,843
	13,285
Turkey	
Arcelik	4,449
Turkiye Petrol Rafinerileri	4,085
Ford Otomotiv Sanayii	2,977
	11,511
South Korea	
SK Telecom[2]	2,541
KT&G	2,078
Kangwon Land	1,874
S-Oil	1,868
KT	2,100
KT ADR	–
	10,461
Hong Kong	
Hang Seng Bank	2,895
SJM	2,673
Vtech	2,093
Dah Chong Hong	1,590
	9,251

Company	Valuation £'000
Russia	
Lukoil[2]	4,496
Mobile Telesystems OJSC	3,987
Mechel Aoa[1]	1,646
	10,129
Poland	
KGHM Polska Miedz	3,513
Powszechny Zaklad Ubezpieczen	2,212
Telekomunikacja Polska	2,142
Lubelski Wegiel Bogdanka	1,789
	9,656
Qatar	
Commercial Bank of Qatar	4,002
Industries Qatar	3,288
	7,290
Mexico	
Kimberly Clark de Mexico	2,999
Aeroportuario del Sureste[2]	2,483
	5,482
Malaysia	
Berjaya Sports Toto	3,631
Malayan Cement	1,834
	5,465
Saudi Arabia	
SAFCO[1]	5,116
	5,116
India	
Tata Motors[1]	3,013
Ascendas India Trust	1,833
	4,846
Indonesia	
Perusahaan Gas Negara	2,483
Telekomunikasi Indonesia	1,964
	4,447
Philippines	
Philippine Long Distance Telephone[2]	4,198
	4,198
Kazakhstan	
Kazmunaigas Exploration Production[2]	2,385
	2,385
Czech Republic	
Telefonica O2 Czech Republic	1,803
	1,803
Chile	
Banco Santander-Chile[2]	1,651
	1,651
Total Equity Investments	**207,152**
Liquidity Fund	
JPMorgan US Dollar Liquidity Fund[3]	2,904
Total Liquidity Funds	**2,904**
Total Portfolio	**210,056**

[1]Participation notes.

[2]Includes ADRs/GDRs/ADSs.

[3]Managed by JPMorgan Asset Management.

Board of Directors

Andrew Hutton (Chairman of Board)

A Director since June 2010. Appointed Chairman in July 2010.

Annual remuneration: £30,000.

Owner and Director of A. J. Hutton Ltd, an investment advisory practice. Director of Schroders UK Growth Fund PLC, Asia Altitude Fund and Asia Altitude Master Fund. He is a member of the Governing Body of the Lister Institute of Preventive Medicine, a Trustee of the National Trust Retirement & Death Benefits Scheme and a Trustee of Kusuma Trust UK. Formerly with J.P. Morgan (1979-1997), Head of Investment Management at Coutts Group (1997-2004) and Managing Director of RBS Asset Management (2004-2007).

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 90,000.

Paul Wallace
(Chairman of the Audit and Nomination Committee)

A Director since June 2010.

Annual remuneration: £25,000.

Finance Director of Forum Energy plc. He previously acted as a consultant providing corporate financial advice to a wide variety of sizeable UK and international corporations. He also held senior finance and management roles for a number of UK and Hong Kong based companies including Blue Ocean Wireless Limited, Sanctuary Group plc and First Pacific Company Limited. He was formerly a partner in Price Waterhouse, Hong Kong, and is a member of the Canadian Institute of Chartered Accountants.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 50,000.

Sarah Fromson

A Director since June 2011.

Annual remuneration: £22,000.

Head of Investment Risk at Wellcome Trust. She was previously at RBS Asset Management (formerly Coutts) where she held a number of senior positions, including Chief Investment Risk Officer, Co-Head of Investments and Head of the Long-Only Investment team.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: –

Richard Robinson

A Director since 1st December 2011.

Annual remuneration: £22,000.

Investment Director at Paul Hamlyn Foundation. He was previously Group Head of Charities & Foundations at Schroders plc and held a number of senior positions at Rothschild Asset Management. He was a director of Aurora Investment Trust plc from 2007 to 2011.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: –

All Directors are members of the Audit and Nomination Committee and are considered independent of the Manager.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st July 2012.

Business Review

The Company was incorporated on 4th June 2010 and launched as an investment trust on 29th July 2010.

Business of the Company

The Company carries on business as an investment trust and was approved by HM Revenue & Customs ('HMRC') as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 for the period ended 31st July 2011. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify as an investment trust under the HMRC's qualifying rules. Approval will not preclude HMRC from opening a subsequent enquiry into a company's tax return.

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.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 2 to 3, and in the Investment Manager's Report on pages 4 to 5.

Investment Objective and Policies

The Company's investment objective is to provide investors with a dividend income combined with the potential for long term capital growth from investing in a diversified portfolio of emerging market investments.

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

- The Company predominantly invests in listed equities, but has the flexibility also to invest in other types of securities, including, but not limited to, unlisted equities, convertible securities, preference shares, participation notes, debt securities, cash and cash equivalents. Investments in participation notes are limited to a maximum of 10% of the Company's assets.
- The Company can invest in any particular market, sector or country in the global emerging markets universe. It may also invest in securities issued by companies based in or operating in emerging markets but listed or traded on the stock exchanges of developed markets and in the securities of issuers based in developed markets that have substantial exposure to emerging markets.
- The Company's portfolio will typically contain between 50 and 80 holdings.
- There are no fixed limits on portfolio construction with regard to region, country, sector or market capitalisation. The Company typically invests at least 80% of its gross assets in listed equities, but other security types may be used in the event of adverse equity market conditions or where they represent a more efficient means of obtaining investment income for the purposes of making dividend payments. In the event of adverse equity market conditions, the Company may hold fixed income securities of any kind to a maximum of 50% of its gross assets.
- Despite the absence of specific region, country, sector or market capitalisation limits, the Company manages its assets in a manner that is consistent with spreading investment risk.
- No more than 15% of gross assets may be invested in the securities of any one company or group at the time the investment is made.
- No more than 10% of the gross assets may be invested in unlisted securities or in other listed closed-end investment funds at the time the investment is made.
- The Company may undertake option writing in respect of up to 10% of the Company's net assets. The Company may invest in derivative instruments for the purposes of efficient portfolio management.
- The Company does not look to use bank debt to provide long-term structural gearing. It does, however, have power under its Articles to borrow up to an amount equal to 30% of its Net Assets at the time of the drawdown, although the Board intends only to utilise borrowings representing up to a maximum of 20% of Net Assets at the time of drawdown and only on a tactical basis on such occasions as the Manager believes that gearing will enhance returns to shareholders.

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

Performance

In the year ended 31st July 2012, the Company produced a total return to shareholders of +5.7% and a total return on net assets of +4.0%. This compares with the return on the Company's benchmark index of –9.8%. As at 31st July 2012, the Company's investment portfolio was £210.1 million. The Investment

Directors' Report continued

Manager's Report on pages 4 to 5 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends
Gross total return for the year amounted to £14.0 million (2011: £22.5 million) and net total return after deducting administrative expenses, finance costs and taxation, amounted to £7.6 million (2011: £18.9 million). Distributable income for the year amounted to £8.5 million (2011: £6.9 million).

Three interim dividends of 0.90p (2011: two interim dividends of 1.00p and 2.25p) per share have been paid during the year, amounting to £4,348,000 (2011: £3,798,000).

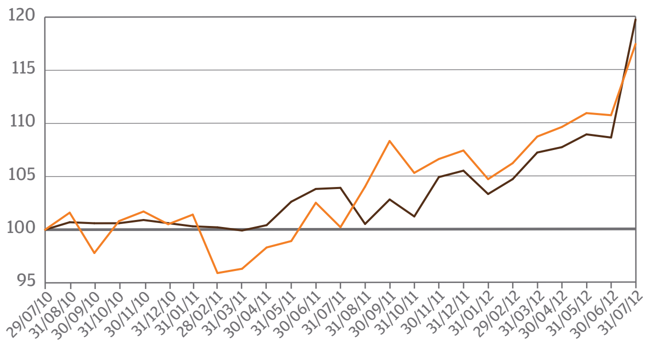
The Directors recommend a final dividend of 2.15p (2011: 1.45p) per share be paid on 28th November 2012 to shareholders on the register at the close of business on 2nd November 2012. This distribution will absorb £3,075,000 (2011: £2,198,000). Following payment of the final dividend, the revenue reserve will amount to £1,266,000 (2011: £996,000).

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

Performance Relative to Benchmark

Figures have been rebased to 100 at 29th July 2010



Source: Morningstar.

JPMorgan Global Emerging Markets – share price total return.

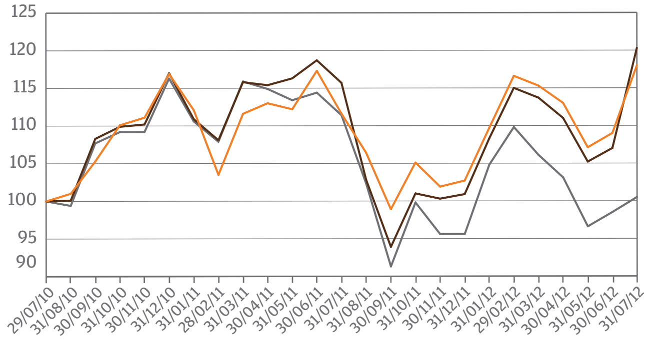
JPMorgan Global Emerging Markets – net asset value total return.

Benchmark.

The Company's benchmark is the MSCI Emerging Markets Index, with net dividends reinvested, in sterling terms.

Performance since Inception

Figures have been rebased to 100 at 29th July 2010



Source: Morningstar.

JPMorgan Global Emerging Markets – share price total return.

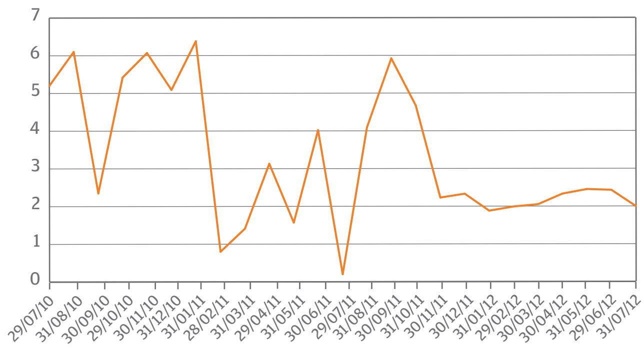
JPMorgan Global Emerging Markets – net asset value total return.

Benchmark.

- **Performance**
  The principal objective is to provide investors with a dividend income combined with the potential for long term capital growth. However, the Board also monitors performance compared with a benchmark index and a broad range of competitor funds.

- **Share price premium/discount to net asset value per share**
  The Board recognises that the possibility of a narrowing premium or a widening discount can be a key disadvantage of investment trusts that can discourage investors. The Board therefore has a share issuance and repurchase programme that seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby reduce the volatility and absolute level of the discount or premium to NAV at which the Company's shares trade. No shares have been repurchased for cancellation during the year because they have traded at a premium or close to the NAV per share throughout.

Premium



Source: Datastream.

JPMorgan Global Emerging Markets – share price premium to net asset value per share.

- **Ongoing Charges**
  The ongoing charges represent the Company's management fee and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average of the daily net assets during the year. (2011: The total expense ratio ('TER'): Management fee and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average of the month end net assets during the year). The ongoing charges for the year ended 31st July 2012 were 1.26% (including performance fee payable: 2.09%). The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers.

Share Capital
During the year, 31,063,585 Ordinary shares were issued for gross proceeds of £34.1 million. Further details are given in note 16 on page 39.

Since the year end, the Company has issued a further 1,150,000 new ordinary shares for total consideration of £1.3 million. All new ordinary shares have been issued at a premium to NAV.

The Company has the authority to repurchase shares in the market for cancellation. However, no shares were repurchased during the year.

Resolutions to renew the authorities to issue new shares and to repurchase shares will be put to shareholders at the forthcoming Annual General Meeting. More details are given on page 18 and the full text of the resolutions is set out in the Notice of Annual General Meeting on pages 51 and 52.

Principal Risks
With the assistance of the Manager, JPMorgan Asset Management (UK) Limited ('JPMAM') the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly into 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, resulting in the Company's shares trading on a narrower premium or a discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines, which are monitored and reported on. JPMAM provides the Directors with timely and accurate management information, including performance data and attribution analysis, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Manager who attends all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Investment Manager is free to employ the Company's gearing tactically, within a strategic range set by the Board.

- Foreign Currency: 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 these items.

- Financial: The financial risks faced by the Company include market price risk, interest rate risk, liquidity risk and credit risk. Further details are disclosed in note 23 on page 43.

- Accounting, Legal and Regulatory: In order to qualify as an investment trust, the Company must comply with Section 1158. Details of the Company's intention to seek approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure and Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, JPMAM to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules and DTRs.

- 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 on pages 19 to 22.

- Operations: Disruption to, or failure of, JPMAM'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 JPMAM and its associates and the key elements designed to provide effective risk management and internal control are included on page 21.

Directors' Report continued

Future Developments

The future development of the Company depends on the success of the Company's investment strategy. The Investment Manager discusses the outlook in his report on page 5.

Management of the Company

The Manager and Company Secretary is JPMAM. JPMAM is employed under a contract which is subject to six months' notice of termination. If the Company wishes to terminate the contract on less than six months' notice, the balance of the six months' 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 custodial 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 best interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy, process and performance of the Manager, noting the support that the Company receives from JPMAM. Such a review is carried out on an annual basis.

Management Fee

The management fee is charged at the rate of 1.0% per annum of the Company's total net assets. The fee is calculated and paid monthly in arrears. Investments made by the Company in investment funds on which the Manager or a member of its group earns a fee are excluded from the calculation and therefore attract no management fee.

In addition, the Manager is entitled to receive a performance fee equivalent to 10% of any outperformance of the Company's net asset value per ordinary share (on a total return basis) over the Company's benchmark index, the MSCI Emerging Markets Index, with net dividends reinvested (in sterling terms) over a performance fee period. A performance fee measurement period ends, and restarts, at a financial year end when outperformance of the Company's benchmark has been achieved and a performance fee earned. If there is underperformance, the measurement period continues. Therefore, the period may be more than one year. The maximum performance fee that can be paid to the Manager in any one year is capped at 0.75% of the Company's average monthly total assets less current liabilities and in a year when the Company produces a negative net asset value total return per share, this amount will be accrued but not paid. Any amount earned in excess of this cap will be carried forward and will be offset by any underperformance in future years.

During the year ended 31st July 2012, the Company outperformed its benchmark index. As a result, a performance fee amounting to £2,838,000 has been earned and of this amount, £1,382,000 is immediately payable and £1,456,000 will be carried forward and will be offset by any underpeformance in future years.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 13), risk management policies (see pages 43 to 49), capital management policies and procedures (see page 50), 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 31st July 2012, the Company had no outstanding trade creditors (2011: none).

Directors

Pablo Forero resigned as a Director on 1st August 2011. Richard Robinson was appointed a Director on 1st December 2011.

The Directors of the Company who held office at the end of the year, together with their beneficial interests in the Company's ordinary share capital, are given below:

Ordinary Shares

Directors	31st July 2012	1st August 2011 or as at date of appointment
Andrew Hutton	**90,000**	80,200
Sarah Fromson	**–**	–
Richard Robinson	**–**	–
Paul Wallace	**50,000**	–

There have been no changes to these holdings reported since the year end.

In accordance with corporate governance best practice all Directors will stand for reappointment at the forthcoming Annual General Meeting. The Audit and Nomination Committee, having considered their qualifications, performance and contribution to the Board and to the Committee, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

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. There is no cover against fraudulent or dishonest actions.

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 auditor is unaware, and

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

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

Section 992 Companies Act 2006

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

Capital Structure
The Company's capital structure is summarised on the 'Features' page.

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 16 to the Notice of Meeting on page 53.

Notifiable Share Interests
At the financial year end the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
Brewin Dolphin Limited	34,824,745	20.0
Investec Wealth & Investment Limited	16,499,723	9.4
Cazenove Capital Management Limited	9,795,950	5.6
J O Hambro Investment Management Limited	7,350,250	4.2
CCLA Investment Management Ltd	5,000,000	2.9

No changes to these holdings had been notified as at the date of this report.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back 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.

Environmental Matters, Social and Community Issues

Information on environmental matters, social and community issues is set out on page 22. The Company has no employees.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as auditor to the Company and a resolution proposing their reappointment and to authorise the Directors to agree their remuneration for the ensuing year will be put to shareholders at the forthcoming Annual General Meeting.

Directors' Report continued

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 adviser 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 disapplication of pre-emption rights (resolutions 9 and 10)

The Company published a prospectus on 14th May 2012 in connection with a placing of up to 200 million ordinary shares, of which as at the date of this report 192 million remain unissued. The prospectus remains valid in respect of any further issue of ordinary shares pursuant to the placing up to and including 13th May 2013, after which the prospectus will lapse.

Resolution 9, if passed, will authorise the Directors to allot up to 52,460,831 ordinary shares or, if different, such number of ordinary shares as shall represent 30% of the Company's issued share capital as at close of business on the day immediately preceding the Annual General Meeting.

If Resolution 10 is passed, the Directors will also have the power to allot the shares over which they are granted authority pursuant to Resolution 9 for cash on a non pre-emptive basis. Any ordinary shares allotted on a non pre-emptive basis will not be issued at a price less than the prevailing net asset value per ordinary share.

Although the Board would be authorised to allot up to 52,460,831 ordinary shares (or, if different, such number of ordinary shares as shall represent 30% of the Company's issued share capital as at close of business on the day immediately preceding the Annual General Meeting) for cash on a non pre-emptive basis, the Board would only utilise this power up to the maximum amount permitted in respect of ordinary shares issued pursuant to the placing on the basis of the existing prospectus during the period from the conclusion of the Annual General Meeting up to and including 13th May 2013. After that date and the lapse of the existing prospectus, the Directors will limit the number of ordinary shares which may be issued for cash on a non pre-emptive basis to such maximum number of shares as shall be equal to 10% of the Company's issued ordinary share capital as at midnight on 13th May 2013 (this being the maximum amount of ordinary shares that the Company may issue during the next 12 months without having to publish a new prospectus).

The Directors intend to use this authority when they consider that it is in the best interests of shareholders to do so and to satisfy continuing demand for the Company's ordinary shares. As such issues are only made at prices greater than the NAV, they increase the assets underlying each share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares.

(ii) Authority to repurchase the Company's shares (resolution 11)

A resolution will be proposed at the Annual General Meeting that the Company be authorised to repurchase in the market up to 14.99% of the Company's issued share capital as at the date of the passing of the resolution.

Any repurchases will be at the discretion of the Board and will be made in the market only at prices below the prevailing net asset value per share, thereby enhancing the NAV of the remaining shares. In the normal course of business the Directors would expect to exercise their discretion to repurchase shares if the discount to Net Asset Value at which they trade exceeded 5% over any significant period of time.

The authority limits the number of shares that could be repurchased to a maximum of 26,212,928 ordinary shares, representing approximately 14.99% of the Company's issued share capital as at 11th October 2012 (being the latest practicable date prior to the publication of this report).

The authority to repurchase shares will expire on 20th May 2014 but it is the Board's intention to seek renewal of the authority at the 2013 AGM.

Recommendation

The Board considers that resolutions 9 to 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 recommended that you vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings which amount in aggregate to 140,000 ordinary shares, representing 0.08% of the voting rights of the Company.

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 24, indicates how the Company has applied the principles of good governance of the Financial Reporting Council's UK Corporate Governance Code (the 'Code') and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the Code and provides a framework of best practice for investment trusts.

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

Role of the Board

A management agreement between the Company and JPMAM sets out the matters which have been delegated to the Manager. 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 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 has procedures in place to deal with potential conflicts of interest and, following the introduction of The Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

The Board meets on at least four occasions 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.

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 Company Secretary, JPMAM, which is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

Board Composition

The Board, chaired by Andrew Hutton, consists of four non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 12.

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. The Board has considered whether a senior independent director should be appointed and has concluded that, as the Board is composed entirely of non-executive directors, this is unnecessary at present. However, the Chairman of the Audit and Nomination Committee 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 reappointed by shareholders. Thereafter, a Director's appointment runs for a term of three years. In the light of the performance evaluation carried out each year, the Board will decide 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 reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the Code, including the need to refresh the Board and its Committees. The Board has adopted corporate governance best practice and all Directors stand for annual reappointment

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 Annual General Meeting.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and

Directors' Report continued

regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and Committees

The Board delegates certain responsibilities and functions to the Audit and Nomination Committee of which all Directors are members.

The table below details the number of Board and Audit and Nomination Committee meetings attended by each Director. During the year under review there were four quarterly Board meetings and two Audit and Nomination Committee meetings. In addition, there were 5 other *ad hoc* Board meetings to deal with various corporate initiatives.

Director	Board Meetings Attended	Audit and Nomination Committee Meetings Attended
Andrew Hutton	9	2
Sarah Fromson	9	2
Richard Robinson[1]	7	1
Paul Wallace	9	2

[1]Richard Robinson was appointed a Director on 1st December 2011.

Board Committee

Audit and Nomination Committee

The Audit and Nomination Committee, chaired by Paul Wallace, and comprising all of the independent Directors, meets at least twice each year. The members of the Audit and Nomination 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 and annual accounts and the Company's compliance with the 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 reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit services, and the independence and objectivity of the external Auditor. In order to safeguard the Auditor's objectivity and independence, any significant non-audit services are carried out through a partner other than the audit engagement partner. Representatives of the Company's Auditor attend the Committee meeting at which the draft annual report and accounts are considered. The Directors' statement on the Company's system of internal control is set out below.

The Committee fulfils the role of a Nomination Committee in ensuring that the Board has an appropriate balance of skills to carry out its fiduciary duties and to select and propose suitable candidates when necessary for appointment. A variety of sources, including external search consultants, may be used to ensure that a wide range of candidates is considered. External search consultants were not used for the recruitment of Richard Robinson.

The Committee undertakes an annual performance evaluation to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

Terms of Reference

The Audit and Nomination Committee has written terms of reference which define clearly its responsibilities, a copy of which is available on the Company's website and 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 reports formally to shareholders quarterly each year by way of the annual report and accounts, the half year report and two interim management statements. This is supplemented by daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. Shareholders may also visit the Company's website at www.jpmglobalemergingmarketsincome.co.uk where the share price is updated every 15 minutes during trading hours.

All shareholders have the opportunity, and 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, and a presentation is given by the Investment Manager who reviews the Company's performance. During the year the Company's brokers, the Investment Manager and JPMAM hold regular discussions with larger shareholders and make the Board fully aware of their views. The Chairman and Directors make themselves available as and when required to support these meetings and to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 57.

The Company's Annual Report and 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 Company Secretary at the address shown on page 57.

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

Risk Management and Internal Control

The Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and 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 controls.

The Directors are responsible for the Company's system of risk management and 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 risk management and internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure 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 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 – 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 risk management and 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.

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 and Nomination Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit and Nomination Committee, reviews the terms of the management agreement and regular reports from JPMAM's Compliance department;
- the Board reviews reports on the risk management and internal controls and operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- the Directors review every six months an independent report on the risk management and internal controls and the operations of JPMAM.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31st July 2012, and to the date of approval of this Annual Report and Accounts.

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

Directors' Report continued

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it 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.

Stewardship/Engagement

JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

Social & Environmental

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request. JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: http://www.jpmorganassetmanagement.co.uk/institutional/CommentaryAndAnalysis/CorporateGovernance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Jonathan Latter, for and on behalf of
J.P. Morgan Asset Management (UK) Limited,
Company Secretary
12th October 2012

Directors' Remuneration Report

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

The law requires the Company's auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited they are indicated as such. The auditor's opinion is included in their report on page 25.

Directors' Remuneration[1]

Director's Name	2012 £	2011[2] £
Andrew Hutton (Chairman)	**25,000**	28,109
Sarah Fromson	**20,000**	3,333
Richard Robinson[3]	**13,333**	–
Paul Wallace	**23,000**	25,860
Total	**81,333**	57,302

[1]Audited information.

[2]From date of appointment to 31st July 2011.

[3]Richard Robinson was appointed a Director on 1st December 2011.

During the year under review Directors' fees were paid at a rate of £25,000 per annum for the Chairman, £23,000 per annum for the Chairman of the Audit and Nomination Committee and £20,000 per annum for other Directors. With effect from 1st August 2012, Directors' fees were increased to £30,000, £25,000 and £22,000 respectively.

No amounts were paid to third parties for making available the services of Directors.

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 and Nomination Committee are paid higher fees than other Directors, reflecting the greater time commitment involved in fulfiling these roles.

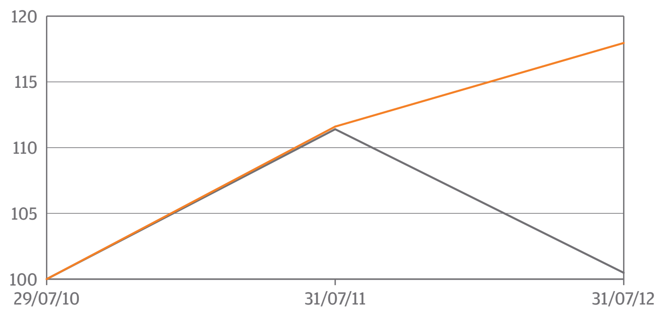
As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, it has an Audit and Nomination Committee which reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, JPMAM, and relevant third parties 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. Any increase in the present permitted aggregate fee level of £175,000 requires both Board and shareholder approval.

The Directors do not have service contracts with the Company. Details of the Board's policy on tenure is set out on page 19.

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. Directors 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 attending to the Company's business.

A graph showing the Company's ordinary share price total return compared with its benchmark index since the date the Company began investing is shown below.

Share price and benchmark total return to 31st July 2012



Source: Morningstar/MSCI.

Share price total return.

Benchmark.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Company Secretary
12th October 2012

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements 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 www.jpmglobalemergingmarketsincome.co.uk website, 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. The work carried out by the auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Statement under the Disclosure & Transparency Rules 4.1.12

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

(a) the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law), give a true and fair view of the assets, liabilities, financial position and profit 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
Andrew Hutton
Chairman
12th October 2012

Independent Auditor's Report

Independent Auditor's Report to the members of JPMorgan Global Emerging Markets Income Trust plc

We have audited the financial statements of JPMorgan Global Emerging Markets Income Trust plc (the 'Company') for the year ended 31st July 2012 which comprise the Income Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 25. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st July 2012 and of its return 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 year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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 16, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Michael-John Albert (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London
12th October 2012

Income Statement

for the year ended 31st July 2012

	Notes	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011[1] Revenue £'000	2011[1] Capital £'000	2011[1] Total £'000
Gains on investments held at fair value through profit or loss	2	**–**	**4,496**	**4,496**	–	13,520	13,520
Net foreign currency (losses)/gains		**–**	**(1,035)**	**(1,035)**	–	500	500
Income from investments	3	**10,530**	**–**	**10,530**	8,459	–	8,459
Other interest receivable and similar income	3	**2**	**–**	**2**	8	–	8
Gross return		**10,532**	**3,461**	**13,993**	8,467	14,020	22,487
Management fee	4	**(501)**	**(1,170)**	**(1,671)**	(398)	(928)	(1,326)
Performance fee	4	**–**	**(2,838)**	**(2,838)**	–	(897)	(897)
Other administrative expenses	5	**(450)**	**–**	**(450)**	(398)	–	(398)
Net return/(loss) on ordinary activities before finance costs and taxation		**9,581**	**(547)**	**9,034**	7,671	12,195	19,866
Finance costs	6	**(128)**	**(298)**	**(426)**	(102)	(149)	(251)
Net return/(loss) on ordinary activities before taxation		**9,453**	**(845)**	**8,608**	7,569	12,046	19,615
Taxation	7	**(971)**	**–**	**(971)**	(706)	–	(706)
Net return/(loss) on ordinary activities after taxation		**8,482**	**(845)**	**7,637**	6,863	12,046	18,909
Return/(loss) per share	9	**5.41p**	**(0.54)p**	**4.87p**	5.76p	10.11p	15.87p

[1]For the period from incorporation on 4th June 2010 to 31st July 2011.

All revenue and capital items in the above statement derive from continuing operations. No operations were discontinued during 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 accompanying notes on pages 31 to 50 form an integral part of these accounts.

Statement of Total Recognised Gains and Losses

for the year ended 31st July 2012

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011[1] Revenue £'000	2011[1] Capital £'000	2011[1] Total £'000
Movement in fair value of the cash flow hedge	**–**	**19**	**19**	–	(121)	(121)
Net return/(loss) on ordinary activities	**8,482**	**(845)**	**7,637**	6,863	12,046	18,909
Total recognised gains/(losses) for the year	**8,482**	**(826)**	**7,656**	6,863	11,925	18,788

[1]For the period from incorporation on 4th June 2010 to 31st July 2011.

The accompanying notes on pages 31 to 50 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31st July 2012

	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 4th June 2010[1]	–	–	–	–	–	–	**–**
Issue of Management shares	13	–	–	–	–	–	**13**
Repurchase and cancellation of Management shares	(13)	13	–	–	(13)	–	**(13)**
Issue of Ordinary shares following placing and offer for subscription	1,040	–	102,960	–	–	–	**104,000**
Expenses of placing and offer for subscription	–	–	(1,712)	–	–	–	**(1,712)**
Issue of Ordinary shares	156	–	17,137	–	–	–	**17,293**
Additional share issue expenses	–	–	(310)	–	–	–	**(310)**
Redesignation of share premium	–	–	(101,276)	101,276	–	–	**–**
Issue of Ordinary shares on conversion of 'C' shares	230	–	23,762	–	1,527	–	**25,519**
Movement in fair value of the cash flow hedge	–	–	–	–	(121)	–	**(121)**
Net return on ordinary activities	–	–	–	–	12,046	6,863	**18,909**
Dividends appropriated in the period	–	–	–	–	–	(3,798)	**(3,798)**
At 31st July 2011	1,426	13	40,561	101,276	13,439	3,065	**159,780**
Issue of Ordinary shares	311	–	33,748	–	–	–	**34,059**
Expenses of new share issue	–	–	(298)	–	–	–	**(298)**
Net (loss)/return from ordinary activities	–	–	–	–	(845)	8,482	**7,637**
Movement in fair value of the cash flow hedge	–	–	–	–	19	–	**19**
Dividends appropriated in the year	–	–	–	–	–	(6,546)	**(6,546)**
At 31st July 2012	1,737	13	74,011	101,276	12,613	5,001	**194,651**

[1]Date of incorporation.

The accompanying notes on pages 31 to 50 form an integral part of these accounts.

Balance Sheet

at 31st July 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments held at fair value through profit or loss		**207,152**	169,227
Investment in liquidity fund held at fair value through profit or loss		**2,904**	579
Total investments	10	**210,056**	169,806
Current assets	11		
Debtors		**1,830**	1,235
Cash and short term deposits		**729**	2,117
		2,559	3,352
Creditors: amounts falling due within one year	12	**(3,649)**	(1,087)
Financial liability: derivative financial instrument	13	**(102)**	(121)
Net current (liabilities)/assets		**(1,192)**	2,144
Total assets less current liabilities		**208,864**	171,950
Creditors: amounts falling due after more than one year	14	**(12,757)**	(12,170)
Provision for liabilities and charges			
Performance fees	15	**(1,456)**	–
Net assets		**194,651**	159,780
Capital and reserves			
Called up share capital	16	**1,737**	1,426
Capital redemption reserve	17	**13**	13
Share premium	17	**74,011**	40,561
Other reserve	17	**101,276**	101,276
Capital reserves	17	**12,613**	13,439
Revenue reserve	17	**5,001**	3,065
Total equity shareholders' funds		**194,651**	159,780
Net asset value per share	18	**112.0p**	112.0p

The accounts on pages 26 to 50 were approved by the Directors and authorised for issue on 12th October 2012 and are signed on their behalf by:

Andrew Hutton
Director

The accompanying notes on pages 31 to 50 form an integral part of these accounts.

Company registration number: 7273382

Cash Flow Statement

for the year ended 31st July 2012

	Notes	2012 £'000	2011[1] £'000
Net cash inflow from operating activities	19	**6,084**	4,876
Returns on investments and servicing of finance			
Interest paid		**(419)**	(250)
Finance costs paid relating to 'C' shares		**–**	(795)
Net cash outflow from returns on investments and servicing of finance		**(419)**	(1,045)
Taxation			
Overseas tax recovered		**19**	–
Total tax recovered		**19**	–
Capital expenditure and financial investment			
Purchases of investments		**(130,736)**	(223,292)
Sales of investments		**97,035**	67,342
Other capital charges		**(18)**	(305)
Net cash outflow from capital expenditure and financial investment		**(33,719)**	(156,255)
Dividends paid		**(6,546)**	(3,798)
Net cash outflow before financing		**(34,581)**	(156,222)
Financing			
Proceeds of placing and offer for subscription		**–**	104,000
Expenses of placing and offer for subscription		**–**	(1,712)
Proceeds of issue of ordinary shares		**33,945**	17,293
Costs of subsequent issue of ordinary shares		**(298)**	(310)
Drawdown of loan		**–**	12,562
Loan arrangement fees paid		**–**	(18)
Gross proceeds of 'C' share issue		**–**	26,402
Net cash inflow from financing		**33,647**	158,217
(Decrease)/increase in cash for the year	19	**(934)**	1,995

[1]For the period from incorporation on 4th June 2010 to 31st July 2011.

The accompanying notes on pages 31 to 50 form an integral part of these accounts.

Notes to the Accounts

for the year ended 31st July 2012

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 and Venture Capital Trusts' (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.

(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 are quoted bid market prices for investments traded in active markets.

Realised gains or losses on investments are recognised in the Income Statement and represent the difference between the proceeds arising on sale and the brought forward fair value of the investment sold.

Derivatives are classified as held for trading and are measured at fair value using a recognised valuation technique. Unrealised movements in the valuation of derivatives are recognised in the Income Statement except where the derivative meets the criteria for cash flow hedge accounting. Under the requirements of cash flow hedge accounting, unrealised gains or losses on derivative products are recognised through the Statement of Total Recognised Gains and Losses as a separate component of equity.

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

(c) Accounting for reserves

Gains and losses on sales of investments and realised gains or losses on derivatives, including any related foreign exchange gains and losses, realised gains and losses on foreign currency, performance fee realised, management fee and finance costs and any other capital charges, are included in the Income Statement and dealt with in capital reserves within 'Gains and losses on sales of investments'. Increases and decreases in the valuation of investments, options and other derivatives held at the year end, including the related foreign exchange gains and losses, are included in the Income Statement and dealt with in capital reserves within 'Investment holding gains'.

(d) 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.

UK dividends are included net of tax credits. Overseas dividends are included gross of any withholding tax.

Interest receivable on deposits and debt instruments is taken to revenue on an accruals basis using the effective interest rate method.

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.

Notes to the Accounts continued

1. Accounting policies continued

(e) Expenses

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

- Management fees are allocated 30% to revenue and 70% to capital in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- Performance fees are allocated 100% to capital.
- Expenses incidental to purchases and sales of investments are charged to capital. 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.

(f) Finance costs

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

Finance costs of the 'C' shares issued by the Company, which were classified as a liability, are recognised as an expense and shown in the capital column of the Income Statement.

Finance costs other than those relating to the 'C' shares, are allocated 30% to revenue and 70% to capital in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.

(g) 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 debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at carrying value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying value of all debtors and creditors approximates to their fair value.

Short term forward currency contracts are classified as derivative financial instruments and are held at fair value through profit or loss. Unrealised gains or losses on contracts outstanding at the end of the year are recognised in the Income Statement.

The Company uses an interest rate swap to hedge the cash flow risk arising from interest rate fluctuations. The swap is classified as 'held at fair value through profit or loss' and has been designated as an effective cash flow hedge in accordance with the provisions of FRS 26. Gains or losses arising on the fair value of the cash flow hedge during the year are shown in the Statement of Total Recognised Gains and Losses and are accounted for in capital reserves.

(h) Foreign currency

In accordance with FRS 23: '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 the functional currency to be sterling. Sterling is also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted to sterling at actual exchange rates at the date of the transaction. Monetary assets, 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 arising from a change in exchange rates are included in the Income Statement within 'Gains or losses on investments held at fair value through profit or loss' and charged or credited to capital reserves.

(i) Taxation

Current tax is provided at the amounts expected to be received or paid.

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.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

Investment trusts which have approval under the appropriate tax regulations are not liable for taxation on capital gains.

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.

2. Gains on investments held at fair value through profit or loss

	2012 £'000	2011 £'000
(Losses)/gains on sales of investments held at fair value through profit or loss based on historic cost	**(1,214)**	6,503
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year	**(1,974)**	–
Realised (losses)/gains on sales of investments based on carrying value at the previous balance sheet date	**(3,188)**	6,503
Net movement in investment holding gains and losses	**7,702**	7,329
Other capital charges	**(18)**	(312)
Total gains on investments held at fair value through profit or loss	**4,496**	13,520

3. Income

	2012 £'000	2011 £'000
Overseas dividends	**10,371**	8,204
Dividends from participation notes	**139**	231
Dividends from liquidity fund	**7**	–
Scrip dividends	**13**	24
Total income from investments	**10,530**	8,459
Other income		
Deposit interest	**2**	8
Total income	**10,532**	8,467

Notes to the Accounts continued

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
4. Management and performance fees						
Management fee	**501**	**1,170**	**1,671**	398	928	1,326
Performance fee	**–**	**2,838**	**2,838**	–	897	897
	501	**4,008**	**4,509**	398	1,825	2,223

Details of the management fee and performance fee are given in the Directors' Report on page 16.

	2012 £'000	2011 £'000
5. Other administrative expenses		
Other administration expenses	**305**	269
Directors' fees	**81**	57
Savings scheme costs[1]	**42**	37
Auditors' remuneration for audit services[2]	**22**	35
	450	398

[1]These amounts are payable to the Manager for the marketing and administration of savings scheme products.

[2]In addition to the above, fees amounting to £18,000 (2011: £56,000) including VAT were payable to the auditors for services in connection with the initial public offering (2011), subsequent issues of shares and the audit of the initial interim accounts. Those fees payable in connection with the issue of ordinary shares have been included in share issue costs and charged to share premium and those payable in connection with the issue of 'C' shares (2011) have been included in finance costs. Fees payable for the audit of the initial interim accounts are included in auditors' remuneration for audit services.

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
6. Finance costs						
Interest on bank loans and overdrafts	**128**	**298**	**426**	102	237	339
Net loss allocated to 'C' shares	**–**	**–**	**–**	–	(437)	(437)
Expenses of 'C' share issue	**–**	**–**	**–**	–	349	349
	128	**298**	**426**	102	149	251

7. Taxation

(a) Analysis of tax charge in the year (2011: same)

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
UK corporation tax at 25.34% (2011: 27.34%)	–	–	–	–	–	–
Overseas withholding tax	**971**	–	**971**	706	–	706
Current tax charge for the year	**971**	–	**971**	706	–	706

(b) Factors affecting current tax charge for the year

The tax charge for the year is lower (2011: lower) than the Company's applicable rate of corporation tax of 25.34% (2011: 27.34%). The difference is explained below:

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Net return/(loss) on ordinary activities before taxation	**9,453**	**(845)**	**8,608**	7,569	12,046	19,615
Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 25.34% (2011: 27.34%)	**2,395**	**(214)**	**2,181**	2,069	3,294	5,363
Effects of:						
Non taxable capital gains	–	**(877)**	**(877)**	–	(3,833)	(3,833)
Non taxable overseas dividends	**(2,373)**	–	**(2,373)**	(2,096)	–	(2,096)
Non taxable scrip dividends	**(3)**	–	**(3)**	(7)	–	(7)
Tax attributable to expenses and finance costs charged to capital	**(1,091)**	**1,091**	–	(563)	563	–
Income taxed in different periods	**(114)**	–	**(114)**	(51)	–	(51)
Expenses not deductible for tax purposes	–	–	–	–	(24)	(24)
Overseas withholding tax	**971**	–	**971**	706	–	706
Unutilised expenses carried forward to future periods	**1,186**	–	**1,186**	648	–	648
Current tax charge for the year	**971**	–	**971**	706	–	706

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £1,634,000 which comprises unutilised expenses of £6,808,000 (2011: £616,000, unutilised expenses of £2,309,000) based on a prospective corporation tax rate of 24% (2011: 26%). The reduction in the standard rate of corporation tax was substantively enacted on 5th July 2011 and is effective from 1st April 2012. The Government has also indicated that it intends to enact future reductions in the main rate of corporation tax of 1% each year down to 20% by 1st April 2016. The deferred tax asset has arisen due to the excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to apply for status as an investment trust company, no deferred tax has been provided on any capital gains or losses arising on the revaluation or disposal of investments.

Notes to the Accounts continued

8. Dividends

(a) Dividends paid and proposed

	2012 £'000	2011 £'000
2011 Final dividend paid of 1.45p	**2,198**	–
First interim dividend paid of 0.90p (2011: 1.00p)	**1,380**	1,164
Second interim dividend paid of 0.90p (2011: 2.25p)	**1,449**	2,634
Third interim dividend paid of 0.90p (2011: Nil)	**1,519**	–
Total dividends paid in the year	**6,546**	3,798
Final dividend proposed of 2.15p (2011: 1.45p)	**3,735**	2,069

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends paid and proposed in respect of the financial year, as follows:

	2012 £'000	2011 £'000
First interim dividend paid of 0.90p (2011: 1.00p)	**1,380**	1,164
Second interim dividend paid of 0.90p (2011: 2.25p)	**1,449**	2,634
Third interim dividend paid of 0.90p	**1,519**	–
Final dividend proposed of 2.15p (2011: 1.45p)	**3,735**	2,069
Total dividends for Section 1158 purposes	**8,083**	5,867

The revenue available for distribution by way of dividend is £8,482,000 (2011: £6,863,000).

9. Return/(loss) per share

Return/(loss) per share is based on the following:

	2012 £'000	2011 £'000
Revenue return	**8,482**	6,863
Capital (loss)/return	**(845)**	12,046
Total return	**7,637**	18,909
Weighted average number of Ordinary shares in issue during the year	**156,827,362**	119,152,531
Revenue return per share	**5.41p**	5.76p
Capital (loss)/return per share	**(0.54)p**	10.11p
Total return per share	**4.87p**	15.87p

	2012 £'000	2011 £'000
10. Investments		
Listed investments and participation notes	**207,152**	169,227
Investment in liquidity fund	**2,904**	579
Total investments	**210,056**	169,806
Opening book cost	**162,477**	–
Opening investment holding gains	**7,329**	–
Opening valuation	**169,806**	–
Movements in the year:		
Purchases at cost	**132,787**	223,316
Sales – proceeds	**(97,051)**	(67,342)
Realised (losses)/gains on sales of investments based on the ongoing value at the previous balance sheet date	**(3,188)**	6,503
Net movement in investment holding gains and losses	**7,702**	7,329
	210,056	169,806
Closing book cost	**196,999**	162,477
Closing investment holding gains	**13,057**	7,329
Total investments held at fair value	**210,056**	169,806

During the year, prior investment holding gains amounting to £1,974,000 were transferred to gains on sales of investments as disclosed in notes 2 and 17.

Transaction costs on purchases during the year amounted to £223,000 (2011: £353,000) and on sales during the year amounted to £145,000 (2011: £88,000). These costs comprise mainly brokerage commission.

	2012 £'000	2011 £'000
11. Current assets		
Debtors		
Securities sold awaiting settlement	**16**	–
Dividends and interest receivable	**1,664**	1,094
Overseas tax recoverable	**9**	4
Issue of Ordinary shares awaiting settlement	**114**	–
Other debtors	**27**	137
	1,830	1,235

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 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.

Notes to the Accounts continued

	2012 £'000	2011 £'000
12. Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	**2,038**	24
Performance fee	**1,382**	897
Other creditors and accruals	**143**	87
Loan interest payable	**86**	79
	3,649	1,087

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

	2012 £'000	2011 £'000
13. Financial liability: derivative financial instrument		
Interest rate swap contract held at fair value through profit or loss	**102**	121

	2012 £'000	2011 £'000
14. Creditors: amounts falling due after more than one year		
Bank loan – US Dollar 20 million floating rate loan with ING Bank	**12,757**	12,170

The loan is secured by a floating charge over all the assets of the Company.

The interest rate payable on the loan has been fixed via a swap contract. Further details are given in note 23(a)(ii).

The carrying amount of the bank loan approximates to its fair value.

	2012 £'000	2011 £'000
15. Provisions for liabilities and charges		
Performance fee		
Provision brought forward at the beginning of year	**–**	–
Performance fee for the year	**2,838**	–
Amount released during the year	**(1,382)**	–
Provision carried forward at the end of the year	**1,456**	–

	2012 £'000	2011 £'000
16. Called up share capital		
Management shares		
Allotment of Nil (2011: 50,000) Management shares of £1 each to the Manager (one quarter paid)	–	13
2011: Repurchase and cancellation of 50,000 Management shares	–	(13)
	–	–
Ordinary shares – allotted and fully paid		
Opening balance	**1,426**	–
2011: Allotment of 200 ordinary shares of 1p each to the Manager	–	–
2011: 103,999,800 ordinary shares of 1p each following the Placing and Offer for Subscription	–	1,040
Issue of 31,063,585 (2011: 15,625,000) ordinary shares	**311**	156
2011: Issue of 23,030,853 ordinary shares on conversion of 'C' shares	–	230
Closing balance represented by 173,719,438 (2011: 142,655,853) ordinary shares of 1p each	**1,737**	1,426

Share capital transactions

During the year, 31,063,585 Ordinary shares were issued for gross proceeds of £34.1 million. The purpose of the new share issue was not only to satisfy demand but also to enhance the net asset value when issued at a premium.

Since the year end, the Company has issued a further 1,150,000 new ordinary shares for total consideration of £1.3 million. All new ordinary shares have been issued at a premium to NAV.

The Company has the authority to repurchase shares in the market for cancellation. However, no shares were repurchased during the year.

Resolutions to renew the authority to issue new shares and to repurchase shares will be put to shareholders at the forthcoming Annual General Meeting. More details are given on page 18 and the full text of the resolutions is set out in the Notice of Annual General Meeting on pages 51 and 52.

Notes to the Accounts continued

	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains £'000	Revenue reserve £'000
17. Reserves							
Opening balance	1,426	13	40,561	101,276	5,853	7,586	3,065
Foreign currency losses on cash and short term deposits	–	–	–	–	(454)	–	–
Realised losses on sales of investments based on carrying value at the previous balance sheet date	–	–	–	–	(3,188)	–	–
Net movement in investment holding gains and losses	–	–	–	–	–	7,702	–
Transfer on disposal of investments	–	–	–	–	1,974	(1,974)	–
Performance fee for the year	–	–	–	–	–	(2,838)	–
Performance fee now realised	–	–	–	–	(1,382)	1,382	–
Issue of ordinary shares	311	–	33,748	–	–	–	–
Additional share issue expense	–	–	(298)	–	–	–	–
Unrealised foreign currency gains on loans	–	–	–	–	–	(581)	–
Movement in fair value of the cash flow hedge	–	–	–	–	19	–	–
Finance costs charged to capital	–	–	–	–	(298)	–	–
Management fee charged to capital	–	–	–	–	(1,170)	–	–
Other capital charges	–	–	–	–	(18)	–	–
Dividends appropriated in the year	–	–	–	–	–	–	(6,546)
Retained revenue for the year	–	–	–	–	–	–	8,482
Closing balance	**1,737**	**13**	**74,011**	**101,276**	**1,336**	**11,277**	**5,001**

18. Net asset value per share

The net asset value per share is based on the net assets attributable to the ordinary shareholders of £194,651,000 (2011: £159,780,000) and on the 173,719,438 (2011: 142,655,853) ordinary shares outstanding at 31st July 2012.

	2012 £'000	2011 £'000
19. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities		
Total return on ordinary activities before finance costs and taxation	**9,034**	19,866
Add: capital loss/(return) on ordinary activities before finance costs and taxation	**547**	(12,195)
Scrip dividends received as income	**(13)**	(24)
Increase in accrued income	**(570)**	(1,094)
Decrease/(increase) in other debtors	**110**	(137)
Increase in accrued expenses	**38**	98
Management fee charged to capital	**(1,170)**	(928)
Overseas withholding tax	**(995)**	(710)
Performance fee paid	**(897)**	–
Net cash inflow from operating activities	**6,084**	4,876

	2011 £'000	Cash flow £'000	Exchange movement £'000	Other movements £'000	**2012 £'000**
20. Analysis of changes in net debt					
Cash and short term deposits	2,117	(934)	(454)	–	**729**
Foreign currency bank loan falling due after more than one year	(12,170)	–	(581)	(6)	**(12,757)**
Net debt	(10,053)	(934)	(1,035)	(6)	**(12,028)**

21. Transactions with the Manager and affiliates of the Manager

The management fee payable to JPMorgan Asset Management (UK) Limited ('JPMAM') for the year was £1,671,000 (2011: £1,326,000) of which £nil (2011: £nil) was outstanding at the year end.

Expenses amounting to £42,000 (2011: £37,000) were payable to JPMAM for the marketing and administration of savings scheme products during the year, of which £nil (2011: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £18,000 (2011: £22,000) were payable to JPMorgan Chase during the year, of which £7,000 (2011: £7,000) was outstanding at the year end.

Based on the performance over the year, the Manager has earned a performance fee of £2,838,000 (2011: £897,000) under the terms of the Management Agreement and £1,382,000 (2011: £897,000) is outstanding at the year end.

Included in other administration expenses in note 5 are safe custody fees amounting to £148,000 (2011: £121,000) payable to JPMorgan Investor Services Limited, of which £53,000 (2011: £24,000) was outstanding at the year end.

JPMAM may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £40,000 (2011: £37,000) of which £nil (2011: £nil) was outstanding at the year end.

At the year end, a bank balance of £729,000 (2011: £2,117,000) was held with JPMorgan Chase. A net amount of interest of £2,000 (2011: £8,000) was receivable by the Company during the year from JPMorgan Chase, of which £nil (2011: £nil) was outstanding at the year end.

Notes to the Accounts continued

22. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio and a derivative financial instrument, comprising an interest rate swap contract.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using quoted prices in active markets;

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1; and

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b).

The following table sets out the fair value measurements using the FRS 29 hierarchy at 31st July:

	2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss				
Listed investments and participation notes	**207,152**	**–**	**–**	**207,152**
Liquidity fund	**2,904**	**–**	**–**	**2,904**
Derivative financial instruments – interest rate swap contract	**–**	**(102)**	**–**	**(102)**
Total	**210,056**	**(102)**	**–**	**209,954**

	2011			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss				
Listed investments and participation notes	169,227	–	–	169,227
Liquidity fund	579	–	–	579
Derivative financial instruments – interest rate swap contract	–	(121)	–	(121)
Total	169,806	(121)	–	169,685

There have been no transfers between Level 1, 2 or 3 during the year (2011: nil).

23. 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 Company Secretary, in close co-operation with the Board and the Manager, coordinates the Company's risk management strategy.

The Company's financial instruments may comprise the following:

- investments in equity shares and participation notes of overseas companies and a US Dollar liquidity fund which are held in accordance with the Company's investment objective;
- short term debtors, creditors and cash arising directly from its operations; and
- a floating rate loan with ING Bank and an interest rate swap contract for the purpose of fixing the interest rate payable on that loan.

(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. 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 US dollars on receipt. The Company may use short term forward currency contracts to manage working capital requirements. It is currently not the Company's policy to hedge against foreign currency exchange risk.

Notes to the Accounts continued

23. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(i) Currency risk continued

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31st July 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.

	2012						
	Hong Kong Dollar £'000	US Dollar £'000	Taiwan Dollar £'000	South African Rand £'000	Brazilian Real £'000	Other £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	–	2,904	–	–	–	–	2,904
Current assets	107	598	531	76	54	875	2,241
Creditors	–	(13,373)	–	(2,038)	–	–	(15,411)
Foreign currency exposure on net monetary items	107	(9,871)	531	(1,962)	54	875	(10,266)
Investments held at fair value through profit or loss that are equities	36,068	43,079	24,528	18,728	19,054	65,695	207,152
Total net foreign currency exposure	36,175	33,208	25,059	16,766	19,108	66,570	196,886

	2011						
	Hong Kong Dollar £'000	US Dollar £'000	Taiwan Dollar £'000	South African Rand £'000	Brazilian Real £'000	Other £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	–	579	–	–	–	–	579
Current assets	–	438	837	–	1,673	136	3,084
Creditors	–	(12,291)	–	–	–	–	(12,291)
Foreign currency exposure on net monetary items	–	(11,274)	837	–	1,673	136	(8,628)
Investments held at fair value through profit or loss that are equities	29,424	23,547	19,935	18,777	14,441	63,103	169,227
Total net foreign currency exposure	29,424	12,273	20,772	18,777	16,114	63,239	160,599

The following tables illustrate the sensitivity of the return 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 monetary financial instruments (excluding fixed asset investments) held at the balance sheet date and the income receivable in foreign currency, and assumes a 10% appreciation or depreciation in sterling against the Hong Kong Dollar, US Dollar, Taiwan Dollar, South African Rand, Brazilian Real, and the other 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 by 10% (2011: 10%) this would have had the following effect:

	2012 £'000	2011 £'000
Income statement return after taxation		
Revenue return	**(1,037)**	844
Capital return	**975**	(863)
Total return after taxation for the year	**(62)**	(19)
Net assets	**(62)**	(19)

Conversely if sterling had strengthened by 10% (2011: 10%) this would have had the following effect:

	2012 £'000	2011 £'000
Income statement return after taxation		
Revenue return	**1,037**	(844)
Capital return	**(975)**	863
Total return after taxation for the year	**62**	19
Net assets	**62**	19

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to foreign currency risk.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the liquidity fund. The Company has no exposure to fair value interest rate risk.

Management of interest rate risk

The Company will not normally hold significant cash balances. There is an overdraft facility available from JPMorgan Chase, if required, bearing interest at the applicable rate and on the terms on which JPMorgan Chase makes similar overdrafts available.

The Company has a secured US Dollar 20 million 3 year floating rate loan with ING Bank, repayable in November 2013. Interest is payable at a rate of US Dollar LIBOR plus a margin of 2.15% per annum. The Company has also entered a swap agreement with ING Bank, the net effect of which is to fix the interest rate payable on the loan at 3.34% per annum for the whole 3 year term of the loan. Thus there is no interest rate risk arising from the loan due to interest rate fluctuations.

Notes to the Accounts continued

23. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(ii) Interest rate risk 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.

	2012 £'000	2011 £'000
Exposure to floating interest rates:		
Cash and short term deposits	**729**	2,117
JPMorgan US Dollar Liquidity Fund	**2,904**	579
Total exposure	**3,633**	2,696

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

The target interest earned on the JPMorgan US Dollar Liquidity Fund is the 7 day US Dollar London Interbank Bid Rate.

The exposure to floating interest rates has fluctuated during the year between net cash and net loan balances as follows:

	2012 £'000	2011 £'000
Maximum credit interest rate exposure – net cash balance	**8,273**	102,591
Minimum credit interest rate exposure – net cash balance	**827**	188

Interest rate sensitivity

The following table illustrates the sensitivity of the revenue after taxation for the year and net assets to a 1% increase in interest rates in regards 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.

	2012		2011	
	1% Increase in rate £'000	1% Decrease in rate £'000	1% Increase in rate £'000	1% Decrease in rate £'000
Income statement – return after taxation				
Revenue return	**36**	**(36)**	27	(27)
Capital return	**–**	**–**	–	–
Total return after taxation for the year	**36**	**(36)**	27	(27)
Net assets	**36**	**(36)**	27	(27)

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and investment in the liquidity fund.

(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 will meet 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 objective 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 31st July comprises its holdings in equity investments as follows:

	2012 £'000	2011 £'000
Equity investments held at fair value through profit or loss	**207,152**	169,227

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

Concentration of exposure to other price risk

The value of the investment portfolio is in a broad spread of countries with no particular concentration of exposure to any one country. It should also be noted that an investment may not be wholly exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% 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.

	2012		2011	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Income statement – return after taxation				
Revenue return	**(62)**	**62**	(51)	51
Capital return	**20,570**	**(20,570)**	16,804	(16,804)
Total return after taxation for the year and net assets	**20,508**	**(20,508)**	16,753	(16,753)

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to other price risk.

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Notes to the Accounts continued

23. Financial instruments' exposure to risk and risk management policies continued

(b) Liquidity risk continued

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 Company has entered into a swap contract, the net effect of which is to fix the interest rate payable on the bank loan. Thus there is no interest rate risk arising from the loan due to interest rate fluctuations.

Liquidity risk exposure

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

	2012			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors: amounts falling due within one year				
Performance fee	1,382	–	–	1,382
Securities purchased awaiting settlement	2,038	–	–	2,038
Other creditors and accruals	229	–	–	229
Financial liability: derivative financial instrument – interest rate swap contract held at fair value through profit or loss	–	–	102	102
Creditors: amounts falling due after more than one year				
Performance fee	–	–	1,456	1,456
Bank loan	106	317	12,885	13,308
	3,755	317	14,443	18,515

	2011			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors: amounts falling due within one year				
Performance fee	897	–	–	897
Securities purchased awaiting settlement	24	–	–	24
Other creditors and accruals	166	–	–	166
Financial liability: derivative financial instrument-interest rate swap contract held at fair value through profit or loss	–	–	121	121
Creditors: amounts falling due after more than one year				
Bank loan	102	305	12,698	13,105
	1,189	305	12,819	14,313

(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 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 continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and the 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

JPMorgan Chase is the custodian of the Company's assets. The custody agreement grants a general lien over the securities credited to the securities account. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. However, no absolute guarantee can be given to investors on the protection of all the assets of the Company.

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 year end.

(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.

24. Capital management policies and procedures

The Company's capital management objectives are to ensure that it will continue as a going concern and to provide investors with a dividend income combined with the potential for long term capital growth.

The Company's debt and capital structure comprises the following:

	2012 £'000	2011 £'000
Debt		
US Dollar 20 million floating rate loan	**12,757**	12,170
Equity		
Equity share capital	**1,737**	1,426
Reserves	**192,914**	158,354
Total equity	**194,651**	159,780

24. Capital management policies and procedures continued

The Board's policy is to employ gearing when the Manager believes it appropriate to do so. It is the Board's policy to utilise gearing up to a maximum of 120% at the time of drawdown. Gearing for this purpose is defined as investments expressed as a percentage of net assets.

	2012 £'000	2011 £'000
Investments	**207,152**	169,227
Net assets	**194,651**	159,780
Gearing	**106.4%**	105.9%

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, either for cancellation which takes into account the share price discount or premium; and
- the need for issues of new shares.

25. Post balance sheet event

On 1st October 2012, the Company entered into a three year US Dollar 20 million loan facility with National Australia Bank at a fixed rate of 2.88% (plus mandatory costs).

Notice of Annual General Meeting

Notice is hereby given that the second Annual General Meeting of JPMorgan Global Emerging Markets Income Trust plc will be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on Wednesday, 21st November 2012 at 2.00 p.m. for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditor's Report for the year ended 31st July 2012.
2. To approve the Directors' Remuneration Report for the year ended 31st July 2012.
3. To approve a final divided of 2.15p per ordinary share.
4. To reappoint Andrew Hutton as a Director of the Company.
5. To reappoint Sarah Fromson as a Director of the Company.
6. To reappoint Richard Robinson as a Director of the Company.
7. To reappoint Paul Wallace as a Director of the Company.
8. To reappoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

9. 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 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 £524,608, or, if different, up to an aggregate nominal amount as shall be equal to 30% of the nominal value of the issued share capital of the Company as at 20th November 2012 (being the day immediately preceding the date of the Annual General Meeting), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 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

10. THAT subject to the passing of Resolution 9 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 to 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 9 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 £524,608 or, if different, up to an aggregate nominal amount as shall be equal to 30% of the nominal value of the issued share capital of the Company as at 20th November 2012 (being the day immediately preceding the date of the Annual General Meeting), at a price being not less than the prevailing net asset value per share at the date of allotment and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 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 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

11. THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary 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 hereby authorised to be purchased shall be 26,212,928 or, if less, that number of Ordinary shares which is equal to

Notice of Annual General Meeting continued

14.99% of the Company's issued share capital as at the date of the passing of this resolution;

(ii) the minimum price which may be paid for an Ordinary share shall be 1p;

(iii) the maximum price which may be paid for an Ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an Ordinary 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 Ordinary 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 Ordinary shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 20th May 2014 unless the authority is renewed at the Company's Annual General Meeting in 2013 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase Ordinary 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 Ordinary shares pursuant to any such contract.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Company Secretary
19th October 2012

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 no later than 2.00 p.m. two business days prior to the Meeting (i.e. excluding weekends and bank holidays).
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) 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 sent shall be treated as replacing and revoking the other or others.
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 business 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 business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

6. Entry to the Meeting will be restricted to shareholders, 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 (as amended by the Shareholder Rights Directive 2009), each such representative(s) may exercise 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.
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; no answer need be given if it is undesirable in the interests of the Company or the good order of the meeting.
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 hard copy or electronic form, must identify the 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 accompanied 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.jpmglobalemergingmarkets.co.uk
13. The register of interests of the Directors and connected persons in the share capital of the Company is 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.
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 an alternative to completing a hard copy Form of Proxy/Voting Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
16. As at 11th October 2012 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 174,869,438 ordinary shares of 1p each, carrying one vote each. Therefore the total voting rights in the Company are 174,869,438.

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.

Glossary of Terms and Definitions

Return to Shareholders

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

Return on Net Assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested into the shares of the Company at the 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 NAV per share when calculating the total return on net assets.

Benchmark

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, into 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 excluding the holding in the liquidity fund, expressed as a percentage of net assets. This shows the effect of gearing on the net asset value per share if the market value of the portfolio were to increase or decrease by 100%.

Ongoing Charges

Management fees and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average of the daily net assets during the year.

(Prior year: Total expense ratio: Management fees and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average of the month end net asset during the year).

Share price Discount/Premium to net asset value ('NAV')

If the share price of an investment trust 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 per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at premium.

Hong Kong 'H-Shares'

Companies incorporated in mainland China and listed in Hong Kong and on other foreign exchanges.

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 which are not included in the benchmark.

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

Gearing/Cash
Measures the impact on return of borrowings or cash balances on the Company's relative performance.

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.

Performance Fee
Measures the effect of a performance fee charge or writeback.

Share Issues
Measures the positive effect on relative performance of issuing shares at a premium to net asset value per share.

Information about the Company

Financial Calendar

Financial year end	31st July
Final results announced	October
Half year end	31st January
Half year results announced	March
Interim Management Statements announced	May and November
Annual General Meeting	November

History
JPMorgan Global Emerging Markets Income Trust plc is an investment trust which was launched in July 2010 with assets of £102.3 million.

Company Numbers
Company registration number: 7273382

Ordinary Shares
London Stock Exchange ISIN code: GB00B5ZZY915
Bloomberg code: JEMI
SEDOL B5ZZY91

Market Information
The Company's unaudited net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmglobalemergingmarketsincome.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website
www.jpmglobalemergingmarketsincome.co.uk

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

Manager and Company Secretary
JPMorgan Asset Management (UK) Limited

Company's Registered Office
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Jonathan Latter at the above address.

The Association of Investment Companies

A member of the AIC

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Calls to this number cost 8p per minute from a BT landline. Other providers' costs may vary. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday. The overseas helpline number is +44 (0)121 415 7047.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 3570. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

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Savings Product Administrators
For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, call the JPMorgan Helpline on Freephone 0800 20 40 20 or +44 (0)20 7742 9995. See contact details on the back cover of this report.

J.P. Morgan Helpline
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Your telephone call may be recorded for your security

www.jpmglobalemergingmarketsincome.co.uk