



Half Year Report **2013/14**  
JPMorgan Global Emerging Markets  
Income Trust plc

Half Year Report & Accounts for the six months ended 31st January 2014

# 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 a diversified portfolio of emerging markets investments.

## Investment Policies

- The Company invests predominantly in listed equities but retains the flexibility also to invest in other types of securities, including, but not limited to, unlisted equities, convertible securities, preference shares, debt securities, cash and cash equivalents.
- The Company is free to 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. In the normal course of business the Company typically invests at least 80% of its gross assets in listed equities. The Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk.
- No more than 15% of the Company's gross assets may be invested in the securities of any one company or group at the time the investment is made.
- The Company shall not invest more than 10% of its gross assets 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 use derivative instruments for the purposes of efficient portfolio management.
- The Company may 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.

## Benchmark

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

## Capital Structure

At 31st January 2014, the Company's issued share capital comprised 258,604,438 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.

## FCA regulation of non-mainstream pooled investments

The Company currently conducts its affairs so that the shares issued by JPMorgan Global Emerging Markets Income Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

# Half Year Performance

for the six months ended 31st January 2014

Total losses/returns (includes dividends reinvested)

**-10.7%**

Net loss to shareholders<sup>1</sup>

**-12.0%**

Net loss on net assets<sup>2</sup>

**-8.1%**

Reduction in the MSCI  
Emerging Markets Index<sup>3</sup>

**3.1p**

Dividend<sup>4</sup>

## Financial Data

	31st January 2014	31st July 2013	% change
Net assets (£'000)	<b>272,936</b>	288,527	-5.4
Number of shares in issue	<b>258,604,438</b>	234,369,438	+10.3
Net asset value per share	<b>105.5p</b>	123.1p	-14.3
Share price	<b>107.0p</b>	123.0p	-13.0
Share price premium/(discount) to net asset value per share	<b>1.4%</b>	(0.1)%	

A glossary of terms and definitions is provided on page 18.

<sup>1</sup>Source: Morningstar.

<sup>2</sup>Source: J.P. Morgan.

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

<sup>4</sup>Represents the 2013 fourth interim dividend and the 2014 first interim dividend.

# Chairman's Statement



## Performance

For the six months ended 31st January 2014, the Company reported a 12.0% decrease in net assets per share which was unfavourable when compared against the 8.1% reduction (in sterling terms, with dividends reinvested) experienced by the MSCI Emerging Markets Index.

The Investment Managers' Report reviews the Company's performance and comments on the investment strategy.

## Dividends

For the year ended 31st July 2013, the total dividend paid was 4.90p per share, an increase of 1.0% on the prior year. A first interim dividend of 1.0p per share was paid to shareholders on 16th January 2014. On 27th February 2014, the Board declared a second interim dividend of 1.0p per share to be paid on 16th April 2014 to shareholders on the register as at 14th March 2014 (ex-dividend date 12th March 2014), giving a total of 2.0p per share for the first six months (2013: 1.8p).

The Company invests globally, receiving dividends in many currencies including those of developing countries. There is an inherent risk that performance and the amount of dividends that the Company will be able to pay are impacted by movements in foreign currency exchange rates. Trends in exchange rates vary and can result in a positive or negative impact on the Company's performance. During the six months under review, sterling strengthened against those currencies in which the underlying investments are denominated and in which dividends are received. This adversely impacted the Company's performance.

Although one of the Board's primary objectives is to grow the dividend, the Company is restricted in the payments it may make by the receipts from the investee companies.

## Share Issuance

In the six months to 31st January 2014, the Company issued a total of 24.2 million new ordinary shares representing an increase of approximately 10%; and, since that date, a further 3.1 million new ordinary shares have been issued.

In line with the share issuance policy, all new shares have been issued at a premium to the cum income net asset value, thereby enhancing the net asset value for continuing shareholders.

## **Outlook**

Emerging Markets have performed dismally in comparison to developed markets for over a year. The Investment Managers' Report discusses in detail the reasons for this; but it also presents the prospects with a guarded optimism which your Board fully shares.

The implications of current events in Ukraine are far from clear. The Company's five positions in Russia represented 7.5% of total assets as at 31st January 2014 and the impact of this crisis on the value of the Company is therefore limited. Should this crisis escalate, it would be unhelpful for developed as well as Emerging Markets.

The other main concern influencing Emerging Markets is Chinese growth and financial stability. The long term trajectory is towards a more stable and balanced economy but it will not be easy transition.

The history of Emerging Markets is of sizeable movements, both up and down, brought about by economic, political and company-specific factors. Investing in Emerging Markets was never for the faint-hearted. However, the history also suggests that the patient investor is rewarded through the judicious selection of well-managed companies that are able to take advantage of the opportunities available in these economies.

**Andrew Hutton**  
Chairman

26th March 2014

# Investment Managers' Report



Richard Titherington  
Investment Manager

The six month period to 31st January 2014 was a story of two halves. Initially markets experienced a period of relative calm. However, the second half saw Emerging Markets under pressure as investors focused on the US Federal Reserve winding down its quantitative easing programme. This period of declining liquidity and rising risk aversion ignited a cycle of capital outflows from Emerging Markets, resulting in weak currencies and forcing central banks to increase interest rates.

The Company's benchmark, the MSCI Emerging Markets Index, fell 8.1% (on a total return basis in sterling terms). Against this backdrop it was disappointing to see the Company underperform, with a net asset value loss of 12.0%, particularly given the focus on investing in companies with more stable cash flows and a history of paying dividends.

## Performance

The key feature of the period was the generally poor returns from those countries with current account deficits which are vulnerable to more stringent monetary policies (the so-called 'Fragile Five', Brazil, India, South Africa, Turkey and Indonesia), compared to those with current account surpluses. This became particularly apparent as currencies weakened in these deficit countries.

As a result, the investments in South Africa (11.5% of the portfolio) and Turkey (4.8%) were significant detractors of performance as was the underweight exposure to South Korea (5.8%), a country with a current account surplus. Stock selection exacerbated this as many of the companies with strong dividend paying characteristics that the portfolio targets are found in the 'Fragile Five' markets.



Omar Negyal  
Deputy Investment Manager

## Dividends

Although payout ratios have remained constant, dividends have come under pressure from reduced corporate earnings. In addition, weaker Emerging Market currencies have meant that the Company has received lower levels of dividends in sterling terms. In spite of this more challenging environment, only one company, the Asian real estate company Midland, failed to pay an anticipated interim dividend and this holding was subsequently sold.

## Portfolio Changes

The portfolio changes over the period have been modest, with investments being made on a case by case basis. Purchases included First Gulf Bank, which has a yield of 5.5% with the prospect of double digit dividend growth and Arcelik, where the investment case remained robust but shares had fallen on general concerns over Turkey. Apart from selling the investment in Midland (driven by the omission of the dividend), we also reduced the size of holdings in stocks whose valuations no longer appeared as attractive, such as SJM and PZU. In addition, holdings in those stocks with bond-like characteristics were either reduced or sold, such as Energias do Brasil, AES Tiete and Philippines Long Distance Telecom.

## Outlook

The focus of the portfolio on stable growth from sectors such as consumer discretionary, telecommunications and industrials, rather than the cyclical nature 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 invest in 60 to 80 companies.

The resumption of sustained Emerging Markets performance requires a recovery in Emerging Markets earnings, which remains elusive. Multiple waves of currency weakness and central bank tightening measures in recent months have not helped, dampening expectations for profits further. Currency risk has topped the list of investor concerns and this is quite understandable given last year's volatility. However, the significant recent move in Emerging Markets currencies has a silver lining: it helps to bring about the external adjustment needed to enable these markets to recover. Many Emerging Markets currencies, including the Indian rupee, Turkish lira and the South African rand, now look decidedly cheap on a real-effective exchange rate (REER) basis, a measure of fair value. This important price adjustment is helping to restore Emerging Markets' competitiveness.

Another key issue for Emerging Markets is the trajectory of the Chinese economy. The Chinese leadership is attempting to change the growth model of China - moving away from an investment-led economy, and addressing the build-up of debt in the financial system. The end result will be a more balanced economy, but the path to get there is unlikely to be smooth, and is something that we need to consider carefully with our stock selection.

The recent and ongoing events in Ukraine have clearly had a negative impact on the Russian market. We are monitoring this volatile situation closely. Currently we think the direct impact on our five Russian holdings in that market is limited (and more than reflected in cheap valuations).

In spite of the short term outlook for earnings remaining difficult, with the potential knock-on impact for dividends, the long term dividend story for Emerging Markets remains intact, along with the expectation that the growing dividend culture amongst Emerging Markets companies will continue. We recognise that there may continue to be periods of turbulence in these markets in the shorter term but highlight that, on a longer term basis, Emerging Markets look cheap relative to other equity markets.

**Richard Titherington**  
Investment Manager

**Omar Negyal**  
Deputy Investment Manager

26th March 2014

# List of Investments

at 31st January 2014

Company	Country	Sector	Valuation £000	%
Delta Electronics	Taiwan	Information Technology	7,584	2.5
Wynn Macau	Hong Kong	Consumer Discretionary	6,962	2.3
Quanta Computer	Taiwan	Information Technology	6,243	2.1
Bank of China H-shares	China	Financials	5,958	2.0
Industries Qatar	Qatar	Industrials	5,833	2.0
Bidvest	South Africa	Industrials	5,797	2.0
Cielo	Brazil	Information Technology	5,644	1.9
Siliconware Precision Industries	Taiwan	Information Technology	5,559	1.9
Siam Cement	Thailand	Materials	5,492	1.9
Lukoil <sup>2</sup>	Russia	Energy	5,452	1.8
Sberbank <sup>2</sup>	Russia	Financials	5,369	1.8
Advanced Info Service	Thailand	Telecommunication Services	5,334	1.8
Telekomunikasi Indonesia Persero	Indonesia	Telecommunication Services	5,321	1.8
Banco do Brasil	Brazil	Financials	5,033	1.7
Embraer <sup>2</sup>	Brazil	Industrials	5,018	1.7
Coal India <sup>1</sup>	India	Energy	4,980	1.7
Taiwan Mobile	Taiwan	Telecommunication Services	4,960	1.7
Taiwan Semiconductor Manufacturing <sup>2</sup>	Taiwan	Information Technology	4,955	1.7
MTN	South Africa	Telecommunication Services	4,826	1.6
SK Telecom <sup>2</sup>	South Korea	Telecommunication Services	4,802	1.6
KT&G	South Korea	Consumer Staples	4,665	1.6
Imperial	South Africa	Consumer Discretionary	4,652	1.6
SJM	Hong Kong	Consumer Discretionary	4,572	1.5
Sasol	South Africa	Energy	4,507	1.5
President Chain Store	Taiwan	Consumer Staples	4,489	1.5
Mobile Telesystems OJSC <sup>2</sup>	Russia	Telecommunication Services	4,399	1.5
MMC Norilsk Nickel <sup>2</sup>	Russia	Materials	4,374	1.5
China Mobile	Hong Kong	Telecommunication Services	4,352	1.5
Barclays Africa	South Africa	Financials	4,349	1.5
Hutchison Port	China	Industrials	4,346	1.4
Novatek Microelectronics	Taiwan	Information Technology	4,304	1.4
Etihad <sup>1</sup>	Saudi Arabia	Telecommunication Services	4,287	1.4
MGM China	Hong Kong	Consumer Discretionary	4,227	1.4
Jiangsu Expressway H-shares	China	Industrials	4,206	1.4
Kangwon Land	South Korea	Consumer Discretionary	4,155	1.4
Ambev	Brazil	Consumer Staples	4,089	1.4
Tractebel Energia	Brazil	Utilities	4,085	1.4
Foschini	South Africa	Consumer Discretionary	4,085	1.4
Arcelik	Turkey	Consumer Discretionary	4,060	1.4
China Shenhua Energy 'H'	China	Energy	4,044	1.4
Radiant Opto-Electronics	Taiwan	Information Technology	3,907	1.3



Company	Country	Sector	Valuation £'000	%
Hang Seng Bank	Hong Kong	Financials	3,906	1.3
Kimberly Clark de Mexico	Mexico	Consumer Staples	3,884	1.3
Powszechny Zaklad Ubezpieczen	Poland	Financials	3,828	1.3
Industrial & Commercial Bank of China H-shares	China	Financials	3,786	1.3
Yanbu National Petrochemicals <sup>1</sup>	Saudi Arabia	Materials	3,782	1.2
Zhejiang Expressway H-shares	China	Industrials	3,710	1.2
First Gulf Bank	UAE	Financials	3,579	1.2
China Construction Bank H-shares	China	Financials	3,552	1.2
Kcell <sup>2</sup>	Kazakhstan	Telecommunication Services	3,538	1.2
S-Oil	South Korea	Energy	3,452	1.2
Tiger Brands	South Africa	Consumer Staples	3,388	1.2
Banco Bradesco	Brazil	Financials	3,236	1.1
Turkiye Petrol Rafinerileri	Turkey	Energy	3,013	1.0
Perusahaan Gas Negara	Indonesia	Utilities	2,810	0.9
Tofas Turk Otomobil	Turkey	Consumer Discretionary	2,791	0.9
Phosagro <sup>2</sup>	Russia	Materials	2,747	0.9
Al Rajhi Bank <sup>1</sup>	Saudi Arabia	Financials	2,489	0.8
YACCO <sup>1</sup>	Saudi Arabia	Materials	2,402	0.8
AES Tiete	Brazil	Utilities	2,317	0.8
Tripod Technology	Taiwan	Information Technology	2,315	0.8
Ford Otomotiv Sanayii	Turkey	Consumer Discretionary	2,228	0.8
Far Eastone Telecommunications	Taiwan	Telecommunication Services	2,212	0.7
AVI	South Africa	Consumer Staples	2,193	0.7
Turk Telekomunikasyon	Turkey	Telecommunication Services	2,133	0.7
Lubelski Wegiel Bogdanka	Poland	Energy	2,126	0.7
VTech	Hong Kong	Information Technology	2,048	0.7
Asustek Computer	Taiwan	Information Technology	2,039	0.7
Malayan Cement	Malaysia	Materials	1,968	0.7
Ascendas India Trust	India	Financials	1,691	0.6
Indo Tambangraya Megah	Indonesia	Energy	1,678	0.6
Companhia de Concessoes Rodoviaras	Brazil	Industrials	1,625	0.5
Simplo Technology	Taiwan	Information Technology	1,493	0.5
Dah Chong Hong	Hong Kong	Consumer Discretionary	993	0.3
Bangkok Expressway	Thailand	Industrials	735	0.2
Yamaha <sup>1</sup>	Saudi Arabia	Materials	687	0.2
JPMorgan US Dollar Liquidity Fund <sup>3</sup>	Luxembourg	Liquidity Fund	3,590	1.2
Net current assets			2,036	0.7
<b>Total<sup>4</sup></b>			<b>297,276</b>	<b>100.0</b>

<sup>1</sup>Participation notes.

<sup>2</sup>Includes ADRs/GDRs/ADSs.

<sup>3</sup>Managed by JPMorgan Asset Management.

<sup>4</sup>Based on total assets less current liabilities of £297.3m (31st July 2013: £301.7m). The \$40.0m drawn down on the Company's loan facilities at 31st January 2014 has been treated as a long term liability for purpose of this analysis.

# Sector Analysis

at 31st January 2014

	31st January 2014		31st July 2013	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Financials	15.8	26.2	17.0	27.4
Telecommunication Services	15.5	7.3	17.9	7.9
Information Technology	15.5	16.8	11.5	14.5
Consumer Discretionary	13.0	9.1	13.8	8.5
Industrials	10.4	6.5	9.9	6.4
Energy	9.9	10.9	10.2	11.7
Consumer Staples	7.7	8.4	8.1	9.2
Materials	7.2	9.7	5.7	9.6
Utilities	3.1	3.4	4.2	3.3
Health Care	–	1.7	–	1.5
<b>Total equities</b>	<b>98.1</b>	<b>100.0</b>	98.3	100.0
Liquidity Fund	1.2	–	0.6	–
Net current assets	0.7	–	1.1	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0

<sup>1</sup>Based on total assets less current liabilities of £297.3m (31st July 2013: £301.7m). The \$40.0m drawn down on the Company's loan facilities at 31st January 2014 has been treated as a long term liability for purpose of this analysis.

# Geographical Analysis

at 31st January 2014

	31st January 2014		31st July 2013	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Taiwan	16.8	12.1	13.2	11.7
South Africa	11.5	7.1	15.0	7.3
Brazil	10.5	10.2	13.2	11.0
China	9.9	18.2	10.3	18.8
Hong Kong	9.0	1.6	9.3	–
Russia	7.5	5.9	6.2	5.9
South Korea	5.8	16.3	4.4	15.0
Turkey	4.8	1.4	6.4	1.8
Saudi Arabia	4.4	–	3.3	–
Thailand	3.9	2.3	3.3	2.7
Indonesia	3.3	2.4	2.4	3.0
India	2.3	6.4	2.0	6.4
Poland	2.0	1.7	2.6	1.6
Qatar	2.0	–	1.6	–
Mexico	1.3	5.4	1.1	5.6
Kazakhstan	1.2	–	1.7	–
UAE	1.2	–	–	–
Malaysia	0.7	3.9	0.9	3.9
Chile	–	1.5	–	1.7
Colombia	–	1.0	–	1.2
Czech Republic	–	0.3	–	0.3
Egypt	–	0.2	–	0.3
Greece	–	0.5	–	–
Hungary	–	0.3	–	0.2
Morocco	–	–	–	0.1
Peru	–	0.4	–	0.4
Philippines	–	0.9	1.4	1.1
<b>Total equities</b>	<b>98.1</b>	<b>100.0</b>	98.3	100.0
Liquidity fund	1.2	–	0.6	–
Net current assets	0.7	–	1.1	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0

<sup>1</sup>Based on total assets less current liabilities of £297.3m (31st July 2013: £301.7m). The \$40.0m drawn down on the Company's loan facilities at 31st January 2014 has been treated as a long term liability for purpose of this analysis.

# Income Statement

for the six months ended 31st January 2014

	(Unaudited) Six months ended 31st January 2014			(Unaudited) Six months ended 31st January 2013			(Audited) Year ended 31st July 2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>(Losses)/gains on investments held at fair value through profit or loss</b>									
Income from investments	6,485	–	6,485	3,480	–	3,480	13,711	–	13,711
Net foreign currency gains/(losses)	–	1,995	1,995	–	33	33	–	(1,104)	(1,104)
Other interest and similar income	1	–	1	2	–	2	2	–	2
<b>Gross return/(loss)</b>	<b>6,486</b>	<b>(40,328)</b>	<b>(33,842)</b>	3,482	28,487	31,969	13,713	20,614	34,327
Management fee	(436)	(1,016)	(1,452)	(307)	(716)	(1,023)	(721)	(1,681)	(2,402)
Performance fee	–	–	–	–	(693)	(693)	–	(597)	(597)
Other administrative expenses	(306)	–	(306)	(263)	–	(263)	(550)	–	(550)
<b>Net return/(loss) on ordinary activities before finance costs and taxation</b>	<b>5,744</b>	<b>(41,344)</b>	<b>(35,600)</b>	2,912	27,078	29,990	12,442	18,336	30,778
Finance costs	(167)	(389)	(556)	(109)	(255)	(364)	(236)	(551)	(787)
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>5,577</b>	<b>(41,733)</b>	<b>(36,156)</b>	2,803	26,823	29,626	12,206	17,785	29,991
Taxation	(610)	–	(610)	(344)	–	(344)	(1,257)	–	(1,257)
<b>Net return/(loss) on ordinary activities after taxation</b>	<b>4,967</b>	<b>(41,733)</b>	<b>(36,766)</b>	2,459	26,823	29,282	10,949	17,785	28,734
<b>Return/(loss) per share</b> (note 4)	<b>1.99p</b>	<b>(16.76)p</b>	<b>(14.77)p</b>	1.35p	14.74p	16.09p	5.45p	8.85p	14.30p

All revenue and capital items in the above statement derive from continuing operations.

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.

# Statement of Total Recognised Gains and Losses

for the six months ended 31st January 2014

	(Unaudited) Six months ended 31st January 2014			(Unaudited) Six months ended 31st January 2013			(Audited) Year ended 31st July 2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Movement in the fair value of the cash flow hedge during the period</b>	–	50	50	–	15	15	–	52	52
Net return/(loss) on ordinary activities	<b>4,967</b>	<b>(41,733)</b>	<b>(36,766)</b>	2,459	26,823	29,282	10,949	17,785	28,734
<b>Total recognised gains/(losses) in the period</b>	<b>4,967</b>	<b>(41,683)</b>	<b>(36,716)</b>	2,459	26,838	29,297	10,949	17,837	28,786

# Reconciliation of Movements in Shareholders' Funds

Six months ended 31st January 2014 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 31st July 2013</b>	2,344	13	148,189	101,276	30,450	6,255	<b>288,527</b>
Issue of ordinary shares	242	–	28,520	–	–	–	<b>28,762</b>
Share issue expenses	–	–	(88)	–	–	–	<b>(88)</b>
Movement in the fair value of the cash flow hedge	–	–	–	–	50	–	<b>50</b>
Net (loss)/return on ordinary activities	–	–	–	–	(41,733)	4,967	<b>(36,766)</b>
Dividends appropriated in the period	–	–	–	–	–	(7,549)	<b>(7,549)</b>
<b>At 31st January 2014</b>	<b>2,586</b>	<b>13</b>	<b>176,621</b>	<b>101,276</b>	<b>(11,233)</b>	<b>3,673</b>	<b>272,936</b>

Six months ended 31st January 2013 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 31st July 2012</b>	1,737	13	74,011	101,276	12,613	5,001	<b>194,651</b>
Issue of ordinary shares	267	–	31,368	–	–	–	<b>31,635</b>
Share issue expenses	–	–	(60)	–	–	–	<b>(60)</b>
Movement in the fair value of the cash flow hedge	–	–	–	–	15	–	<b>15</b>
Net return on ordinary activities	–	–	–	–	26,823	2,459	<b>29,282</b>
Dividends appropriated in the period	–	–	–	–	–	(5,492)	<b>(5,492)</b>
<b>At 31st January 2013</b>	<b>2,004</b>	<b>13</b>	<b>105,319</b>	<b>101,276</b>	<b>39,451</b>	<b>1,968</b>	<b>250,031</b>

Year ended 31st July 2013 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 31st July 2012</b>	1,737	13	74,011	101,276	12,613	5,001	<b>194,651</b>
Issue of ordinary shares	607	–	74,578	–	–	–	<b>75,185</b>
Expenses of new share issue	–	–	(400)	–	–	–	<b>(400)</b>
Movement in the fair value of the cash flow hedge	–	–	–	–	52	–	<b>52</b>
Net return on ordinary activities	–	–	–	–	17,785	10,949	<b>28,734</b>
Dividends appropriated in the year	–	–	–	–	–	(9,695)	<b>(9,695)</b>
<b>At 31st July 2013</b>	<b>2,344</b>	<b>13</b>	<b>148,189</b>	<b>101,276</b>	<b>30,450</b>	<b>6,255</b>	<b>288,527</b>

# Balance Sheet

at 31st January 2014

	(Unaudited) 31st January 2014 £'000	(Unaudited) 31st January 2013 £'000	(Audited) 31st July 2013 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	291,650	274,160	309,721
Investments in liquidity fund held at fair value through profit or loss	3,590	4,194	1,748
<b>Total investments</b>	<b>295,240</b>	278,354	311,469
<b>Current assets</b>			
Derivative financial instrument	–	21	–
Debtors	1,446	2,407	1,942
Cash and short term deposits	823	3,183	3,874
	<b>2,269</b>	5,611	5,816
<b>Creditors:</b> amounts falling due within one year	<b>(233)</b>	(20,855)	(15,516)
Derivative financial instruments	–	(90)	(50)
<b>Net current assets/(liabilities)</b>	<b>2,036</b>	(15,334)	(9,750)
<b>Total assets less current liabilities</b>	<b>297,276</b>	263,020	301,719
<b>Creditors:</b> amounts falling due after more than one year	<b>(24,340)</b>	(12,615)	(13,192)
<b>Provisions for liabilities and charges</b>			
Performance fee	–	(374)	–
<b>Net assets</b>	<b>272,936</b>	250,031	288,527
<b>Capital and reserves</b>			
Called up share capital	2,586	2,004	2,344
Capital redemption reserve	13	13	13
Share premium	176,621	105,319	148,189
Other reserve	101,276	101,276	101,276
Capital reserves	(11,233)	39,451	30,450
Revenue reserve	3,673	1,968	6,255
<b>Total equity shareholders' funds</b>	<b>272,936</b>	250,031	288,527
<b>Net asset value per share</b> (note 5)	<b>105.5p</b>	124.8p	123.1p

Company registration number: 7273382.

# Cash Flow Statement

for the six months ended 31st January 2014

	(Unaudited) Six months ended 31st January 2014 £'000	(Unaudited) Six months ended 31st January 2013 £'000	(Audited) Year ended 31st July 2013 £'000
<b>Net cash inflow from operating activities</b> (note 6)	<b>2,669</b>	1,930	8,514
Net cash outflow from servicing of finance	<b>(513)</b>	(349)	(757)
Overseas tax recovered	<b>64</b>	16	37
Net cash outflow from capital expenditure and financial investment	<b>(26,041)</b>	(36,680)	(81,770)
Dividends paid	<b>(7,549)</b>	(5,492)	(9,695)
Net cash inflow from financing	<b>28,510</b>	42,942	86,693
<b>(Decrease)/increase in cash in the period</b>	<b>(2,860)</b>	2,367	3,022
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net cash movement	<b>(2,860)</b>	2,367	3,022
Net drawdown of short term loan	<b>(141)</b>	(12,393)	(12,393)
Exchange movements	<b>1,996</b>	15	(1,104)
Other movements	<b>(2)</b>	(3)	(7)
<b>Movement in net debt in the period</b>	<b>(1,007)</b>	(10,014)	(10,482)
<b>Net debt at the beginning of the period</b>	<b>(22,510)</b>	(12,028)	(12,028)
<b>Net debt at the end of the period</b>	<b>(23,517)</b>	(22,042)	(22,510)
<b>Represented by:</b>			
Cash and short term deposits	<b>823</b>	3,183	3,874
Foreign currency bank loan falling due within one year	<b>–</b>	(12,610)	(13,192)
Foreign currency bank loan falling due after more than one year	<b>(12,170)</b>	(12,615)	(13,192)
Debt falling due in more than two years but not more than five years	<b>(12,170)</b>	–	–
<b>Net debt</b>	<b>(23,517)</b>	(22,042)	(22,510)



# Notes to the Accounts

for the six months ended 31st January 2014

## 1. Financial statements

The information contained within the Financial Statements in this interim report has not been audited or reviewed by the Company's auditors.

## 2. Accounting policies

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

## 3. Dividends

	(Unaudited) Six months ended 31st January 2014 £'000	(Unaudited) Six months ended 31st January 2013 £'000	(Audited) Year ended 31st July 2013 £'000
2013 fourth interim dividend of 2.10p (2012 final: 2.15p)	5,005	3,760	3,760
First interim dividend paid of 1.00p (2013: 0.90p)	2,544	1,732	1,732
Second interim dividend paid of n/a (2013: 0.90p)	n/a	n/a	1,908
Third interim dividend paid of n/a (2013: 0.90p)	n/a	n/a	2,295
Total dividends paid in the period	<b>7,549</b>	5,492	9,695

A second interim dividend of 1.00p per share, amounting to £2,600,000 has been declared payable in respect of the six months ended 31st January 2014.

## 4. Return/(loss) per share

	(Unaudited) Six months ended 31st January 2014 £'000	(Unaudited) Six months ended 31st January 2013 £'000	(Audited) Year ended 31st July 2013 £'000
Return/(loss) per share is based on the following:			
Revenue return	4,967	2,459	10,949
Capital (loss)/return	(41,733)	26,823	17,785
Total (loss)/return	<b>(36,766)</b>	29,282	28,734
Weighted average number of shares in issue during the period	<b>249,014,927</b>	182,033,568	200,902,726
Revenue return per share	<b>1.99p</b>	1.35p	5.45p
Capital (loss)/return per share	<b>(16.76)p</b>	14.74p	8.85p
Total (loss)/return per share	<b>(14.77)p</b>	16.09p	14.30p

# Notes to the Accounts continued

for the six months ended 31st January 2014

## 5. Net asset value per share

	(Unaudited) 31st January 2014	(Unaudited) 31st January 2013	(Audited) 31st July 2013
Funds attributable to ordinary shareholders (£'000)	272,936	250,031	288,527
Number of ordinary shares in issue	258,604,438	200,419,438	234,369,438
Net asset value per ordinary share (pence)	105.5	124.8	123.1

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

	(Unaudited) Six months ended 31st January 2014 £'000	(Unaudited) Six months ended 31st January 2013 £'000	(Audited) Year ended 31st July 2013 £'000
Net (loss)/return on ordinary activities before finance costs and taxation	(35,600)	29,990	30,778
Less: capital loss/(return) on ordinary activities before finance costs and taxation	41,344	(27,078)	(18,336)
Decrease in accrued income	657	1,339	558
Decrease/(increase) in other debtors	8	(20)	(28)
(Decrease)/increase in accrued expenses	(58)	21	(4)
Management fee charged to capital	(1,016)	(583)	(1,678)
Overseas withholding tax	(613)	(357)	(1,394)
Performance fee paid	(2,053)	(1,382)	(1,382)
Net cash inflow from operating activities	2,669	1,930	8,514

# Interim Management Report

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

## Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment and strategy; foreign currency; financial; accounting, legal and regulatory; corporate governance and shareholder relations; and operations. Information on each of these areas is given in the Business Review within the Company's Annual Report and Accounts for the year ended 31st July 2013.

## Related Parties Transactions

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

## Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

## Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports' and gives a true and fair view of the state of the affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st January 2014, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

For and on behalf of the Board

**Andrew Hutton**  
Chairman

26th March 2014

# 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, into 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, without transaction costs, 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 Return

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 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

## Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

## Share Price Discount/Premium to Net Asset Value ('NAV') Per Share

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 a premium.

## H-Shares

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

## Financial Conduct Authority

### Beware of share fraud



In association with:  
**icsa.**  
Registrars  
Group

**Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.**

#### How to avoid share fraud

- 1 Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2 Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3 Check the Financial Services Register from [www.fca.org.uk](http://www.fca.org.uk) to see if the person and firm contacting you is authorised by the FCA.
- 4 Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5 Use the firm's contact details listed on the Register if you want to call it back.
- 6 Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7 Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- 8 Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9 Think about getting independent financial and professional advice before you hand over any money.
- 10 **Remember:** if it sounds too good to be true, it probably is!

#### Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams), where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

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**5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000**

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# Notes

# Notes

# 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
Dividends	January, April, July and October

### History

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

### Directors

Andrew Hutton (Chairman)  
Sarah Fromson  
Richard Robinson  
Paul Wallace

### 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') per share 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 and on the JPMorgan website at [www.jpmglobalemergingmarketsincome.co.uk](http://www.jpmglobalemergingmarketsincome.co.uk), where the share price is updated every fifteen minutes during trading hours.

### Website

[www.jpmglobalemergingmarketsincome.co.uk](http://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](http://www.jpmorganwealthmanagerplus.co.uk)

### Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

### Company's Registered Office

Finsbury Dials  
20 Finsbury Street  
London EC2Y 9AQ  
Telephone number: 0207 742 4000

With effect from 1st April 2014, the Company's registered office will be:  
60 Victoria Embankment  
London EC4Y 0JP

For company secretarial and administrative matters please contact Rebecca Burtonwood at the above address.

### Custodian

JPMorgan Chase Bank, N.A.  
25 Bank Street  
Canary Wharf  
London E14 5JP

### Registrars

Equiniti Limited  
Reference 3570  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone number: 0871 384 2857

Calls to this number cost 8p per minute plus network charges. 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](http://www.shareview.co.uk).

### Independent Auditor

Ernst & Young LLP  
Statutory Auditors  
1 More London Place  
London SE1 2AF

### Brokers

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

### Savings Product Administrators

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

**aic**

The Association of  
Investment Companies

A member of the AIC

J.P. Morgan Helpline  
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

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