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# JPMorgan Global Emerging Markets Income Trust plc

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Half Year Report & Accounts for the six months ended 31st January 2017



# 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.
- There are no fixed limits on portfolio construction with regard to region, country, sector or market capitalisation.
- Despite the absence of specific region, country, sector or market capitalisation limits, the Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk and in accordance with its published investment policy.
- No more than 15% of the Company's gross assets shall 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-ended 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 does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time to time as part of the Company's efficient portfolio management.
- The Company has power under its Articles of Association to borrow up to an amount equal to 30% of its net assets at the time of the drawdown, although the Board has set a gearing policy to operate within a range of 0% to 20% geared under normal market conditions.

For further information please see 'Investment Policies, Investment Guidelines and Risk Management' on page 15 of the Annual Report and Accounts for the year ended 31st July 2016.

## Benchmark

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

## Capital Structure

At 31st January 2017, the Company's issued share capital comprised 294,339,438 Ordinary shares of 1p each, including 199,277 shares held in Treasury.

## Continuation Vote

At the annual general meeting of the Company held in 2015, an ordinary resolution was put to shareholders that the Company continue in operation. The resolution received the support of 98% of voting Shareholders. A further continuation vote will be put to Shareholders at the 2018 AGM.

## Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

## FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares it issues can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority ('FCA') 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.

## AIC

The Company is a member of the Association of Investment Companies.

## Website

The Company's website can be found at [www.jpmglobalemergingmarketsincome.co.uk](http://www.jpmglobalemergingmarketsincome.co.uk) which includes useful information about the Company, such as daily prices, factsheets and current and historic half year and annual reports.

# Contents

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## **HALF YEAR PERFORMANCE**

**2** Total Returns

## **ABOUT THE COMPANY**

**3** Chairman's Statement

**4** Investment Managers' Report

## **INVESTMENT REVIEW**

**7** List of Investments

**9** Sector Analysis

**10** Geographical Analysis

## **FINANCIAL STATEMENTS**

**11** Statement of Comprehensive Income

**12** Statement of Changes in Equity

**13** Statement of Financial Position

**14** Notes to the Financial Statements

## **16 INTERIM MANAGEMENT REPORT**

## **SHAREHOLDER INFORMATION**

**17** Glossary of Terms and Definitions

**18** Where to buy J.P. Morgan Investment Trusts

**21** Information about the Company

# Half Year Performance

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## TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 31ST JANUARY 2017

**+7.4%**

Return to shareholders<sup>1</sup>

**+7.6%**

Return on net assets<sup>2</sup>

**+10.7%**

Return on the MSCI Emerging  
Markets Index<sup>3</sup>

**2.9p**

Dividend<sup>4</sup>

### Financial Data

	31st January 2017	31st July 2016
Net assets (£'000)	361,540	344,423
Number of shares in issue (excluding shares held in Treasury)	294,140,161	294,140,161
Net asset value per share	122.9p	117.1p
Share price	120.8p	115.3p
Share price (discount)/premium to net asset value per share	(1.7)%	(1.5)%
Gearing	6.3%	4.7%
Ongoing charges	1.31%	1.35%

<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 2016 fourth interim dividend and the 2017 first interim dividend.

A glossary of terms and definitions is provided on page 17.

# About the Company

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## CHAIRMAN'S STATEMENT



### Performance

For the six months ended 31st January 2017, the Company reported a 7.6% return on net assets per share, which compares with a return of 10.7% from the MSCI Emerging Markets Index (in sterling, with dividends reinvested). The Investment Managers' Report reviews the Company's performance and comments on the investment strategy.

Including dividends the total return to shareholders over the six months to 31st January 2017 was 7.4%. At 31st January 2017 the share price was trading at a discount to net asset value of 1.7%, compared to 1.5% at 31st July 2016.

### Dividends

In the Company's current financial year, the Board has declared first and second interim dividends of 1.0p each, in line with the same period last year.

Earnings for Emerging Markets' companies have remained weak, as explained in the Investment Managers' report on page 5 and the Board has carefully monitored dividend receipts over the course of the year.

### Share Repurchases

In the six months to 31st January 2017, the Board did not carry out any share repurchases. The Board will continue to monitor closely imbalances between the supply and demand of the Company's shares and is prepared to buy back shares where appropriate in the interests of shareholders.

### Outlook

Valuations of Emerging Markets remain attractive. Historically, these levels of valuations have been followed with positive rates of return. However, the risks continue to weigh heavily on these markets. This is a difficult environment for the Company's investment strategy which is grounded in fundamental research into companies. It is an environment where political factors may exercise the greater influence on the trajectory of markets. This is a fact of life in Emerging Markets, which is why they are never for the faint-hearted, but the tensions appear unusually elevated today. This, of course, is reflected in market valuations and therefore also represents the opportunity.

**Andrew Hutton**

Chairman

27th March 2017

## INVESTMENT MANAGERS' REPORT



Omar Negyal



Jeffrey Roskell



Amit Mehta

### Introduction

The six months under review were a politically tumultuous period for Emerging Market equities. Through the summer months, the asset class picked up on the back of early signs of a genuine improvement in fundamentals and currencies which had reached a discount to fair value. However, the surprise election of Donald Trump in early November led to an immediate sell-off in Emerging Markets' stocks and currencies, as many investors feared that the US President-elect might follow through on his campaign threats. The immediate impact was seen via higher US bond yields, which had a knock-on impact on Emerging Markets' currencies in general. The currency impact was most keenly felt by Mexico and Turkey, as the peso and lira both hit decade lows against US Dollar. Not all Emerging Markets have struggled, with Russia, for example, benefiting from the higher oil price, boosted by OPEC's decision to cut production, and was further helped by news that non-OPEC countries would also reduce their oil output. More broadly, commodities have continued to rise, with industrial commodities benefiting from stronger data out of China.

In the six months to 31st January 2017, the Company's net asset value rose by 7.6%, while the share price was up 7.4%, both on a total return basis. This compares to an increase of 10.7% for the benchmark, the MSCI Emerging Markets Index (on a total return (net) basis, in sterling terms).

### Performance Review

In a period when the asset class posted double-digit returns, our performance lagged as stock ideas in Brazil, China and Mexico negatively impacted returns, although this was somewhat countered by exposure to Russia and South Africa.

Latin America, as a region, was adversely impacted by the US election result in early November. The Mexican market fell sharply over concerns about what could happen to its trading relationship with the US. This is a market which we have slowly been adding to during 2016 as it has lagged, and dividend yield opportunities opened up. However, stock selection here, unsurprisingly, detracted. The largest stock-level detractor was Kimberly Clark de Mexico, one of our top holdings in the portfolio and a company with a good dividend history. The fundamentals for that company will clearly be more challenged in the near term, but it has done an excellent job historically of improving efficiency and putting through well-judged price rises to cope with issues like this. Brazil was another area of relative weakness. The portfolio benefited from increased exposure to Brazil over the review period, but our stock selection detracted. Most notably, we do not have a position in Vale, the iron ore producer, which has benefited from the commodities rally.

A performance headwind was felt by the longstanding structural underweight to internet names, by virtue of the low, if any, yield these companies deliver, combined with a lack of free cash flow. Internet names, in particular Alibaba in China, performed well and this detracted from performance.

Stock selection was positive in South Africa, notably financial stock names such as MMI, an insurance company and Barclays Africa Group, a bank. Elsewhere, Russian exposure was a strong contributor through the period, particularly following the US election. The market was a stand-out performer, having benefited from improved political sentiment following the election, amid hopes around an easing in sanctions. Higher oil prices were also a catalyst for the market, and our overweight here, driven by individual stock decisions, was positive for returns. Finally, a long-term structural underweight to India (due to low payout ratios) was positive as the market lagged following the surprise demonetisation reform from Prime Minister Modi, which withdrew all large-value bank notes from circulation in a bid to reduce the informal economy.

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## Dividends

The Company's approach, which is to invest in a diversified portfolio of relatively high-yielding stocks to receive dividends from across sectors and countries, remains unchanged. The environment continues to be challenging, despite the positive improvements. The absolute trajectory of dividend payments from companies is still weak, which acts as a dampener on Emerging Markets' yield-paying stocks. Emerging Markets' dividends remain under pressure, as companies struggle to increase their payouts against a challenging growth backdrop, given the general pressure on Emerging Markets' company earnings that we have seen for the last couple of years. This cyclical pressure was felt by companies across the portfolio and affected earnings and consequently dividend payments. Our expectation is that payout ratios will be held steady by Emerging Markets' companies, but the overall earnings environment remains weak, which means we should still be cautious when considering dividend receipts from the portfolio in the near term.

## Portfolio Changes

Portfolio changes over the year have been modest. This is consistent with our desire to invest for the long term and benefit from the continued dividend streams of the companies that we hold.

Sales (whether outright or position size reduction) in the year can generally be divided into three types:

### 1. Dividend payout disappointments

With our research focus on understanding dividend policies, dividend payout disappointments tend to be rare. During the review period, the Company has not faced any dividend payout ratio disappointments.

### 2. Companies where our fundamental view on dividend sustainability or growth deteriorated relative to other opportunities

We sold out of PZU, a Polish insurer. This was due to a change in view on the dividend outlook for the stock. The change in government in Poland prompted the company to change its strategy to pursuing M&A within the Polish financial sector. This clearly raises risks from an execution viewpoint and points to poor use of excess capital.

### 3. Companies where our view on dividends remained positive but valuations had increased to the extent that the stocks looked less attractive

We have further reduced our Brazil exposure following a strong rerating of valuations and an appreciating currency in 2016.

Purchases have been driven by individual stock opportunities, but overall we have not made dramatic changes to the Company's portfolio. We continue to find many attractive dividend-paying companies in Emerging Markets.

Our disciplined, long-term approach which led us to invest into weakness in Brazil, Russia and South Africa in 2015 has also led us to increase our Mexican exposure during 2016. The Mexican peso weakened throughout the year allowing us to build positions in quality companies (Walmart de Mexico, Fibra Uno) which we believe can offer strong income and growth potential, however, as noted above, following the sharp decline of the market and currency post the US election result, these hurt performance. Another laggard market, Turkey, has also provided select attractively-valued opportunities, and as such we have moderately increased our overweight here, with oil refiner Tupras a recent addition.

## INVESTMENT MANAGERS' REPORT *CONTINUED*

### Outlook

We enter 2017 cautiously optimistic about Emerging Markets' fundamentals and the opportunity in Emerging Markets' equities. The recovery currently underway in a number of emerging economies, and the stability we foresee in China this year, support expectations of a more broad-based turnaround in Emerging Markets' fundamentals in the medium term. US Dollar strength and the direction of US trade and foreign policy under President Trump's administration remain the most important risks, in our view.

Overall, our positioning from a country and sector perspective has not changed materially. From a sector perspective, we favour telecoms and consumer companies (both discretionary and staples), while we maintain underweight positions to industrials and energy. By country, we are still overweight Taiwan and South Africa, and underweight Korea and China. As always, these country and sector positions are the result of individual stock decisions.

**Omar Negyal**

**Jeffrey Roskell**

**Amit Mehta**

Investment Managers

27th March 2017

# Investment Review

## LIST OF INVESTMENTS AT 31ST JANUARY 2017

Company	Valuation £'000	Company	Valuation £'000
<b>Taiwan</b>		<b>South Africa</b>	
Taiwan Semiconductor Manufacturing, ADR	15,886	Barclays Africa Group	8,610
Vanguard International Semiconductor	9,249	FirstRand	8,186
Delta Electronics	9,076	AVI	7,595
Taiwan Mobile	6,636	Vodacom Group	6,821
President Chain Store	5,737	Bid	6,292
MediaTek	4,499	Woolworths Holdings	6,280
Novatek Microelectronics	4,435	MMI Holdings	5,194
Quanta Computer	4,200	Bidvest Group	829
Far EasTone Telecommunications	3,953		<b>49,807</b>
Asustek Computer	3,004	<b>Russia</b>	
Cheng Shin Rubber Industry	2,303	Moscow Exchange MICEX-Rights	8,723
Chicony Electronics	1,849	LUKOIL, ADR	8,283
	<b>70,827</b>	MMC Norilsk Nickel, ADR	4,203
<b>China &amp; Hong Kong</b>		Mobile TeleSystems, ADR	3,488
China Mobile	10,007	Severstal, GDR	3,333
China Resources Power Holdings	7,377	PhosAgro, GDR	2,504
Hang Seng Bank	7,251	MegaFon, GDR	2,160
Fuyao Glass Industry Group 'H' (BNP Paribas) 25/09/2017 <sup>1</sup>	6,939		<b>32,694</b>
Sands China	6,586	<b>Brazil</b>	
Midea Group (UBS) 17/02/2017 <sup>1</sup>	6,323	BB Seguridade Participacoes	9,005
HKT Trust & HKT	5,569	Ambev, ADR	8,536
Zhejiang Expressway 'H'	5,145	Engie Brasil Energia	6,823
Pacific Textiles Holdings	3,909	Banco Bradesco Preference	2,516
VTech Holdings	3,614	AES Tiete Energia	1,952
Lenovo Group	2,732		<b>28,832</b>
Fuyao Glass Industry Group 'H'	2,495	<b>South Korea</b>	
	<b>67,947</b>	Samsung Electronics	7,679
		KT&G	6,580
		SK Telecom, ADR	4,300
		Kangwon Land	2,438
			<b>20,997</b>

LIST OF INVESTMENTS *CONTINUED*

Company	Valuation £'000	Company	Valuation £'000
<b>Thailand</b>		<b>Chile</b>	
Siam Cement	7,681	Banco Santander Chile, ADR	9,975
Tisco Financial Group	5,927		<b>9,975</b>
Siam Commercial Bank	4,298	<b>Hungary</b>	
Thai Oil	2,456	OTP Bank	7,266
	<b>20,362</b>		<b>7,266</b>
<b>Mexico</b>		<b>United Arab Emirates</b>	
Kimberly-Clark de Mexico 'A'	8,700	First Gulf Bank	5,968
Fibra Uno Administracion, REIT	4,090		<b>5,968</b>
Wal-Mart de Mexico	3,144	<b>Indonesia</b>	
Bolsa Mexicana de Valores	3,072	Telekomunikasi Indonesia Persero	4,730
	<b>19,006</b>		<b>4,730</b>
<b>Turkey</b>		<b>Saudi Arabia</b>	
Tofas Turk Otomobil Fabrikasi	6,022	Al Rajhi Bank (Credit Suisse) 04/11/2016 <sup>1</sup>	2,215
Tupras Turkiye Petrol Rafinerileri	3,824	Yanbu National Petrochemical Co (Merrill Lynch International) 10/01/2019 <sup>1</sup>	1,052
Turk Traktor ve Ziraat Makineleri	2,709	Yanbu National Petrochemical Co (Credit Suisse) 04/11/2018 <sup>1</sup>	1,129
Ford Otomotiv Sanayi	1,619		<b>4,396</b>
Eregli Demir ve Celik Fabrikalari	1,462	<b>Malaysia</b>	
	<b>15,636</b>	Carlsberg Brewery Malaysia	2,001
<b>Czech Republic</b>		British American Tobacco Malaysia	1,886
Komerčni banka	6,433		<b>3,887</b>
MONETA Money Bank	4,921	<b>India</b>	
	<b>11,354</b>	ITC (UBS) 03/07/2017 <sup>1</sup>	6,639
<b>India</b>		Coal India (BNP Paribas) 23/02/2018 <sup>1</sup>	4,078
	<b>10,717</b>		<b>10,717</b>
		<b>Total Investments</b>	<b>384,401</b>

<sup>1</sup> Participation notes.

## SECTOR ANALYSIS AT 31ST JANUARY 2017

	31st January 2017		31st July 2016	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Financials	25.9	24.3	25.1	26.2
Information Technology	17.2	23.9	16.8	22.6
Consumer Staples	14.8	7.0	15.3	8.1
Telecommunication Services	12.4	5.8	13.1	6.6
Consumer Discretionary	11.7	10.0	9.6	10.6
Materials	5.6	7.7	5.4	6.6
Energy	4.8	7.7	3.9	7.2
Utilities	4.2	2.8	4.2	3.2
Industrials	2.3	5.7	4.8	6.2
Real Estate	1.1	2.6	–	–
Health Care	–	2.5	1.8	2.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £384.4m (31st July 2016 £360.6m).

**GEOGRAPHICAL ANALYSIS AT 31ST JANUARY 2017**

	31st January 2017		31st July 2016	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Taiwan	18.4	12.6	20.2	12.2
China & Hong Kong	17.7	26.4	17.5	25.3
South Africa	13.0	6.9	13.8	7.6
Russia	8.5	4.3	7.6	3.6
Brazil	7.5	8.1	8.9	7.6
South Korea	5.5	14.7	6.0	14.8
Thailand	5.3	2.3	3.5	2.3
Mexico	4.9	3.4	3.3	3.9
Turkey	4.1	1.0	2.2	1.2
Czech Republic	3.0	0.2	3.2	0.2
India	2.8	8.2	3.5	8.4
Chile	2.6	1.2	2.5	1.2
Hungary	1.9	0.3	1.5	0.3
United Arab Emirates	1.5	0.8	1.5	0.9
Indonesia	1.2	2.5	1.4	2.8
Saudi Arabia	1.1	–	1.2	–
Malaysia	1.0	2.5	1.2	2.8
Philippines	–	1.2	–	1.5
Poland	–	1.2	1.0	1.1
Qatar	–	0.9	–	0.9
Colombia	–	0.5	–	0.4
Peru	–	0.4	–	0.4
Greece	–	0.3	–	0.4
Egypt	–	0.1	–	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £384.4m (31st July 2016: £360.6m).

# Financial Statements

## STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31ST JANUARY 2017

	(Unaudited) Six months ended 31st January 2017			(Unaudited) Six months ended 31st January 2016 <sup>1</sup>			(Audited) Year ended 31st July 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Gains/(losses) on investments held at fair value through profit or loss</b>	–	23,033	23,033	–	(39,653)	(39,653)	–	41,205	41,205
Net foreign currency losses	–	(598)	(598)	–	(2,300)	(2,300)	–	(3,669)	(3,669)
Income from investments	6,081	–	6,081	4,733	–	4,733	17,136	–	17,136
Interest receivable and similar income	53	–	53	6	–	6	32	–	32
<b>Gross return/(loss)</b>	<b>6,134</b>	<b>22,435</b>	<b>28,569</b>	<b>4,739</b>	<b>(41,953)</b>	<b>(37,214)</b>	<b>17,168</b>	<b>37,536</b>	<b>54,704</b>
Management fee	(576)	(1,344)	(1,920)	(458)	(1,070)	(1,528)	(933)	(2,176)	(3,109)
Other administrative expenses	(408)	–	(408)	(378)	–	(378)	(721)	–	(721)
<b>Net return/(loss) on ordinary activities before finance costs and taxation</b>	<b>5,150</b>	<b>21,091</b>	<b>26,241</b>	<b>3,903</b>	<b>(43,023)</b>	<b>(39,120)</b>	<b>15,514</b>	<b>35,360</b>	<b>50,874</b>
Finance costs	(134)	(314)	(448)	(113)	(264)	(377)	(234)	(545)	(779)
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>5,016</b>	<b>20,777</b>	<b>25,793</b>	<b>3,790</b>	<b>(43,287)</b>	<b>(39,497)</b>	<b>15,280</b>	<b>34,815</b>	<b>50,095</b>
Taxation	(146)	–	(146)	(394)	–	(394)	(1,179)	(448)	(1,627)
<b>Net return/(loss) on ordinary activities after taxation</b>	<b>4,870</b>	<b>20,777</b>	<b>25,647</b>	<b>3,396</b>	<b>(43,287)</b>	<b>(39,891)</b>	<b>14,101</b>	<b>34,367</b>	<b>48,468</b>
<b>Return/(loss) per share (note 4)</b>	<b>1.66p</b>	<b>7.06p</b>	<b>8.72p</b>	<b>1.15p</b>	<b>(14.71)p</b>	<b>(13.56)p</b>	<b>4.79p</b>	<b>11.68p</b>	<b>16.47p</b>

<sup>1</sup> Relevant figures have been amended in line with the current presentation adopted. Under FRS 102, liquidity funds are classified as cash equivalents.

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

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The net return/(loss) on ordinary activities represents the profit/(loss) per share for the period and also the total comprehensive income.

**STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31ST JANUARY 2017**

	Called up share capital	Capital redemption reserve	Share premium	Other reserve	Capital reserves	Revenue reserve <sup>1</sup>	Total
<b>Six months ended 31st January 2017 (Unaudited)</b>							
<b>At 31st July 2016</b>	2,943	13	218,497	101,113	12,009	9,848	344,423
Net return on ordinary activities	–	–	–	–	20,777	4,870	25,647
Dividends paid in the period	–	–	–	–	–	(8,530)	(8,530)
<b>At 31st January 2017</b>	2,943	13	218,497	101,113	32,786	6,188	361,540
<b>Six months ended 31st January 2016 (Unaudited)</b>							
<b>At 31st July 2015</b>	2,943	13	218,497	101,276	(22,358)	10,165	310,536
Net (loss)/return on ordinary activities	–	–	–	–	(43,287)	3,396	(39,891)
Dividends paid in the period	–	–	–	–	–	(8,535)	(8,535)
<b>At 31st January 2016</b>	2,943	13	218,497	101,276	(65,645)	5,026	262,110
<b>Year ended 31st July 2016 (Audited)</b>							
<b>At 31st July 2015</b>	2,943	13	218,497	101,276	(22,358)	10,165	310,536
Repurchase of shares into Treasury	–	–	–	(163)	–	–	(163)
Net return on ordinary activities	–	–	–	–	34,367	14,101	48,468
Dividends paid in the year	–	–	–	–	–	(14,418)	(14,418)
<b>At 31st July 2016</b>	2,943	13	218,497	101,113	12,009	9,848	344,423

<sup>1</sup> This reserve forms the distributable reserve of the Company and may be used to fund distribution of profits to investors via dividend payments.

## STATEMENT OF FINANCIAL POSITION AT 31ST JANUARY 2017

	(Unaudited) 31st January 2017 £'000	(Unaudited) 31st January 2016 £'000	(Audited) 31st July 2016 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	384,401	282,575	360,612
<b>Current assets</b>			
Derivative financial assets	2	–	1
Debtors	1,508	1,905	5,612
Cash and cash equivalents <sup>1</sup>	7,869	6,494	11,663
	<b>9,379</b>	<b>8,399</b>	<b>17,276</b>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	(445)	(664)	(3,337)
Derivative financial liabilities	(1)	(2)	–
<b>Net current assets</b>	<b>8,933</b>	<b>7,733</b>	<b>13,939</b>
<b>Total assets less current liabilities</b>	<b>393,334</b>	<b>290,308</b>	<b>374,551</b>
<b>Creditors:</b> amounts falling due after more than one year	(31,794)	(28,198)	(30,128)
<b>Net assets</b>	<b>361,540</b>	<b>262,110</b>	<b>344,423</b>
<b>Capital and reserves</b>			
Called up share capital	2,943	2,943	2,943
Capital redemption reserve	13	13	13
Share premium	218,497	218,497	218,497
Other reserve	101,113	101,276	101,113
Capital reserves	32,786	(65,645)	12,009
Revenue reserve	6,188	5,026	9,848
<b>Total equity shareholders' funds</b>	<b>361,540</b>	<b>262,110</b>	<b>344,423</b>
<b>Net asset value per share</b> (note 5)	<b>122.9p</b>	<b>89.1p</b>	<b>117.1p</b>

<sup>1</sup> This line item combines the two lines of 'Investment in liquidity fund held at fair value through profit or loss' and 'Cash and short term deposits' in the financial statements for the half year ended 31st January 2016. Under FRS 102, liquidity funds meet the conditions of cash equivalents as they are held for cash management purposes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31ST JANUARY 2017

### 1. Financial statements

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

The figures and financial information for the year ended 31st July 2016 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and including the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

### 2. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the 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 revised 'SORP') issued by the Association of Investment Companies in November 2014.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 31st January 2017.

The Company has elected not to prepare a Statement of Cash Flows for the current period on the basis that substantially all of its investments are liquid and carried at market value.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st July 2016.

### 3. Dividends paid

	(Unaudited) Six months ended 31st January 2017 £'000	(Unaudited) Six months ended 31st January 2016 £'000	(Audited) Year ended 31st July 2016 £'000
2016 Fourth interim dividend of 1.90p (2015: 1.90p)	5,589	5,592	5,592
First interim dividend paid of 1.00p (2016: 1.00p)	2,941	2,944	2,944
Second interim dividend paid of n/a (2016: 1.00p)	n/a	n/a	2,941
Third interim dividend paid of n/a (2016: 1.00p)	n/a	n/a	2,941
<b>Total dividends paid in the period/year</b>	<b>8,530</b>	<b>8,536</b>	<b>14,418</b>

All dividends paid and declared in the period have been funded from the Revenue Reserve.

A second interim dividend of 1.00p per share, amounting to £2,941,000 has been declared payable in respect of the six months ended 31st January 2017.

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

	(Unaudited) Six months ended 31st January 2017 £'000	(Unaudited) Six months ended 31st January 2016 £'000	(Audited) Year ended 31st July 2016 £'000
Return/(loss) per share is based on the following:			
Revenue return	4,870	3,396	14,101
Capital return/(loss)	20,777	(43,287)	34,367
<b>Total return/(loss)</b>	<b>25,647</b>	<b>(39,891)</b>	<b>48,468</b>
Weighted average number of shares in issue during the period			
	294,140,161	294,339,438	294,242,522
Revenue return per share	1.66p	1.15p	4.79p
Capital return/(loss) per share	7.06p	(14.71)p	11.68p
<b>Total return/(loss) per share</b>	<b>8.72p</b>	<b>(13.56)p</b>	<b>16.47p</b>

#### 5. Net asset value per share

	(Unaudited) 31st January 2017	(Unaudited) 31st January 2016	(Audited) 31st July 2016
Net assets (£'000)	361,540	262,110	344,423
Number of shares in issue	294,140,161	294,339,438	294,140,161
Net asset value per share	122.9p	89.1p	117.1p

#### 6. Fair valuation of investments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited) Six months ended 31st January 2017		(Unaudited) Six months ended 31st January 2016		(Audited) Year ended 31st July 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	384,401	–	282,575	–	360,612	–
Level 2 <sup>1</sup>	2	(1)	–	(2)	1	–
<b>Total value of investments</b>	<b>384,403</b>	<b>(1)</b>	<b>282,575</b>	<b>(2)</b>	<b>360,613</b>	<b>–</b>

<sup>1</sup> Includes foreign currency contracts.

# Interim Management Report

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The Company is required to make the following disclosures in its interim 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; financial; corporate governance and shareholder relations; operational and accounting, legal and regulatory. Information on each of these areas is given in the Business Review within the Company's Annual Report for the year ended 31st July 2016.

## Related Parties Transactions

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

## Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

## 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 FRS 104 'Interim 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 2017, as required by the UK Listing Authority Disclosure Guidance and Transparency Rules ('DTR') 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

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

27th March 2017

# Shareholder Information

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## GLOSSARY OF TERMS AND DEFINITIONS

### **Return to Shareholders**

Total return to the investor, on a last traded price to last traded 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, 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 closing-market value to closing-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 investments expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

### **Ongoing Charges**

The Ongoing Charges represent the Company's management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average of the daily net assets during the year and is calculated in accordance with guidance issued by the AIC. The figure as at 31st January 2017 is an estimated annualised figure.

### **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.

## WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

You can invest in a J.P. Morgan investment trust through the following;

### 1. Directly from J.P. Morgan

#### Investment Account

The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at [am.jpmorgan.co.uk/investor](http://am.jpmorgan.co.uk/investor)

#### Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2016/17 tax year, from 6th April 2016 and ending 5th April 2017, the total ISA allowance is £15,240. The shares are also available in a J.P. Morgan Junior ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at [am.jpmorgan.co.uk/investor](http://am.jpmorgan.co.uk/investor)

### 2. Via a third party provider

Third party providers include;

AJ Bell	Interactive Investor
Alliance Trust Savings	James Brearley
Barclays Stockbrokers	James Hay
Bestinvest	Selftrade
Charles Stanley Direct	TD Direct
FundsNetwork	The Share Centre
Hargreaves Lansdown	

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

### 3. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at [unbiased.co.uk](http://unbiased.co.uk)

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit [fca.org.uk](http://fca.org.uk)

## Financial Conduct Authority

### Beware of share fraud

**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

- 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.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 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.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- 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.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- 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.
- Think about getting independent financial and professional advice before you hand over any money.
- 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**.

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



# 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 dividends declared	February, June, August 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.

## Directors

Andrew Hutton (Chairman)  
Sarah Fromson  
Caroline Gulliver  
Richard Robinson

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

## 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 Junior ISA. These products are all available on the online service at [jpmorgan.co.uk/online](http://jpmorgan.co.uk/online)

## Manager and Company Secretary

JPMorgan Funds Limited

## Company's Registered Office

60 Victoria Embankment  
London EC4Y 0JP  
Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Juliet Dearlove at the above address.

## Depositary

BNY Mellon Trust and Depositary (UK) Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA

The Depositary employs JPMorgan Chase Bank, N.A. as the Company's custodian.

## Registrars

Equiniti Limited  
Reference 3570  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone number: 0371 384 2857

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

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  
25 Churchill Place  
Canary Wharf  
London E14 5EY

## Brokers

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

## Savings Product Administrators

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

**aic**

The Association of  
Investment Companies

A member of the AIC

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

**J.P. Morgan Helpline**

Freephone **0800 20 40 20** or +44 (0) 1268 444470.  
Telephone lines are open Monday to Friday, 9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.