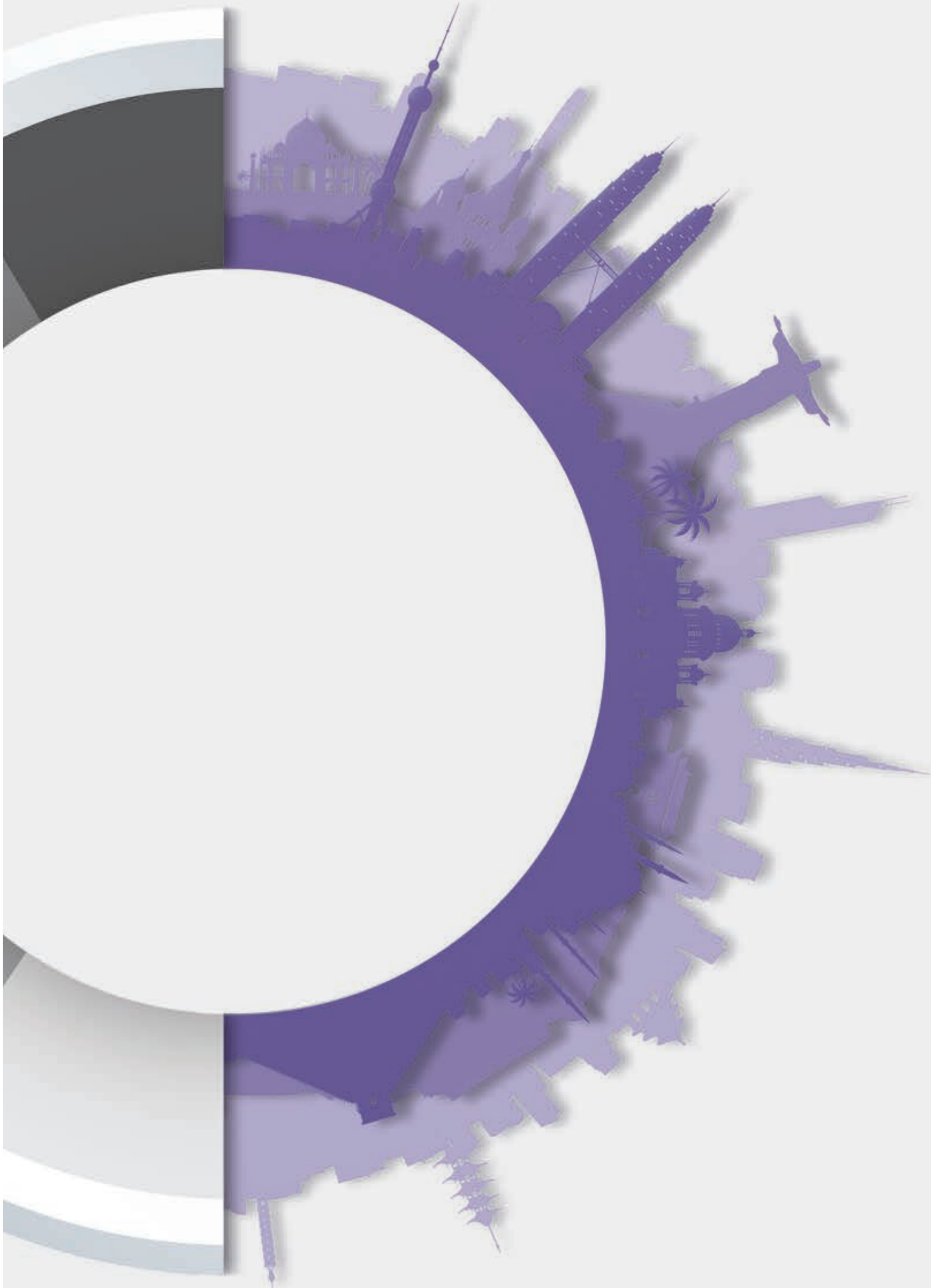
JPMorgan Emerging Markets Investment Trust plc

Annual Report & Financial Statements for the year ended 30th June 2019



J.P.Morgan
Asset Management

Your Company

Objective

To maximise total return from emerging markets worldwide through a diversified portfolio of underlying investments.

Investment Policies

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

Further details on investment policies and risk management are given in the Business Review on page 20.

Benchmark

The MSCI Emerging Markets Index with net dividends reinvested, in sterling terms.

Capital Structure

At 30th June 2019 the Company's issued share capital comprised 132,363,525 Ordinary shares of 25p each, including 10,244,289 shares held in Treasury.

Continuation Vote

At the Annual General Meeting held on 24th November 2017 an ordinary resolution of the shareholders approved the continuation of the Company until the Annual General Meeting in November 2020.

Management Company and Company Secretary

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

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

The Company currently conducts its affairs so that the shares issued by the Company 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. The Company's shares are not classified as 'complex investments' under the FCA's revised appropriateness criteria adopted in the implementation of MiFID II.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at **www.jpmemergingmarkets.co.uk** includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

JPMorgan Emerging Markets Investment Trust

Our heritage and our team

JPMorgan Emerging Markets Investment Trust plc has an established long-term track record of investing in emerging markets. The investment team, led by Austin Forey - who has been at the helm for over 20 years - benefits from J.P. Morgan Asset Management's extensive network of emerging market specialists around the world. Their on-the-ground experience and in-depth knowledge of local markets coupled to an established investment process enable them to make longer-term appraisals of companies and not be side tracked by short-term noise.

Our Investment Approach

The Company takes an active, bottom-up approach to investing in emerging markets. Austin Forey looks at the growth potential of specific companies rather than simply taking a view on individual countries, which is reflected in the Company's low stock turnover and concentrated portfolio. Investing sustainably has always been an integral part of the Manager's fundamental research and investment approach, well before environmental, social and governance ('ESG') factors became mainstream. With an investment approach which identifies profitable companies that demonstrate sustained growth potential over the long-term rather than focusing on short-term market movements, the Company has created value for investors over the long term.

5,000
Company meetings conducted per annum

96
Investment professionals in Emerging Markets and Asia

20+
languages spoken, nationalities represented on the investment team

76%
Active share – a measure of active management[1]

[1] Active share is a measurement of the difference in the Company's portfolio compared to the benchmark index.

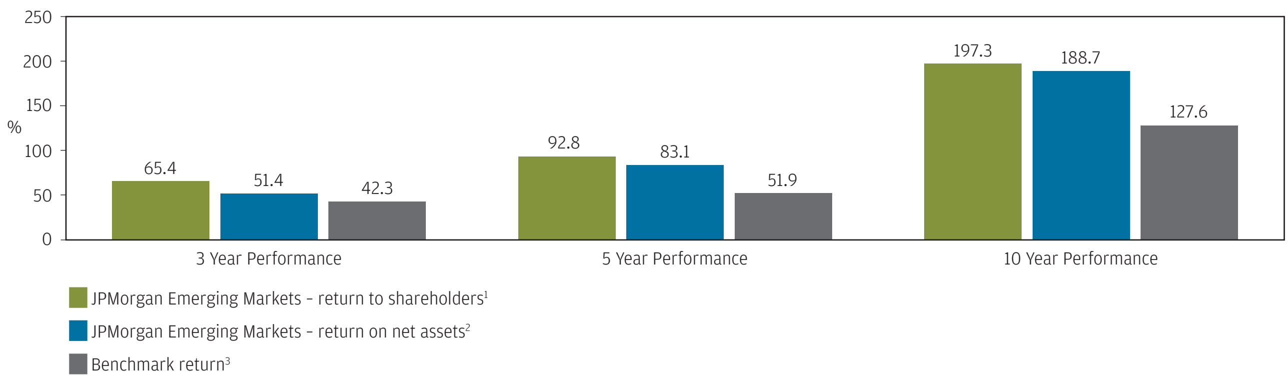
CONTENTS

Strategic Report

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 30TH JUNE

	2019	2018	3 Years Cumulative	5 Years Cumulative
Return to shareholders[1,A]	+21.5%	+7.0%	+65.4%	+92.8%
Return on net assets[2,A]	+13.3%	+8.3%	+51.4%	+83.1%
Benchmark return[3]	+5.0%	+6.5%	+42.3%	+51.9%
Dividend	14.0p	12.5p		

LONG TERM PERFORMANCE (TOTAL RETURNS) FOR PERIODS ENDED 30TH JUNE 2019



[1] Source: Morningstar. Change in share price with dividends reinvested.
[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.
[3] Source: MSCI. The Company's benchmark is the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 76 and 77.

SUMMARY OF RESULTS

	2019	2018	% change
Total returns for the year ended 30th June			
Return to shareholders[1, A]	+21.5%	+7.0%	
Return on net assets[2, A]	+13.3%	+8.3%	
Benchmark return[3]	+5.0%	+6.5%	
Net asset value, share price and discount at 30th June			
Shareholders' funds (£'000)	1,313,769	1,196,855	+9.8
Net asset value per share	1,075.8p	968.2p	+11.1
Share price	1,002.0p	843.0p	+18.9
Share price discount to net asset value per share[A]	6.9%	12.9%	
Shares in issue (excluding shares held in Treasury)	122,119,236	123,615,346	
Revenue for the year ended 30th June			
Gross revenue return (£'000)	25,162	23,207	+8.4
Net revenue attributable to shareholders (£'000)	18,272	16,576	+10.2
Revenue return per share	14.85p	13.40p	+10.8
Dividend per share	14.00p	12.50p	+12.0
Net cash at 30th June[A]	0.7%	0.6%	
Ongoing charges to 30th June[A]	1.02%	1.02%	

[1] Source: Morningstar. Change in share price with dividends reinvested.
[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.
[3] Source: MSCI. The Company's benchmark is the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms.
[A] Alternative Performance Measure ('APM').

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Sarah Arkle
Chairman

At the beginning of the financial year the Directors of your Company set out three key objectives. These were to continue the strong record of investment performance, to reduce the discount of our share price to the net asset value and to continue to offer a competitive proposition through a reduction in the management fee. I am pleased to say that we have made progress on all three fronts.

Investment Performance

Investment performance in the year to 30th June 2019 was strong in both absolute and relative terms. The return to shareholders was +21.5% over the year and the Company's return on net assets was +13.3%. This shows extremely favourable outperformance against the benchmark index (the MSCI Emerging Markets index with net dividends reinvested, in sterling terms) which returned +5.0% and is a great credit to Austin Forey and his team. This reflects their disciplined process of investing in companies which combine superior long-term prospects with rigorous environmental, social and government practices. This outperformance once again shows the benefits that can be achieved by active management in the emerging markets area against investments in either passive funds or exchange traded funds ('ETFs') and, given the Company's emphasis on sustainability, a further advantage is that the carbon footprint of your Company's investments is less than one twentieth of the carbon footprint of an ETF based on the same index, as illustrated on page 22.

Performance over the longer term is also very encouraging and is well ahead of benchmark over three, five and ten years as the graph on page 4 illustrates. The Investment Manager's Report goes into more detail on the investment performance and how it was achieved.

Discount

For some time the Board's policy has been to buy back shares if the discount is wider than 10% for an extended period, is out of line with the peer group and market conditions are orderly. At the half year the Directors broadened the scope of this policy to allow the Company to buy back shares at a narrower discount if the Board believes this to be in the shareholders' interests.

Over the year the Directors have been looking to broaden the shareholder base to include more wealth managers and retail investors and reduce both the level and volatility of the discount. The Company's superior investment performance and the Investment Manager's distinctive investment process have enabled both JPMorgan and the Company's broker Stifel to promote the Company and attract new buyers.

The share price and the discount of our share price to the net asset value are closely monitored. The share price rose 18.9% over the year, from 843.0p to 1002.0p at the year end. The discount (calculated using the cum-income net asset value, on which the Board's share buyback programme is operated) ranged between 6.6% and 14.5%, averaging 10.6% through the year. The return to shareholders of +21.5% reflects a significant narrowing of the discount at which the Company's shares trade, from 12.9% at the previous year end to 6.9% on 30th June 2019. At the time of writing the discount is 8.5%, a modest widening since the Company's year end which is consistent with trends in the peer group.

During the year, we repurchased a total of 1,496,110 shares into Treasury at an average discount of 9.7%. The Company's shares have traded consistently at a narrower discount than its two largest peer companies.

Management Fee

I am pleased to confirm that, as announced on 26th July 2019, following a review the Board reached agreement with JPMorgan Funds Limited to revise the Company's management fee. With effect from 1st July 2019, the management fee has been charged at the rate of 1% per annum on the value of the Company's portfolio up to £500 million (previously £800 million) and at the rate of 0.75% thereafter. This will bring the Company's ongoing charges ratio down to approximately 0.94%, which continues to be the lowest in the emerging markets investment trust sector and one of the lowest amongst emerging markets open ended investment companies (OEICs).

Revenue and Dividends

The revenue return per share increased again in the last financial year, allowing the Board to increase this year's total dividend by 12%, consistent with our commitment to increase the dividend over time, in line with an increase in the underlying companies' profits and the dividends they pay out. The revenue return per share for the year was 14.85p (2018: 13.40p). During the year, the Board agreed that the Company now generates sufficient income to warrant the payment of an interim dividend each year. This more closely reflects the receipt of income from the Company's portfolio and as a consequence an interim dividend of 5.0p per share was paid in April.

The Board proposes a final dividend of 9.0p per share, subject to shareholder approval at the forthcoming Annual General Meeting ('AGM'). This will increase the total dividend for the year from 12.5p to 14.0p. However, I would remind shareholders that for individual years dividends received in sterling terms may fluctuate in line with underlying earnings as well as currency movements and any changes in the portfolio, although the Board has the ability to use the Company's reserves to smooth dividends paid to shareholders from year to year.

The Board

Aidan Lisser was appointed to the Board on 1st December 2018, following the retirement of Anatole Kaletsky at the 2018 AGM. The Board will look to recruit another Director by the November 2020 Annual General Meeting and will aim to meet the Hampton-Alexander recommendation of having a minimum of 33% female representation on the Board in the medium term.

The Manager

The Board monitors the performance of our Manager through the Management Engagement Committee. It judges performance over the longer term and thus we remain pleased with the Manager's overall performance, not only in terms of investment performance but also in terms of risk management, administration, controls and compliance, where we continue to be well served by JPMorgan.

AGM

This year's AGM will be held at JPMorgan's office at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 13th November 2019 at 3.00 p.m. Austin Forey will give a presentation to shareholders, reviewing the past year and giving his view on the outlook for emerging markets for the current year. The meeting will be followed by afternoon tea, which will provide shareholders with the opportunity to meet the Directors and the Investment Manager. We look forward to seeing as many shareholders as possible at the AGM.

Outlook

There are still a number of uncertainties in global economies with continued worries over slowing economies and trade between the US and China, with many interest rates at historic lows (and in some cases negative levels). Uncertainty over Brexit has caused sterling to be weak over the financial year against most currencies, including emerging market currencies. This has boosted the absolute returns in sterling for our shareholders and, were there to be any reversal of sterling's weakness, this would, in contrast, detract from sterling share price returns. After a period of extremely positive relative performance it is important to point out that your Investment Manager's approach, focusing particularly on high quality growth companies, may in the future encounter periods when the Company does not outperform the benchmark index, as has happened in the past. However, valuations in the companies we own do not look overstretched and we believe that the focus on finding and investing in long term winners across the emerging markets' spectrum will continue to add value for our shareholders over the longer term.

Sarah Arkle
Chairman 1st October 2019

Austin Forey
Investment Manager

Objectives & outcomes

Perhaps a good place to start would be to revisit the key objectives with which we opened the Investment Manager's commentary in last year's annual report: how did we do against these?

Investment returns

The high level objective of your Company, stated once again on the first page of this annual report, is simply ***to maximise returns from a diversified portfolio of investments***. As far as returns are concerned, this has been a reasonable year.

Over the financial year to June 2019, the return on net assets was over 13.3%, while the return to shareholders, which takes into account the change in the share price rather than the change in net asset value ('NAV'), was 21.5%. These are both above the long term average outcomes achieved by the Company in the past. In fact, since its formation 28 years ago, the total return on your Company's NAV per share, including dividends reinvested, has averaged 9.5% per annum in sterling terms, while the return on the share price has averaged 9.3% per annum.

Of course it's pleasing to be able to report on a better than average year, but this in itself is not terribly meaningful; absolute returns from markets account for much of the results accruing to shareholders, and there have been years when market returns have been very high, and the returns for your Company have also been high, regardless of whether we have managed to exceed the benchmark return from the asset class or not. But this has been a good year in two ways.

First, the margin of performance above the benchmark return has been unusually high: the 'investment manager contribution' shown in the table on page 12 was 9.2%, more than twice the long-run average. Or to put this another way, well over half the total return on net assets during this past year came from investment policy ('alpha') rather than from overall market returns ('beta'). While very welcome, this is also unusual, and I hope that it doesn't raise expectations too much as far as the future is concerned. As shareholders, please do not assume that your Investment Manager has been struck by sudden genius; we make investment decisions without knowing how long they will take to pay off, which means that the returns within any given year are unpredictable and contain elements of chance.

The second way in which the year has been unusual is in the difference between the return on net assets and the return to shareholders, which was higher; this reflects a narrowing of the share price discount to NAV by six percentage points during the financial year. As Investment Manager, I don't claim credit for this; it is a function of supply and demand for the Company's shares. We at JPMorgan have made a concerted collective effort to market the Company throughout the year, but it is hard to quantify the effect of this in creating new demand for the Company's shares. The share buyback policy laid out by the Board has certainly played an important part too. While it is of course pleasing to see the discount narrower, I would also urge shareholders to remember that such effects are finite rather than infinitely repeatable: the narrower the discount, the less there is to narrow in the future. All the same, it's very encouraging to see the value of the Company's portfolio more closely reflected in the share price, and your Investment Manager will continue to make the same efforts to maintain this.

Diversification

The second part of the Company's strategic objective refers to a diversified portfolio. At the end of the latest financial year, 30th June, the Company held 58 investments in its investment portfolio, two fewer than a year earlier. I do not consider this a meaningful change in diversification, especially given that one of the disposals, of a tiny Pakistani investment, accounted for a mere fraction of one percent of the total assets. Twenty years ago, in 1999, your portfolio was invested in 74 companies; ten years ago, in 2009, it owned shares in 76 separate companies. If anything, my inclination over recent years has been to hold fewer investments as time goes by.

But the number of holdings in itself is not the only measure of diversification; it is equally if not more important to think about whether investments have common factors which determine their prospects; a portfolio of oil companies spread across many countries might look diversified, but in reality, their values would all be strongly influenced by the global oil price. That is not the case with other kinds of business. In fact, the more domestic and localised a company's activity, the less it has in common with other similar companies around the world, so it is not a coincidence that almost two thirds of the overall portfolio is invested in domestically-oriented industries, especially in the consumer and financial sectors.

Yet there is an even better way of seeking diversification, and that is to make investments whose returns will in the long run be driven mostly by factors entirely specific to an individual company. This is one way of thinking about competitive advantage and corporate skill; what does a company have that its competitors cannot replicate? If that edge persists, it can translate into very sustained growth in market share at the expense of others; such idiosyncratic factors are perhaps the best way of ensuring diversification in any investment portfolio. It is again not a coincidence that the investments we like most, and tend also to keep for longest, are those where precisely these criteria apply. Examples include Taiwan Semiconductor, whose pioneering model for manufacturing chips to the designs of its customers (at prices and specifications other firms cannot match) has allowed it to grow for many years; similarly, Walmart Mexico has been able to expand its share of the Mexican market consistently by offering low prices and wide assortment through a range of retail formats. Provided that businesses like these are continually reinforcing their competitive strengths, and still have room to grow, they remain very diversifying elements within the overall portfolio.

If these were our high level objectives, what of the more specific tasks I outlined last year as part of the description of how we approach the management of your Company's investments?

Finding good businesses

Naturally, I hope that we have already found many of the good businesses out there, and own them in the portfolio. Most of the large positions have remained unchanged; nine of this year's top ten holdings appeared in last year's top ten as well, and the only change is due to share price movements rather than transactions. I would like to view such stability as a sign that it is hard to find lots of businesses to match those we already own. But this doesn't mean that we don't try; in fact we spend a lot of time searching for companies to add to our list of good businesses.

All of the four new positions added to the Company's portfolio during the year were from China. They are: Kweichou Moutai, a spirits producer and owner of an iconic Chinese brand; Foshan Haitian, the largest producer of soy sauce in the world; Midea, one of the leading global producers of domestic appliances, and Yum China, the largest operator of fast food format restaurants in China. Are these good businesses? Well of course, we think so. I admit that few things grab my attention during a company meeting like the comment "we can trace our history back three hundred years". Already, such a sentence tells you a lot about a company's duration, and by extension, about the nature of the industry in which it operates. Two of our four new additions can boast such a pedigree. Longevity alone, though, does not make for a good business. The four companies we added in China also share certain economic characteristics: they all generate positive operating cash flows consistently; they have all shown sustained growth in dividends per share; they all generated returns on equity of 25% or more in their latest financial years, in three instances achieving this in spite of large cash piles on their balance sheet; and they are all leaders in their respective industries. We hope that they will prove to be worthy and profitable additions to your Company's collection.

Paying sensible prices

Are we paying sensible prices? That question is not getting any easier to answer. I say that not because the nature of equity investing is being radically altered, but because strange things have been happening to interest rates and bond markets, which have always been the bedrock on which valuation assessments have been based. Not many years ago, you could start from the 'risk free rate', add an equity risk premium and some adjustment for the individual company, and end up with a reasonable idea of an appropriate return for an equity investment. Now, governments and even some European companies are issuing bonds at negative yields; in buying these, investors are accepting from the outset that they will lose money. This doesn't feel like a healthy development to me. It also introduces a challenge when considering valuations. If a company can pay dividends and grow at all, then it is already offering a considerably better return than some bonds, no matter how high its valuation. Add to that the fact that if there is inflation in the future, some companies are going to offer much better protection than bonds, and the calculations get harder still.

It's probably more meaningful therefore to look at aggregate valuations and how they compare to the past, and also to consider how this connects to the underlying performance of the companies held in the portfolio. At the end of June this year, your portfolio was valued at 19.5 times forward earnings, and a dividend yield of 2.1%; a year before, in June 2018, it was priced at 18.9 times forward earnings and a dividend yield of 2.1%. So there has been a marginal increase in the multiple of earnings, and no change in the dividend yield. Dividends accrued by the portfolio rose by 8.4% compared to the previous year, while dividends actually received in cash during the year increased by 27%. Neither of these can be taken entirely at face value as an indicator of the change in intrinsic value of the portfolio's companies, as they are affected from year to year by fluctuations in exchange rates as well as by timing. Even so, I suggest that shareholders should take some comfort on this front from several considerations: first, valuations have barely changed for the portfolio; second, the companies it holds continue to grow their dividends healthily in aggregate; and third, the absolute valuation of the portfolio, while not extremely low, looks acceptable for a collection of competitive businesses with strong balance sheets and good cash generation; finally, of course, the discount to NAV means that shareholders are buying the portfolio at slightly lower valuations than those stated above.

Keeping investments for as long as possible

Turnover of investments was again kept to low levels during the last year; we made purchases equivalent to 5% of the Company's average portfolio, and sales close to 7%. As in previous years, this low level of activity is deliberate. I am often asked why we sell stocks, or more specifically, what our "sell discipline" is; the answer is that we set out intending to keep stocks, not to dispose of them; so we sell them either when the valuation has risen to such an extent that the forward returns look less appealing, or when the investment thesis has not worked. The smart follow up question, of course, asks why we don't sell before the thesis has failed; and the smart answer, naturally, is that we did not expect it to fail. I have long argued that failed investments are the necessary price we pay for the successes which we can only achieve by having an approach which leans heavily to the long term. If we kept stocks for only a year or two (which would already be longer than the average investor in many stock markets around the world), then we would never have successes like AIA, a leading life insurance company based in Hong Kong with operations covering most of Asia. We invested in this company at IPO in October 2010, at HKD 19.68 per share; almost nine years later, on the last trading day of June 2019, the share price closed at HKD 84.25, more than four times higher. This basically reflects the growth in the intrinsic value of the business over the years, for which perhaps the best proxy is simply dividends paid to shareholders. AIA has grown its dividend from 33 cents per share in 2011 to 114 cents per share in 2018, a rate of growth close to that of its share price. I believe that outcomes like this are simply not achievable if investments are approached with a finite short term mind set; and this matters because of the asymmetry inherent in equity investing. You can only ever lose what you invest; but your gains can be multiples of your initial outlay. It follows that a few large successes can more than outweigh a greater number of failures.

The past year in markets

The section above has already covered a lot of the issues specific to your Company's performance, so I shall limit comments in this part to more general reflections on what has been happening in emerging markets.

As always, there have been plenty of ups and downs; this year, more of them than usual can be ascribed to politics. Several emerging markets have been through their own political cycles: the election of a new president in Brazil in the autumn of 2018 at least brought some resolution to the uncertainty that had dogged that market in the months leading up to the election, and instilled some hope that Brazil's dire economic performance of recent years might be improved by some economic reforms. The stock market responded enthusiastically, though the old adage about it being better to travel hopefully than to arrive should not be set aside yet. Elsewhere in Latin America, a new president in Mexico surprised markets by actually doing some of the things promised during the election campaign. Meanwhile, although it is not a country we invest in, it is worth mentioning Venezuela: a rich country brought to penury by a combination of populism, autocracy and incompetence in government. It should serve as a salutary reminder of the value of good institutions and effective democratic processes, and of their fragility.

Other notable political developments include the re-election in the spring of this year of the Indian prime minister (in the world's largest exercise in democracy), and also the confirmation of a new president in South Africa. Both have much to do. While it has been a busy year in politics simply because of local electoral cycles, the other recurrent theme has been the ongoing trade dispute between the USA and China which has resulted in rising tariffs on an increasing number of products. Most economists see this as unambiguously bad, and probably as bad politics too; stocks market reactions over the year would suggest that most investors share this view. If anything, markets may eventually become desensitised by the incessant gyrations of politicians, but a lot of volatility has resulted in the last twelve months, bringing share prices in China down significantly in late 2018, and leading to an equally strong rebound in the opening months of 2019.

Political risks are not going away, as the current protests in Hong Kong remind us. But other longer term forces are also playing a part in equity markets. Global bond markets are beginning to warn of recessionary risks, and it seems likely that interest rates and inflation will remain low. I can see two big reasons for this. The first is demographics; as populations age, the impact is naturally deflationary, as the Japanese experience shows. All other things being equal, this implies that interest rates will be low. But to this we need to add the policy of low rates itself, put in place after the financial crisis a decade ago. Indirectly, this has led to the emergence of businesses with deflationary effects, like Uber: investors have been prepared to fund such companies in the hope of a large profit far in the future; that profit, when discounted back to the present at very low rates, is worth enough to justify participation. If discounted at the rates which applied before the financial crisis, the investment might look unappealing, funding might not be forthcoming, and the business might not develop in the same way; so paradoxically, low interest rates themselves may have reinforced the case for low interest rates. That was probably not what central banks intended a decade ago.

This produces challenges for financial markets, as mentioned above. Emerging markets, though, are probably further removed from this than other areas. While some countries in Asia are now facing subdued growth and very low inflation, most emerging markets remain quite inflationary, and have interest rates which reflect that. Of course this means that their currencies will tend to weaken over the long run, but it does make economic policy a lot easier to pursue in conventional ways, and it also makes businesses easier to manage. We spend a considerable amount of time exploring "what if" scenarios for the companies in the portfolio, especially those financial companies whose business models are sensitive to the interest rate environment, and we mustn't become complacent about the extent to which economic conditions can change. Again, a set of investments in companies with enduring competitive advantages is likely to be as good a place to be as any, in my opinion.

More generally, the portfolio continues to exhibit characteristics which I believe demonstrate that we are broadly achieving our objective of finding and investing in good businesses on your behalf. Returns on capital for the underlying investee companies are well above the average for the asset class and their balance sheets are strong. Finally, your portfolio continues to exhibit a significantly better carbon footprint than the benchmark index, something which will only become more important as a measure of corporate quality and sustainability. Details of this can be seen on page 22 following the disclosure on Greenhouse Gas Emissions; I will simply point out here that if, instead of owning shares in this Company, you used your savings to buy a passive fund replicating our benchmark index, the carbon output from the underlying investments you made would be more than twenty times higher.

PERFORMANCE ATTRIBUTION

YEAR ENDED 30TH JUNE 2019

	%	%
Contributions to total returns		
Benchmark return		5.0
Asset allocation	3.1	
Stock selection	5.5	
Currency effect	0.5	
Net cash	0.1	
Investment Manager contribution		9.2
Portfolio return		14.2
Management fee and expenses	-1.0	
Share buybacks	0.1	
Return on net assets[A]		13.3
Return to shareholders[A]		21.5

Source: JPMAM/Morningstar.

All figures are on a total return basis.

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

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 76 and 77.

Looking forwards

Does a career in equity investment change the way you see the world? I sometimes wonder. It has always seemed to me prudent to think at the outset about why an investment might fail: a *pre mortem* analysis, if you will. But an investor must not be paralysed by uncertainty; the future is always uncertain, and often beyond our ability to imagine. Who could have seen, ten years ago as the financial crisis began to subside, how much the corporate landscape might change, or what investment opportunities might arise? Of the top ten holdings in your portfolio at June 2019, three were not even listed in June 2009. Equally, the idea of an emerging market company reaching a market value of 500 billion dollars would have seemed incredible, yet more than one has touched that mark in the last couple of years.

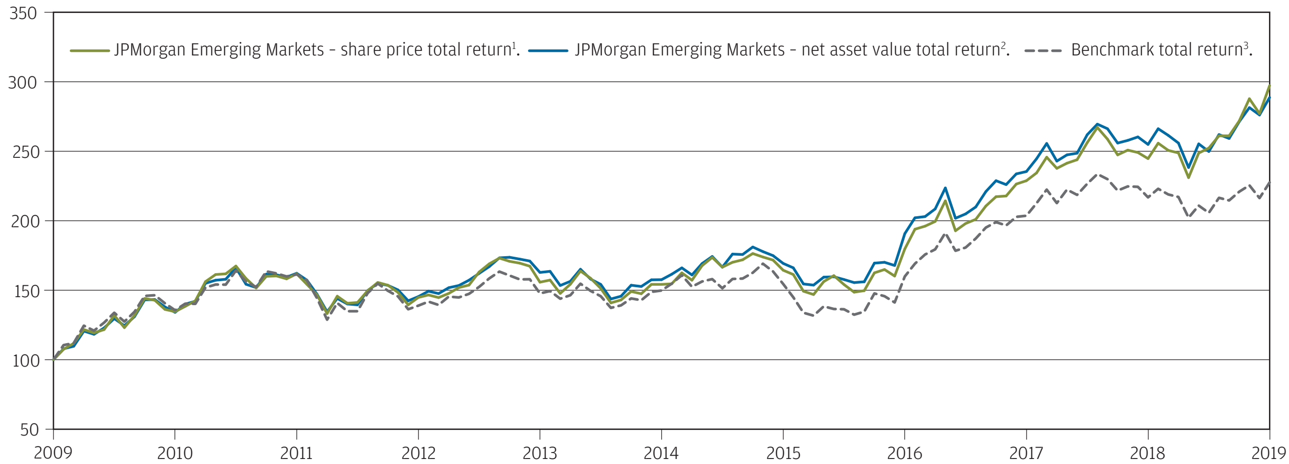
We often view the present through the lens of the past, anchoring to prices or normalities from our own experience; this makes the present look odd, and the future unimaginable. Yet how can there not be opportunities ahead? As we look forwards, we need the ability to imagine things which seem strange today; and we cannot guess in advance what opportunities may arise. My point is that while prudence and a sober approach to taking risks is a valuable trait for investors, this needs to be balanced by a streak of optimism. What matters is the ability to set out, even without knowing where the road ends. As J.P. Morgan himself advised: "go as far as you can see; when you get there, you will be able to see farther."

Austin Forey
Investment Manager

1st October 2019

TEN YEAR PERFORMANCE

REBASED TO 100 AT 30TH JUNE 2009



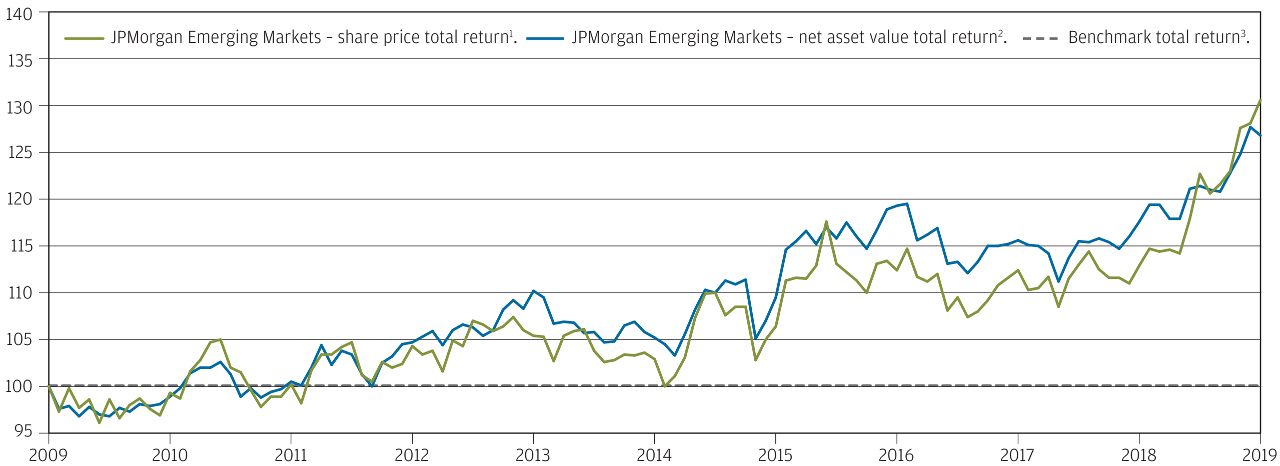
[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, cum income net asset value.

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

TEN YEAR PERFORMANCE RELATIVE TO BENCHMARK

REBASED TO 100 AT 30TH JUNE 2009



[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, cum income net asset value.

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

TEN YEAR FINANCIAL RECORD

At 30th June	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Shareholders' funds (£m)	448.2	631.9	785.1	691.9	785.8	750.6	852.7	934.6	1,121.0	1,196.9	1,313.8
Net asset value per share (p)	406.3	544.9	655.7	584.1	649.3	623.4	663.8	740.8	904.7	968.2	1,075.8
Share price (p)	374.0	500.0	597.5	531.5	567.0	556.0	587.0	635.0	798.5	843.0	1,002.0
Discount (%)[A]	7.9	8.2	8.9	9.0	12.7	10.8	11.6	14.3	11.7	12.9	6.9
Net cash (%)[A]	(0.8)	(1.7)	(5.2)	(3.7)	(4.2)	(4.6)	(3.5)	(3.6)	(1.0)	(0.6)	(0.7)

Year ended 30th June	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross revenue return (£'000)	11,344	12,335	15,912	16,480	18,487	16,071	19,805	17,119	21,902	23,207	25,162
Revenue return per share (p)	4.43	4.47	5.26	6.22	6.73	5.12	6.68	9.49	12.75	13.40	14.85
Dividend per share (p)	3.20	3.20	3.50	4.50	5.50	5.50	6.00	9.00	11.00	12.50	14.00
Ongoing charges (%)[A]	1.05	1.17	1.15	1.18	1.14	1.17	1.14	1.16	1.07	1.02	1.02

Rebased to 100 at 30th June 2009	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Share price total return[1,A]	100.0	134.6	161.8	144.8	155.8	154.2	164.4	179.7	228.8	244.7	297.3
Net asset value total return[2,A]	100.0	134.1	162.2	145.4	162.8	157.6	169.3	190.7	235.4	254.9	288.7
Benchmark total return[3]	100.0	135.6	161.4	138.9	147.7	149.8	154.5	159.9	203.6	216.8	227.6

1 Source: Morningstar. Change in share price with dividends reinvested.

2 Source: Morningstar/J.P.Morgan, using cum income net asset value per share.

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

A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 76 and 77.

TEN LARGEST EQUITY INVESTMENTS

AT 30TH JUNE

Company	Country	2019 Valuation Portfolio £'000	2019 Valuation Portfolio %[1]	2019 Benchmark %	2019 Overweight %	2018 Valuation Portfolio £'000	2018 Valuation Portfolio %[1]	2018 Benchmark %	2018 Overweight %
Housing Development Finance HDFC is a financial services company in India. Its core business is mortgage lending. It was a founding shareholder of HDFC Bank, a leading commercial bank in the same country. HDFC also has operations in life insurance, general insurance, asset management and rural lending.	India	81,331	6.2	0.9	5.3	68,774	5.8	0.8	5.0
Tencent Tencent is an internet services company. From its headquarters in Shenzhen, Tencent provides gaming and social network services, digital payments and other online products and services in China and elsewhere.	China and Hong Kong	75,587	5.8	4.7	1.1	82,349	6.9	5.5	1.4
Taiwan Semiconductor Manufacturing[2] TSMC is the world's leading semiconductor foundry company, based in Taiwan. It produces semiconductor chips for third-party designers.	Taiwan	69,949	5.4	3.4	5.4	62,953	5.3	3.3	2.0
AIA AIA is an insurance company operating throughout Asia. The company offers life insurance; it also provides health and accident insurance, wealth management services and retirement planning.	China and Hong Kong	63,101	4.8	–	4.8	49,350	4.2	–	4.2
Alibaba[2] Alibaba is a Chinese internet services company. Its principal business is in e-commerce. Through its affiliated company Ant Financial, Alibaba also offers digital payment solutions. In addition, it is the largest provider of cloud services in China.	China and Hong Kong	61,701	4.7	4.4	0.3	61,213	5.1	4.1	1.0
EPAM Systems EPAM Systems provides software development, outsourcing services, e-business, enterprise relationship management and content management solutions.	Belarus	56,638	4.3	–	4.3	41,918	3.5	–	3.5
Ping An Insurance[3] Ping An is a leading financial services group in China. It provides a full range of retail financial services including life and general insurance, health insurance, banking, brokerage and wealth management. It also offers health and technology services.	China and Hong Kong	52,834	4.0	1.2	2.9	39,011	3.3	0.9	2.4
Tata Consultancy Services TCS is a global IT services business headquartered in India. It provides a comprehensive range of IT services to clients around the world in many different industries.	India	50,136	3.8	0.5	3.3	40,334	3.4	0.5	2.9
IndusInd Bank IndusInd is a bank offering a full range of banking and financial services to retail and business customers throughout India.	India	43,911	3.4	–	3.4	58,846	5.0	–	5.0
Clicks Clicks is the leading pharmacy retail business in South Africa. It sells medicines, and also health and beauty products, from a network of retail outlets across the country.	South Africa	32,953	2.5	0.1	2.4	31,082	2.6	0.1	2.5
Total		**588,141**	**44.9**	**15.2**					

1 Based on total portfolio of £1,305.0m (2018: £1,189.1m).
2 Includes investments in American Depositary Receipts (ADRs).
3 Hong Kong 'H' shares, that is, shares in companies incorporated in mainland China and listed in Hong Kong and other foreign stock exchanges.

At 30th June 2018, the value of the ten largest equity investments amounted to £535.8 million representing 45.1% of the total portfolio.

GEOGRAPHIC BY REGION

	30th June 2019			30th June 2018		
	Portfolio %[1]	Benchmark %	Over/(Under) Weight %	Portfolio %[1]	Benchmark %	Over/(Under) Weight %
East Asia						
China and Hong Kong	29.4	31.6	(2.2)	28.6	32.7	(4.1)
Taiwan	8.4	10.8	(2.4)	8.7	11.6	(2.9)
South Korea	0.6	12.4	(11.8)	0.7	14.6	(13.9)
	38.4	54.8	(16.4)	38.0	58.9	(20.9)
South Asia						
India	21.4	9.0	12.4	22.1	8.6	13.5
Indonesia	4.6	2.1	2.5	4.0	1.9	2.1
Philippines	0.5	1.1	(0.6)	0.4	1.0	(0.6)
Malaysia	–	2.1	(2.1)	–	2.3	(2.3)
Pakistan	–	–	–	–	0.1	(0.1)
Thailand	–	3.0	(3.0)	–	2.2	(2.2)
	26.5	17.3	9.2	26.5	16.1	10.4
Latin America						
Brazil	7.7	7.7	–	8.7	5.8	2.9
Argentina	4.7	0.4	4.3	2.8	–	2.8
Mexico	4.4	2.5	1.9	5.0	2.9	2.1
Peru	1.3	0.4	0.9	1.4	0.4	1.0
Chile	0.9	0.9	–	1.0	1.1	(0.1)
Colombia	–	0.4	(0.4)	–	0.5	(0.5)
	19.0	12.3	6.7	18.9	10.7	8.2
Europe/Middle East/Africa						
South Africa	9.9	6.0	3.9	10.8	6.6	4.2
Belarus	4.3	–	4.3	3.5	–	3.5
Russia	1.9	4.0	(2.1)	2.3	3.5	(1.2)
Saudi Arabia	–	1.4	(1.4)	–	–	–
Poland	–	1.1	(1.1)	–	1.1	(1.1)
Qatar	–	1.0	(1.0)	–	0.8	(0.8)
United Arab Emirates	–	0.7	(0.7)	–	0.6	(0.6)
Turkey	–	0.5	(0.5)	–	0.8	(0.8)
Greece	–	0.3	(0.3)	–	0.3	(0.3)
Hungary	–	0.3	(0.3)	–	0.3	(0.3)
Czech Republic	–	0.2	(0.2)	–	0.2	(0.2)
Egypt	–	0.1	(0.1)	–	0.1	(0.1)
	16.1	15.6	0.5	16.6	14.3	2.3
Total	**100.0**	**100.0**		**100.0**	**100.0**	

[1] Based on total portfolio of £1,305.0m (2018: £1,189.1m).

SECTOR ANALYSIS

	30th June 2019			30th June 2018		
	Portfolio %[1]	Benchmark %	Over/(Under) Weight %	Portfolio %[1]	Benchmark %	Over/(Under) Weight %
Financials	35.1	25.2	9.9	33.7	22.8	10.9
Information Technology	18.5	13.9	4.6	33.0	27.9	5.1
Consumer Staples	16.2	6.6	9.6	16.7	6.6	10.1
Consumer Discretionary	14.2	13.4	0.8	5.4	9.8	(4.4)
Industrials	7.0	5.4	1.6	7.5	5.3	2.2
Communications Services	7.0	11.7	(4.7)	–	4.3	(4.3)
Materials	1.5	7.6	(6.1)	2.7	7.6	(4.9)
Energy	0.5	7.9	(7.4)	1.0	7.1	(6.1)
Real Estate	–	3.0	(3.0)	–	3.0	(3.0)
Utilities	–	2.7	(2.7)	–	2.4	(2.4)
Health Care	–	2.6	(2.6)	–	3.2	(3.2)
Total	**100.0**	**100.0**		**100.0**	**100.0**	

[1] Based on total portfolio of £1,305.0m (2018: £1,189.1m).

INVESTMENT ACTIVITY

DURING THE YEAR ENDED 30TH JUNE 2019

	Value at 30th June 2018					Value at 30th June 2019	
	£'000	% of portfolio	Purchases £'000	Sales £'000	Changes in value £'000	£'000	% of portfolio
China and Hong Kong	339,773	28.6	50,640	(14,779)	8,605	384,239	29.4
India	262,454	22.1	–	13	17,313	279,780	21.4
South Africa	128,111	10.8	–	(7,969)	9,086	129,228	9.9
Taiwan	103,849	8.7	20	(6,472)	11,693	109,090	8.4
Brazil	103,762	8.7	5,056	(31,981)	23,662	100,499	7.7
Argentina	33,055	2.8	–	(3,824)	31,633	60,864	4.7
Indonesia	47,318	4.0	–	(3,366)	16,429	60,381	4.6
Mexico	59,465	5.0	–	(4,995)	2,605	57,075	4.4
Belarus	41,918	3.5	–	(3,672)	18,392	56,638	4.3
Russia	27,900	2.3	–	(5,249)	2,683	25,334	1.9
Peru	16,355	1.4	–	–	897	17,252	1.3
Chile	11,478	1.0	–	–	(143)	11,335	0.9
South Korea	8,375	0.7	1,424	–	(2,469)	7,330	0.6
Philippines	5,170	0.4	–	–	820	5,990	0.5
Pakistan	96	–	–	(67)	(29)	–	–
Total investments	**1,189,079**	**100.0**	**57,140**	**(82,361)**	**141,177**	**1,305,035**	**100.0**

LIST OF INVESTMENTS AT 30TH JUNE 2019

Company	Valuation £'000
CHINA AND HONG KONG	
Tencent	75,587
AIA	63,101
Alibaba[1]	61,701
Ping An Insurance Group Co. of China[2]	52,834
Jardine Matheson	22,051
51job[1]	16,708
Kweichow Moutai	15,882
Yum China	13,620
Greentown Service	13,580
Midea	13,104
Cafe de Coral	10,999
JD.com[1]	9,989
Baidu[1]	8,598
Foshan Haitian Flavouring & Food	6,485
	384,239
INDIA	
Housing Development Finance	81,331
Tata Consultancy Services	50,136
IndusInd Bank	43,911
Infosys[1]	27,664
United Breweries	23,755
ITC	22,166
Supreme Industries	19,172
HDFC Life Insurance	11,645
	279,780
SOUTH AFRICA	
Clicks	32,953
Capitec Bank	20,945
Bid	20,872
RMB	17,385
Discovery	10,427
Sanlam	8,810
Bidvest	5,706
Shoprite	5,530
Mr Price	4,673
Tiger Brands	1,927
	129,228

Company	Valuation £'000
TAIWAN	
Taiwan Semiconductor Manufacturing[1]	69,949
President Chain Store	18,267
Chailease	13,798
Delta Electronics	7,076
	109,090
BRAZIL	
Itau Unibanco	26,283
Lojas Renner	24,442
WEG	18,726
Ambev[1]	17,888
Raia Drogasil	7,166
Ultrapar Participacoes	5,994
	100,499
ARGENTINA	
MercadoLibre	30,690
Globant	30,174
	60,864
INDONESIA	
Bank Rakyat Indonesia Persero	21,007
Bank Central Asia	17,647
Unilever Indonesia	11,313
Astra International	10,414
	60,381
MEXICO	
Grupo Aeroportuario del Sureste[1]	14,969
Grupo Financiero Banorte	14,413
Wal-Mart de Mexico	14,123
Fomento Economico Mexicano[1]	13,570
	57,075

Company	Valuation £'000
BELARUS	
EPAM Systems	56,638
	56,638
RUSSIA	
Sberbank of Russia	25,334
	25,334
PERU	
Credicorp	17,252
	17,252
CHILE	
Banco Santander Chile[1]	11,335
	11,335
SOUTH KOREA	
NAVER	7,330
	7,330
PHILIPPINES	
Jollibee Foods	5,990
	5,990
TOTAL INVESTMENTS	**1,305,035**

[1] Includes investments in American Depositary Receipts (ADRs).

[2] Hong Kong 'H' shares, that is, shares in companies incorporated in mainland China and listed in Hong Kong and other foreign stock exchanges.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Company has performed. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment limits and restrictions, performance and key performance indicators, share capital, the Company's environmental, social and ethical policy, principal risks and how the Company seeks to manage those risks and finally its long term viability.

Business Review

Structure and Objective of the Company

JPMorgan Emerging Markets Investment Trust plc (the 'Company') is an investment trust company that has a premium listing on the London Stock Exchange. Its objective is to maximise total return from emerging markets worldwide through a diversified portfolio of underlying investments. In seeking to achieve this objective the Company employs JPMorgan Funds Limited ('JPMF') to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms.

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 30th June 2013 and future years. The Directors have no reason to believe that approval will not continue to be obtained. 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 6 and 7 and in the Investment Managers' Report on pages 8 to 12.

Investment Policies and Risk Management

In order to achieve the investment objective and to seek to manage risk, the Company invests in a well diversified spread of countries, industries and companies. The Company invests primarily in quoted securities in emerging stock markets but, where necessary or appropriate in the absence of suitable quoted securities, it may invest in unquoted securities. It may invest in other collective investment schemes, but usually only where legal restrictions prevent direct investment by foreign investors or prudent diversification can best be achieved in this way. The Company conducts its affairs so as to maintain approved investment trust status in the UK.

The Company is managed to produce total return and not to produce any particular level of dividend and therefore the level of dividend will vary.

The Board determines the Company's capital structure and gearing policy, with input from the Manager. The Board's gearing policy is that the Company will remain invested in the range of 90-120% under normal market conditions.

The Board has set no minimum or maximum limits on the number of investments in the portfolio but it is a relatively concentrated portfolio consisting typically of between 50 and 80 investments. The assets are managed by an investment manager based in London.

It should be noted that historically, emerging market companies (and investments in their shares) have shown greater volatility and may be subject to certain political and corporate governance risks which are not typically associated with more developed markets and economies.

Investment Restrictions and Guidelines

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

- The Company will not invest more than 10% of its total assets in any one individual stock (excluding investment trusts) at the time of acquisition.
- No more than 50% of the Company's assets may be invested in any one region.
- No more than an aggregate of 25% of the Company's assets (before deducting borrowings) may be invested in:
  (i) securities not listed on any recognised investment exchange; and (ii) holdings in which the Company's interest amounts to 20% or more of the aggregate of the equity capital (including any capital having an element of equity) of any one listed company (other than an investment trust which has been approved by HM Revenue & Customs or which would qualify for such approval but for the fact that it is not listed).
- In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 15% of its gross assets in other UK listed closed-ended investment funds and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed closed-ended investment funds.
- The Company does not normally enter into derivative transactions, other than short term forward currency contracts to manage working capital requirements and to do so requires prior Board approval.

These limits and restrictions may be varied by the Board at any time at its discretion.

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 to 30th June 2019, the Company produced a total return to shareholders of +21.5% (2018: +7.0%) and a total return on net assets of +13.3% (2018: +8.3%). This compares with the total return on the Company's benchmark index of +5.0% (2018: +6.5%). At 30th June 2019, the value of the Company's investment portfolio was £1,305.0 million (2018: £1,189.1 million). The Investment Manager's Report on pages 8 to 12 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 £166.4 million (2018: £106.3 million) and net total return after deducting management fee, other administrative expenses, finance costs and taxation amounted to £151.8 million (2018: £92.0 million). Distributable income for the year amounted to £18.3 million (2018: £16.6 million).

The Directors recommend a final dividend of 9.0p per share payable on 20th November 2019 to holders on the register at the close of business on 18th October 2019. This distribution will amount to £11.0 million. The revenue reserve after payment of the final dividend will amount to £14.7 million.

Key Performance Indicators ('KPIs')

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

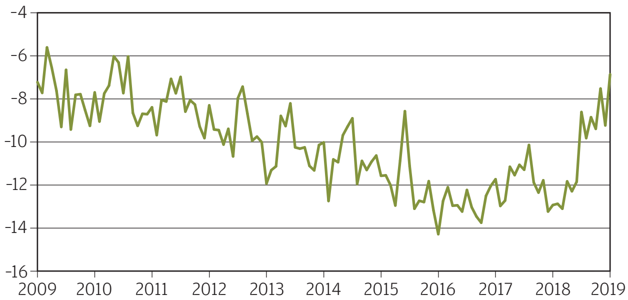
- **Performance against the benchmark index**
  This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Manager's Report. (Also, please refer to the graphs on page 13).

- **Performance against the Company's peers**
  The principal objective is to maximise total return relative to the benchmark. However, the Board also monitors the performance relative to a broad range of investment trust companies, open ended funds and exchange traded funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. Details of the attribution analysis for the year ended 30th June 2019 are given in the Investment Manager's Report on page 12.

- **Share price discount to net asset value ('NAV') per share**
  The Board has a share repurchase policy which seeks to address imbalances in supply of and demand for the Company's shares within the market. This should help to reduce the volatility and absolute level of the discount to NAV per share at which the Company's shares trade in relation to its peers in the sector. In the year to 30th June 2019, the Company's shares traded at a discount to cum income net asset value per share between 6.6% and 14.5%, averaging 10.6% over the year.

Discount Performance



Source: Datastream.

JPMorgan Emerging Markets – share price discount to cum income net asset value per share. The graph is based on month end data and therefore the figures differ from those stated above and in the Chairman's Statement, which are based on daily data.

- **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 daily net assets during the year. The ongoing charges for the year ended 30th June 2019 were 1.02% (2018: 1.02%). 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

The Directors have, on behalf of the Company, the authority both to repurchase shares in the market for cancellation, or holding in Treasury, and to issue new shares for cash or from Treasury on behalf of the Company.

A total of 1,496,110 shares (nominal value £374,028) were repurchased into Treasury during the year under review, for a total consideration of £13,261,000. This represented 1.2% of the shares in issue at the start of the financial year. The Company did not allot any new shares for cash. Since the year end 810,794 shares have been repurchased into Treasury.

Resolutions to renew the authorities to issue new shares and to repurchase shares for cancellation and/or for holding in Treasury will be put to shareholders for approval at the forthcoming Annual General Meeting.

The full text of these Resolutions is set out in the Notice of Meeting on pages 73 and 74.

Board Diversity

At 30th June 2019, there were four male Directors and one female Director on the Board. The Company has no employees. When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and aims to meet the Hampton-Alexander recommendation of having 33% female representation on the Board in the medium term.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the JPMorgan Asset Management ('JPMAM') policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

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.

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

Greenhouse Gas Emissions

The Company is managed by JPMF, has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. However, if the carbon footprint of the Company's investments is analysed, you will see in the table below that it is less than one twentieth of the MSCI Emerging Markets Index. 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.

MSCI CARBON ESG FOOTPRINT CALCULATOR	Carbon Emissions tons CO2e/$M invested	Carbon Intensity tons CO2e/$M sales
JPMorgan Emerging Markets Investment Trust	16.5	44.5
Coverage by Portfolio Weight	94.8	94.8
MSCI EM Index	353.8	430.6
Coverage by Portfolio Weight	99.9	99.9
Aim/Purpose	*What is my portfolio's normalised carbon footprint per million dollars invested?*	*What is my portfolio's exposure to carbon intensive companies?*

Source: MSCI, J.P. Morgan Asset Management. Table as of 30th June 2019 based on data from MSCI as at that date. MSCI EM = MSCI Emerging Markets Index. Coverage refers to percentage of index or portfolio covered by data.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/modern-slavery-act.pdf

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. In assessing the risks and how they can be mitigated, the Board has given particular attention to those issues that threaten the viability of the Company. These key risks fall broadly under the following categories:

- **Investment Underperformance**

  An inappropriate investment strategy, for example poor stock selection, the level of gearing or the degree of portfolio risk, could lead to underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments and through a set of investment restrictions and guidelines which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, 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.

- **Loss of Investment Team or Investment Manager**
  A sudden departure of the investment manager or several members of the investment management team could result in a short-term deterioration in investment performance. The Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team based approach, as well as special efforts to retain key personnel.

- **Political and Economic**
  Sustained underperformance of emerging markets as an asset class as a result of risks such as the imposition of restrictions on the free movement of capital. Currently, there are UK-related risks due to the uncertain outcome of the 'Brexit' process and a possible change of Government. These risks are discussed by the Board on a regular basis.

- **Strategy/Business Management**
  An inappropriate corporate initiative, for example a takeover of another company or an issue of new capital; misuse of the investment trust structure, for example inappropriate gearing; or if the Company's business strategy is no longer appropriate, may lead to a lack of investor demand. The Board discusses these risks regularly and takes advice from the Manager and its professional advisers.

- **Operational and Counterparty Failure**
  Disruption to, or failure of, the Manager's or a counterparty's accounting, dealing or payments systems or the Depositary or Custodian's records may prevent accurate reporting and monitoring of the Company's financial position. Under the terms of its agreement, the Depositary has strict liability for the loss or misappropriation of assets held in custody. See note 20(c) for further details on the responsibilities of the Depositary. Details of how the Board monitors the services provided by JPMF and its associates and the key elements designed to provide effective risk management and internal controls are included within the Risk Management and Internal Controls section of the Corporate Governance Statement on pages 31 and 32.

- **Cyber Crime**
  The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received the cyber security policies for its key third party service providers and JPMF has assured Directors that the Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by an independent third party and reported every six months against the AAF Standard.

- **Share Price Discount**
  A disproportionate widening of the share price discount relative to the Company's peers could result in loss of value for shareholders. The Board regularly discusses discount policy and has set parameters for the Manager and the Company's broker to follow.

- **Change of Corporate Control of the Manager**
  The Board holds regular meetings with senior representatives of JPMF in order to obtain assurance that the Manager continues to demonstrate a high degree of commitment to its investment trusts business through the provision of significant resources.

- **Legal and Regulatory**
  In order to qualify as an investment trust, the Company must comply with Section 1158. Details of the Company's approval are given under 'Structure and Objective of the Company' on page 20. Should the Company breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure Guidance 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 and its professional advisers to ensure compliance with the Companies Act 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 in the Corporate Governance Statement on pages 29 to 32.

- **Financial**

  The financial risks faced by the Company include market price risk, interest rate risk and credit risk. Further details are disclosed in note 20 on pages 62 to 67.

Long Term Viability

Taking account of the Company's current position, the principal risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for emerging markets economies and equity markets.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of maximising total return, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers, that investors should consider investing in equities for a minimum of five years. Thus the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that, assuming a successful continuation vote at the 2020 AGM, they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited
Company Secretary

1st October 2019

Directors' Report

Sarah Arkle §†‡ (Chairman of the Board and of the Nomination Committee and Remuneration Committee)

A Director since September 2013.

Last reappointed to the Board: 2018.

Remuneration: £41,000.

Non-executive director of Foreign & Colonial Investment Trust plc and a member of the finance committee of the Royal Commission for the Exhibition of 1851. She was previously a non-executive director of Janus Henderson Group plc, a member of the Newnham College Cambridge Investment Committee, an advisor to the South Yorkshire Pension Fund and was Chief Investment Officer of Threadneedle Asset Management where she held a number of other senior positions.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 10,000 Ordinary shares.

Richard Laing *§†‡ (Chairman of the Audit Committee)

A Director since January 2015.

Last reappointed to the Board: 2018.

Remuneration: £34,500.

Non-executive director of Perpetual Income and Growth Investment Trust plc, Miro Forestry, Leeds Castle Foundation, 3i Infrastructure plc, Tritax Big Box REIT plc and Development Works Limited. Previously a trustee of Plan International UK, The Overseas Development Institute, finance director of De La Rue plc and from 2000 until 2012 worked for CDC Group plc where he was finance director and latterly chief executive officer. Formerly a non-executive director of London Metal Exchange, Aureos Capital, Madagascar Oil Limited and Emerging Markets Private Equity Association, where he was chairman of the Advisory Council. He is a qualified accountant.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 6,000 Ordinary shares.

Andrew Page*§†‡ (Senior Independent Director)

A Director since January 2015.

Last reappointed to the Board: 2018.

Remuneration: £28,500.

A non-executive director of The Schroder UK Mid Cap Fund plc. Formerly chairman of Northgate plc, senior independent director of Carpetright plc and Arena Leisure plc. He retired as chief executive of The Restaurant Group plc ('TRG') in September 2014 after thirteen years with TRG. Prior to joining TRG, he held a number of senior positions in the leisure and hospitality industry including senior vice president with InterContinental Hotels. Andrew trained and qualified as a chartered accountant with KPMG following which he was a corporate financier with Kleinwort Benson.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000 Ordinary shares.

Ruary Neill *§†‡

A Director since 1st January 2017.

Last reappointed to the Board: 2018.

Remuneration: £28,500.

Non-executive director of Baillie Gifford UK Growth Fund plc, chairman of The Investment Committee, Great Ormond Street Children's Charity and a member of The Advisory Council, The SOAS China Institute, London University. Previously worked in investment banking, managing the multi asset sales business at UBS Investment Bank and working closely with chief investment officers and senior asset managers on strategic and tactical asset allocation decisions. Prior to this he spent a number of years working in the Asian equity markets for UBS Investment Bank and Schroder Securities.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000 Ordinary shares.

Aidan Lisser *§†‡

A Director since 1st December 2018.

Last reappointed to the Board: n/a.

Remuneration: £28,500.

Head of strategy at Investec Wealth & Investment Limited, where he was previously chief marketing officer until June 2017. He has broad senior level brand and marketing experience across consumer products, banking, asset management and wealth, having been chief marketing officer at Allianz Global Investors and head of group brand at Standard Chartered Bank plc. From 1983 until 2005 he held various positions at Unilever, including four years based in China and three years in Thailand. Latterly he was senior vice president of the Global Household Products category. He is also a non-executive director of Henderson International Income Trust plc and was previously a non-executive director of Henderson Global Trust plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 2,300 Ordinary shares.

*** Member of the Audit Committee**
§ Member of the Nomination Committee
† Member of the Remuneration Committee
‡ Considered by the Board to be independent

The Directors present their report and the audited financial statements for the year ended 30th June 2019.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which can be terminated on one year's notice, without penalty, unless notice is given as a result of poor investment performance, in which case the contract can be terminated on six months' notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Board, through the Management Engagement Committee, conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Manager, performance against the benchmark and a relevant peer group over the long term and the support the Company receives from JPMF. The Company has consistently outperformed its benchmark index over the long term and as a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmemergingmarkets.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 70 and 71.

Management Fee

During the year under review the management fee was charged at the rate of 1.0% per annum on the value of the Company's portfolio up to £800 million and at the rate of 0.75% thereafter. With effect from 1st July 2019 the fee has been charged at 1% on the value of the portfolio up to £500 million and at 0.75% thereafter. The fee is calculated and paid monthly in arrears. Investments on which JPMAM earns a fee are excluded from the calculation and therefore attract no additional management fee.

Directors

Anatole Kaletsky retired from the Board on 22nd November 2018. Aidan Lisser was appointed a Director on 1st December 2018. The Directors of the Company who held office at the end of the year are detailed on page 26.

Details of Directors' beneficial shareholdings in the Company may be found in the Directors' Remuneration Report on page 36. No changes have been reported to the Directors' shareholdings since the year end.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, 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 Auditors are unaware, and

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

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

Independent Auditors

PricewaterhouseCoopers have been auditors to the Company since its launch in 1991. In accordance with the Audit Regulations and Guidance effective from April 2017, the Company is required to change its auditors no later than 2020. Therefore the Audit Committee undertook an auditor review and it has been agreed by the Board to appoint BDO to succeed PricewaterhouseCoopers. Accordingly, a resolution to appoint BDO as auditors to the Company will be proposed at the forthcoming AGM. PricewaterhouseCoopers have confirmed that there are no circumstances in connection with their resignation which need to be brought to the attention of the Company's shareholders.

Companies Act 2006 Requirements

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

Capital Structure

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

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 75.

Notifiable Interests in the Company's Voting Rights

At the year end, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Ordinary shares	%
City of London Investment Management Company	18,268,332	14.93
Lazard Asset Management LLC	15,945,817	12.99
Wells Capital Management	6,968,032	5.20
Rathbone Investment Management	6,204,292	5.02

Since the year end the following notifications have been received:

City of London Investment Management Company	17,028,706	13.96

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

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

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in the identifiable section of the Annual Report or across reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this report.

Annual General Meeting

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

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

The Directors recommend that the Company continues in existence as an investment trust for a further three year period.

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 11 and 12)

The Directors will seek renewal of the authority at the AGM to issue up to 6,065,422 new ordinary shares for cash up to an aggregate nominal amount of £1,516,356 such amount being equivalent to 5% of the present issued ordinary share capital (excluding Treasury shares) as at the last practicable date before the publication of this document. This authority will expire at the conclusion of the AGM of the Company in 2020 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares (or to sell Treasury shares) to investors when the Directors consider that it is in the best interests of shareholders to do so. As issues are only made at prices greater than the net asset value (the 'NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies.

The Company currently holds 11,055,083 shares in the capital of the Company in Treasury. The full text of the resolutions is set out in the Notice of Annual General Meeting on page 73.

(ii) Authority to repurchase the Company's shares (resolution 13)

The authority to repurchase up to 14.99% of the Company's issued ordinary share capital, granted by shareholders at the 2018 AGM will expire on 21st May 2020, unless renewed prior to that time. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 13 gives the Company authority to repurchase its own issued ordinary shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum of 18,184,135 ordinary shares, representing approximately 14.99% of the Company's issued ordinary shares as at 30th September 2019 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 13 is passed at the AGM it is the Company's current intention to hold in Treasury any shares it may repurchase pursuant to the authority granted to it for possible re-issue at a premium to NAV. This policy is kept under review by the Board.

The full text of the resolution is set out in the Notice of Annual General Meeting on pages 73 and 74. Repurchases of ordinary shares will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

Recommendation

The Board considers that resolutions 11 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 28,300 ordinary shares representing approximately 0.02% of the voting rights of the Company.

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 39, indicates how the Company has applied the principles of good governance of the Financial Reporting Council 2016 UK Corporate Governance Code (the 'UK Corporate Governance Code') and the AIC's Code of Corporate Governance, (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts. During the course of the financial year ending 30th June 2020, the Board will take the appropriate steps to ensure that the Company is compliant with the AIC Code of Corporate Governance issued in February 2019.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code and of the AIC Code throughout the year under review.

Role of the Board

A management agreement between the Company and the Manager sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administrative 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, capital structure and gearing policy (with input from the Manager), 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 at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

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, JPMF, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Sarah Arkle, consists of five 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 knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on page 26.

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. Andrew Page, the Senior Independent Director leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be appointed by shareholders. Thereafter, a Director's appointment is subject to the performance evaluation carried out each year and the approval of shareholders at each annual general meeting, in accordance with corporate governance best practice. 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 takes into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees.

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.

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

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 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 committees. All Directors are members of the committees, with the exception of the Chairman who attends the Audit Committee by invitation.

The table below details the number of Board and Committee meetings attended by each Director. During the year, there were five Board meetings, two Audit Committee meetings, a Management Engagement Committee meeting, two Nomination Committee meetings and two Remuneration Committee meetings.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Management Engagement Committee Meetings Attended	Remuneration Committee Meetings Attended	Nomination Committee Meetings Attended
Sarah Arkle[1]	5	2[2]	1	2	2
Anatole Kaletsky[3]	3	1	1	1	1
Richard Laing	5	2	1	2	2
Ruary Neill	5	2	1	2	1
Aidan Lisser[4]	2	1	–	1	–
Andrew Page	5	2	1	2	2

[1] Ceased to be a member of the Audit Committee on 24th November 2017. Mrs Arkle now attends by invitation.

[2] Attended by invitation.

[3] Retired 22nd November 2018.

[4] Appointed 1st December 2018.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Sarah Arkle, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. The appointment process takes account of the benefits of diversity, including gender.

The Board's policy on diversity is set out on page 22

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together. The evaluation of individual Directors is led by the Chairman. Andrew Page, the Senior Independent Director, leads the evaluation of the Chairman's performance. Every three years, a more thorough, externally facilitated independent Board evaluation is carried out which includes unattributable one-to-one interviews and results in the setting of a number of objectives. In the year under review, the Board undertook an independent evaluation facilitated by Board Advisory Partnership, which has no connection with the Company.

Remuneration Committee

The Remuneration Committee, chaired by Sarah Arkle, comprises all of the Directors and meets annually to review the levels of remuneration of the Chairman, the Chairman of the Audit Committee and other Directors. This takes into account the level of fees paid to the directors of the Company's peers and within the investment trust industry generally to ensure that high quality individuals are attracted and retained. Recommendations are made to the Board as and when appropriate.

Management Engagement Committee
The Management Engagement Committee, chaired by Sarah Arkle, consists of all of the Directors and meets annually to review the performance of the Manager.

The Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Investment Manager, noting consistent outperformance of the benchmark over the long term, and the quality of support that the Company receives from JPMF. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

Audit Committee
The report of the Audit Committee is set out on page 33.

Terms of Reference

The Nomination, Remuneration, Audit and Management Engagement Committees all have written terms of reference which define clearly their respective responsibilities, copies of which are 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 twice each year by way of the annual report and accounts and the half year report. These are supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares and the Company's level of gearing.

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. In addition, a presentation is given by the Investment Manager who reviews the Company's performance. The Board seeks regular engagement with the Company's major shareholders to understand their views on governance and performance against the Company's investment objective and investment policy, either directly or through the Company's brokers, the Investment Managers and JPMF by holding discussions on an ongoing basis. The Directors may be contacted through the Company Secretary whose details are shown on page 79 or via the Company's website.

The Company's annual report and financial statements are 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 79. A formal process is in place for all letters to the Directors to be forwarded immediately. As part of this process, any feedback from shareholders is also communicated to the Board.

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 UK Corporate Governance 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.

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 misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 22 and 23). This process has been in place for the year under review and up to the date of the approval of the annual report and accounts and it accords with the Financial Reporting Council's guidance. Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

The key elements designed to provide effective risk management and 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 Conduct Authority ('FCA'), 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 the Manager's Compliance department which regularly monitors compliance with FCA 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 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:

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

By the 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 30th June 2019 and to the date of approval of this Annual Report and Accounts.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not affect the Company.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. 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. Details on social and environmental issues are included in the Strategic Report on page 22.

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.

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.jpmorganinvestmenttrusts.co.uk/governance. This 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.

Audit Committee Report

Role and Composition

The Audit Committee, chaired by Richard Laing and whose membership is set out on page 26, meets at least twice each year. The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

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 UK Corporate Governance Code. It examines the effectiveness of the Company's internal control systems, receives information from the Manager's Compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. The Audit Committee has reviewed the independence and objectivity of the auditors and is satisfied that the auditors are independent. The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of external auditors.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 30th June 2019, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1(b) to the accounts on page 52. Controls are in place to ensure that valuations are appropriate and existence is verified through custodian reconciliations.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the accounts on page 52.
Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Section 1158 and 1159')	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 20), risk management policies (see pages 62 to 67), capital management policies and procedures (see page 67), the nature of the portfolio and expenditure projections, 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 financial statements. They have not identified any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of these financial statements.

Auditor Appointment and Tenure

Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report & Financial Statements were considered and also engage with Directors as and when required. The Board reviews and approves any non-audit services provided by the independent auditors and assesses the impact of any non audit work on the ability of the auditors to remain independent. Details of the auditors fees paid are disclosed in note 6 on page 55. PricewaterhouseCoopers LLP have audited the Company's financial statements since its launch in 1991 and were reappointed following an auditor review in 2013. The Company's year ended 30th June 2019 is the current Audit Partner's fifth of a five year maximum term. Under the Audit Regulations and Guidance effective from April 2017, the Company is required to appoint a new audit firm no later than 2020. Accordingly, the Committee undertook a tender process and the Board has agreed to appoint BDO to succeed PricewaterhouseCoopers LLP at the forthcoming AGM.

Fair, Balanced and Understandable

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th June 2019, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 39.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st October 2019

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th June 2019, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The Auditors' opinion is included in their report on pages 41 to 46.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has decided to seek annual approval and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote, is set out in full below and is currently in force.

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, the Chairman of the Audit Committee and the Senior Independent Director are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

The Remuneration Committee, comprising all Directors, reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award 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 granted exit payments and are not provided with 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 the Company's business.

In the year under review, Directors' fees were paid at the following rates: Chairman £41,000; Audit Committee Chairman £34,500; Senior Independent Director £31,000 and other Directors £28,500. With effect from 1st July 2019, fees have been increased to £43,000, £35,500, £32,500 and £29,500 respectively.

The Company's articles of association currently stipulate that aggregate fees must not exceed £225,000 per annum and provide that any increase in the maximum aggregate annual limit on Directors' fees requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 30.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th June 2018 and no changes are proposed for the year ending 30th June 2020.

At the Annual General Meeting held on 22nd November 2018, of the votes cast, 99.8% of votes were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.2% voted against. Abstentions were received from less than 0.1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2019 Annual General Meeting will be given in the annual report for the year ending 30th June 2020.

Details of the implementation of the Company's remuneration policy are given below.

Single total figure of remuneration

The single total figure of remuneration for the Board as a whole for the year ended 30th June 2019 was £164,625. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

	2019			2018		
	Fees	Taxable expenses[2]	Total	Fees	Taxable expenses[2]	Total
Directors' Name	**£**	**£**	**£**	**£**	**£**	**£**
Sarah Arkle[3]	41,000	–	41,000	35,207	–	35,207
Anatole Kaletsky[4]	14,250	–	14,250	28,000	837	28,837
Richard Laing	34,500	–	34,500	33,500	1,109	34,609
Ruary Neill	28,500	–	28,500	28,000	68	28,068
Andrew Page	29,750	–	29,750	28,000	–	28,000
Aidan Lisser[5]	16,625	–	16,625	–	–	–
Alan Saunders[6]	–	–	–	15,978	–	15,978
Total	164,625	–	164,625	168,685	2,014	170,699

[1] Audited information. Other subject headings for the single figure table as prescribed by regulation are not included because there is nothing to disclose in relation thereto.

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

[3] Appointed Chairman on 24th November 2017.

[4] Retired 22nd November 2018.

[5] Appointed on 1st December 2018.

[6] Retired 24th November 2017.

A table showing the total remuneration for the Chairman over the five years ended 30th June 2019 is below:

Remuneration for the Chairman over the five years ended 30th June 2019

Year ended 30th June	Fees
2019	£41,000
2018	£40,000
2017	£38,000
2016	£38,000
2015	£35,000

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are detailed below.

Directors' Name	30th June 2019	1st July 2018 or as at date of appointment
Sarah Arkle	10,000	6,000
Richard Laing	6,000	6,000
Aidan Lisser	2,300	–
Ruary Neill	5,000	5,000
Andrew Page	5,000	5,000
Total	28,300	22,000

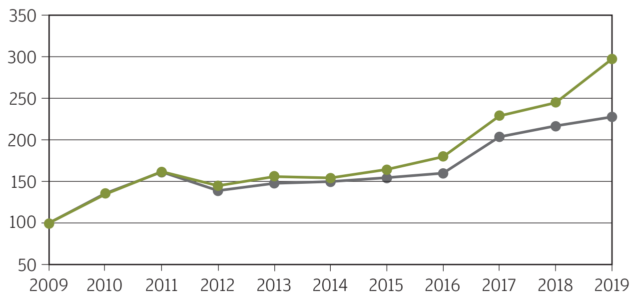
[1] Audited information.

As at the latest practical date before the publication of this document, there have been no changes to the Directors' shareholdings.

The Directors have no other share interests or share options in the Company and no share schemes are available.

A graph showing the Company's share price total return compared with the return on its benchmark index, the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms, over the last ten years is shown below. The Board believes that this index is the most appropriate for performance comparison purposes because it reflects the Investment Manager's investment universe.

Ten Year Share Price and Benchmark Total Return Performance to 30th June 2019



Source: Morningstar.

Share price total return.

Benchmark total return.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th June 2019 £	2018 £
Remuneration paid to all Directors		
– by way of fees	164,625	170,699
Distribution to shareholders		
– by way of dividend	21,592,000	13,616,000
– by way of share repurchases	13,261,000	2,490,000

For and on behalf of the Board
Sarah Arkle
Chairman

1st October 2019

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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 and the Directors' Remuneration Report 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.jpmemergingmarkets.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the Annual Report since they were initially presented on the website. The Annual Report is prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and Directors' Remuneration Report that comply with the law and those regulations.

Each of the Directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' 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.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board
Sarah Arkle
Chairman

1st October 2019

Independent Auditors’ Report

To the members of JPMorgan Emerging Markets Investment Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, JPMorgan Emerging Markets Investment Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th June 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the 'Annual Report'), which comprise: the statement of financial position as at 30th June 2019; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1st July 2017 to 30th June 2018.

Our audit approach

Overview

- Overall materiality: £6.6 million (2018: £6.0 million), based on 0.5% of net assets.

- The Company is a standalone investment trust company and engages JPMorgan Funds Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements using information from JPMorgan Corporate & Investment Bank (the 'Administrator') to whom the Manager has, as permitted by the investment management agreement, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.

- Income from investments
- Valuation and existence of investments.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements, including, but not limited to, the UK Corporate Governance Code (the 'Code'), the UKLA Listing Rules (the 'Listing Rules'), the Companies Act 2006 ('CA06'), section 1158 of the Corporation Tax Act 2010 and the Alternative Investment Fund Managers Directive ('AIFMD'). Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries with management and testing the Company's compliance with section 1158 in the current year. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Income from investments. *Refer to page 33 (Audit Committee Report), page 52 (Accounting Policies) and page 55 (Notes to the Financial Statements).* We focused on the accuracy and completeness of dividend income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP'). This is because incomplete or inaccurate income could have a material impact on the Company's net asset value. We also focused on the accuracy and occurrence of realised and unrealised gains or losses on the investment portfolio	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP and that income has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for completeness, we tested all investment holdings in the portfolio, to ensure that all dividends declared in the market by investment holdings had been recorded. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. We tested the allocation and presentation of dividend income between the revenue and capital return columns in the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. We also checked that the gains or losses on investments held at fair value comprise realised and unrealised gains or losses. We tested a sample of disposal proceeds to bank statements. For unrealised gains or losses, we tested the valuation of the portfolio at the year-end and also tested the reconciliation of opening and closing investments.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments *Refer to page 33 (Audit Committee Report), page 52 (Accounting Policies) and page 58 (Notes to the Financial Statements).* The investment portfolio at the year end principally comprised of listed equity investments. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.	We tested the valuation of the listed investment portfolio by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing the holdings of investments to an independent custodian confirmation from JPMorgan Chase Bank, N.A. as at 30th June 2019. Our testing did not identify any material misstatements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place involved obtaining and analysing the relevant control reports issued by the independent service auditor of the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£6.6 million (2018: £6.0 million).
How we determined it	0.5% of net assets.
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £328,442 (2018: £299,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications of the Company's trade, customers, suppliers and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority ('FCA') require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30th June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06).*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06).*

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 22 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 23 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit.
(Listing Rules)

Other Code Provisions
We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 39, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on page 33 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 39, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the Directors in 1991 to audit the financial statements for the year ended 30th June 1992 and subsequent financial years. The period of total uninterrupted engagement is 28 years, covering the years ended 30th June 1992 to 30th June 2019.

Alex Bertolotti (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

1st October 2019

Financial Statements

FOR THE YEAR ENDED 30TH JUNE 2019

		2019			2018		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments held at fair value through profit or loss	3	–	141,133	141,133	–	83,886	83,886
Net foreign currency gains/(losses)		–	100	100	–	(796)	(796)
Income from investments	4	24,975	–	24,975	23,039	–	23,039
Interest receivable	4	187	–	187	168	–	168
Gross return		**25,162**	**141,233**	**166,395**	**23,207**	**83,090**	**106,297**
Management fee	5	(3,316)	(7,738)	(11,054)	(3,293)	(7,687)	(10,980)
Other administrative expenses	6	(1,305)	–	(1,305)	(1,294)	–	(1,294)
Net return before taxation		**20,541**	**133,495**	**154,036**	**18,620**	**75,403**	**94,023**
Taxation	7	(2,269)	–	(2,269)	(2,044)	–	(2,044)
Net return after taxation		**18,272**	**133,495**	**151,767**	**16,576**	**75,403**	**91,979**
Return per share	8	**14.85p**	**108.50p**	**123.35p**	**13.40p**	**60.96p**	**74.36p**

A dividend of 9.0p (2018: 12.5p) per ordinary share has been proposed in respect of the year ended 30th June 2019, totalling £11.0 million (2018: £15.5 million). Further details are given in note 9 on page 57.

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

The 'Total' column of this statement is the profit and loss account of the Company, and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. Net return after taxation represents the profit for the year and also Total Comprehensive Income.

The notes on pages 52 to 68 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH JUNE 2019

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserves £'000	Capital reserves £'000	Revenue reserve[1] £'000	Total £'000
At 30th June 2017	33,091	173,657	1,665	69,939	816,561	26,069	1,120,982
Repurchase of shares into Treasury	–	–	–	–	(2,490)	–	(2,490)
Net return	–	–	–	–	75,403	16,576	91,979
Dividend paid in the year (note 9)	–	–	–	–	–	(13,616)	(13,616)
At 30th June 2018	33,091	173,657	1,665	69,939	889,474	29,029	1,196,855
Repurchase of shares into Treasury	–	–	–	–	(13,261)	–	(13,261)
Net return	–	–	–	–	133,495	18,272	151,767
Dividends paid in the year (note 9)	–	–	–	–	–	(21,592)	(21,592)
At 30th June 2019	33,091	173,657	1,665	69,939	1,009,708	25,709	1,313,769

[1] This reserve forms the distributable reserve of the Company and is used to fund distributions to investors via dividend payments.

The notes on pages 52 to 68 form an integral part of these financial statements.

AT 30TH JUNE 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**1,305,035**	**1,189,079**
Current assets	11		
Derivative financial assets		–	1
Debtors		3,102	9,467
Cash and cash equivalents		5,947	1,023
		9,049	10,491
Current liabilities			
Creditors: amounts falling due within one year	12	(315)	(2,711)
Derivative financial liabilities		–	(4)
Net current assets		**8,734**	**7,776**
Total assets less current liabilities		**1,313,769**	**1,196,855**
Net assets		**1,313,769**	**1,196,855**
Capital and reserves			
Called up share capital	13	33,091	33,091
Share premium	14	173,657	173,657
Capital redemption reserve	14	1,665	1,665
Other reserve	14	69,939	69,939
Capital reserves	14	1,009,708	889,474
Revenue reserve	14	25,709	29,029
Total shareholders' funds		**1,313,769**	**1,196,855**
Net asset value per share	15	**1,075.8p**	**968.2p**

The financial statements on pages 48 to 68 were approved and authorised for issue by the Directors on 1st October 2019 and were signed on their behalf by:

Richard Laing
Director

The notes on pages 52 to 68 form an integral part of these financial statements.

The Company is registered in England and Wales.

Company registration number: 2618994.

FOR THE YEAR ENDED 30TH JUNE 2019

	Notes	2019 £'000	2018 £'000
Net cash outflow from operations before dividends and interest	16	(12,591)	(12,752)
Dividends received		24,552	19,314
Interest received		187	166
Net cash inflow from operating activities		**12,148**	**6,728**
Purchases of investments		(59,437)	(82,163)
Sales of investments		86,841	84,070
Settlement of forward currency contracts		220	(218)
Net cash inflow from investing activities		**27,624**	**1,689**
Repurchase of shares into Treasury		(13,261)	(4,323)
Dividend paid		(21,592)	(13,616)
Net cash outflow from financing activities		**(34,853)**	**(17,939)**
Increase/(decrease) in cash and cash equivalents		**4,919**	**(9,522)**
Cash and cash equivalents at start of year		1,023	10,580
Exchange movements		5	(35)
Cash and cash equivalents at end of year		5,947	1,023
Increase/(decrease) in cash and cash equivalents		**4,919**	**(9,522)**
Cash and cash equivalents consist of:			
Cash and short term deposits		5,327	873
Cash held in JPMorgan US Dollar Liquidity Fund		620	150
Total		**5,947**	**1,023**

The notes on pages 52 to 68 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH JUNE 2019

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014, and updated in February 2018.

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

The financial statements have been prepared on a going concern basis. The disclosure on going concern on page 33 of the Directors' Report form part of these financial statements.

The policies applied in these financial statements are consistent with those applied in the preceding year.

(b) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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. The 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 prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

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

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency contracts, management fees and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'.

(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.

Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

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.

Interest receivable is taken to revenue on an accruals basis.

(e) Expenses

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

- The management fee and any finance costs incurred are allocated 30% to revenue and 70% to capital, in line with Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 10 on page 58.

(f) Financial instruments

Cash and cash equivalents may comprise cash including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

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

Derivative financial instruments, including short term forward currency contracts are valued at fair value, which is the net unrealised gain or loss, and are included in current assets or current liabilities in the Statement of Financial Position.

(g) Taxation

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

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax 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.

(h) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(i) Functional currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

Transactions denominated in foreign currencies are converted 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.

1. Accounting policies *continued*

(j) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

(k) Repurchase of shares for cancellation

The cost of repurchasing ordinary shares including the related stamp duty and transactions costs is charged to the 'capital reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

(l) Repurchase of shares to hold in Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs, is charged to the 'Gains and losses on sales of investments' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of 'Called up share capital' and into the 'Capital redemption reserve'.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised capital profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to 'Share premium'.

2. Significant accounting judgements and estimates

The preparation of the Company's financial statements on occasion requires the Board to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any significant accounting judgements or estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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

	2019 £'000	2018 £'000
Gains from investments held at fair value through profit or loss based on historic cost	23,685	22,844
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year	(29,058)	(29,235)
Losses on sales of investments based on the carrying value at the previous balance sheet date	(5,373)	(6,391)
Net movement in investment holding gains and losses	146,550	90,298
Other capital charges	(44)	(21)
Total capital gains on investments held at fair value through profit or loss	**141,133**	**83,886**

4. Income

	2019 £'000	2018 £'000
Income from investments		
Overseas dividends	24,954	23,039
Scrip dividends	21	–
	24,975	23,039
Interest receivable and similar income		
Interest from liquidity fund	183	137
Deposit interest	4	31
	187	168
Total income	25,162	23,207

5. Management fee

	2019			2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	3,316	7,738	11,054	3,293	7,687	10,980

Details of the management fee are given in the Directors' Report on page 27.

6. Other administrative expenses

	2019 £'000	2018 £'000
Administrative expenses	367	357
Safe custody fees	529	571
Directors' fees[1]	165	171
Depositary fees[2]	133	128
Savings scheme costs[3]	79	35
Auditors' remuneration – for audit services[4]	32	32
	1,305	1,294

[1] Full disclosure is given in the Directors' Remuneration Report on page 36.

[2] Includes £9,000 (2018: £13,000) irrecoverable VAT.

[3] Paid to the Manager for the administration of savings scheme products. Includes £5,000 (2018: £3,000) irrecoverable VAT. Subsequent to the end of the year under review, holders of the Company's shares through the JPMorgan savings products were transferred to alternative providers. Therefore, the Company will not incur these administration charges in future years.

[4] Includes £2,000 (2018: £3,000) irrecoverable VAT.

7. Taxation

(a) Analysis of tax charge in the year

	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Overseas withholding tax	2,269	–	2,269	2,044	–	2,044
Total tax charge for the year	**2,269**	**–**	**2,269**	**2,044**	**–**	**2,044**

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower than (2018: lower) the Company's applicable rate of corporation tax of 19.00% (2018: 19.00%). The factors affecting the total tax charge for the year are as follows:

	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Net return on ordinary activities before taxation	20,541	133,495	154,036	18,620	75,403	94,023
Net return on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 19.00% (2018: 19.00%)	3,902	25,364	29,266	3,538	14,327	17,865
Effects of:						
Non taxable scrip dividends	(4)	–	(4)	–	–	–
Non taxable capital gains	–	(26,834)	(26,834)	–	(15,787)	(15,787)
Non taxable overseas dividends	(4,253)	–	(4,253)	(3,740)	–	(3,740)
Tax attributable to expenses charged to capital	(1,470)	1,470	–	(1,460)	1,460	–
Timing differences relating to the receipt of dividends	(88)	–	(88)	(235)	–	(235)
Unrelieved expenses	1,963	–	1,963	1,956	–	1,956
Overseas withholding tax	2,269	–	2,269	2,044	–	2,044
Deferred tax relief expensed	(50)	–	(50)	(59)	–	(59)
Total tax charge for the year	**2,269**	**–**	**2,269**	**2,044**	**–**	**2,044**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £17,506,000 (2018: £12,777,000) based on a prospective corporation tax rate of 17% (2018: 17%). The UK corporation tax rate is enacted to fall to 17% effective on 1st April 2020. The deferred tax asset has arisen due to the cumulative 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 financial statements.

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

8. Return per share

	2019 £'000	2018 £'000
Revenue return	18,272	16,576
Capital return	133,495	75,403
Total return	**151,767**	**91,979**
Weighted average number of shares in issue during the year	123,040,936	123,694,695
Revenue return per share	14.85p	13.40p
Capital return per share	108.50p	60.96p
Total return per share	**123.35p**	**74.36p**

9. Dividends

(a) Dividends paid and proposed

	2019 £'000	2018 £'000
Dividends paid		
2018 final dividend of 12.5p (2017: 11.0p) per share	15,452	13,616
2019 interim dividend of 5.0p (2018: nil) per share	6,140	–
Total dividends paid in the year	21,592	13,616
Dividend proposed		
2019 final dividend proposed of 9.0p (2018: 12.5p) per share	10,991	15,452

All dividends paid and proposed in the year have been funded from the revenue reserve.

The dividend proposed in respect of the year ended 30th June 2019 is subject to shareholder approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 30th June 2020.

(b) Dividend 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 the dividend proposed in respect of the financial year, shown below.

The revenue available for distribution by way of dividend for the year is £18,272,000 (2018: £16,576,000). The revenue reserve after payment of the final dividend will amount to £14,718,000 (2018: £13,577,000).

	2019 £'000	2018 £'000
2019 interim dividend of 5.0p (2018: nil) per share	6,140	–
2019 final dividend proposed of 9.0p (2018: 12.5p) per share	10,991	15,452
	17,131	15,452

10. Investments

	2019 £'000	2018 £'000
Investments listed on a recognised stock exchange	1,305,035	1,189,079
Opening book cost	557,127	538,403
Opening investment holding gains	631,952	570,889
Opening valuation	1,189,079	1,109,292
Movements in the year:		
Purchases at cost	57,140	84,481
Sales – proceeds	(82,361)	(88,601)
Losses on sales of investments based on the carrying value at the previous balance sheet date	(5,373)	(6,391)
Net movement in investment holding gains	146,550	90,298
	1,305,035	1,189,079
Closing book cost	555,591	557,127
Closing investment holding gains	749,444	631,952
Total investments held at fair value through profit or loss	**1,305,035**	**1,189,079**

Transaction costs on purchases during the year amounted to £84,000 (2018: £96,000) and on sales during the year amounted to £109,000 (2018: £162,000). These costs comprise mainly brokerage commission.

During the year, prior year investment holding losses amounting to £29,058,000 have been transferred to gains and losses on sales of investments as disclosed in note 14 on page 60.

11. Current assets

	2019 £'000	2018 £'000
Derivative financial assets		
Forward foreign currency contracts	–	1

	2019 £'000	2018 £'000
Debtors		
Securities sold awaiting settlement	–	4,510
Dividends and interest receivable	3,042	4,909
Other debtors	60	48
	3,102	**9,467**

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

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds. The carrying amount of these represents their fair value.

12. Current liabilities

	2019 £'000	2018 £'000
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	–	2,318
Other creditors and accruals	315	393
	315	**2,711**

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

	2019 £'000	2018 £'000
Derivative financial liabilities		
Forward foreign currency contracts	–	4

13. Called up share capital

	2019 £'000	2018 £'000
Issued and fully paid share capital:		
Ordinary shares of 25p each		
Opening balance of 123,615,346 (2018: 123,907,844) shares excluding shares held in Treasury	30,904	30,977
Repurchase of 1,496,110 (2018: 292,498) shares into Treasury	(374)	(73)
Subtotal of 122,119,236 (2018: 123,615,346) shares excluding shares held in Treasury	30,530	30,904
10,244,289 (2018: 8,748,179) shares held in Treasury	2,561	2,187
Closing balance of 132,363,525 (2018: 132,363,525) shares including shares held in Treasury	33,091	33,091
Total called up share capital	**33,091**	**33,091**

Share capital transactions

During the year 1,496,110 shares were repurchased into Treasury for a total consideration of £13,261,000.

Further details of transactions in the Company's shares are given in the Business Review on page 21.

14. Capital and reserves

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	33,091	173,657	1,665	69,939	258,129	631,345	29,029	1,196,855
Net foreign currency gains	–	–	–	–	100		–	100
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	(5,373)	–	–	(5,373)
Net movement in investment holding gains and losses	–	–	–	–	–	146,550	–	146,550
Transfer on disposal of investments	–	–	–	–	29,058	(29,058)	–	–
Repurchase of shares into Treasury	–	–	–		(13,261)	–	–	(13,261)
Management fee charged to capital	–	–	–	–	(7,738)	–	–	(7,738)
Other capital charges	–	–	–	–	(44)	–	–	(44)
Dividends paid in the year	–	–	–	–	–	–	(21,592)	(21,592)
Retained revenue for the year	–	–	–	–	–	–	18,272	18,272
Closing balance	**33,091**	**173,657**	**1,665**	**69,939**	**260,871**	**748,837**	**25,709**	**1,313,769**

[1] Created during the year ended 30th June 1999, following a cancellation of the share premium account.

[2] This reserve forms the distributable reserve of the Company and may be used to fund distributions to investors via dividend payments.

15. Net asset value per share

	2019	2018
Net assets (£'000)	1,313,769	1,196,855
Number of shares in issue	122,119,236	123,615,346
Net asset value per share	**1,075.8p**	**968.2p**

16. Reconciliation of net return before taxation to net cash outflow from operations before dividends and interest

	2019 £'000	2018 £'000
Net return before taxation	154,036	94,023
Less: capital return before taxation	(133,495)	(75,403)
Scrip dividends received as income	(21)	–
Decrease/(increase) in accrued income and other debtors	1,855	(1,688)
(Decrease)/increase in accrued expenses	(92)	53
Overseas withholding tax	(2,269)	(2,028)
Expenses charged to capital	(7,738)	(7,687)
Dividends received	(24,552)	(19,314)
Interest received	(187)	(166)
Realised loss on foreign currency transactions	(41)	(5)
Exchange loss on liquidity fund	(87)	(537)
Net cash outflow from operations before dividends and interest	**(12,591)**	**(12,752)**

17. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2018: none).

18. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 27. The management fee payable to the Manager for the year was £11,054,000 (2018: £10,980,000) of which £nil (2018: £nil) was outstanding at the year end.

During the year £79,000 (2018: £35,000), including VAT, was payable to the Manager for the administration of savings scheme products, of which £36,000 (2018: £44,000) was outstanding at the year end.

Safe custody fees amounting to £529,000 (2018: £571,000) were payable during the year to JPMorgan Chase N.A. of which £138,000 (2018: £229,000) was outstanding at the year end.

The Manager 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 £3,000 (2018: £nil) of which £nil (2018: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMF. At the year end this was valued at £0.6 million (2018: £0.2 million). Interest amounting to £183,000 (2018: £137,000) was received during the year of which £1,000 (2018: £2,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £44,000 (2018: £21,000) were payable to JPMorgan Chase N.A. during the year of which £16,000 (2018: £2,000) was outstanding at the year end.

At the year end, total cash of £5,327,000 (2018: £873,000) was held with JPMorgan Chase. A net amount of interest of £4,000 (2018: £31,000) was receivable by the Company during the year from JPMorgan Chase of which £nil (2018: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 36.

19. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio. The investments are categorised into a hierarchy consisting of the following three levels:

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

(2) Inputs other than quoted prices included within Level 1 that are observable (ie: developed using market data) for the asset or liability, either directly or indirectly

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

(3) Inputs are unobservable (ie: for which market data is unavailable) for the asset or liability

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

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) on page 52.

19. Disclosures regarding financial instruments measured at fair value *continued*

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th June.

	2019		2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,305,035	–	1,189,079	–

There were no transfers between Level 1, 2 or 3 during the year (2018: same).

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

As an investment trust, the Company invests in equities 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 financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial 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 cooperation with the Board and the Manager, coordinates the Company's risk management policy.

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

The Company's classes of financial instruments are as follows:

- investments in equity shares of overseas companies, which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund;
- short term debtors, creditors and cash arising directly from its operations; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Company's investment activities.

(a) Market risk

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

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling which is the Company's functional currency and presentation currency. 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 this exposure by considering the effect on the Company's net asset value and income of a movement in rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements. It is currently not the Company's policy to hedge against foreign currency risk.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30th June 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.

	2019						
	US Dollar £'000	Indian Rupee £'000	Hong Kong Dollar £'000	South African Rand £'000	Brazilian Real £'000	Other £'000	Total £'000
Net current assets	4,341	466	812	219	144	2,911	8,893
Foreign currency exposure on net monetary items	4,341	466	812	219	144	2,911	8,893
Investments held at fair value through profit or loss	448,129	252,115	216,101	129,230	82,611	176,849	1,305,035
Total net foreign currency exposure	**452,470**	**252,581**	**216,913**	**129,449**	**82,755**	**179,760**	**1,313,928**

	2018						
	US Dollar £'000	Indian Rupee £'000	Hong Kong Dollar £'000	South African Rand £'000	Brazilian Real £'000	Other £'000	Total £'000
Net current assets	6,029	552	719	219	133	418	8,070
Foreign currency exposure on net monetary items	6,029	552	719	219	133	418	8,070
Investments held at fair value through profit or loss	403,077	238,206	206,354	128,111	78,021	135,310	1,189,079
Total net foreign currency exposure	**409,106**	**238,758**	**207,073**	**128,330**	**78,154**	**135,728**	**1,197,149**

In the opinion of the Directors, the above year end amounts are not representative of the exposure to foreign currency risk during the year. Cash held in the JPMorgan US Dollar Liquidity Fund has fluctuated between £nil and £15,407,929 during the year (2018: £nil and £20,754,097).

Foreign currency sensitivity

The following table illustrates the sensitivity of 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 currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2018: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed to, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

(a) Market risk *continued*

(i) Currency risk *continued*

Foreign currency sensitivity *continued*

	2019		2018	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(2,516)	2,516	(2,318)	2,318
Capital return	(889)	889	(807)	807
Total return after taxation	(3,405)	3,405	(3,125)	3,125
Net assets	**(3,405)**	**3,405**	**(3,125)**	**3,125**

In the opinion of the Directors, the above sensitivity analysis is not representative of the whole year or comparative year due to fluctuations in the cash held in liquidity fund.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the liquidity fund.

Management of interest rate risk

The Company does not normally hold significant cash balances. Short term borrowings are used when required.

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are reset, is shown below.

	2019 £'000	2018 £'000
Exposure to floating interest rates:		
Cash and short term deposits	5,327	873
JPMorgan US Dollar Liquidity Fund	620	150
Total net exposure	**5,947**	**1,023**

Interest receivable on cash balances is at a margin below LIBOR (2018: same).

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

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2018: 1%) increase or decrease 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.

	2019		2018	
	1% increase in rate £'000	1% decrease in rate £'000	1% increase in rate £'000	1% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	59	(59)	10	(10)
Capital return	–	–	–	–
Total return after taxation for the year	59	(59)	10	(10)
Net assets	**59**	**(59)**	**10**	**(10)**

In the opinion of the Directors, this 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 cash held 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 equity investments.

Management of other price risk

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

Other price risk exposure

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

	2019 £'000	2018 £'000
Investments held at fair value through profit or loss	1,305,035	1,189,079

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

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 15 to 19. This shows that the investments' value is in a broad spread of countries with no concentration of exposure to any one country. However, it should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

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

(a) Market risk *continued*

(iii) Other price risk *continued*

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% (2018: 10%) in the market value of equity investments. 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, adjusting for changes in the management fee but with all other variables held constant.

	2019		2018	
	10% increase in fair value £'000	10% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(294)	294	(268)	268
Capital return	129,818	(129,818)	118,284	(118,284)
Total return after taxation for the year and net assets	**129,524**	**(129,524)**	**118,016**	**(118,016)**

(b) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary.

Liquidity risk exposure

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

	2019		2018	
	Within one year £'000	Total £'000	Within one year £'000	Total £'000
Creditors: amounts falling due within one year				
Securities purchased for future settlement	–	–	2,318	2,318
Other creditors and accruals	315	315	393	393
Derivative financial liabilities	–	–	4	4
	315	**315**	**2,715**	**2,715**

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

(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 Delivery Versus Payment ('DVP') 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 incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group.

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. 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. The Depositary, The Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

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

21. Capital management policies and procedures

The Company's capital comprises the following:

	2019 £'000	2018 £'000
Equity:		
Called up share capital	33,091	33,091
Reserves	1,280,678	1,163,764
Total capital	**1,313,769**	**1,196,855**

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise capital return to its shareholders.

The Board determines the Company's capital structure and gearing policy, with input from the Manager. The Board's gearing policy is that the Company will remain invested in the range of 90-120% under normal market conditions.

21. Capital management policies and procedures *continued*

	2019 £'000	2018 £'000
Investments held at fair value through profit or loss	1,305,035	1,189,079
Net assets	1,313,769	1,196,855
Gearing/(net cash)	**(0.7)%**	**(0.6)%**

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 need to buy back equity shares for cancellation or to hold in Treasury, which takes into account the share price discount or premium;
- the need for issues of new shares including issues from Treasury; and
- the ability to employ gearing.

22. Subsequent events

The Directors have evaluated the period since the year end and have not identified any subsequent events.

Regulatory Disclosures

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, at 30th June 2019, which gives the following figures:

Leverage Exposure	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual[1]	100%	100%

[1] It should be noted that the Company does not have a borrowing facility and does not currently employ gearing. At the year end the Company's position was 0.7% net cash. The above figures are theoretical and are calculated in accordance with the methodology prescribed by the AIFMD.

JPMF Remuneration

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan Emerging Markets Investment Trust plc (the '**Company**') and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers' Directive (the '**AIFMD**'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period (the '**Performance Year**') as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

Remuneration Policy

A summary of the Remuneration Policy currently applying to the Management Company (the '**Remuneration Policy Statement**') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('**AIFMD Identified Staff**'). The AIFMD Identified Staff include members of the Board of the Management Company (the '**Board**'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2018 Performance Year in June 2018 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2018 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JPMorgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds and two UCITS (with 32 sub-funds) as at 31st December 2018, with a combined AUM as at that date of £12,595 million and £13,316 million respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company ($'000s)	14,408	8,631	23,039	107

The aggregate 2018 total remuneration paid to AIFMD Identified Staff was USD $68,884,000, of which USD $12,470,000 relates to Senior Management and USD $56,414,000 relates to other Identified Staff[1].

[1] Since 2017, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th June 2019.

Shareholder Information

Notice is hereby given that the twenty eighth Annual General Meeting of JPMorgan Emerging Markets Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 13th November 2019 at 3.00 p.m. for the following purposes:

1. To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th June 2019.
2. To approve the Company's Remuneration policy.
3. To approve the Directors' Remuneration Report for the year ended 30th June 2019.
4. To approve a final dividend of 9.0p per share.
5. To reappoint Sarah Arkle as a Director of the Company.
6. To reappoint Richard Laing as a Director of the Company.
7. To reappoint Aidan Lisser as a Director of the Company.
8. To reappoint Ruary Neill as a Director of the Company.
9. To reappoint Andrew Page as a Director of the Company.

   To consider the following resolution, special notice having been received of the intention to propose the resolution as an ordinary resolution:

10. THAT BDO LLP be appointed as Auditors of the Company in place of the retiring Auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

11. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £1,516,356, representing approximately 5% of the Company's issued Ordinary share capital as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 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

12. THAT subject to the passing of Resolution 11 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 11 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 £1,516,356 representing approximately 5% of the issued Ordinary share capital as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 11 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

13. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares 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 18,184,135, or if less, that number of Ordinary shares which is equal to 14.99% of the 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 25 pence;

(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 12th May 2021 unless the authority is renewed at the Company's Annual General Meeting in 2020 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 Funds Limited,
Company Secretary

8th October 2019

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.
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 3.00 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 also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 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 6.30 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. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.
6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.

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

Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

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

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

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

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

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

15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction 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 30th September 2019 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 132,363,525 Ordinary shares (of which 11,055,083 shares are held in Treasury), carrying one vote each. Therefore the total voting rights in the Company are 121,308,442.

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.

Return to Shareholders (APM)

Total return to shareholders, 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.

Total return calculation	Page	Year ended 30th June 2019	Year ended 30th June 2018	
Opening share price (p)	5	843.0	798.5	(a)
Closing share price (p)	5	1,002.0	843.0	(b)
Total dividend adjustment factor[1]		1.021907	1.013253	(c)
Adjusted closing share price (d = b x c)		1,024.0	854.2	(d)
Total return to shareholders (e = d / a – 1)		**21.5%**	**7.0%**	(e)

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Return on Net Assets (APM)

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.

Total return calculation	Page	Year ended 30th June 2019	Year ended 30th June 2018	
Opening cum-income NAV per share (p)	5	968.2	904.7	(a)
Closing cum-income NAV per share (p)	5	1,075.8	968.2	(b)
Total dividend adjustment factor[2]		1.019304	1.011696	(c)
Adjusted closing cum-income NAV per share (d = b x c)		1,096.6	979.5	(d)
Total return on net assets (e = d / a – 1)		**13.3%**	**8.3%**	(e)

[2] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Benchmark total 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, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

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

Gearing/(Net Cash) (APM)

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.

Gearing calculation	Page	Year ended 30th June 2019 £'000	Year ended 30th June 2018 £'000	
Investments held at fair value through profit or loss	50	1,305,035	1,189,079	(a)
Net assets	48	1,313,769	1,196,855	(b)
Gearing (c = a / b – 1)		**(0.7)%**	**(0.6)%**	(c)

Ongoing Charges (APM)
The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges calculation	Page	Year ended 30th June 2019 £'000	Year ended 30th June 2018 £'000	
Management Fee	55	11,054	10,980	
Other administrative expenses	55	1,305	1,294	
Total management fee and other administrative expenses		12,359	12,274	(a)
Average daily cum-income net assets		1,206,032	1,205,517	(b)
Ongoing Charges (c = a / b)		**1.02%**	**1.02%**	(c)

Share Price Discount/Premium to Net Asset Value ('NAV') per Share (APM)
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 company's shares to trade at a discount than at a premium.

Portfolio Turnover
Portfolio turnover is based on the average equity purchases and sales expressed as a percentage of average opening and closing portfolio values (excluding liquidity funds).

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

Performance Attribution Definitions:

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

Stock selection
Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities 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/(net cash)
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

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

Share Buyback
Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

American Depositary Receipts (ADRs)
Certificates that are traded on US stock exchanges representing a specific number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be treated like regular shares of stock.

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

1. Via a third party provider

Third party providers include:

AJ Bell
Alliance Trust Savings
Barclays Smart Investor
Charles Stanley Direct
FundsNetwork
Hargreaves Lansdown
Interactive Investor
Selftrade
The Share Centre

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.

2. 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

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

Information for J.P. Morgan investment account and stocks & shares ISA account holders

From 28th September 2019 J.P. Morgan Asset Management ceased offering investment accounts and stocks & shares ISA savings products. Investors are able to remain invested in J.P. Morgan managed investment trusts by transferring to another service provider. For full details of all the options available to investors, please refer to correspondence sent by J.P. Morgan on 8th April 2019 or contact your financial adviser.

The Board continues to encourage all of its shareholders to exercise their rights and notes that many specialist platforms, to include the default options offered by JPMorgan, provide shareholders with the ability to continue to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the AIC's website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

FINANCIAL CALENDAR

Financial year end	30th June
Final results announced	September/October
Half year end	December
Half year results announced	February
Final dividend on ordinary shares paid	November
Annual General Meeting	November

History

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

Company Numbers

Company registration number: 2618994
LEI: 5493001VPQDYH1SSSR77

Ordinary Shares

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

Market Information

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

Website

www.jpmemergingmarkets.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited
Company's Registered Office
60 Victoria Embankment
London EC4Y 0JP

Telephone: 020 7742 4000

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

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

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

Registrars

Equiniti Limited
Reference 1081
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone number: 0371 384 2320

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays in England and Wales. 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 1081.

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

Telephone number: 020 7710 7600

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100%

J.P.Morgan
Asset Management