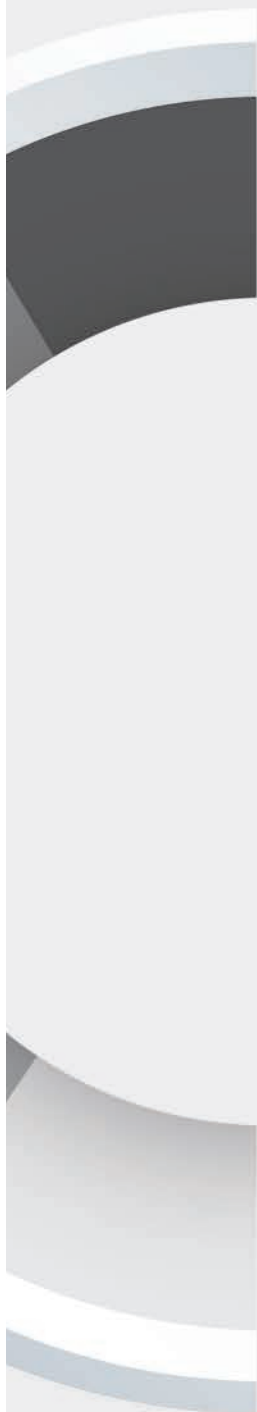


JPMorgan Global Emerging Markets Income Trust plc

Annual Report & Financial Statements for the year ended 31st July 2020



KEY FEATURES

Your Company

Objective

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

Investment Policy

In order to achieve its investment objective and to seek to manage risk, the Company invests in a diversified portfolio of high quality emerging markets companies which, collectively, are expected to pay a higher dividend yield than the benchmark.

The Company invests predominantly in listed equities. It is free to invest in any particular market, sector or country in the global emerging markets universe and there are no fixed limits on portfolio construction with regard to region, country, sector or market capitalisation. The portfolio will typically contain around 50 to 80 holdings.

No more than 15% of gross assets will be invested in any one company at the time of investment.

Borrowings may be utilised to gear the portfolio to enhance shareholder returns.

Detailed information on investment policies, investment guidelines and risk management are given in the Business Review on page 22.

Risk

Investors should note that there can be significant economic and political risks inherent in investing in emerging economies. As such, emerging markets can exhibit more volatility than developed markets and this should be taken into consideration when evaluating the suitability of the Company as a potential investment.

Benchmark

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

Capital Structure

At 31st July 2020, the Company's issued share capital comprised 297,289,438 Ordinary shares of 1p each, including 49,277 shares held in Treasury.

Continuation Vote

At the Annual General Meeting ('AGM') of the Company held in 2018, an ordinary resolution was put to shareholders that the Company continue in operation. The resolution received the support of 100% of voting Shareholders. A further continuation vote will be put to Shareholders at the 2021 AGM.

Management Company

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

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 it issues can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority ('FCA') in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's ordinary shares are not classified as 'complex instruments' 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 can be found at www.jpmglobalemergingmarketsincome.co.uk which includes useful information about the Company, such as daily prices, factsheets and current and historic half year and annual reports.



“WE LOOK TO INVEST IN EMERGING MARKET COMPANIES THAT CAN PROVIDE SUSTAINABLE INCOME PLUS GROWTH FOR MANY YEARS TO COME, RATHER THAN JUST INVESTING IN THE HIGHEST YIELDING STOCKS. A DIVIDEND APPROACH TO INVESTING IN THE GROWING ASSET CLASS CAN DELIVER A SUSTAINABLE INCOME STREAM TO YOUR PORTFOLIO AND OFFER A MORE CONSERVATIVE WAY TO PARTICIPATE IN EMERGING MARKET GROWTH.”

Omar Negyal, Investment Manager,
JPMorgan Global Emerging Markets Income Trust plc

Why invest in the JPMorgan Global Emerging Markets Income Trust plc

Our heritage and our team

JPMorgan Global Emerging Markets Income Trust plc looks to deliver a combination of income plus growth through a diversified portfolio of high quality emerging markets companies. The Company benefits from the comprehensive research capabilities and local knowledge of one of the largest investment teams dedicated to emerging markets, with close to 100 specialist portfolio managers and analysts based in eight locations around the world, speaking multiple languages.

Our Investment Approach

We aim to build a high quality, high conviction portfolio that provides a more defensive and conservative exposure to the long-term secular emerging market growth story. Dividends are a strong proxy in emerging markets for corporate governance and understanding corporate risk. The Company's stock specific, fundamental approach taps into the ideas generated by our large emerging markets team to seek out strong companies that can provide long-term growth and a sustainable dividend stream.

5.1p

Dividend per share for
financial year 2020

96

Investment professionals
across Emerging Markets
and Asia

20+

Languages spoken,
nationalities represented
on the investment team

5,000

Company meetings
conducted per annum

Strategic Report

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NOTE: THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in JPMorgan Global Emerging Markets Income Trust plc, please forward this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report

FINANCIAL HIGHLIGHTS

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

| | 2020 | 2019 | 3 Years Cumulative | 5 Years Cumulative |
|--|------|------|--------------------|--------------------|
|--|------|------|--------------------|--------------------|

Return to shareholders^{1,A}

| | | | | |
|--|--------|--------|-------|--------|
| | -16.0% | +18.5% | +3.1% | +42.9% |
|--|--------|--------|-------|--------|

Return on net assets^{2,A}

| | | | | |
|--|-------|--------|-------|--------|
| | -9.1% | +11.9% | +8.4% | +47.5% |
|--|-------|--------|-------|--------|

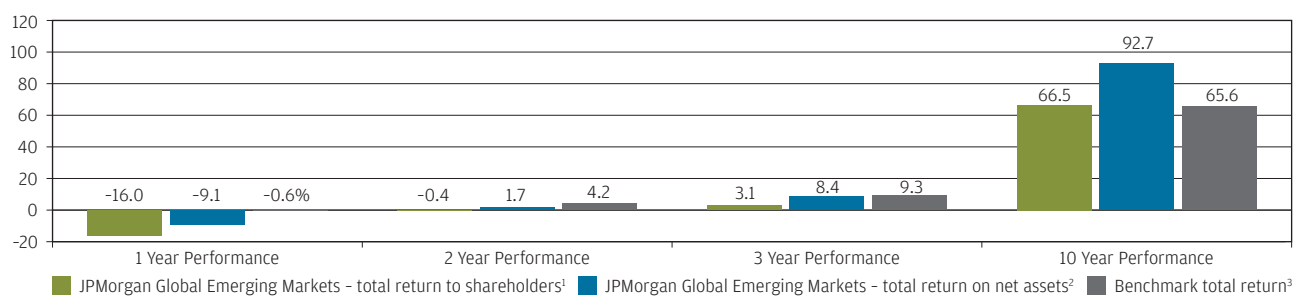
Return on the MSCI Emerging Markets Index³

| | | | | |
|--|-------|-------|-------|--------|
| | -0.6% | +4.8% | +9.3% | +60.2% |
|--|-------|-------|-------|--------|

Dividends

| | | | | |
|--|------|------|-------|-------|
| | 5.1p | 5.1p | 15.2p | 25.0p |
|--|------|------|-------|-------|

PERFORMANCE TO 31ST JULY 2020



¹ Source: Morningstar.

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 page 83 to 85.

SUMMARY OF RESULTS

| | 2020 | 2019 | % change |
|--|-------------|-------------|--------------------|
| Total returns for the year ended 31st July | | | |
| Return to shareholders ^{1,A} | -16.0% | +18.5% | |
| Return on net assets ^{2,A} | -9.1% | +11.9% | |
| Benchmark return ³ | -0.6% | +4.8% | |
| Net asset value, share price and discount at 31st July | | | |
| Net assets (£'000) | 376,413 | 430,968 | -12.7 ⁴ |
| Number of shares in issue (excluding shares held in Treasury) | 297,240,161 | 297,240,161 | – |
| Net asset value per share ^A | 126.6p | 145.0p | -12.7 ⁴ |
| Share price | 115.5p | 143.5p | -19.5 ⁴ |
| Share price discount to net asset value per share ^A | 8.8% | 1.0% | |
| Revenue for the year ended 31st July | | | |
| Gross revenue return (£'000) | 16,374 | 22,274 | -26.5 |
| Net revenue return available for shareholders (£'000) | 12,717 | 17,573 | -27.6 |
| Revenue return per share | 4.28p | 5.92p | -27.7 |
| Dividend per share | 5.10p | 5.10p | – |
| Gearing at 31st July^A | | | |
| | 6.9% | 5.9% | |
| Ongoing Charges^A | | | |
| | 1.16% | 1.26% | |

¹ Source: Morningstar.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.⁴ Excludes dividends reinvested.^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 83 to 85.



Sarah Fromson
Chairman

Performance

The financial year to 31st July 2020 has been a very tough one for the Company in terms of both absolute and relative performance. Global financial markets in the first half were dominated by concerns about Brexit and US/China trade wars. The second half of the financial year was completely overshadowed by the global COVID-19 health pandemic, resulting in some very challenging months for the global economy. Whilst governments and central banks responded to the crisis quickly and proactively with unprecedented levels of monetary and fiscal support, it will take some time to assess its full impact across the developed world and emerging economies, markets and companies.

Our benchmark, the MSCI Emerging Markets Index with net dividends reinvested (in sterling terms), produced a return of -0.6% over the financial year. Against this background, our Investment Managers produced the total return on net assets of -9.1%. The total return to shareholders was -16.0% reflecting the considerable widening of the share price discount to net asset value from 1.0% to 8.8%, as the Company's share price decreased from 143.5p to 115.5p over the financial year. Since year-end, the Company's share price has increased to 120.0p at the time of writing.

The Investment Managers' Report that follows provides more detail on the Company's investment strategy and performance. The Board recognises the wide difference between the total return on net assets and the performance of the benchmark. The Company's income objective means that the composition of the portfolio is significantly different to the composition of the benchmark index. This means that the pattern of returns may, in any given period, vary meaningfully from the benchmark index, which the Board understands and accepts. This has been the case for the 10 year returns for the Company since 1st August 2010, when the compound total return on net assets was +92.7% compared to the return of the benchmark index of +65.6%. However, in the past year, dividend income seeking strategies have underperformed broad benchmarks and your Company's investment returns have been negatively impacted.

Revenue and Dividends

Gross revenue for the year amounted to £16.4 million (2019: £22.3 million) with net revenue of £12.7 million (2019: £17.6 million). Net revenue return per ordinary share for the year, calculated on the average number of shares in issue, was 4.28p (2019: 5.92p).

In the current financial year, the Board paid three interim dividends of 1.0p per share and has announced the payment of a fourth interim dividend of 2.1p per share. This brings the total dividend for the year to 5.1p per share, maintained at the same level as last year. The Board highlights that whilst the revenues generated in this financial year did not cover the dividends paid, it felt that it was appropriate to use revenue reserves to support the current year's fourth interim dividend. We recognise that dividend generation from the Company is important to our shareholders and it is a distinguishing feature of investment trusts that we are able to smooth the dividend stream in this way. We cannot guarantee that we will always be able to do this but recognise that we currently have remaining revenue reserves after the payment of the fourth quarterly interim dividend that equate to 60% of future annual dividends at the current level.

The Board continues the approach of paying four interim dividends, reflecting the support we have received from shareholders for a regular and timely income stream. The Board is seeking shareholder authority to continue this dividend payment policy for the Company at the forthcoming Annual General Meeting ('AGM').

As shareholders are aware, the Company receives dividends in the currencies of developing countries and US dollars, but pays dividends in sterling. It has not been the Company's policy to hedge currency risk as that is expensive and, for many currencies, impracticable. That policy inevitably means that the Company's asset values and cash flows will be adversely or favourably affected by currency movements from time to time.

Share Capital

The Company did not carry out any share issuance or share repurchases during the year nor any since the year end.

The Board is seeking shareholder authority at the forthcoming AGM to have the flexibility to issue up to a further 10% of the Company's issued share capital. The intention is to use this authority to meet demand for the Company's shares as and when they trade at an appropriate premium to net asset value.

Key Performance Indicators ('KPIs')

The Board tracks a series of KPIs. Further details may be found on page 23 of the Annual Report. The Board pays particular attention to performance, ongoing charges, gearing, income available to pay dividends and the investment risk of the portfolio.

Gearing

The Board regularly discusses gearing with the Investment Managers who use it to enhance long-term shareholder returns. As at the year-end, the Company had two US \$20 million fixed rate loan facilities with National Australia Bank, repayable in October 2020 (2.31% per annum) and November 2022 (3.28% per annum). Upon maturity of the first loan facility on 8th October 2020, the Company entered into a three year US \$20 million rolling interest loan facility with ING Bank, repayable in October 2023. This resulted in a lower blended interest rate for the Company. As at 31st July 2020, gearing stood at 6.9% (2018: 5.9%).

Management Fee

The Board is pleased to report that following a review, it has reached agreement with JPMorgan to amend the Company's investment management fee arrangements. With effect from 1st August 2020, the investment management fee will be charged at the rate of 0.9% per annum (previously 1.0% per annum) on the net asset value of the Company's portfolio.

The fee will continue to be calculated and paid monthly.

The Board and Corporate Governance

There have been no changes to the composition of the Board during the year. Following the Board's annual evaluation by the Nomination Committee, it is felt that the Board's current composition and size are appropriate. The Board has a plan to refresh the Board in an orderly manner over time as part of its long term succession planning. However, in anticipation of the retirement from 2021 of the longer serving Directors, starting with Richard Robinson at the conclusion of the 2021 AGM, and to ensure continuity, the Board has commenced a search to recruit a new non-executive Director in early 2021. The Company has engaged Nurole Limited, a recruitment specialist for board level searches, as part of the recruitment process. Furthermore, as part of the Board's ongoing succession planning, I myself will be retiring from the Board at the conclusion of the 2022 AGM after having served on the Board from 2011 and as its Chairman since 2018. The Board plans to start a further recruitment process to appoint another new Director and to agree the next Board Chairman by early 2022.

The Board supports annual re-election for all Directors, as recommended by the UK Corporate Governance Code, and therefore all of the Directors will stand for re-election at the forthcoming Annual General Meeting. Shareholders who wish to contact the Chairman or other members of the Board may do so through the Company Secretary or the Company's website, details of which appear below.

Environmental, Social and Governance ('ESG')

As detailed in the Investment Managers' report and the separate Environmental, Social and Governance Statement included on page 15, ESG considerations are integral to the Investment Managers' investment process. The Board is mindful of the ever increasing focus on ESG and sustainable investing, holds regular discussions about these factors and receives reports from the Investment Managers. We share the Investment Managers' view of the importance of ESG when making investments that are sustainable over the long term and the necessity of continued engagement with investee companies throughout the duration of the investment.

Operations of the Company's Key Service Providers under COVID-19

The Board is pleased to report that, since the onset of the pandemic and throughout, the Manager and the Company's other service providers have been able to adjust their business models to accommodate working from home requirements. The Board has been closely monitoring all service arrangements and has received assurances that the Company's operations, including the management of the portfolio, have continued as normal with no reduction in the level of service provided nor any control issues being identified.

Annual General Meeting

We are holding the Company's Annual General Meeting ('AGM') at 60 Victoria Embankment, London EC4Y 0JP on 2nd December 2020 at 11.30 a.m. Please note that in view of the current restrictions regarding the COVID-19 pandemic and the continuing imposition of social distancing measures and prohibitions on large public gatherings by the UK Government, only the formal business will be conducted at the AGM and the minimum legal requirements for an AGM will be followed. There will be no investor presentation in person by the investment team. **Shareholders will not be allowed to attend the AGM and, indeed, entry will be refused in line with the prevailing protocol.** In light of the changed format, the Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance, by completing and returning their proxy forms. This will ensure that the votes are registered, given that attendance at the AGM is not possible. A presentation from the Investment Managers, which would have been delivered at the Annual General Meeting, will be available for shareholders to view on the Company's website approximately one week in advance of the Annual General Meeting.

In addition, shareholders are encouraged to raise any questions in advance of the AGM via the 'Ask the Question' link found under the 'Contact Us' section on the Company's website (www.jpmglobalemergingmarketsincome.co.uk) or by email at invtrusts.cosec@jpmorgan.com. Any questions received will be replied to via the Company Secretary ahead of the AGM or within one day after the AGM as appropriate.

In the event that the situation changes, the Company will update shareholders through an announcement to the London Stock Exchange and on the Company's website.

Outlook

Shareholders will be disappointed by the Company's performance last year and may be worried by the continuing stream of medical and economic news associated with the COVID-19 pandemic. Individuals, companies and markets across the world face difficult circumstances and we recognise the huge importance of the fiscal and monetary support which continues to be provided by many governments. We do not know how long it will take to find a safe and effective vaccine, nor to return to pre-COVID-19, 'normal' life. Despite these global uncertainties, we are reassured that the Investment Managers continue to pursue a disciplined investment process with a careful approach to risk management, which is supported by the extensive worldwide research resources of JPMorgan. Your Board is confident that this thoughtful approach to identifying sound, sustainable investments with the prospects of attractive income and capital growth will lead to good long-term returns for shareholders.

Sarah Fromson
Chairman

23rd October 2020



Omar Negyal
Investment Manager



Jeffrey Roskell
Investment Manager



Isaac Thong
Investment Manager

Performance review – disappointment amidst pandemic upheaval

The Company's return on net assets for the year to 31st July 2020 was -9.1%, trailing our benchmark, the MSCI Emerging Markets Index, which fell by 0.6% (on a total return (net) basis, in sterling terms) although this figure disguises intra-period volatility. The value of the Company's shares (including dividends) fell by 16.0% over the period, and the discount at which the Company's shares traded to Net Asset Value (NAV) had widened to 8.8% by the end of the period, from 1.0% a year earlier.

Performance during the financial year was disappointing. We discuss the portfolio drivers of underperformance in detail below but would begin with a few high level points:

- The income investment style was a significant headwind for the portfolio, with 'pure growth' stocks driving the market in the year and yield stocks lagging.
- In a time of impaired economic growth (partly due to COVID-19), the market continued to re-rate low yield stocks which could demonstrate high revenue growth, even if valuations looked high. This was a feature of equity markets globally, including Emerging Markets. As a reminder, we do not invest in zero dividend or very low yield stocks as they would not contribute to income generation for the portfolio.
- We remain comfortable with the underlying fundamentals of the portfolio and ultimately see that as the key driver for long term positive performance. During previous episodes where our dividend investing style has temporarily been out of favour, we have continued with our disciplined process and have seen performance recover in subsequent years.

We continue to think our Income approach is a positive way to invest in Emerging Markets in the long term; however, we recognise this has been more challenging recently, particularly in the last year. The table below shows how Emerging Markets stocks delivering dividend yields of 0.5% or less performed over the Company's reporting period, compared to the rest of the market.

| Emerging Markets Stocks – Dividend yield | Performance |
|---|-------------|
| 0 to 0.5% | 25.5% |
| Above 0.5% | -8.2% |
| Weighted average performance from 31/7/19 to 31/7/20 in GBP | |
| Sources: Bloomberg, JPMAM | |

PERFORMANCE ATTRIBUTION

for the year ended 31st July 2020

| | % | % |
|--|------|-------|
| Contributions to total returns | | |
| Return on MSCI Emerging Markets Index (in sterling terms) | | -0.6 |
| Investment Manager contribution | | -7.3 |
| Portfolio total return | | -7.9 |
| Management fee/other expenses | -1.2 | |
| Return on net assets ^A | | -9.1 |
| Impact of change in premium/discount | | -6.9 |
| Return to shareholders ^A | | -16.0 |

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 page 83 to 85.

During this year, the portfolio performed meaningfully better than higher yielding stocks in Emerging Markets (portfolio NAV return was -9.1% compared to the MSCI EM High Dividend Yield index return of -16.7%). Clearly this was not enough to produce positive relative performance versus our official MSCI EM benchmark.

The market moves described above also led to a higher proportion of very low yield stocks in Emerging Markets – reaching a point we have not seen for many years. We have seen these kinds of temporary style disconnects before, though not usually of this magnitude. One key takeaway from those periods was that we should continue with our disciplined process. A good example of this was in 2017 when the market was also narrowly led by growth stocks – we stuck to our process and relative performance improved significantly in 2018 and 2019, partly as style headwinds faded.

Consequently, although this has been a difficult environment from a performance perspective, we continue with our stock selection process focusing on dividend yield, dividend sustainability, and long-term growth prospects.

Moving on to broader market drivers: at the halfway point of the Company's financial year, performance had been tested by the backdrop of sluggish economic growth and continuing geopolitical tensions, particularly the simmering trade dispute between the world's two largest economies, the United States and China. Since the end of January, however, it is the COVID-19 public health crisis that has dominated headlines and wrought such upheaval. Apart from the enormous human cost of this still-evolving crisis, the pandemic has precipitated severe economic weakness across Emerging Markets and, indeed, across the globe, with industrial activity spiralling downwards and earnings challenged in an unprecedented manner. This environment proved to be extremely difficult for Emerging Market equities, particularly those with an income focus like ours.

March was a month of global stock market lows, as COVID-19 panic gripped markets and investor sentiment plunged. Subsequently, markets did recover some ground, bolstered by unprecedented levels of governmental and central bank support. However, market volatility lingered through to the end of the Company's reporting period, amidst fragile sentiment and fears of a 'second wave' resurgence in COVID-19 cases.

In our Emerging Markets universe, we witnessed some differentiation across specific countries, both in terms of policy response and economies bouncing back. This factor played a part in the Company's overall portfolio performance. More than 60% of our portfolio is invested in China, Taiwan, and South Korea whose economies demonstrated resilience and recovered well in a relatively short space of time.

What have been the drivers of the Company's performance over the year?

When explaining the Company's underperformance relative to its benchmark, looking at the top five and bottom five individual stock contributors is instructive. The Company's relative underperformance was caused by a mixture of stocks that we own and others that we do not.

Top 5 (contributors)

Taiwan Semiconductor Manufacturing (TSMC)
Vanguard International Semiconductor
Mediatek
Novatek Microelectronics
Hong Kong Exchange

Bottom 5 (detractors)

Alibaba (not held)
Tencent (not held)
Santander Mexico
Sberbank
Odontoprev

Top contributors

Four of our top five performance contributors were Taiwanese technology stocks. Taiwan is our largest country overweight position relative to the Company's benchmark and we tend to find many attractive income ideas there; it is a market with strong business franchises and a positive dividend culture. In this period, the portfolio's semiconductor and chip design stocks performed particularly well. Demand for these products continued to grow, and we believe these businesses have specific capabilities within their niche technology fields to be able to maintain strong business positions and market share.

The Taiwanese contribution was led by **Taiwan Semiconductor Manufacturing Company** (TSMC), our largest stock position. We consider TSMC, the dominant outsourcing semiconductor manufacturer globally, a premium business within our strategic classification framework. TSMC reported strong second-quarter results, with the company seeing particularly strong demand for its manufacturing capability for chips used in 5G phone networks and high performance computing.

Top detractors

It is interesting to note that the two largest drags on relative performance were stocks that we do not own as they pay very low or zero dividends, e-commerce retailing giant **Alibaba** and the world's largest gaming company **Tencent**. Both performed very well over the period but fall into the 'pure growth' category of stocks we mentioned earlier. As such, neither stock fits our income-driven investment criteria, and their absence from our portfolio had a significant negative impact on relative performance. This is similar to 2017 where a similar environment caused a relative drag on performance as a result of the strong performance of ecommerce stocks.

In terms of other 'Bottom Five' stocks, the next two most significant contributors were both banks, **Santander Mexico** and Russia's largest bank **Sberbank**. COVID-19 has delivered huge challenges for banking institutions – not only have they been affected by the economic downturns but, in some regions, regulators have instructed banks to pause dividends, to help preserve capital. There were some positives, for example Sberbank still committing to paying a healthy (albeit delayed) dividend from 2019 earnings, but overall, our exposure to banking stocks was negative in performance terms.

The search for income

The Company's approach of investing in a diversified portfolio of higher yield and higher profitability stocks to receive dividends from across sectors and countries has not changed. However, this search has become tougher, as referenced earlier, as many companies around the world have been forced to curtail, or reduce, dividend payments to shareholders in the fall-out from COVID-19. However, despite the formidable challenges facing them, our portfolio companies have tended to continue paying dividends, albeit typically at reduced levels. Such commitment reinforces the idea of Emerging Market companies as a reliable income source for investors.

The cyclical economic slowdown precipitated by COVID-19 and its hugely negative impact on earnings – both year-to-date and, in all likelihood, for some considerable time in the future – is well documented. Company management teams have had to make very difficult choices in terms of conserving cash and strengthening balance sheets.

The banking sector has been particularly badly hit both by the economic shock of COVID-19 and by many global regulators forcing banks to suspend dividend pay-outs altogether. Across our universe, there was a harsher regulatory response from many non-Asian Emerging Markets (for example, Hungary, Poland, Mexico) than from Asian ones (e.g. China, Taiwan, Indonesia).

Reducing dividend levels this year precipitated a decline in the Company's dividend receipts, which dropped by 26.5%. However, this situation allows us to highlight an advantage of the investment trust structure; companies like ours can allocate up to 15% of their investment income in good years to later draw on these reserves in trickier times, when constituent portfolio companies may not be able to sustain their own dividend payments. This structure has enabled the Company to maintain its dividend of 5.1p this year, by utilising revenue reserves that had been built up in earlier years.

Although we acknowledge that COVID-19-related uncertainty could continue to hamper dividend levels for some time, we continue to believe in the long-term dividend-producing potential of the Company's portfolio. That is why, during our stock selection process, analysis of dividend sustainability and growth potential is extremely important, in addition to the level of yield itself.

As a reminder, the Company receives dividends in local currencies and US dollars but pays dividends in sterling; therefore, movements in sterling have an impact on the value of dividend payments.

Spotlight on portfolio positioning

We build the portfolio on a 'bottom-up' basis, selecting individual stocks for their dividend-paying ability. Our policy is to invest for the long term, to benefit from the continued dividend streams of the companies we hold. However, where companies have paused or skipped dividends we have tended to sell or reduce our positions, except in a few cases where we think there is a prospect of a resumption within a realistic timeframe (e.g. within the next year or so).

In this section we highlight portfolio changes we have made over the reporting period, together with a brief update on our country and sector exposures.

Within Emerging Markets, there are certain territories where we naturally find more dividend ideas than others; this results in portfolio tilts towards certain countries and sectors. Sector-wise, we find many attractive income ideas within Technology, Financials and Consumer Staples, so we are materially overweight in all three. In terms of countries, China remains our largest country exposure although we are still underweight relative to the overall market. Our three key overweight country positions are in the aforementioned Taiwan, together with Hong Kong and Russia.

Over the period we added to our investment in India's largest software services firm **Tata Consultancy Services (TCS)** to make it one of our leading holdings. We have been impressed by TCS's business durability and its positive long-term dividend outlook.

We made new investments in two banks: **Rakyat** is one of Indonesia's largest commercial banks, with a strong micro-finance franchise that puts it in a robust position to keep growing its dividend for the long term. **China Merchants Bank** stands out for having one of the smallest net profit declines of all Chinese banks in the first half of 2020, even managing to increase its dividend pay-out ratio; a rarity amongst financial stocks in the current COVID-19 environment.

We initiated a holding in **Accton Technology**, the Taiwanese manufacturer of network solutions. Accton's main products include network switches and wireless/broadband network equipment and it has demonstrated best-in-class technology and quality. This is reflected in its rising market share, stable margins and earnings that have been rising faster than most of its competitors.

Another new stock for us was **Joyoung**, China's largest manufacturer of domestic soya bean milk makers and a market leader in numerous other product categories. Joyoung benefits from a strong brand and excellent customer focus, all resulting in high returns on capital and attractive dividends.

We sold Hungary's **OTP Bank**, after the Hungarian regulators asked the company to halt dividend payments. We reduced our position in Mexico's **Banorte** for the same reason, the Mexican regulator mirroring many others in wanting its banks to preserve capital during the COVID-19 pandemic.

We sold our holding in Turkish energy company **Tupras**. Traditionally, the company has had a policy of paying large dividends but a weaker operating environment meant dividend paying ability was curtailed more than we had previously expected.

Our engagement on Environmental, Social and Governance (ESG) issues

We pay particular attention to issues that could affect the prospects for stocks within the Company's portfolio. Our investment process is ESG-Integrated, with a particular emphasis on Governance as we seek to make a direct link between pay-out ratios and governance of companies. Our analysts incorporate ESG considerations via 40 specific ESG questions for each company and we use their responses when considering stocks for inclusion within the portfolio.

One interesting outcome from our ESG-Integrated process is that we have (and have had for many years) a relatively low exposure to commodity stocks, including energy holdings. We have general concerns around dividend sustainability from energy companies, partly as the risk from their environmental exposure is something which makes it harder to be certain of these companies' business outcomes in the long term. Consequently, the portfolio exhibits a significantly better carbon footprint than the benchmark index.

Outlook

2020 has been an extremely difficult time for investors, particularly for those focusing on dividends, and the outlook is uncertain. COVID-19 remains a dampener on the prospects for Emerging Market economies, with the possible exception of North Asia. It is difficult to offer any insight into the precise timing of any post-COVID-19 recovery, but we expect the region's stock markets to be volatile for the rest of the year.

From a dividend receipts perspective, we acknowledge that the pandemic will continue to pose a challenge. Companies' near-term sales, profits and cash flow will be negatively affected, and this could impact dividends. As a reminder, Emerging Market companies generally base their dividends on a pay out ratio, so earnings cycles do matter. Nevertheless, on a long-term basis, we are confident about the balance sheet strength and long-term dividend generating ability of the stocks we hold, together with their ability to navigate their way through this most arduous period.

Market valuations have recovered from the lows we saw in March and look more neutral for the moment. Consequently, we would probably need to see some improvement in underlying earnings (and dividends) for markets to continue to progress from here.

There are positive developments; in China especially, a strong policy response helped curtail the spread of the disease and kept corporate balance sheets intact, with both economic growth and corporate earnings rebounding relatively quickly. Elsewhere, fiscal and monetary policy support will most likely continue to be seen globally although ultimately, they are not a panacea for pandemic-affected economies.

Apart from the direct economic impact from COVID-19, the pandemic has also meant many changes to how economies and businesses operate. We are mindful that we need to take this into account in our analysis of companies' dividend prospects. We have also been able to judge how different company management teams across the region responded to the crisis, whether it be in terms of dealing with customers, their own work forces, or other important stakeholders. This, in itself, has been very informative in helping us identify well-managed, strong companies, something which should be positive for our stock selection going forward. Here we are fortunate to be supported by a very strong team of analysts, in locations ranging from London to Shanghai to New York, who provide valuable insights on individual Emerging Markets companies.

Despite this year's environment in which earnings are challenged, we are confident that Emerging Markets retain their long-term appeal and we have a positive view about the long-term prospects for dividend generation from the stocks we hold. We remain disciplined investors, focused on investing in sound, sustainable businesses that have the potential to deliver income and capital returns. Our aim is that the Company should continue to have a balanced approach and a carefully managed risk profile that will deliver good returns and reward shareholders willing to invest for the long term.

Omar Negyal

Jeffrey Roskell

Isaac Thong

Investment Managers

23rd October 2020

ESG and J.P.Morgan Investment Trusts

Introduction

ESG is an acronym which stands for Environmental, Social and Governance. It has become a convenient label for describing the broad field of sustainability in the corporate sector and is widely used when assessing the environmental impact of businesses, when considering how companies acquit themselves in respect of their broad social responsibilities and when reviewing the practices and standards used in governing corporate organisations.

Awareness of these issues has increased significantly in recent years among investment practitioners and their clients, and indeed in society at large, and our practices at J.P.Morgan Asset Management have been at the forefront of these developments. In these pages we explain how our approach has developed and how it is applied for the benefit of shareholders across the J.P.Morgan range of investment trusts.

The basics: what is ESG?

E is for Environmental. This component considers a company's impact on the world we live in, relating to the quality and functioning of the natural environment and natural systems.

S is for Social. Social factors address the way that companies act within society; this includes the way that employee interests are managed, and the broader impact a company has on society.

G is for Governance. This component relates to how companies are managed. It considers the measures that protect shareholder interests as well as the way any company meets regulatory and other external obligations.

The table below provides illustrative examples of ESG issues in each of the **E**, **S** and **G** categories:

| Environmental | Social | Governance |
|---|---------------------------|---|
| Carbon pollution and emissions | Human rights | Board structure: effectiveness, diversity, independence |
| Environmental regulations (and adherence) | Diversity | Executive pay and criteria |
| Climate change policies | Health and safety | Shareholder rights |
| Sustainable sourcing of materials | Product safety | Financial reporting and accounting standards |
| Recycling | Employee management | How a business is run |
| Renewable energy use | Employee well-being | |
| Water and waste management | Commitment to communities | |

What is our approach at J.P.Morgan Asset Management?

We have worked hard over a number of years to demonstrate effective ESG integration in investment processes, not just in the equity funds we manage, but across all asset classes including Fixed Income, Real Assets, Alternatives and Multi-Asset Solutions, with approaches which have been vetted for effectiveness by a central Sustainability Investing Leadership team. At the time of writing, we can show 100% ESG integration across our actively managed products.

For our equity product range, this integration does not simply involve paying external vendors for ESG information; it rests heavily on our own proprietary research and on the team of 150 analysts who cover stocks around the world, from the USA to Japan. Our research teams complete a standard checklist of 40 questions on every company they follow, 12 on environmental issues, 12 on social factors and 16 relating to governance. Investors also work with a central Stewardship team which sets priorities for corporate engagement both in terms of issues and in terms of significant individual investments held in portfolios.

Our Emerging Markets and Asia Pacific Equity team, which is responsible for the management of your Company's portfolio, has been in the vanguard of these efforts over the last decade. Our most basic requirements of analysts covering any company includes a specific focus on governance and has done for over two decades. We first implemented a checklist addressing sustainability in a broad sense in 2013 and we continue to use this today. More recently, we have developed a materiality framework to ensure that consideration of the most critical sustainability factors in any industry is placed at the centre of all investment research that we carry out on companies.

The materiality framework identifies the most important ESG factors in over 50 industry categories, as chosen by our research experts. This not only allows a far sharper focus on how companies are performing in the areas that are most significant for their particular industry, it also helps us drive targeted engagement on the most important issues for any single company.

Why do we integrate ESG into our investment processes?

First, **consideration of sustainability is intrinsic to a long term approach to investment.** When we invest our clients' assets for them, we have to make judgements about future risks and rewards of any investment. Those risks and rewards have always included the factors shown in the table above, and indeed all ESG factors, because all of them have the potential to affect the future value of a security. A business that produces huge amounts of carbon emissions or plastic waste, for example, is likely to find itself the subject of scrutiny from regulators and consumers and failure to anticipate this and to change will likely bring a loss of value for shareholders in the long run. The same is true of businesses that neglect their social responsibilities, or fail in matters of governance. In all these instances, investors will eventually assign a higher discount rate to future cash flows, with consequences for the prices of that company's securities.

As public and official attention has grown in the field of ESG, however, the consequences for investment returns have become more and more important in the overall investment judgement. Thirty years ago, as long as a company met existing regulations, its environmental impact would probably have been taken for granted by many. Now, the significance of these issues seems critical in any assessment of an industry, and the capital markets have discriminated starkly between companies which are offering compelling narratives of transition to a low-carbon approach, and those which have yet to do so. So ESG has simply become a bigger and more important part of any investment judgement and our research processes have needed to evolve accordingly.

Second, **our clients require that we consider sustainability factors.** Both clients and regulators are paying far more attention to this field, and we as investors must meet their requirements for incorporating ESG in our investment processes, and be able to show how we do this. Demonstrating how ESG is addressed is now a basic requirements for any serious asset manager. As our clients' interest and requirements in the field of ESG have grown, so we have enhanced our capability.

Finally, **the asset management industry itself has responsibilities and obligations,** not only to our clients, but to society in a broader sense. We have a duty to not just to produce good investment outcomes for our clients, but to be a responsible corporate citizen. This cannot be credibly done if the core practice of our industry, investment management, is not included in the effort. We must consider the broader consequences of the investment choices that we make for our clients. Given the evolution of public policy, client scrutiny, public attitudes, and trends in the corporate world, it is clear that consideration of ESG has become a key component of the way the industry approaches its fiduciary responsibilities.

Engagement and Voting

We seek to act as a responsible and engaged shareholder of businesses on behalf of our clients. We engage with all companies owned in your Company's portfolio on a regular basis, often several times in the course of a year. We do this not just to further our understanding of businesses, but to convey to management any concerns, suggestions or opinions that we have. Ongoing, meaningful dialogue with the management of companies owned by your Company is fundamental to our investment process.

J.P. Morgan Asset Management sector specialists held multiple discussions with Inner Mongolia Yili Industries to provide feedback on their new share incentive plan. The plan, which in our view contained both positive and negative elements, is broad-based, covering over 480 managers in total, and is designed with a long-term perspective, which unlocks over five years. More negatively, we did not feel that the initial performance targets set were sufficiently challenging. In addition, the low grant price (set at a 50% discount to market price) was a cause for concern. As a result of engagement, Yili announced several revisions to the plan, including a reduction in the overall plan size, an improvement to performance targets, and the addition of an underpin, whereby a 70% dividend payout ratio is guaranteed for the next five years.

In Russia, Moscow Exchange informed J.P. Morgan Asset Management about a new ESG initiative for companies listed with them. The project will focus on a near-term gap analysis of ESG disclosures; a benchmarking exercise versus leading global exchanges (including the London Stock Exchange), to develop new standards mid-term; and training and guidance for new listings in relation to standards of ESG disclosure and international best practice. The exchange is hoping that improving ESG standards for listed companies will help them to avoid further examples of bankruptcies and fraud cases which have dogged the index historically.

Alongside this direct engagement, we endeavour to vote at all of the meetings called by companies in which your portfolio invests. A summary of key voting statistics and activity undertaken in respect of stocks in the Company's portfolio for the 12 months to 31st July 2020 is detailed below. On behalf of the Company, J.P.Morgan voted at all of the annual general meetings and extraordinary meetings held during the year by its portfolio companies.

JPMorgan Global Emerging Markets Income Trust plc: Voting at shareholder meetings over the year to 31st July 2020

| | For | Against | Abstain | Against/ Abstain Total | Total Items | % Against |
|----------------------------|------------|------------|-----------|------------------------------|--------------|-----------|
| Routine Business | 397 | 9 | 2 | 11 | 408 | 2 |
| Director Related | 420 | 59 | 15 | 74 | 494 | 12 |
| Capitalisation | 64 | 59 | 0 | 59 | 123 | 48 |
| Reorganisation and Mergers | 58 | 5 | 0 | 5 | 63 | 8 |
| Non-salary Compensation | 38 | 7 | 1 | 8 | 46 | 15 |
| TOTAL | 977 | 139 | 18 | 157 | 1,134 | 12 |

The future

We know that our clients, including the Directors of your Company, see attention to ESG factors as critical in their assessment of us as investment manager. We expect ESG to remain a dominant theme within the financial services industry going forward; the course being taken by regulators suggests that its importance will only increase in years to come; our research process and the investment judgements we make will continue to reflect that and to evolve as necessary. In investing your Company's assets we have always looked for companies with the ability to create value in a sustainable way and that will not change.

PORTFOLIO INFORMATION

TEN LARGEST INVESTMENTS

AT 31ST JULY

| Company | Country | Sector | 2020 Valuation | | 2019 Valuation | |
|--|-------------------|------------------------|-------------------|----------------|-------------------|----------------|
| | | | £'000 | % ¹ | £'000 | % ¹ |
| Taiwan Semiconductor Manufacturing | Taiwan | Information Technology | 35,369 | 8.8 | 27,171 | 6.0 |
| Samsung Electronics ² | South Korea | Information Technology | 20,607 | 5.1 | 9,385 | 2.1 |
| Vanguard International Semiconductor | Taiwan | Information Technology | 15,834 | 3.9 | 11,393 | 2.5 |
| Tata Consultancy Services ² | India | Information Technology | 15,444 | 3.8 | 6,982 | 1.5 |
| Sberbank of Russia | Russia | Financials | 13,010 | 3.2 | 19,477 | 4.3 |
| Moscow Exchange MICEX-RTS ² | Russia | Financials | 11,626 | 2.9 | 9,116 | 2.0 |
| China Construction Bank | China & Hong Kong | Financials | 10,480 | 2.6 | 11,867 | 2.6 |
| Ping An Insurance | China & Hong Kong | Financials | 9,972 | 2.5 | 11,603 | 2.5 |
| Midea ² | China & Hong Kong | Consumer Discretionary | 9,686 | 2.4 | 7,559 | 1.7 |
| MediaTek ² | Taiwan | Information Technology | 8,988 | 2.2 | 5,558 | 1.2 |
| Total | | | 151,016 | 37.4 | | |

¹ Based on total portfolio of £402.3m (2019: £456.2m).

² Not included in the ten largest investments at 31st July 2019.

As at 31st July 2019, the value of the ten largest investments amounted to £131.1 million representing 28.8% of total investments.

SECTOR ANALYSIS

AT 31ST JULY

| | 31st July 2020 | | 31st July 2019 | |
|------------------------|-----------------------------|----------------|-----------------------------|----------------|
| | Portfolio % ¹ | Benchmark % | Portfolio % ¹ | Benchmark % |
| Information Technology | 32.4 | 18.4 | 18.4 | 14.3 |
| Financials | 29.0 | 18.1 | 38.2 | 24.8 |
| Consumer Staples | 14.4 | 6.4 | 13.0 | 6.7 |
| Consumer Discretionary | 10.7 | 18.0 | 10.2 | 13.6 |
| Basic Materials | 3.4 | 7.0 | 3.9 | 7.2 |
| Communication Services | 3.0 | 13.0 | 5.2 | 11.9 |
| Energy | 2.3 | 5.7 | 2.9 | 7.8 |
| Real Estate | 1.9 | 2.4 | 3.4 | 3.0 |
| Industrials | 1.3 | 4.5 | 2.2 | 5.3 |
| Health Care | 0.9 | 4.3 | 1.8 | 2.6 |
| Utilities | 0.7 | 2.2 | 0.8 | 2.8 |
| Total Portfolio | 100.0 | 100.0 | 100.0 | 100.0 |

¹ Based on total portfolio of £402.3m (2019: £456.2m).

GEOGRAPHICAL ANALYSIS

AT 31ST JULY

| | 31st July 2020 | | 31st July 2019 | |
|------------------------|-----------------------------|----------------|-----------------------------|----------------|
| | Portfolio % ¹ | Benchmark % | Portfolio % ¹ | Benchmark % |
| China & Hong Kong | 30.5 | 41.0 | 28.6 | 31.8 |
| Taiwan | 25.1 | 13.0 | 17.0 | 11.2 |
| Russia | 9.1 | 3.0 | 8.6 | 4.0 |
| South Korea | 6.3 | 11.5 | 4.5 | 11.8 |
| Mexico | 5.3 | 1.6 | 7.6 | 2.5 |
| India | 5.2 | 8.1 | 2.4 | 8.6 |
| South Africa | 4.4 | 3.7 | 6.3 | 5.8 |
| Brazil | 2.8 | 5.5 | 6.6 | 8.0 |
| Thailand | 2.7 | 2.0 | 5.3 | 3.0 |
| Indonesia | 2.6 | 1.4 | 1.9 | 2.2 |
| Saudi Arabia | 1.7 | 2.5 | 2.0 | 1.4 |
| Malaysia | 1.2 | 1.8 | 0.8 | 2.1 |
| Romania | 0.8 | – | – | – |
| Turkey | 0.8 | 0.4 | 0.5 | 0.6 |
| Kenya | 0.7 | – | 0.8 | – |
| Philippines | 0.4 | 0.8 | 0.7 | 1.1 |
| Chile | 0.3 | 0.6 | 0.7 | 0.9 |
| Czech Republic | 0.1 | 0.1 | 2.4 | 0.2 |
| Qatar | – | 0.8 | – | 1.0 |
| Poland | – | 0.7 | – | 1.1 |
| United Arab Emirates | – | 0.5 | 1.6 | 0.8 |
| Peru | – | 0.2 | – | 0.4 |
| Hungary | – | 0.2 | 1.7 | 0.3 |
| Colombia | – | 0.2 | – | 0.4 |
| Greece | – | 0.1 | – | 0.3 |
| Argentina | – | 0.1 | – | 0.4 |
| United States | – | 0.1 | – | – |
| Egypt | – | 0.1 | – | 0.1 |
| Total Portfolio | 100.0 | 100.0 | 100.0 | 100.0 |

¹ Based on total portfolio of £402.3 (2019: £456.2m).

PORTFOLIO INFORMATION

LIST OF INVESTMENTS

| Company | Valuation £'000 | Company | Valuation £'000 | Company | Valuation £'000 |
|---|--------------------|----------------------------------|--------------------|------------------------------------|--------------------|
| CHINA AND HONG KONG | | RUSSIA | | INDONESIA | |
| China Construction Bank ¹ | 10,480 | Sberbank of Russia ² | 13,010 | Telekomunikasi Indonesia Persero | 5,515 |
| Ping An Insurance ¹ | 9,972 | Moscow Exchange MICEX-RTS | 11,626 | Bank Rakyat Indonesia Persero | 5,128 |
| Midea | 9,686 | LUKOIL ² | 3,759 | | 10,643 |
| Hong Kong Exchanges & Clearing | 8,788 | Alrosa | 3,409 | SAUDI ARABIA | |
| Jiangsu Yanghe Brewery Joint-Stock | 8,026 | Severstal ² | 2,555 | Al Rajhi Bank | 6,981 |
| China Overseas Land & Investment | 7,756 | Magnitogorsk Iron & Steel Works | 2,219 | | 6,981 |
| Inner Mongolia Yili Industrial | 7,727 | | 36,578 | MALAYSIA | |
| Joyoung | 6,482 | SOUTH KOREA | | Carlsberg Brewery Malaysia | 4,741 |
| Sands China | 5,715 | Samsung Electronics | 20,607 | | 4,741 |
| China Pacific Insurance ¹ | 4,974 | KT&G | 4,646 | ROMANIA | |
| China Merchants Bank ¹ | 4,789 | | 25,253 | Banca Transilvania | 3,349 |
| Hang Seng Bank | 4,100 | MEXICO | | | 3,349 |
| HKT Trust & HKT | 4,033 | Kimberly-Clark de Mexico | 6,409 | TURKEY | |
| JS Global Lifestyle | 3,719 | Grupo Aeroportuario del Pacifico | 5,288 | BIM Birlesik Magazalar | 3,037 |
| Postal Savings Bank of China ¹ | 3,375 | Bolsa Mexicana de Valores | 3,938 | | 3,037 |
| Fuyao Glass Industry ¹ | 3,358 | Wal-Mart de Mexico | 3,523 | KENYA | |
| WH | 3,229 | Grupo Financiero Banorte | 1,095 | Equity | 2,788 |
| Luthai Textile | 2,551 | Banco Santander Mexico | 1,043 | | 2,788 |
| Guangdong Investment | 2,543 | | 21,296 | PHILIPPINES | |
| Pacific Textiles | 2,505 | INDIA | | Pilipinas Shell Petroleum | 1,424 |
| China Petroleum & Chemical ¹ | 2,385 | Tata Consultancy Services | 15,444 | | 1,424 |
| Haier Electronics | 2,072 | Infosys ² | 5,536 | CHILE | |
| CNOOC | 1,807 | | 20,980 | Banco Santander Chile ² | 1,182 |
| China Life Insurance ¹ | 1,607 | SOUTH AFRICA | | | 1,182 |
| Huayu Automotive Systems | 992 | Bid | 4,966 | CZECH REPUBLIC | |
| | 122,671 | JSE | 4,221 | Komerční banka | 479 |
| TAIWAN | | AVI | 4,088 | | 479 |
| Taiwan Semiconductor Manufacturing ² | 35,369 | Mr Price | 1,684 | TOTAL INVESTMENTS | |
| Vanguard International Semiconductor | 15,834 | SPAR | 1,354 | | 402,288 |
| MediaTek | 8,988 | Vodacom | 1,193 | | |
| Delta Electronics | 5,409 | | 17,506 | | |
| Novatek Microelectronics | 4,699 | BRAZIL | | | |
| Quanta Computer | 4,695 | Itau Unibanco Preference | 3,690 | | |
| Accton Technology | 4,378 | Odontoprev | 3,653 | | |
| Eclat Textile | 4,355 | Ambev ² | 2,394 | | |
| President Chain Store | 3,736 | BB Seguridade Participacoes | 1,680 | | |
| Catcher Technology | 3,444 | | 11,417 | | |
| Mega Financial | 2,942 | THAILAND | | | |
| Chicony Electronics | 2,624 | Siam Cement | 5,597 | | |
| Advantech | 1,880 | Tisco Financial | 5,359 | | |
| Asustek Computer | 1,556 | | 10,956 | | |
| Taiwan Mobile | 1,098 | | | | |
| | 101,007 | | | | |

¹ 'H' Shares.

² Includes ADRs (American Depositary Receipts)/GDRs (Global Depositary Receipts).

TEN YEAR FINANCIAL RECORD

| At 31st July | 2010 ¹ | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net assets (£m) | 102.3 | 159.8 | 194.7 | 288.5 | 332.2 | 310.5 | 344.4 | 385.4 | 399.5 | 431.0 | 376.4 |
| Net asset value per share (p) | 98.4 | 112.0 | 112.0 | 123.1 | 119.3 | 105.5 | 117.1 | 131.0 | 134.6 | 145.0 | 126.6 |
| Share price (p) | 103.5 | 112.3 | 114.3 | 123.0 | 122.0 | 100.3 | 115.3 | 126.5 | 126.0 | 143.5 | 115.5 |
| Premium/(discount) (%) ^A | 5.2 | 0.2 | 2.0 | (0.1) | 2.3 | (4.9) | (1.5) | (3.4) | 6.4 | (1.0) | (8.8) |
| Gearing (%) ^A | n/a | 5.9 | 5.4 | 7.2 | 5.4 | 6.6 | 4.7 | 6.8 | 6.2 | 5.9 | 6.9 |

Year ended 31st July

| | | | | | | | | | | | |
|----------------------------------|-----|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross revenue return (£'000) | n/a | 8,467 | 10,553 | 13,713 | 17,361 | 21,335 | 17,168 | 19,854 | 21,419 | 22,274 | 16,374 |
| Revenue return per share (p) | n/a | 5.76 | 5.41 | 5.45 | 5.41 | 5.85 | 4.79 | 5.54 | 5.78 | 5.92 | 4.28 |
| Dividend per share (p) | n/a | 4.70 | 4.85 | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 5.00 | 5.10 | 5.10 |
| Ongoing charges (%) ^A | n/a | 1.32 | 1.26 | 1.21 | 1.22 | 1.24 | 1.35 | 1.30 | 1.26 | 1.26 | 1.16 |

Rebased to 100 at 31st July 2010

| | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Share price total return ^{2,A} | 100.0 | 110.7 | 117.1 | 131.3 | 136.1 | 116.5 | 141.3 | 161.6 | 167.2 | 198.1 | 166.5 |
| Net asset value total return ^{3,A} | 100.0 | 117.3 | 122.0 | 139.8 | 141.7 | 130.7 | 152.7 | 177.8 | 189.5 | 212.0 | 192.7 |
| Benchmark total return ⁴ | 100.0 | 112.1 | 101.0 | 106.5 | 110.2 | 103.3 | 120.5 | 151.5 | 158.9 | 166.6 | 165.6 |

¹ On 29th July 2010 the Ordinary shares of 1p each were issued following a Placing and Offer for Subscription, Trust incorporated on 4th June 2010,

² Source: Morningstar. Change in share price with dividends reinvested.

³ Source: Morningstar/J.P.Morgan, using cum income net asset value per share.

⁴ 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 83 to 85.

Business Review

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. 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 restrictions and guidelines, performance, total return, revenue and dividends, key performance indicators, share capital, Board diversity, discount, employees, social, community and human rights issues, principal and emerging risks and how the Company seeks to manage those risks and finally its long term viability.

The Company's Purpose, Values, Strategy and Culture

The purpose of the Company is to provide an investment vehicle which meets the needs of investors, whether large institutions, professional advisers or individuals, who seek a dividend income combined with capital growth from emerging markets investments in an accessible, cost effective way. The Company has been investing in emerging markets since 2010. Its objective is to provide investors with a dividend income combined with the potential for long term capital growth from emerging markets investments. It seeks to outperform its benchmark index, the MSCI Emerging Markets Index, with net dividends reinvested (in sterling terms), over the longer term and to manage risk by investing in a diversified portfolio of emerging markets based companies.

To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has the appropriate capability, resources and controls in place to actively manage the Company's assets in order to meet its investment objective. The investment management company, J.P.Morgan Asset Management, employs an investment process with a strong focus on research that integrates environmental, social and governance issues and enables it to identify what it believes to be the most attractive stocks in the market.

To ensure that the Company's purpose, values, strategy and culture are aligned, the Board comprises independent non-executive Directors from a diverse background who have a breadth of relevant skills and experience, act with professional integrity and who contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers. For more information, please refer to page 29.

Structure and Objective of the Company

JPMorgan Global Emerging Markets Income Trust plc is an investment trust company that has a premium listing on the

London Stock Exchange. Its objective is to provide investors with a dividend income combined with the potential for long term capital growth from a diversified portfolio of emerging markets investments. In seeking to achieve this objective, the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited ('JPMAM'), to manage the Company's assets actively. The Board has determined an investment policy and related guidelines and limits as described below.

The Company is subject to UK and European legislation and regulations including UK company law, UK Financial Reporting Standards, the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, the Market Abuse Regulations, 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). As a result the Company is not liable for taxation on capital gains. The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

Investment Policy, Investment Guidelines and Risk Management

In order to achieve the investment objective, the Company invests in a diversified portfolio and employs a Manager with a strong focus on research and company visits that enables it to identify what it believes to be the most attractive stocks in the market.

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

- The Company invests predominantly in listed equities but retains the flexibility also to invest in other types of securities, including, but not limited to, unlisted equities, convertible securities, preference shares, debt securities, cash and cash equivalents.
- The Company is free to invest in any particular market, sector or country in the global emerging markets universe. It may also invest in securities issued by companies based in or operating in emerging markets but listed or traded on the stock exchanges of developed markets and in the securities of issuers based in developed markets that have substantial exposure to emerging markets.
- The Company's portfolio will typically contain between 50 and 80 holdings.
- There are no fixed limits on portfolio construction with regard to region, country, sector or market capitalisation. In the normal course of business the Company typically invests at

least 80% of its gross assets in listed equities but other security types may be used in the event of adverse equity market conditions or where they represent a more efficient means of obtaining investment income for the purposes of making dividend payments. Non-equity portfolio assets are expected to comprise predominantly cash or fixed income securities issued by companies, states or supra-national organisations domiciled in, or with a significant exposure to, emerging markets. In the event of adverse equity market conditions, the Company may increase its holdings in fixed income securities of any kind to a maximum of 50% of its gross assets.

- Despite the absence of specific region, country, sector or market capitalisation limits, the Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk and in accordance with its published investment policy. The Company shall not conduct any trading activity that is significant in the context of the Company as a whole.
- No more than 15% of the Company's gross assets shall be invested in the securities of any one company or group at the time the investment is made.
- The Company shall not invest more than 10% of its gross assets in unlisted securities or in other listed closed-ended investment funds at the time the investment is made.
- The Company may undertake option writing in respect of up to 10% of the Company's net assets.
- The Company may use derivative instruments for the purposes of efficient portfolio management. The Company does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time to time as part of the Company's efficient portfolio management.
- For the purposes of the investment policy, emerging markets are the capital markets of developing countries, including both recently industrialised countries and countries in transition from planned economies to free-market economies. Many, but not all, emerging market countries are constituents of the MSCI Emerging Markets Index or, in the case of smaller or less developed emerging markets, the MSCI Frontier Index. The Company may invest in securities listed in, or exposed to, these countries or other countries that meet the definition in this paragraph. These markets will tend to be less mature than developed markets and will not necessarily have such a long history of substantial foreign investment.
- The Company measures its performance against the total return of the MSCI Emerging Markets Index (in sterling) with net dividends reinvested.

- The Company has power under its Articles of Association to borrow up to an amount equal to 30% of its net assets at the time of the drawdown, although the Board intends only to utilise borrowings on such occasions as the Manager believes that gearing will enhance returns to shareholders.

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

Performance

In the year ended 31st July 2020, the Company produced a total return to shareholders of -16.0% and a total return on net assets of -9.1%. This compares with the total return on the Company's benchmark index of -0.6%. As at 31st July 2020, the value of the Company's investment portfolio was £402.3 million. The Investment Managers' Report on pages 10 to 14 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 loss for the year amounted to £32.4 million (2019 gross return: £53.8 million) and net total loss amounted to £39.4 million (2019: £45.7 million). Net revenue return for the year amounted to £12.7 million (2019: £17.6 million).

It is the Company's policy to pay four quarterly interim dividends during the year. On 17th September 2020 the Board announced the payment of a fourth interim dividend of 2.1p per share (2019: 2.1p per share), payable on 23rd October 2020 to shareholders on the register of members as at the close of business on 18th September 2020. This dividend amounts to £6.2 million (2019: £6.2 million) and the revenue reserve after allowing for the dividend will amount to £8.9 million. Together with three interim dividends of 1.0p per share each, this will bring the total dividend in respect of the year to 5.1p (2019: 5.1p).

Key Performance Indicators ('KPIs')

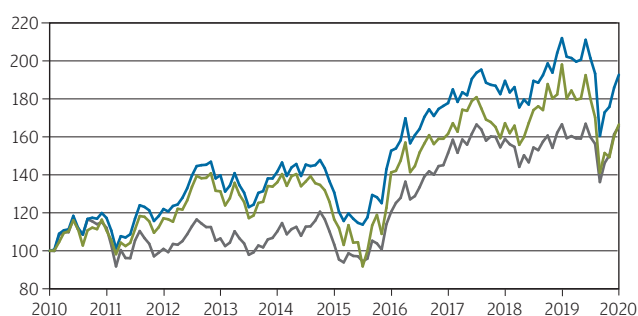
At each Board meeting the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The principal KPIs are performance against the benchmark index, performance attribution, income and the amount available to pay dividends, share price premium or discount to net asset value per share, ongoing charges, and the investment risk of the portfolio (on absolute and relative bases). Unless there is a particular reason for the Board to change the KPIs (which would require an explanation to shareholders), consistency is maintained. Further details of the principal KPIs are given as follows:

• Performance against the benchmark index

This is the most important KPI by which performance is judged. Due to its income focus, the Company does not have a wholly comparable benchmark against which to measure its performance. Therefore the Board has chosen the closest possible index of stocks as its benchmark for these purposes. However, the Company's investment strategy does not 'track' this index and, consequently, there may be some divergence between the Company's performance and that of the benchmark. The Company's net asset value total return is measured against the benchmark's total return (i.e. both with dividends reinvested). Information on the Company's performance is given in the Chairman's Statement and the Investment Managers' Report on pages 6 and 10 respectively.

Ten Year Performance

FIGURES HAVE BEEN REBASED TO 100 AT 31ST JULY 2010



Source: Morningstar.

- Total return to shareholders.
- Total return on net assets, using cum income net asset value per share.
- Benchmark total return.

• Performance attribution

The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index. Details of the attribution analysis for the year ended 31st July 2020 are given in the Investment Managers' Report on page 10.

• Income and the amount available to pay dividends

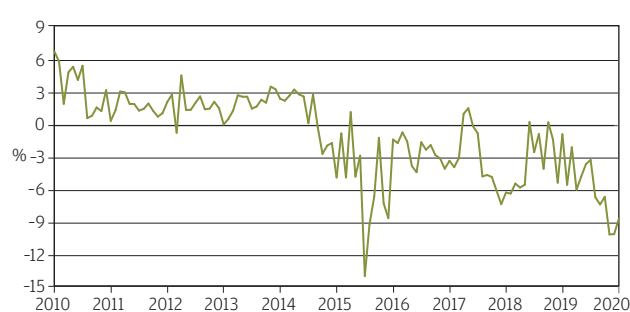
The Board recognises the importance of income to shareholders and undertakes detailed consideration of the forecast income for the Company with the Investment Managers and the Company's fund accountants, including reviews of any potential impact of exchange rate movements, further share issues or potential risk of non-receipt of a particular dividend. The review takes place on a monthly basis.

It is not the Company's investment objective to target a particular level of dividend growth and there is no guarantee that any dividends will be paid in respect of any financial year, the ability to pay dividends being dependent on the level of dividends earned from the portfolio.

• Share price premium/(discount) to net asset value ('NAV') per share

The Board recognises that the possibility of a narrowing premium or a widening discount can be a key disadvantage of investment trusts that can discourage investors. The share issuance and repurchase programme therefore seeks to address imbalances in supply of and demand for the Company's shares within the market in normal market conditions and thereby reduce the volatility and absolute level of the premium or discount to the NAV at which the Company's shares trade.

Premium/(Discount) Performance



Source: Datastream.

- Share price premium/(discount) to cum income net asset value per share.

• Ongoing Charges

The Ongoing Charges represents 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 31st July 2020 was 1.16% (2019: 1.26%). Each year, the Board reviews an analysis which shows a comparison of the Company's Ongoing Charges and its main expenses with those of its peers.

• The investment risk of the portfolio

The Board considers the risk profile of the Company's portfolio, on absolute and relative bases, regularly and monitors the changes in this, challenging the Investment Managers and seeking additional explanations where necessary. See note 22 on pages 67 to 72 for further information.

Share Capital

At 31st July 2020, the Company's issued share Capital comprised 297,289,438 Ordinary shares of 1p each, including 49,277 shares held in Treasury.

The Directors have, on behalf of the Company, the authority both to issue new shares for cash at a premium to net asset value and to repurchase shares in the market (for cancellation or to be held in Treasury) at a discount to net asset value.

At the Annual General Meeting held on 28th November 2019, shareholders granted Directors authority to issue 29,724,016 shares in the Company (being approximately 10% of the issued share capital of the Company (excluding Treasury shares) as at 17th October 2019) for cash. Shareholders also granted the Directors authority to disapply pre-emption rights in respect of these share issues and for sale of shares out of Treasury.

During the year, the Company did not issue any shares. Shares are only issued or sold out of Treasury when the share price is at a premium to the cum income net asset value per share.

The Company does not have authority to sell shares from Treasury at a discount to net asset value and will not seek such authority at the forthcoming Annual General Meeting. It will however, seek to renew its authority to sell shares from Treasury at a premium to net asset value on a non-preemptive basis.

No shares were repurchased during the year by the Company, nor were any repurchased or issued since the year end.

Resolutions to renew the authority to issue new shares and to repurchase shares for cancellation or to be held in Treasury will be put to shareholders at the forthcoming Annual General Meeting. The full text of those resolutions are set out in the Notice of Meeting on pages 80 and 81.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. The importance and benefits of gender, ethnic and other forms of diversity are recognised for bringing an appropriate range of skills and experience to the Board. At 31st July 2020, there were two male Directors and two female Directors on the Board.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with the Manager. 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.

Environmental, Social and Governance ('ESG')

The Board notes JPMAM's global policy statements in respect of Environmental, Social and Governance issues, as highlighted in italics:

JPMAM believes that companies should act in a socially responsible manner. We believe environmental, social and governance ('ESG') considerations, particularly those related to governance, can play a critical role in long-term investment strategy. As an active investment manager, engagement is an important and ongoing component of our investment process, and we view frequent and direct contact with company management as critically important.

When considering investment options, we supplement our proprietary thinking with research from a variety of third-party specialist providers and engage directly with companies on a wide array of ESG issues. Our governance specialists regularly attend scheduled one-on-one company meetings alongside investment analysts to help identify and discuss relevant issues. Although our priority at all times is the best economic interests of our clients, we recognise that ESG issues have the potential to impact the share price, as well as the reputation of companies.

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. 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 itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. The Company's Manager, is a signatory to the Carbon Disclosure Project and JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance. The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is not therefore disclosed in this report.

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>. Furthermore, the investment managers, as part of their investment process, do consider the labour practices of companies before making any investment decisions.

Corporate Criminal Offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company.

Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging 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**

An inappropriate investment strategy, for example poor stock selection or asset allocation or foreign exchange weakness, may lead to underperformance against the Company's benchmark index and peer companies or it may lead to insufficient local currency income generation which may lead to a cut in the dividend. The Board manages these risks by diversification of investments through its investment restrictions and guidelines, which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, currency performance, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend Board meetings, and reviews data which show statistical measures of the Company's risk profile.

- **Strategy**

If the Company's business strategy is no longer appropriate, it may lead to a lack of investor demand. This may result in the Company's shares trading at a narrower premium or a wider discount. The Board discusses these risks regularly and takes advice from the Manager and its professional advisers. An inappropriate gearing strategy may lead to suboptimal returns; poor performance if over-gearred in weak markets or performance foregone if under-gearred in strong markets. The Board has set a gearing range within which the Investment Managers employ the Company's gearing on a strategic basis.

- **Financial**

The financial risks faced by the Company include market price risk, interest rate risk, liquidity risk and credit risk. Further details are disclosed in note 22 on pages 67 to 72.

- **Corporate Governance and Shareholder Relations**

Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 32 to 37.

- **Operational and Cybercrime**

Loss of key staff by the Manager, such as the Investment Managers, could affect the performance of the Company. Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the depositary's or custodian's records could prevent accurate reporting and monitoring of the Company's financial position. This includes the risk of cybercrime and consequent potential threat to security and business continuity. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included in the Risk Management and Internal Control section of the Corporate Governance report on page 36. 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 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 PricewaterhouseCoopers LLP and reported every six months against the AAF Standard.

- **Accounting, Legal and Regulatory**

In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, it would lose its investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax. The Section 1158 qualification criteria are continuously 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 Prospectus Rules, Listing Rules and Disclosure, Guidance & 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, the Manager and its professional advisers to ensure compliance with the Companies Act 2006, the UKLA Prospectus Rules, Listing Rules, DTRs and the Alternative Investment Fund Managers, Directive.

- **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 and change in legislation. Currently, there are UK-related risks due to the

uncertain impact of the 'Brexit' process. These risks are discussed by the Board on a regular basis.

- **Environmental, Social and Governance**

Underperformance as a result of environmental, social and governance risks. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a responsible manner and, therefore, it ensures that the Manager takes account of environmental, social and governance factors as part of the investment process.

The Board considers the following as emerging risks facing the Company:

- **Climate Change**

Climate change, which barely registered with investors a decade ago, has today become one of the most critical issues confronting asset managers and their investors. Investors can no longer ignore the impact that the world's changing climate will have on their portfolios, with the impact of climate change on returns now inevitable. As detailed on page 13, ESG considerations are incorporated at the heart of the Company's investment process.

Financial returns for long-term diversified investors should not be jeopardised given the investment opportunities created by the world's transition to a low-carbon economy. The Board is also considering the threat posed by the direct impact of climate change on the operations of the Manager and other major service providers. As extreme weather events become more common, the resiliency, business continuity planning and the location strategies of our services providers will come under greater scrutiny.

- **Global Pandemics**

The recent emergence and spread of coronavirus (COVID-19) has raised the general risk of global pandemics. COVID-19 poses a significant risk to the Company's portfolio. At the date of this report, the virus has contributed to significant volatility in equity markets. The global reach and disruption to markets of this pandemic is unprecedented, so we have no direct comparators from which to learn. However, seismic events in the past have also been the catalyst for large market falls and huge volatility. Time after time, markets have recovered, albeit over varying and sometimes extended time periods, and so we do have an expectation that the portfolio's holdings will not suffer a material long-term impact and will recover once containment measures ease. Should the virus become more virulent than is currently the case, it may present risks to the operations of the Company, its Manager and other major service providers.

Should efforts to control a pandemic prove ineffectual or meet with substantial levels of public opposition, there is the

risk of social disorder arising at a local, national or international level. Even limited or localised societal breakdown may threaten both the ability of the Company to operate, the ability of investors to transact in the Company's securities and ultimately the ability of the Company to pursue its investment objective and purpose.

Long Term Viability

The UK Corporate Governance Code and the AIC Code of Corporate Governance require the Board to assess the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

The Company's current position and prospects are set out in the Chairman's Statement, the Investment Managers' Report and the Strategic Report. The principal and emerging risks are set out on pages 26 and 27.

Taking account of the Company's current position and strategy, the principal and emerging 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 and emerging 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. They have also taken into account the fact that the Company had a continuation vote at the 2018 AGM which was strongly supported with 100% of votes cast in favour and they expect a successful continuation vote to be passed at the 2021 AGM.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of providing investors with dividend income combined with the potential for long term capital growth, 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, taking account of the Company's risk profile set out in note 22 on pages 67 to 72, and other factors set out under this heading, 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
Divya Amin,
for and on behalf of
JPMorgan Funds Limited, Secretary.

23rd October 2020

Directors' Report



Sarah Fromson (Chairman of the Board)

A Director since June 2011.

Head of Risk at Wellcome Trust until retirement on 30th September 2019. A Board member of the Boston based Arrowstreet Capital Partners and a non-executive Chairman of Baronsmead Second Venture Trust plc. She is a trustee of the Wellcome Trust and the Genome Research Limited pension plans. Sarah is also on the board of Quilter Investors Limited, a subsidiary of Quilter plc. She was previously at RBS Asset Management (formerly Coutts) where she held a number of senior positions, including Chief Investment Risk Officer, Co-Head of Investments and Head of the Long-Only Investment team.

Connections with Manager: None.

Shared directorships with other Directors: None.



Caroline Gulliver (Chairman of the Audit and Risk Committee)

A Director since January 2015.

A Chartered Accountant, she spent 25 years with Ernst & Young LLP, latterly as an Executive Director before leaving in 2012. During that time she specialised in the asset management sector and developed an extensive experience of investment trusts and was a member of The Association of Investment Companies' Technical Committee. She is also a director of International Biotechnology Trust plc, Aberdeen Standard European Logistics Income plc and Civitas Social Housing PLC.

Connections with Manager: None.

Shared directorships with other Directors: None.



Mark Edwards

A Director since February 2018.

A Chartered Accountant, he has over 30 years experience in the asset management industry with over 20 years as a Portfolio Manager in the Emerging Markets sector. He spent most of his career with T. Rowe Price specialising in Asian equities, based in London and Hong Kong before his retirement in 2015. He is a director of the Green Dragon Hotel Group. He qualified as a Chartered Accountant with KPMG in 1984.

Connections with Manager: None.

Shared directorships with other Directors: None.



Richard Robinson (Chairman of the Nomination Committee and Senior Independent Director)

A Director since December 2011.

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

Connections with Manager: None.

Shared directorships with other Directors: None.

All Directors are members of the Audit and Risk Committee and the Nomination Committee.

All Directors are subject to annual reappointment.

All Directors are considered by the Board to be independent of the Manager and of the Company.

The Directors present their report and the audited financial statements for the year ended 31st July 2020.

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 accounting, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which 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 Nomination Committee, conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Manager, performance against the benchmark over the long term and the quality of support that the Company receives from the Manager including the marketing support provided. The latest evaluation of the Manager was carried out in June 2020. As a result of that process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

No separate Management Engagement Committee has been established because all Directors are considered to be independent of the Manager and, given the nature of the Company's business, it is felt that all Directors as members of the Nomination Committee should take part in the review process.

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 the 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.jpmglobalemergingmarketsincome.co.uk. There have been no material changes 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 page 75.

Management Fee

For the year ended 31st July 2020, the management fee was charged at the rate of 1.0% per annum on the Company's total assets less current liabilities. Loans that are drawn down under a loan facility with an original maturity date of one year or more are not classified as current liabilities for the purpose of the management fee calculation. The fee is calculated and paid monthly in arrears. Investments made by the Company in investment funds on which the Manager or a member of its group earns a fee are excluded from the calculation and therefore attract no additional management fee.

With effect from 1st August 2020, the fee has been charged at 0.9% per annum on the Company's net assets.

Directors

All Directors of the Company who held office at the end of the year under review are detailed on page 29. Details of their beneficial shareholdings in the Company may be found in the Directors' Remuneration Report on page 42. 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. Being eligible, all Directors will offer themselves for reappointment by shareholders. The Board seeks to balance the need for refreshment of its members with the value derived from their experience and continuity. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and to the Committees, confirms that each Director standing for reappointment continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

As part of the Board's succession planning and in anticipation of the retirement of Richard Robinson at the conclusion of the 2021 AGM, the Board has commenced a search exercise to appoint a new non-executive Director in early 2021. The Company has engaged Nurole Limited, a recruitment specialist in board level search, as part of the recruitment process. Nurole Limited has no other connection to the Company or any individual Directors or the Manager.

Sarah Fromson will be retiring from the Board at the conclusion of the 2022 AGM after an orderly succession. The Board plans to

recruit another new Director and will agree the next Board Chairman by early 2022.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, each Director has 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 insures 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 the Auditor

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

- (a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditor is unaware, and
- (b) each of the Directors has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information (as defined) and to establish that the Company's Auditor is aware of that information.

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

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as Auditor to the Company and a resolution proposing their reappointment and to authorise the Directors to determine their remuneration for the ensuing year, will be proposed at the Annual General Meeting. In accordance with professional guidelines, the Audit Partner is rotated after no more than five years. The current year is the first year for which the present Audit Partner, Caroline Mercer, has served. Further details about the Auditor's reappointment are given in the Audit and Risk Committee's Report on page 39.

Companies Act 2006 Requirements

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

Capital Structure

As at 31st July 2020, the Company's issued share capital comprised 297,289,438 Ordinary shares of 1p each, including

49,277 shares held in Treasury. The Ordinary shares have a premium listing on the London Stock Exchange.

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 82.

Notifiable Interests in the Company's Voting Rights

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

| Shareholders | Number of voting rights | % |
|---|-------------------------|-------|
| Brewin Dolphin Limited ¹ | 32,619,339 | 10.97 |
| Investec Wealth & Investment Limited ² | 24,990,809 | 8.49 |
| Smith & Williamson ¹ | 14,866,084 | 5.00 |

¹ Indirect holding.

² Direct holding.

Since the year end, no changes to the notifiable interests in the Company's voting rights have been disclosed by any shareholders.

The rules concerning the appointment, reappointment and replacement of Directors, amendment of the Company's 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 to which the Company is party 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 a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Annual General Meeting

The notice covering the Annual General Meeting of the Company to be held on 2nd December 2020 is given on pages 80 to 82. The full text of the Resolutions is set out in the notice of meeting.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting. The full text of the resolutions is set out in the Notice of Annual General Meeting on pages 80 and 81.

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 9 and 10)

The Directors will seek renewal of the authority at the Annual General Meeting to issue new Ordinary shares in the Company. The authority being sought is for up to 29,724,016 new Ordinary shares for cash or by way of a sale of Treasury shares up to an aggregate nominal amount of £297,240, such amount being equivalent to approximately 10% of the issued share capital (excluding Treasury shares) as at the latest practicable date before the publication of this document or, if different, the number of Ordinary shares which is equal to 10% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of the resolution.

This authority will expire at the conclusion of the Annual General Meeting of the Company in 2021 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. Any such issues would only be made at prices greater than the cum income net asset value, thereby increasing the net asset value per share and spreading 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 would be available for investment in line with the Company's investment policy.

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

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

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2019 Annual General Meeting, will expire on 27th May 2021 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of this authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying net asset value enhances the net asset value of the remaining shares.

Resolution 11 gives the Company authority to repurchase its own issued Ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 44,556,300 Ordinary shares, representing approximately 14.99% of the Company's issued Ordinary shares as at the latest practicable date before the publication of this document or, if less, the number of Ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of

the resolution. The authority also sets minimum and maximum prices.

If Resolution 11 is passed at the Annual General Meeting, the Board may repurchase the shares for cancellation or hold them in Treasury pursuant to the authority granted to it for possible resale at a premium to net asset value.

Any repurchases will be at the discretion of the Board and will be made in the market only at prices below the prevailing net asset value per share, thereby enhancing the net asset value of the remaining shares, as and when market conditions are appropriate. In the normal course of business the Directors would expect to exercise their discretion to repurchase shares if the discount to NAV (on an ex-income basis) at which they trade exceeded 5% over any significant period of time.

This new authority to repurchase shares if passed will expire on 1st June 2022, but it is the Board's intention to seek renewal of the authority at the 2021 Annual General Meeting.

(iii) Approval of dividend policy (resolution 12)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends during the year, which for the year ended 31st July 2020 have totalled 5.1 pence per share.

Recommendation

The Board considers that resolutions 9 to 12 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, as at the year end, amounted in aggregate to 77,540 Ordinary shares.

Corporate Governance Statement

Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment trust companies. It considers that reporting in line with the AIC Code, therefore, provides more appropriate information to the Company's shareholders. Through ongoing advice throughout the year from the Company Secretary and the use of a detailed checklist the Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors,

employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration; and
- the workforce.

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

Directors' Duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires that a Director must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company. Given the Company's structure of an investment company with no employees, its key stakeholders are considered to be its current and prospective shareholders, its Manager, its other third party suppliers (including the depositary, registrars, brokers, auditors and other professional service providers), its loan providers and its portfolio companies.

The Board ensures that it promotes the success of the Company by engaging an investment manager (the 'Manager'), and other specialist third party suppliers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires, with particular focus on investment performance. Their performance is monitored by the Board and its committees, who have oversight of the Company's operations. The principal supplier is the Manager, which is responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a good working relationship with the Manager, who also provides administrative support and promotes the Company through its investment trust sales and marketing teams. Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society. Hence environmental, social and governance considerations are integrated into the Manager's investment process and will continue to evolve.

The Board has sought to engage with and understand the views of the Company's shareholders and other key stakeholders as relevant, as it regards an understanding of their views as essential in being able to fulfil its duty.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. In particular, they have sought to achieve three key objectives in 2020: to continue the record of long-term investment performance, including revenue generation to meet the Company's distribution needs; to manage the level of discount of the Company's share price to the net asset value; and, to broaden the shareholder base.

Key Board decisions and actions during the year took into account the directors' view of the stakeholders' best interest and promoted the success of the Company. Those, which have required the Directors to have regard to applicable section 172 factors include:

- the agreement reached with the Manager following a review to amend the investment management fee charged at the rate of 0.9% per annum (previously 1.0% per annum) on the net asset value of the Company's portfolio with effect from 1st August 2020;
- the recommendation that shareholders vote in favour of the Company's dividend policy as set out in the Annual Report;
- the recommendation that shareholders vote in favour of the renewal of the allotment and buyback authorities in respect of the current year;
- the renewal of the Company's loan facility (post year-end) which is utilised in line with the Company's gearing policy; and
- utilising revenue reserves to support the current year's fourth interim dividend, recognising that dividend generation from the Company is important to the shareholders.

To ensure continuing engagement with shareholders, a number of shareholder meetings have been held virtually over the last year with brokers and the investment management team in attendance. Shareholders are encouraged to attend the Company's Annual General Meeting under normal circumstances or contact the Directors via the Company Secretary. Although we generally encourage the shareholders to attend the AGM, that is not the case this year because of the outbreak of COVID-19 and the government's current prohibitions on large public gatherings.

In addition, the Directors have continued to hold the Manager to account on investment performance and undertaken a robust review of the principal and emerging risks faced by the Company.

Role of the Board

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

At each Board meeting, Directors' interests are considered. These are reviewed carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved. It was resolved that there were no actual or indirect interests of a Director which conflicted with the interests of the Company, which arose during the year.

Following the introduction of The Bribery Act 2010, the Board has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

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

There is an agreed procedure for Directors to take independent professional advice, if necessary, 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, 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 Fromson, currently consists of four non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 29. There were no changes to the Chairman's other significant commitments during the year under review.

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. Richard Robinson, as 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.

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on page 29. The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are summarised in the biographical details referred to above. All of the Directors held office during the year under review and will stand for reappointment at the forthcoming AGM.

Resolution 4 is for the reappointment of Mark Edwards. He joined the Board in February 2018 and has served for two years as a Director.

Resolution 5 is for the reappointment of Sarah Fromson. She joined the Board in June 2011 and has served for nine years as a Director (including two years as Board Chairman). Sarah will be retiring from the Board at the conclusion of the 2022 AGM after an orderly succession.

Resolution 6 is for the reappointment of Richard Robinson. He joined the Board in December 2011 and has served for eight years as Director (including two years as Chairman of the Nomination Committee). Richard will be retiring from the Board at the conclusion of the 2021 AGM.

Resolution 7 is for the reappointment of Caroline Gulliver. She joined the Board in January 2015 and has served for five years as a Director (including Chairman of the Audit and Risk Committee since November 2015).

The Board confirms that each of the Directors standing for reappointment at the forthcoming AGM continue to contribute effectively and are considered independent of the Manager. The Board recommends that shareholders vote in favour of their reappointment.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, a Director's appointment runs from year to year. In the light of the performance evaluation carried out each year, the Board will decide whether it is appropriate for the Director to seek an additional term. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the AIC Code of Corporate Governance, including the need to refresh the Board and its Committee. The Board seeks to balance the need for refreshment of its members with the value derived from experience and continuity. The Board has adopted corporate

governance best practice and all Directors stand for annual reappointment.

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

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and Committees

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

The table below details the number of Board and Audit and Risk Committee meetings and Nomination Committee meetings attended by each Director. During the year under review there were four Board meetings, two Audit and Risk Committee meetings and two Nomination Committee meetings. In addition, there were other ad hoc Board meetings held to deal with various procedural matters and formal approvals. In addition, there is regular contact between the Directors and the Manager and Company Secretary throughout the year.

| Director | Board Meetings Attended | Audit and Risk Committee Meetings Attended | Nomination Committee Meetings Attended |
|-------------------|-------------------------|--|--|
| Sarah Fromson | 4/4 | 2/2 | 1/1 |
| Caroline Gulliver | 4/4 | 2/2 | 1/1 |
| Richard Robinson | 4/4 | 2/2 | 1/1 |
| Mark Edwards | 4/4 | 2/2 | 1/1 |

As well as the formal meetings detailed above, the Board meets and communicates frequently by email or telephone to deal with day to day matters as they arise.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Richard Robinson, meets at least annually.

The Committee ensures that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates, when necessary,

for appointment. A variety of sources, including independent search consultants or open advertising, may be used to ensure that a wide range of candidates is considered.

The appointment process takes into account the benefits of diversity. The Board's policy on diversity, including gender, is to take account of the benefits of these during the appointment process. However, the Board remains committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity. Therefore, no targets have been set against which to report.

The Committee undertakes an annual performance evaluation of the Board, its Committee and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committee. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together. Questionnaires, drawn up by the Board are completed by each Director. The responses are then collated and discussed by the Committee. The evaluation of the individual Directors is led by the Board Chairman who also meets with each Director. The Senior Independent Director leads the evaluation of the Chairman's performance. The Board reviews Directors' fees. 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.

The Committee has a succession plan to refresh the Board in an orderly manner over time. The Board seeks to balance the need for refreshment of its members with the value derived from experience and continuity.

The Committee reviews the terms of the management agreement between the Company and the Manager, the performance of the Manager, the notice period that the Board has with the Manager and makes recommendations to the Board on the continued appointment of the Manager following these reviews.

Audit and Risk Committee

The report of the Audit and Risk Committee is set out on pages 38 and 39.

Terms of Reference

Each Committees has written terms of reference which define clearly its responsibilities, copies of which are available for inspection on the Company's website, 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 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.

Under normal circumstances, 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 Managers who review the Company's performance.

The Company's brokers, the Investment Managers and JPMF hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to support these meetings and to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 87.

The Company's annual report and accounts are published in time to give shareholders at least twenty 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 87.

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 the Manager 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 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 and Emerging Risks on pages 26 and 27). 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 audit 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 internal controls 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 and Other Agreements**

Appointment of a manager, depositary and custodian regulated by the FCA, whose responsibilities are clearly defined in written agreements.

- **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 and Risk Committee, keeps under review the effectiveness of the Company's system of risk management and internal controls 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 risk management and internal controls and the operations of its Depositary, BNY Mellon Trust & Depositary (UK) Limited, and its Custodian, JPMorgan Chase Bank, which are independently reviewed; and

- reviews every six months an independent report on the risk management and internal controls and the operations of the Manager.

By means of the procedures set out above, the Board confirms that it has carried out a robust assessment of the effectiveness of the Company's system of risk management and internal controls for the year ended 31st July 2020, 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 the Manager. The following text in italics is a summary of the policy statements of J.P. Morgan Asset Management ('JPMAM') on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social, environmental and governance issues are included in the Strategic Report on pages 15 to 17 and in the Investment Managers' Report on page 13.

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>, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

Audit and Risk Committee Report

Composition and Role

The Audit and Risk Committee, chaired by Caroline Gulliver and comprising all of the Directors, meets at least twice each year. The members of the Audit and Risk Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. As a member of the Committee, Sarah Fromson provides a valuable contribution from her extensive knowledge and experience, in particular, of risk management. This is permitted under the AIC Code because the Board Chairman was deemed to be independent on appointment. At least one member of the Committee has recent and relevant financial experience and the Audit and Risk Committee as a whole has competence relevant to the sector.

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.

The Committee reviews and examines the effectiveness of the Company's internal control systems. It monitors the Company's key risks, and the controls relating to those risks. It receives controls reports on the Manager and the custodian, and monitors the controls and service levels at the Company's other key third party suppliers. It also receives information from the Manager's Compliance department and reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the external Auditor. In the Directors' opinion the Auditor is considered independent. No non-audit services prohibited by the FRC's Ethical Standard were provided to the Company. The Committee also receives confirmations from the Auditor as part of its reporting, in regard to its objectivity and independence. Representatives of the Company's Auditor attend the Audit and Risk Committee meeting at which the draft annual report and accounts are considered and also engage with Directors as and when required.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st July 2020, the Committee considered the following significant issues, in particular 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 policy, disclosed in note 1(b) to the financial statements on page 57. Controls are in place to ensure that valuations are appropriate and ownership is verified through Depositary and Custodian reconciliations. The audit includes the review of the existence, ownership and valuation of the investments. |

| Significant issue | How the issue was addressed |
|---------------------------------------|--|
| Recognition of investment income | The recognition of investment income is undertaken in accordance with accounting policy disclosed in note 1(d) to the financial statements on page 57. The Board regularly reviews subjective elements of income such as special dividends and agrees their accounting treatment. |
| Going Concern and Long Term Viability | <p>The Committee has reviewed the appropriateness of the adoption of the Going Concern basis in preparing the accounts, particularly in view of the impact of the COVID-19 pandemic. The Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement below).</p> <p>The Committee also assessed the Long Term Viability of the Company as detailed on page 27 and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.</p> |

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 22), risk management policies (see pages 67 to 72), capital management policies and procedures (see page 73), the nature of the portfolio and revenue as well as cashflow and expenditure projections, taking into account the impact of COVID-19 on the revenue expected from underlying investments in these 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. The Company's investments are in quoted securities which are readily realisable and exceed its liabilities significantly. Gearing levels and compliance with loan covenants are reviewed by the Board on a regular basis. The Company's key third party suppliers, including its Manager, are not experiencing any operational difficulties to adversely affect their services to the Company. In addition, and in particular, the Board has considered the impact of COVID-19 and believes that this will have a limited financial impact on the Company's operational resources and existence, as highlighted in the Chairman's statement (see page 8) 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 12 months from the date of approval of these financial statements.

The Committee assesses the Company's ability to continue as a going concern and makes recommendations to the board to approve the going concern concept for preparation of the financial statements.

Auditor Appointment and Tenure

The Audit and Risk Committee has the primary responsibility for making recommendations to the Board on the reappointment and removal of external auditors. As part of its review of the continuing appointment of the Auditor, the Audit and Risk Committee considers the length of tenure of the audit firm, its fees, its independence from the Alternative Investment Fund Manager and the Investment Managers and any matters raised during the audit.

The current audit firm has audited the Company's financial statements since launch in July 2010. During 2015 a competitive tender for audit services was undertaken and it was resolved to retain Ernst & Young LLP. In accordance with present professional guidelines the Audit Partner is rotated after no more than five years and the current year is the first year for which the present Audit Partner, Caroline Mercer, has served. As noted in last year's annual report, it had been the intention of the Board to undertake a tender process during 2020 for the statutory audit of the company for the year ending 31st July 2021 since, following the conclusion of the 2020 audit, Ernst & Young LLP will have served as auditor to the Company for ten years. However, the Board has noted the joint statement by the Financial Conduct Authority (FCA), Financial Reporting Council (FRC) and Prudential Regulation Authority (PRA) in March 2020 which encouraged companies to consider delaying planned tenders for new auditors, even when mandatory rotation is due. Although it is a core requirement of EU regulations that audit firms rotate after ten years and is considered best practice, the Company is permitted to extend for a further ten years as an EU member state company. Accordingly, the Board intends to delay the tender process until 2021. Having reviewed the performance of the external Auditor, including the quality of work, timing of communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting.

Details of the fees paid for audit services are included in note 6 on page 60.

Fair, Balanced and Understandable

Having taken all available information into consideration and having discussed the content of the annual report and accounts with the Alternative Investment Fund Manager, Investment Managers, Company Secretary and other third party service providers, the Audit and Risk Committee has concluded that the annual report and financial statements for the year ended

31st July 2020, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 44.

The Directors' statement on the Company's system of Risk Management and Internal Control is set out on page 36.

By order of the Board
Divya Amin,
for and on behalf of
JPMorgan Funds Limited, Secretary.

23rd October 2020

The Board presents the Directors' Remuneration Report for the year ended 31st July 2020 which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The Auditor's opinion is included in their report on pages 46 to 52.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead remuneration of the Directors is considered by the Board on a regular basis.

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 and retained. The Chairman of the Board, the Chairman of the Audit and Risk Committee and the Senior Independent Director are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles. As a guide, Directors' fees are determined with reference to the median level of the fees paid to directors of JPMorgan investment trusts.

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 no consultation of employees is required 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 annual rates: Chairman £35,500; Chairman of the Audit and Risk Committee £29,000; Senior Independent Director £25,500 and, other Directors £24,500. With effect from 1st August 2020, Directors' fees remain unchanged.

The Company's Articles of Association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £175,000, requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Board 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 34.

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 31st July 2019 and no changes are currently proposed for the year ending 31st July 2021.

At the Annual General Meeting held on 28th November 2019, of votes cast, 99.87% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) both the remuneration policy and the remuneration report and 0.13% voted against each resolution. Abstentions were received from less than 0.01% respectively of the votes cast for each of these resolutions.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2020 Annual General Meeting will be given in the annual report for the year ending 31st July 2021.

DIRECTORS' REMUNERATION REPORT

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 each Director is detailed below together with the prior year comparative.

Single total figure table¹

| | Total fees ¹ | |
|-------------------------------|-------------------------|-----------|
| | 2020 £ | 2019 £ |
| Andrew Hutton ² | – | 11,026 |
| Sarah Fromson ³ | 35,500 | 30,866 |
| Caroline Gulliver | 29,000 | 27,500 |
| Richard Robinson ⁴ | 25,500 | 24,132 |
| Mark Edwards | 24,500 | 23,500 |
| Total | 114,500 | 117,024 |

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

² Retired on 27th November 2018.

³ Appointed Chairman on 27th November 2018.

⁴ Appointed Senior Independent Director on 27th November 2018.

A table showing the total remuneration for the Chairman since launch to 31st July 2020 is below:

Remuneration for the Chairman over the five years ended 31st July 2020

| Year ended 31st July | Fees |
|-------------------------|---------|
| 2020 | £35,500 |
| 2019 | £34,000 |
| 2018 | £34,000 |
| 2017 | £32,500 |
| 2016 | £32,500 |

Directors' Shareholdings¹

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors' beneficial shareholdings are detailed below. All shares are held beneficially.

| Directors' Name | 31st July 2020 | 31st July 2019 |
|-------------------------------|-------------------|-------------------|
| Sarah Fromson | 21,990 | 21,990 |
| Caroline Gulliver | 25,000 | 25,000 |
| Richard Robinson ² | 20,550 | 20,550 |
| Mark Edwards | 10,000 | 10,000 |
| Total | 77,540 | 77,540 |

¹ Audited information.

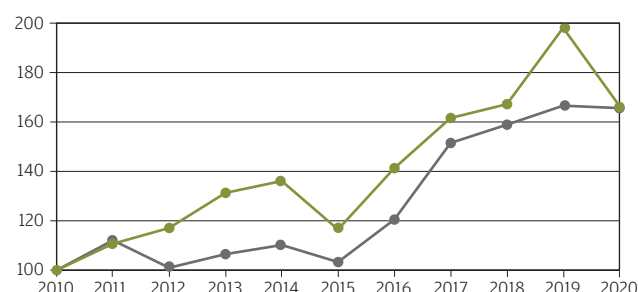
² Richard Robinson held a further non-beneficial interest in 41,960 shares as at 31st July 2020 (2019: 41,960).

As at the latest practicable 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 its benchmark, the MSCI Emerging Markets Index, with net dividends reinvested, in sterling terms, since the date the Company began investing is shown below. The MSCI Emerging Markets Index has been chosen as this is the Company's adopted benchmark index, for the reasons given on page 24.

Share price and benchmark total return since launch to 31st July 2020



Source: Morningstar/MSCI.

— Share price total return.
— Benchmark total return.

The table below is provided to enable shareholders to assess the relative importance of expenditure on Directors' remuneration. It compares the remuneration with distributions to shareholders by way of dividends.

Expenditure by the Company on remuneration and distributions to shareholders

| | Year ended 31st July | |
|---|----------------------|-------------|
| | 2020 | 2019 |
| Remuneration paid to all Directors | £114,500 | £117,024 |
| Distribution to shareholders – by way of dividend | £15,161,000 | £14,844,000 |

For and on behalf of the Board
Sarah Fromson
Director
23rd October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and financial statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

The Directors are responsible for keeping proper 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the www.jpmglobalemergingmarketsincome.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 auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. The financial statements are 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 Directors' Report, Strategic Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on page 29 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Strategic 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 Board confirms that it is satisfied that the annual report and financial statements 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.

For and on behalf of the Board

Sarah Fromson

Chairman

23rd October 2020

To the Members of JPMorgan Global Emerging Markets Income Trust plc

Opinion

We have audited the financial statements of JPMorgan Global Emerging Markets Income Trust PLC (the 'Company') for the year ended 31st July 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31st July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 26 and 27 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 26 in the annual report that they have carried out a robust assessment of the emerging and principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 57 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 27 in the annual report as to how they have assessed the prospects of the entity, 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 entity 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.

Overview of our audit approach

| | |
|--------------------------|---|
| Key audit matters | • Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income. |
| | • Risk of incorrect valuation or ownership of the investment portfolio. |
| | • Impact of COVID-19. |
| Materiality | • Overall materiality of £3.76 million (2019: £4.31 million) which represents 1% of shareholders' funds. |

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk | Our response to the risk | Key observations communicated to the Audit and Risk Committee |
|--|--|---|
| <p>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Statement of Comprehensive Income (as described on page 38 in the Audit and Risk Committee's Report and as per the accounting policy set out on pages 57 and 58).</p> <p>The total revenue for the year to 31st July 2020 was £16.37 million (2019: £22.27 million), consisting primarily of dividend income from listed equity investments.</p> <p>The total amount of special dividends received by the Company during the year was £1.01 million (2019: £1.58 million) of which £0.83 million (2019: £1.43 million) was classified as revenue and £0.18 million (2019: £0.15 million) as capital.</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>In addition to the above, the directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.</p> | <p>We have performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding revenue recognition by performing walkthrough procedures.</p> <p>For 100% of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source.</p> <p>To test completeness of recorded income, we tested that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>For all dividends accrued at the year end, we agreed the dividend entitlement to an independent data vendor and agreed the amount receivable to post year-end bank statements.</p> <p>For the special dividends above our testing threshold, we recalculated and assessed the appropriateness of management's classification, by reviewing the underlying rationale of the special dividends distribution and agreed with their allocation to revenue and capital</p> | <p>The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income.</p> |

INDEPENDENT AUDITOR'S REPORT

| Risk | Our response to the risk | Key observations communicated to the Audit and Risk Committee |
|---|---|---|
| <p>Incorrect valuation or ownership of the investment portfolio (as described on page 38 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 57).</p> <p>The valuation of the portfolio at 31st July 2020 was £402.29 million (2019: £456.20 million) consisting of listed investments.</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.</p> | <p>We performed the following procedures:</p> <p>We obtained an understanding of the Manager's and the Administrator's processes investment title and surrounding pricing of listed securities by performing walkthrough procedures.</p> <p>For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value.</p> <p>We compared the Company's investment holdings at 31st July 2020 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation.</p> | <p>The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment portfolio.</p> |
| <p>Impact of COVID-19 (as described on page 27 in the Strategic Report, page 38 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 57).</p> <p>The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.</p> <p>The COVID-19 pandemic had the most significant impact on our audit of the financial statements in the following areas:</p> | <p>We performed the following procedures:</p> <p>Going Concern</p> <p>We inspected the Director's assessment of going concern, which includes consideration of the impact of COVID-19 on revenue and cash forecasting. We have agreed the inputs and assumptions used in the assessment to our audit working papers and historically observed results of the Company.</p> <p>We inspected the Director's assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Director's.</p> | <p>As a result of our procedures, we have determined that the Director's conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to COVID-19 and going concern and determined that they are appropriate.</p> |

| Risk | Our response to the risk | Key observations communicated to the Audit and Risk Committee |
|--|---|---|
| Going concern There is increased uncertainty in certain of the assumptions underlying management's assessment of future prospects, which includes the ability of the Company to meet debt covenants and the ability to fund ongoing costs. | Financial statements disclosures We reviewed the adequacy of the going COVID-19 and concern disclosures by evaluating whether they were consistent with the Director's assessment. We reviewed the disclosures for compliance with the reporting requirements | |
| Financial statement disclosures There is a risk that the impact of COVID-19 is not adequately disclosed in the financial statements. | | |

We re-assessed the risks determined at the planning stage of the audit and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment during the audit to include the Key Audit Matter 'Impact of COVID-19'. Our other Key Audit Matters are unchanged from our assessment at the planning stage for the year ended 31st July 2020.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £3.76 million (2019: £4.31 million) which is 1% of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £2.82 million (2019: £3.23 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.72 million (2019: £1.00 million) being 5% of profit before tax.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.19 million (2019: £0.22 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 44 and 75 to 78, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 39** – the statement given by the directors that they consider the annual report and financial statements 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, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit and Risk committee reporting set out on pages 38 and 39** – the section describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 32** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 44, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income. Further discussion of our approach is set out in the section on key audit matters above.

INDEPENDENT AUDITOR'S REPORT

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed as auditors by the Company as part of the initial listing process and signed an engagement letter on 24th June 2010 to audit the financial statements for the period ending 31st July 2011 and subsequent financial periods. Our appointment was subsequently ratified at the first annual general meeting of the Company held on 10th November 2011. Following a competitive tender process, we were reappointed as auditor of the Company for the year ending 31st July 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointment is ten years, covering the year ending 31st July 2011 to 31st July 2020.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

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

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Edinburgh

23rd October 2020

Notes:

1. The maintenance and integrity of the JPMorgan Global Emerging Markets Income Trust PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST JULY 2020

| | Notes | Revenue £'000 | 2020 Capital £'000 | Total £'000 | Revenue £'000 | 2019 Capital £'000 | Total £'000 |
|---|-------|------------------|--------------------------|-----------------|------------------|--------------------------|----------------|
| (Losses)/gains on investments held at fair value through profit or loss | 3 | — | (50,303) | (50,303) | — | 33,262 | 33,262 |
| Net foreign currency gains/(losses) | | — | 1,516 | 1,516 | — | (1,746) | (1,746) |
| Income from investments | 4 | 16,308 | — | 16,308 | 22,199 | — | 22,199 |
| Interest receivable and similar income | 4 | 66 | — | 66 | 75 | — | 75 |
| Gross return/(loss) | | 16,374 | (48,787) | (32,413) | 22,274 | 31,516 | 53,790 |
| Management fee | 5 | (1,154) | (2,694) | (3,848) | (1,257) | (2,934) | (4,191) |
| Other administrative expenses | 6 | (649) | — | (649) | (725) | — | (725) |
| Net return/(loss) before finance costs and taxation | | 14,571 | (51,481) | (36,910) | 20,292 | 28,582 | 48,874 |
| Finance costs | 7 | (270) | (630) | (900) | (279) | (651) | (930) |
| Net return/(loss) before taxation | | 14,301 | (52,111) | (37,810) | 20,013 | 27,931 | 47,944 |
| Taxation | 8 | (1,584) | — | (1,584) | (2,440) | 195 | (2,245) |
| Net return/(loss) after taxation | | 12,717 | (52,111) | (39,394) | 17,573 | 28,126 | 45,699 |
| Return/(loss) per share | 9 | 4.28p | (17.53)p | (13.25)p | 5.92p | 9.47p | 15.39p |

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

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The net return/(loss) after taxation represents the profit/(loss) for the year and also the total comprehensive income.

The notes on pages 57 to 73 form an integral part of these financial statements.

FOR THE YEAR ENDED 31ST JULY 2020

| | Called up share capital £'000 | Share redemption premium £'000 | Capital reserve £'000 | Other reserve ^{1,2} £'000 | Capital reserves £'000 | Revenue reserve ² £'000 | Total £'000 |
|--|--|--------------------------------------|-----------------------------|--|------------------------------|--|----------------|
| At 31st July 2018 | 2,968 | 221,988 | 13 | 101,113 | 59,096 | 14,336 | 399,514 |
| Issue of new ordinary shares (note 15) | 5 | 594 | — | — | — | — | 599 |
| Net return | — | — | — | — | 28,126 | 17,573 | 45,699 |
| Dividends paid in the year (note 10) | — | — | — | (508) | — | (14,336) | (14,844) |
| At 31st July 2019 | 2,973 | 222,582 | 13 | 100,605 | 87,222 | 17,573 | 430,968 |
| Net (loss)/return | — | — | — | — | (52,111) | 12,717 | (39,394) |
| Dividends paid in the year (note 10) | — | — | — | — | — | (15,161) | (15,161) |
| At 31st July 2020 | 2,973 | 222,582 | 13 | 100,605 | 35,111 | 15,129 | 376,413 |

¹ The balance of the share premium was cancelled on 20th October 2010 and transferred to the 'other reserve'.

² These reserves form the distributable reserve of the Company and may be used to fund distributions to investors.

The accompanying notes on pages 57 to 73 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31ST JULY 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|-----------------|----------------|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 11 | 402,288 | 456,203 |
| Current assets | 12 | | |
| Debtors | | 1,768 | 1,364 |
| Cash and cash equivalents | | 6,530 | 6,314 |
| | | 8,298 | 7,678 |
| Current liabilities | 13 | | |
| Creditors: amounts falling due within one year | | (18,935) | (245) |
| Net current assets | | (10,637) | 7,433 |
| Total assets less current liabilities | | 391,651 | 463,636 |
| Creditors: amounts falling due after more than one year | 14 | (15,238) | (32,668) |
| Net assets | | 376,413 | 430,968 |
| Capital and reserves | | | |
| Called up share capital | 15 | 2,973 | 2,973 |
| Share premium | 16 | 222,582 | 222,582 |
| Capital redemption reserve | 16 | 13 | 13 |
| Other reserve | 16 | 100,605 | 100,605 |
| Capital reserves | 16 | 35,111 | 87,222 |
| Revenue reserve | 16 | 15,129 | 17,573 |
| Total shareholders' funds | | 376,413 | 430,968 |
| Net asset value per share | 17 | 126.6p | 145.0p |

The financial statements on pages 54 to 73 were approved by the Directors and authorised for issue on 23rd October 2020 and are signed on their behalf by:

Sarah Fromson

Director (Chairman)

The accompanying notes on pages 57 to 73 form an integral part of these financial statements.

Company incorporated and registered in England and Wales number: 7273382

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JULY 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|--|-------|-----------------|-----------------|
| Net cash outflow from operations before dividends and interest | 18 | (5,044) | (4,575) |
| Dividends received | | 15,008 | 20,832 |
| Interest received | | 55 | 69 |
| Overseas tax recovered | | 2 | – |
| Interest paid | | (905) | (880) |
| Net cash inflow from operating activities | | 9,116 | 15,446 |
| Purchases of investments | | (100,666) | (59,570) |
| Sales of investments | | 107,077 | 60,316 |
| Settlement of forward currency contracts | | (33) | 48 |
| Net cash inflow from investing activities | | 6,378 | 794 |
| Dividends paid | | (15,161) | (14,844) |
| Issue of new ordinary shares | | – | 599 |
| Net cash outflow from financing activities | | (15,161) | (14,245) |
| Increase in cash and cash equivalents | | 333 | 1,995 |
| Cash and cash equivalents at start of year | | 6,314 | 4,275 |
| Unrealised (losses)/gains on foreign currency cash and cash equivalents ¹ | | (117) | 44 |
| Cash and cash equivalents at end of year | | 6,530 | 6,314 |
| Increase in cash and cash equivalents | | 333 | 1,995 |
| Cash and cash equivalents consist of: | | | |
| Cash and short term deposits | | 5,673 | 2,185 |
| Cash held in JPMorgan US Dollar Liquidity Fund | | 857 | 4,129 |
| Total | | 6,530 | 6,314 |

RECONCILIATION OF NET DEBT

| | As at 31st July 2019 £'000 | Cash flows £'000 | Other non-cash charges £'000 | As at 31st July 2020 £'000 |
|-----------------------------------|-------------------------------------|---------------------|---------------------------------------|-------------------------------------|
| Cash and cash equivalents: | | | | |
| Cash | 2,185 | 3,544 | (56) | 5,673 |
| Cash equivalents | 4,129 | (3,211) | (61) | 857 |
| | 6,314 | 333 | (117) | 6,530 |
| Borrowings | | | | |
| Debt due within one year | – | – | (15,238) | (15,238) |
| Debt due after one year | (32,668) | – | 17,430 | (15,238) |
| | (32,668) | – | 2,192 | (30,476) |
| Total | (26,354) | 333 | 2,075 | (23,946) |

FOR THE YEAR ENDED 31ST JULY 2020

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 October 2019.

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

The financial statements have been prepared on a going concern basis. In forming this opinion, the directors have considered any potential impact of the COVID-19 pandemic on the going concern and viability of the Company. They have considered the potential impact of COVID-19 and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience particularly in light of COVID-19. The Directors have reviewed the compliance with debt covenants in assessing the going concern and viability of the Company. The Directors have reviewed income and expense projections and the liquidity of the investment portfolio in making their assessment.

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

(b) 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 providing shareholders with a dividend income and the potential for long term 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 classified 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 and realised gains or losses on derivatives, including the related foreign exchange gains and losses, realised gains and losses on foreign currency contracts, management fee 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, and other derivatives 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 'Holding gains and losses of investments'.

(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.

1. Accounting policies *continued*

(d) Income *continued*

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

Deposit interest and interest from the liquidity fund are taken to revenue on an accruals basis.

Stock lending income 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:

- Management fees are allocated 30% to revenue and 70% to capital in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- 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 11 on page 63.

(f) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest method.

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

(g) Financial instruments

Cash and 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, are short term, and readily convertible to a known amount of 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. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as capital.

Bank loans are classified as financial liabilities measured at amortised cost. They are initially measured at proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on the bank loans are accounted for on an accrual basis using the effective interest method in the Statement of Comprehensive Income.

(h) 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.

(i) 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.

(j) Foreign 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. Dividends and most expenses are paid in sterling. 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 gains or loss arising from a change in exchange rates subsequent to the date of the translation is included in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

(k) Dividends payable

Dividends are included in the financial statements in the year in which they are paid.

(l) Repurchase and re-issue of shares in Treasury

The cost of repurchasing Ordinary shares into Treasury, including the related stamp duty and transaction costs is charged to the 'Other reserve' 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 capital redemption reserve.

Sales proceeds from shares re-issued from Treasury are treated as a realised profit up to the amount of the purchase price of those shares and transferred to capital reserves. The excess of the sales proceeds over the purchase price is transferred to share premium.

(m) Share issue costs

Share capital is classified as equity and the costs of new share issues are netted from proceeds and charged to share premium and dealt with in the Statement of Changes in Equity.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements on occasion requires the Directors 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. (Losses)/gains on investments held at fair value through profit or loss

| | 2020 £'000 | 2019 £'000 |
|--|-----------------|---------------|
| Realised gains/(losses) on sales of investments | 2,898 | (186) |
| Net change in unrealised gains and losses on investments | (53,173) | 33,481 |
| Other capital charges | (28) | (33) |
| Total (losses)/gains on investments held at fair value through profit or loss | (50,303) | 33,262 |

4. Income

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Income from investments: | | |
| Overseas dividends | 16,304 | 22,198 |
| Dividends from Participation notes | 1 | 1 |
| Scrip dividends | 3 | – |
| | 16,308 | 22,199 |
| Interest receivable and similar income: | | |
| Interest from liquidity fund | 53 | 67 |
| Deposit interest | 1 | 3 |
| Stock lending income | 12 | 5 |
| | 66 | 75 |
| Total income | 16,374 | 22,274 |

5. Management fee

| | Revenue £'000 | 2020 Capital £'000 | Total £'000 | Revenue £'000 | 2019 Capital £'000 | Total £'000 |
|----------------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Management fee | 1,154 | 2,694 | 3,848 | 1,257 | 2,934 | 4,191 |

Details of the management fee are given in the Directors' Report on page 30.

6. Other administrative expenses

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Administration expenses | 451 | 502 |
| Directors' fees ¹ | 115 | 117 |
| Depositary fees ² | 53 | 53 |
| Auditors' remuneration for audit services ³ | 30 | 30 |
| Savings scheme costs ⁴ | – | 23 |
| | 649 | 725 |

¹ Full disclosure is given in the Directors' Remuneration Report on pages 41 and 42.

² Includes £2,000 (2019: £4,000) irrecoverable VAT.

³ Includes £4,000 (2019: £2,000) irrecoverable VAT.

⁴ These amounts were paid to the Manager for the administration of saving scheme products. Includes £1,700 irrecoverable VAT.

7. Finance costs

| | Revenue £'000 | 2020 Capital £'000 | Total £'000 | Revenue £'000 | 2019 Capital £'000 | Total £'000 |
|---------------------------------------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Interest on bank loans and overdrafts | 270 | 630 | 900 | 279 | 651 | 930 |

8. Taxation

(a) Analysis of tax charge for the year

| | Revenue £'000 | 2020 Capital £'000 | Total £'000 | Revenue £'000 | 2019 Capital £'000 | Total £'000 |
|---|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Overseas withholding tax | 1,584 | — | 1,584 | 2,245 | — | 2,245 |
| Tax relief from expenses charged to capital | — | — | — | 195 | (195) | — |
| Total tax charge for the year | 1,584 | — | 1,584 | 2,440 | (195) | 2,245 |

(b) Factors affecting total tax charge for the year

The total tax charge for the year is lower (2019: lower) than the Company's applicable rate of corporation tax of 19.0% (2019: 19.0%). The factors affecting the total tax charge for the year are as follows:

| | Revenue £'000 | 2020 Capital £'000 | Total £'000 | Revenue £'000 | 2019 Capital £'000 | Total £'000 |
|---|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Net return before taxation | 14,301 | (52,111) | (37,810) | 20,013 | 27,931 | 47,944 |
| Net return before taxation multiplied by the Company's applicable rate of corporation tax of 19.0% (2019: 19.0%) | 2,717 | (9,901) | (7,184) | 3,802 | 5,307 | 9,109 |
| Effects of: | | | | | | |
| Non taxable capital losses/(gains) | — | 9,270 | 9,270 | — | (5,988) | (5,988) |
| Non taxable scrip dividends | (1) | — | (1) | — | — | — |
| Non taxable overseas dividends | (2,611) | — | (2,611) | (3,415) | — | (3,415) |
| Tax attributable to costs charged to capital | (631) | 631 | — | (681) | 681 | — |
| Tax relief on expenses charged to capital | — | — | — | 195 | (195) | — |
| Overseas withholding tax | 1,584 | — | 1,584 | 2,245 | — | 2,245 |
| Unutilised expenses carried forward to future periods | 580 | — | 580 | 382 | — | 382 |
| Double taxation relief expensed | (54) | — | (54) | (88) | — | (88) |
| Total tax charge for the year | 1,584 | — | 1,584 | 2,440 | (195) | 2,245 |

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £4,562,000 (2019: £3,563,000) based on a prospective corporation tax rate of 19% (2019: 17%). 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 retain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

9. Return per share

| | 2020 £'000 | 2019 £'000 |
|--|-----------------|---------------|
| Revenue return | 12,717 | 17,573 |
| Capital (loss)/return | (52,111) | 28,126 |
| Total (loss)/return | (39,394) | 45,699 |
| Weighted average number of shares in issue during the year | 297,240,161 | 296,892,079 |
| Revenue return per share | 4.28p | 5.92p |
| Capital (loss)/return per share | (17.53)p | 9.47p |
| Total (loss)/return per share | (13.25)p | 15.39p |

10. Dividends

(a) Dividends paid and declared

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Dividend paid | | |
| 2019 Fourth interim dividend paid of 2.1p (2018: 2.0p) | 6,242 | 5,936 |
| First interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,968 |
| Second interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,968 |
| Third interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,972 |
| Total dividends paid in the year | 15,161 | 14,844 |
| Dividend declared | | |
| Fourth interim dividend declared of 2.1p (2019: 2.1p) | 6,242 | 6,242 |

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

The revenue available for distribution by way of dividend for the year is £12,717,000 (2019: £17,573,000). The revenue reserve after paying the proposed dividend will be £8,887,000 (2019: £11,839,000).

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| First interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,968 |
| Second interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,968 |
| Third interim dividend paid of 1.0p (2019: 1.0p) | 2,973 | 2,972 |
| Fourth interim dividend declared of 2.1p (2019: 2.1p) | 6,242 | 6,242 |
| Total dividends for Section 1158 purposes | 15,161 | 15,150 |

11. Investments held at fair value through profit or loss

| | 2020 £'000 | | | 2019 £'000 | | |
|---|-----------------|---------------------------|----------------|-----------------|---------------------------|----------------|
| Investments listed on a recognised stock exchange and Participation notes | 402,288 | | | 456,203 | | |
| | Listed £'000 | 2020 Unlisted £'000 | Total £'000 | Listed £'000 | 2019 Unlisted £'000 | Total £'000 |
| Opening book cost | 355,734 | – | 355,734 | 357,221 | – | 357,221 |
| Opening investment holding gains | 100,469 | – | 100,469 | 66,988 | – | 66,988 |
| Opening valuation | 456,203 | – | 456,203 | 424,209 | – | 424,209 |
| Movements in the year: | | | | | | |
| Purchases at cost | 102,436 | 1,701 | 104,137 | 58,528 | – | 58,528 |
| Sales - proceeds | (107,777) | – | (107,777) | (59,829) | – | (59,829) |
| (Losses)/gains on investments | (50,646) | 371 | (50,275) | 33,295 | – | 33,295 |
| | 400,216 | 2,072 | 402,288 | 456,203 | – | 456,203 |
| Closing book cost | 353,291 | 1,701 | 354,992 | 355,734 | – | 355,734 |
| Closing investment holding gains | 46,925 | 371 | 47,296 | 100,469 | – | 100,469 |
| Total investments held at fair value through profit or loss | 400,216 | 2,072 | 402,288 | 456,203 | – | 456,203 |

Transaction costs on purchases during the year amounted to £145,000 (2019: £106,000) and on sales during the year amounted to £178,000 (2019: £91,000). These costs comprise mainly brokerage commission.

The company received £107,777,000 (2019: £59,829,000) from investments sold in the year. The book cost of these investments when they were purchased was £104,895,000 (2019: £60,021,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

12. Current assets

| | 2020 £'000 | 2019 £'000 |
|-------------------------------------|---------------|---------------|
| Debtors | | |
| Securities sold awaiting settlement | 670 | – |
| Dividends and interest receivable | 854 | 1,142 |
| Overseas tax recoverable | 193 | 195 |
| Other debtors | 51 | 27 |
| | 1,768 | 1,364 |

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 approximates to their fair value.

13. Current liabilities

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Creditors: amounts falling due within one year | | |
| Securities purchased awaiting settlement | 3,468 | — |
| Bank loan - US Dollar 20 million fixed rate loan with NAB (maturing 2020) (see note 14 for details) | 15,238 | — |
| Other creditors | 135 | 146 |
| Loan interest payable | 94 | 99 |
| | 18,935 | 245 |

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

14. Creditors: amounts falling due after more than one year

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Bank loan - US Dollar 20 million fixed rate loan with NAB (maturing 2020) | — | 16,334 |
| Bank loan - US Dollar 20 million fixed rate loan with NAB (maturing 2022) | 15,238 | 16,334 |
| | 15,238 | 32,668 |

At the year end the Company had two US Dollar \$20 million fixed rate loans with NAB, repayable in October 2020 (2.31% per annum) and November 2022 (3.28% per annum). Upon maturity of the first US Dollar \$20 million loan in October 2020, the Company entered into a new three year revolving rate US Dollar \$20 million loan facility with ING Bank expiring in October 2023. Under the terms of this loan facility, the Company may draw down up to US Dollar 20 million at an interest rate of LIBOR as quoted in the market for the loan period, plus a margin and mandatory costs.

15. Called up share capital

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Issued and fully paid share capital: | | |
| Ordinary shares of 1p each ¹ | | |
| Opening balance of 297,240,161 (2019: 296,790,161) Ordinary shares excluding shares held in Treasury | 2,973 | 2,968 |
| Issue of nil new ordinary shares (2019: 450,000) | — | 5 |
| Subtotal of 297,240,161 (2019: 297,240,161) Ordinary shares excluding shares held in Treasury | 2,973 | 2,973 |
| 49,277 (2019: 49,277) Ordinary shares held in Treasury | — | — |
| Closing balance of 297,289,438 (2019: 297,289,438) Ordinary shares including shares held in Treasury | 2,973 | 2,973 |

¹ Fully paid Ordinary shares, which have a par value of 1p each, carry one vote per share and carry a right to receive dividends.

Further details of transactions in the Company's shares are given in the Business Review on page 22.

Share capital transactions

During the year nil (2019: 450,000) new Ordinary shares were issued for gross proceeds of £nil (2019: 599,000).

The Company has the authority to repurchase shares in the market for cancellation or to be held in Treasury.

16. Capital and reserves

| | Called up share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Other reserve ^{1,2} £'000 | Capital reserves | | Revenue reserve ² £'000 | Total £'000 |
|---|--|---------------------------|---|--|--|---|--|----------------|
| | | | | | Gains and losses on sales of investments £'000 | Holding gains and losses of investments £'000 | | |
| Opening balance | 2,973 | 222,582 | 13 | 100,605 | (8,647) | 95,869 | 17,573 | 430,968 |
| Net foreign currency losses | — | — | — | — | (676) | — | — | (676) |
| Realised gains on sale of investments | — | — | — | — | 2,898 | — | — | 2,898 |
| Net change in unrealised gains and losses on investments | — | — | — | — | — | (53,173) | — | (53,173) |
| Unrealised foreign currency gains on loans | — | — | — | — | — | 2,192 | — | 2,192 |
| Management fee and finance costs charged to capital | — | — | — | — | (3,324) | — | — | (3,324) |
| Other capital charges | — | — | — | — | (28) | — | — | (28) |
| Dividends paid in the year | — | — | — | — | — | — | (15,161) | (15,161) |
| Retained revenue for the year | — | — | — | — | — | — | 12,717 | 12,717 |
| Closing balance | 2,973 | 222,582 | 13 | 100,605 | (9,777) | 44,888 | 15,129 | 376,413 |

¹ The balance of the share premium was cancelled on 20th October 2010 and transferred to the 'other reserve'.

² These reserves form the distributable reserve of the Company and may be used to fund distributions to investors.

17. Net asset value per share

| | 2020 | 2019 |
|----------------------------------|---------------|---------------|
| Net assets (£'000) | 376,413 | 430,968 |
| Number of shares in issue | 297,240,161 | 297,240,161 |
| Net asset value per share | 126.6p | 145.0p |

18. Reconciliation of net (loss)/return before finance costs and taxation to net cash outflow from operations before dividends and interest

| | 2020 £'000 | 2019 £'000 |
|--|----------------|----------------|
| Net (loss)/return before finance costs and taxation | (36,910) | 48,874 |
| Add capital loss/(less capital return) before finance costs and taxation | 51,481 | (28,582) |
| Scrip dividends received as income | (3) | — |
| Decrease in accrued income and other debtors | 264 | 807 |
| Decrease in accrued expenses | (9) | (9) |
| Management fee charged to capital | (2,694) | (2,934) |
| Overseas withholding tax | (1,584) | (2,174) |
| Dividends received | (15,008) | (20,832) |
| Interest received | (55) | (69) |
| Realised (losses)/gains on foreign exchange transactions | (238) | 212 |
| Realised (losses)/gains on liquidity funds | (288) | 132 |
| Net cash outflow from operations before dividends and interest | (5,044) | (4,575) |

19. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2019: same).

20. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 30. The management fee payable to the Manager for the year was £3,848,000 (2019: £4,191,000) of which £nil (2019: nil) was outstanding at the year end.

During the year £nil (2019: £23,000) was paid to the Manager for the marketing and administration of savings scheme products, of which £nil (2019: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 60 are safe custody fees amounting to £247,000 (2019: £273,000) payable to JPMorgan Chase Bank N.A. of which £36,000 (2019: £47,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through its group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £11,000 (2019: £7,000) of which £nil (2019: £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 £857,000 (2019: £4,129,000). Income amounting to £53,000 (2019: 67,000) was receivable during the year of which £nil (2019: £nil) was outstanding at the year end.

Stock lending income amounting to £12,000 (2019: £5,000) was receivable by the Company during the year. JPMAM commissions in respect of such transactions amounted to £1,000 (2019: £1,000).

Handling charges on dealing transactions amounting to £28,000 (2019: £33,000) were payable to JPMorgan Chase Bank N.A. during the year of which £2,000 (2019: £3,000) was outstanding at the year end.

At the year end, total cash of £5,673,000 (2019: £2,185,000) was held with JPMorgan Chase Bank N.A. A net amount of interest of £1,000 (2019: £3,000) was receivable by the Company during the year from JPMorgan Chase Bank N.A. of which £nil (2019: £1,000) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 42 and in note 6 on page 60.

21. 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 and derivative financial instruments.

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
- (2) Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly
- (3) Inputs that are unobservable (i.e.: for which market data is unavailable) for the asset or liability

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.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 31st July.

| | 2020 | | 2019 | |
|----------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 400,216 | — | 456,203 | — |
| Level 2 ¹ | 2,072 | — | — | — |
| Total | 402,288 | — | 456,203 | — |

¹ The Level 2 investment relates to an investment in Haier Electronics, for which trading in the shares was suspended on 31st July 2020 and the data used was as of 29th July 2020. The trading of the security was resumed on the Hong Kong Stock exchange post year end.

| | 2020 | |
|---|--------------------------------|----------------|
| | Equity investments £'000 | Total £'000 |
| Level 2 | | |
| Opening balance | — | — |
| Purchase | 1,701 | 1,701 |
| Change in fair value of unquoted investment during the year | 371 | 371 |
| Closing balance | 2,072 | 2,072 |

22 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 and have not changed from those applying in the comparative year.

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

- investments in equity shares and participation notes 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;
- two fixed rate loans with National Australia Bank; and
- short term forward foreign currency contracts for the purpose of settling short term liabilities.

(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.

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

(a) Market risk *continued*

(i) Currency risk *continued*

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 31st July are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

| | 2020 | | | | | | | | | | |
|---|-------------------------|----------------------|------------------|--------------------|------------------------|-------------------|-------------------------|--------------------|---------------------|---------------|----------------|
| | Hong Kong Dollars £'000 | Taiwan Dollars £'000 | US Dollars £'000 | Chinese Yuan £'000 | South Korean Won £'000 | Mexico Peso £'000 | South Africa Rand £'000 | Indian Rupee £'000 | Thailand Baht £'000 | Other £'000 | Total £'000 |
| Current assets | 999 | 3,738 | 3,362 | 56 | 64 | — | — | 17 | — | 260 | 8,496 |
| Creditors | — | (3,752) | (30,479) | — | — | — | — | — | — | — | (34,231) |
| Foreign currency exposure on net monetary items | 999 | (14) | (27,117) | 56 | 64 | — | — | 17 | — | 260 | (25,735) |
| Investments held at fair value through profit or loss | 86,093 | 65,640 | 81,058 | 36,578 | 25,253 | 21,295 | 17,506 | 9,023 | 10,956 | 48,886 | 402,288 |
| Total net foreign currency exposure | 87,092 | 65,626 | 53,941 | 36,634 | 25,317 | 21,295 | 17,506 | 9,040 | 10,956 | 49,146 | 376,553 |
| | 2019 | | | | | | | | | | |
| | Hong Kong Dollars £'000 | Taiwan Dollars £'000 | US Dollars £'000 | Chinese Yuan £'000 | South Korean Won £'000 | Mexico Peso £'000 | South Africa Rand £'000 | Indian Rupee £'000 | Thailand Baht £'000 | Other £'000 | Total £'000 |
| Current assets | 631 | 746 | 4,885 | 779 | 87 | — | — | — | — | 473 | 7,601 |
| Creditors | — | — | (32,767) | — | — | — | — | — | — | — | (32,767) |
| Foreign currency exposure on net monetary items | 631 | 746 | (27,882) | 779 | 87 | — | — | — | — | 473 | (25,166) |
| Investments held at fair value through profit or loss | 90,220 | 50,309 | 79,818 | 40,198 | 20,409 | 34,812 | 28,946 | 6,982 | 23,961 | 80,548 | 456,203 |
| Total net foreign currency exposure | 90,851 | 51,055 | 51,936 | 40,977 | 20,496 | 34,812 | 28,946 | 6,982 | 23,961 | 81,021 | 431,037 |

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

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% (2019: 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.

| | 2020 | | 2019 | |
|---|---|-------------------------------------|---|-------------------------------------|
| | 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 | (1,636) | 1,636 | (2,227) | 2,227 |
| Capital return | 2,574 | (2,574) | 2,517 | (2,517) |
| Total return after taxation | 938 | (938) | 290 | (290) |
| Net assets | 938 | (938) | 290 | (290) |

In the opinion of the Directors, the above sensitivity analysis is not representative of the whole of the current or comparative year due to fluctuations in the Company's investment in the JPMorgan US Dollar 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.

| | 2020 £'000 | 2019 £'000 |
|--------------------------------------|---------------|---------------|
| Exposure to floating interest rates: | | |
| Cash and short term deposits | 5,673 | 2,185 |
| JPMorgan US Dollar Liquidity Fund | 857 | 4,129 |
| Total exposure | 6,530 | 6,314 |

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above LIBOR respectively (2019: same).

The target interest earned on the JPMorgan Euro Liquidity Fund is the 7 day Euro London Interbank Bid Rate. Details of the bank loans are given in note 14 on page 64.

22. Financial instruments' exposure to risk and risk management policies *continued***(a) Market risk** *continued***(ii) Interest rate risk** *continued***Interest rate sensitivity**

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2019: 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.

| | 2020 | | 2019 | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 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 | 65 | (65) | 63 | (63) |
| Capital return | – | – | – | – |
| Total return after taxation for the year | 65 | (65) | 63 | (63) |
| Net assets | 65 | (65) | 63 | (63) |

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 countries and industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Other price risk exposure

The Company's total exposure to changes in market prices at 31st July comprises its holdings in equity investments as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Investments held at fair value through profit or loss | 402,288 | 456,203 |

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 18 to 20. 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.

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% (2019: 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.

| | 2020 | | 2019 | |
|---|--|--|--|--|
| | 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 | (121) | 121 | (137) | 137 |
| Capital return | 39,947 | (39,947) | 45,301 | (45,301) |
| Total return after taxation for the year and net assets | 39,826 | (39,826) | 45,164 | (45,164) |

(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:

| | 2020 | | Total £'000 |
|--|-----------------------------|--------------------------------|----------------|
| | Within one year £'000 | More than one year £'000 | |
| Creditors: amounts falling due within one year | | | |
| Securities purchased for future settlement | 3,468 | — | 3,468 |
| Bank loans including interest | 15,367 | — | 15,367 |
| Other creditors | 135 | — | 135 |
| Creditors: amounts falling due after more than one year | | | |
| Bank loans including interest | 531 | 15,901 | 16,432 |
| | 19,501 | 15,901 | 35,402 |
| | 2019 | | Total £'000 |
| | Within one year £'000 | More than one year £'000 | |
| Creditors: amounts falling due within one year | | | |
| Other creditors | 146 | — | 146 |
| Creditors: amounts falling due after more than one year | | | |
| Bank loans including interest | 1,012 | 33,988 | 35,000 |
| | 1,158 | 33,988 | 35,146 |

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

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

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction 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. The Board regularly reviews the counterparties used by the Manager.

JPMorgan Chase Bank N.A. and the JPMorgan US Dollar Liquidity Fund have S+P credit ratings of A-1 and AAAm respectively.

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.

The aggregate value of securities on loan at 31st July 2020 amounted to £5.6 million (2019: £nil) and the maximum value of stock on loan during the year amounted to £10.4 million (2019: £2.3 million). Collateral is obtained by the securities lending agent and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency.

(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.

23. Capital management policies and procedures

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

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

| | 2020 £'000 | 2019 £'000 |
|---|----------------|----------------|
| Debt: | | |
| US Dollar 20 million fixed rate loan with NAB (maturing 2020) | 15,238 | 16,334 |
| US Dollar 20 million fixed rate loan with NAB (maturing 2022) | 15,238 | 16,334 |
| | 30,476 | 32,668 |
| Equity: | | |
| Called up share capital | 2,973 | 2,973 |
| Reserves | 373,440 | 427,995 |
| | 376,413 | 430,968 |
| Total debt and equity | 406,889 | 463,636 |

The Board's policy is to employ gearing when the Manager believes it to be appropriate to do so. Gearing will be in the range of 10% net cash to 20% geared in normal market conditions, at the discretion of the Manager.

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Investments held at fair value through profit or loss | 402,288 | 456,203 |
| Net assets | 376,413 | 430,968 |
| Gearing | 6.9% | 5.9% |

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

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

24. Subsequent events

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

Regulatory Disclosures

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

Leverage

For the purposes of the Alternative Investment Fund Managers Directive (the '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 is calculated on a gross and a commitment method, in accordance with the 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, as at 31st July 2020, which gives the following figures:

| | Gross Method | Commitment Method |
|--------------------------|--------------|-------------------|
| Leverage Exposure | | |
| Maximum limit | 175% | 175% |
| Actual | 109% | 109% |

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPM Global Emerging Markets Income 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 2019 Performance Year in June 2019 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 2019 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 30 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 38 sub-funds) as at 31st December 2019, with a combined AUM as at that date of £13.8 billion and £17.1 billion respectively.

| | Fixed remuneration | Variable remuneration | Total remuneration | Number of beneficiaries |
|--|--------------------|-----------------------|--------------------|-------------------------|
| All staff of the Management Company (USD\$'000s) | 15,972 | 9,139 | 25,111 | 119 |

The aggregate 2019 total remuneration paid to AIFMD Identified Staff was USD \$57,449,000, of which USD \$4,425,000 relates to Senior Management and USD \$53,024,000 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 Fund engages 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). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFTR for the accounting period ended 31st July 2020 are detailed below.

Global Data**Amount of securities on loan**

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 4.39%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

| | Value £'000 | % of AUM |
|--------------------|----------------|----------|
| Securities lending | 5,650 | 1.50% |

Concentration and Aggregate Transaction Data**Counterparties**

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

| Collateral | Country of Incorporation | Value £'000 |
|---------------------|--------------------------|----------------|
| Citigroup | Switzerland | 2,638 |
| Merrill Lynch | United States of America | 2,305 |
| UBS | Canada | 469 |
| Credit Suisse Group | United States of America | 239 |
| Total | | 5,650 |

Maturity tenure of Security lending transactions

The Company's securities lending transactions have open maturity.

Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Company by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date.

| Issuer | Value £'000 |
|--------------------------|----------------|
| France | 2,384 |
| United States of America | 1,353 |
| Germany | 990 |
| United Kingdom | 383 |
| Netherlands | 373 |
| Belgium | 326 |
| Austria | 145 |
| Japan | 36 |
| Total | 5,991 |

REGULATORY DISCLOSURES

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Company in respect of securities lending transactions as at the balance sheet date.

| Type | Quality | Currency | Value £'000 |
|----------------|------------------|----------|----------------|
| Sovereign Debt | Investment Grade | EUR | 4,218 |
| Treasury Notes | Investment Grade | USD | 1,106 |
| Sovereign Debt | Investment Grade | GBP | 383 |
| Treasury Bonds | Investment Grade | USD | 234 |
| Sovereign Debt | Investment Grade | JPY | 36 |
| Treasury Bills | Investment Grade | USD | 12 |
| Total | | | 5,991 |

Maturity tenure of collateral

The following table provides an analysis of the maturity tenure of collateral received in relation to securities lending transactions as at the balance sheet date.

| Maturity | Value £'000 |
|-------------------|----------------|
| 1 day to 1 week | – |
| 1 week to 1 month | 2 |
| 1 to 3 months | 12 |
| 3 to 12 months | 102 |
| more than 1 year | 5,875 |
| Total | 5,991 |

Settlement and clearing

The Company's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

Re-use of collateral

Share of collateral received that is reused and reinvestment return Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Company does not currently reinvest cash collateral received in respect of securities lending transactions.

Safekeeping of collateral

All collateral received by the Company in respect of securities lending transactions as at the balance sheet date £5,991,000 is held by the Depository.

Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 10% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 90%, is received by the Company i.e. for the benefit of Shareholders.

Shareholder Information

Notice is hereby given that the tenth Annual General Meeting of JPMorgan Global Emerging Markets Income Trust plc will be held at the Offices of J.P.Morgan, 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 2nd December 2020 at 11.30 a.m. for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditor's Report for the year ended 31st July 2020.
2. To approve the Company's Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st July 2020.
4. To reappoint Mark Edwards as a Director of the Company.
5. To reappoint Sarah Fromson as a Director of the Company.
6. To reappoint Richard Robinson as a Director of the Company.
7. To reappoint Caroline Gulliver as a Director of the Company.
8. To reappoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

9. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution of any authorities previously granted to the Directors) pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for 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 £297,240 or, if different, the aggregate nominal amount representing approximately 10% of the Company's issued Ordinary share capital (excluding Treasury shares) 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 2021 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

10. THAT subject to the passing of Resolution 9 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 9 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of or sale out of Treasury of equity securities for cash up to an aggregate nominal amount of £297,240 or, if different the aggregate nominal amount representing approximately 10% of the issued share capital (excluding Treasury shares) 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 9 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold out of Treasury after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

11. 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 of 1p each in the capital of the Company 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 44,556,300 or, if different, that number of Ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of this Resolution;
- (ii) the minimum price which may be paid for an Ordinary share shall be 1p;
- (iii) the maximum price which may be paid for an Ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an Ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

- (iv) any purchase of Ordinary shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary share (as determined by the Directors);
- (v) the authority hereby conferred shall expire on 1st June 2022 unless the authority is renewed at the Company's Annual General Meeting in 2021 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.

Approval of dividend policy – Ordinary Resolution

12. THAT the shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends during the year.

By order of the Board
 Divya Amin, for and on behalf of
 JPMorgan Funds Limited,
 Company Secretary
 26th October 2020

Notes

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

1. At the date of this Notice the format of the Company's 2020 AGM has had to be changed so that it complies with both the existing Companies Act and the recently introduced legislation which the UK Government introduced to limit the impact of the COVID-19 pandemic, restricting travel and limiting gatherings. Shareholders are asked to comply with the government's latest COVID-19 pandemic legislation restricting travel and public gatherings and not to attend the AGM. Arrangements will be made by the Company to ensure that the minimum number of two shareholders required to form a quorum for the AGM will attend the meeting in order that the meeting may proceed and the business be concluded. To ensure compliance with COVID-19 pandemic legislation restricting public gatherings, no shareholders (other than the two previously notified shareholders making up the quorum for the AGM) will be permitted to attend the meeting and entry to the building will not be allowed.
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 11.30 a.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

NOTICE OF ANNUAL GENERAL MEETING

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 Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting ('AGM'); or (b) any circumstances connected with the Auditor of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor 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 cannot 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.jpmglobalemergingmarketsincome.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 AGM. 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 Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
16. As at 21st October 2020 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 297,289,438 Ordinary Shares (of which 49,277 are held in Treasury) carrying one vote each. Therefore the total voting rights in the Company are 297,240,161.

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.

| | | Year ended 31st July 2020 | Year ended 31st July 2019 | |
|---|-------------|---------------------------------|---------------------------------|------------|
| Total return calculation | Page | | | |
| Opening share price (p) | 5 | 143.5 | 126.0 | (a) |
| Closing share price (p) | 5 | 115.5 | 143.5 | (b) |
| Total dividend adjustment factor ¹ | | 1.044288 | 1.040488 | (c) |
| Adjusted closing share price (d = b x c) | | 120.6 | 149.3 | (d) |
| Total return to shareholders (e = d / a - 1) | | -16.0% | 18.5% | (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.

| | | Year ended 31st July 2020 | Year ended 31st July 2019 | |
|---|-------------|---------------------------------|---------------------------------|------------|
| Total return calculation | Page | | | |
| Opening cum-income NAV per share with debt at par value (p) | 5 | 145.0 | 134.6 | (a) |
| Closing cum-income NAV per share debt at par value (p) | 5 | 126.6 | 145.0 | (b) |
| Total dividend adjustment factor ² | | 1.041060 | 1.038737 | (c) |
| Adjusted closing cum-income NAV per share (d = b x c) | | 131.8 | 150.6 | (d) |
| Total return on net assets (e = d / a - 1) | | -9.1% | 11.9% | (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.

Net asset value per share (APM)

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 17 on page 65 for detailed calculations.

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.

| | | Year ended 31st July 2020 £'000 | Year ended 31st July 2019 £'000 | |
|---|-------------|--|--|------------|
| Gearing calculation | Page | | | |
| Investments held at fair value through profit or loss | 55 | 402,288 | 456,203 | (a) |
| Net assets | 55 | 376,413 | 430,968 | (b) |
| Gearing (c = a / b - 1) | | 6.9% | 5.9% | (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.

| | | Year ended 31st July 2020 £'000 | Year ended 31st July 2019 £'000 | |
|--|-------------|--|--|------------|
| Ongoing charges calculation | Page | | | |
| Management fee | 60 | 3,848 | 4,191 | |
| Other administrative expenses | 60 | 649 | 725 | |
| Total management fee and other administrative expenses | | 4,497 | 4,916 | (a) |
| Average daily cum-income net assets | | 386,245 | 389,556 | (b) |
| Ongoing charges (c = a / b) | | 1.16% | 1.26% | (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's shares to trade at a discount than at a premium.

H-Shares

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

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark (see page 10).

Emerging Markets

For the purposes of the investment policy, emerging markets are the capital markets of developing countries, including both recently industrialised countries and countries in transition from planned economies to free-market economies. Many, but not all, emerging market countries are constituents of the MSCI Emerging Markets Index or, in the case of smaller or less developed emerging markets, the MSCI Frontier Index. The Company invest in securities listed in, or exposed to, these countries or other countries that meet the definition in this paragraph. These markets will tend to be less mature than developed markets and will not necessarily have such a long history of substantial foreign investment.

Performance Attribution Definitions:

Stock/Sector selection

Measures the effect of investing in securities/sectors to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the 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 repurchases

Measures the positive effect on relative performance of repurchasing the Company's shares for cancellation, or repurchases into Treasury, at a discount to their net asset value ('NAV') per share.

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 You Invest | Halifax Share Dealing |
| Barclays Smart Investor | Hargreaves Lansdown |
| Charles Stanley Direct | Interactive Investor |
| EQi | The Share Centre |
| Fidelity Personal Investing | |

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.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability 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 Association of Investment Companies' ('AIC') website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at
www.fca.org.uk/scamsmart



FINANCIAL CALENDAR

| | |
|-----------------------------|-------------------------------------|
| Financial year end | 31st July |
| Final results announced | October |
| Half year end | 31st January |
| Half year results announced | March |
| Interim dividends declared | February, June, August and November |
| Annual General Meeting | December |

History

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

Company Numbers

Company registration number: 7273382

Ordinary Shares

London Stock Exchange ISIN code: GB00B5ZZY915
Bloomberg code: JEMI
SEDOL B5ZZY91
LEI: 5493000PJXU72JMCYU09

Market Information

The Company's unaudited net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan website at www.jpmglobalemergingmarketsincome.co.uk, where the share price is updated every 15 minutes during trading hours.

Share Transactions

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

Manager and Company Secretary

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

Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Divya Amin at the above address.

Depository

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

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

Registrars

Equiniti Limited
Reference 3570
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone number: 0371 384 2857

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

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

Independent Auditors

Ernst & Young LLP
Statutory Auditor
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Brokers

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



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