



Half Year Report **2012/13**

JPMorgan Emerging Markets
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st December 2012

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Objective

Capital growth from emerging markets worldwide.

Investment Policies

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

Benchmark

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

Share Capital

At 31st December 2012, the Company's issued share capital comprised 122,168,816 Ordinary shares of 25p each, including 1,892,929 shares held in Treasury, and 10,194,709 Subscription shares of 1p each.

Continuation Vote

At the Annual General Meeting held on 14th November 2011 an ordinary resolution of the shareholders approved the continuation of the Company until the Annual General Meeting in November 2014 and at three yearly intervals thereafter.

Management Company

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

Half Year Performance

Total returns (includes dividends reinvested)

+11.1%

Portfolio return net of fees and expenses^{1,2}

+9.8%

Benchmark³

+11.5%

Fully diluted return on net assets^{1,4}

+12.6%

Return to Ordinary shareholders⁵

Financial Data

	31st December 2012	30th June 2012	% change
Shareholders' funds (£'000)	788,231	691,931	+13.9
Ordinary shares in issue (excluding shares held in Treasury)	120,275,887	114,762,153	+4.8
Ordinary share price	593.5p	531.5p	+11.7
Ordinary share price discount to diluted net asset value per Ordinary share	8.2%	9.1%	
Subscription share price	92.5p	75.0p	+23.3
Subscription shares in issue	10,194,709	17,431,372	-41.5

A glossary of terms and definitions is provided on page 15.

¹Source: J.P. Morgan.

²Return on net assets, net of management and performance fees and administration expenses, but excluding both the effect of Subscription shares which have been converted during the period and the dilutive impact of Subscription shares in issue at the period end.

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

⁴Return on net assets calculated using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the period end.

⁵Source: Morningstar.

Chairman's Statement



Performance

Following the negative returns in the year to 30th June 2012, it is pleasing to report a marked recovery in emerging markets share prices in the first half of the Company's financial year. In the six months to 31st December 2012, the portfolio return net of fees and expenses was +11.1%, as compared to the total return from our benchmark index, the MSCI Emerging Markets Index (in sterling terms) of +9.8%. The fully diluted total return on net assets, which assumes that all of the Company's Subscription shares were exercised at the price of 543 pence per share, was +11.5%. Over the same period, the return to Ordinary shareholders was +12.6%. A review of the Company's performance for the first six months and the outlook for the remainder of the year is provided in the Investment Manager's Report.

Discount

During the first six months of this financial year, the discount on the Company's Ordinary shares to their fully diluted net asset value ('NAV') ranged between 7.4% and 11.7%, averaging 9.8%. As I explained in the last annual report, the Board is prepared to take action to ensure that the fully diluted discount does not touch or exceed 10% for an extended period, but only if the discount is out of line with our peer group and market conditions are orderly. We are prepared to buy shares in at discounts of between 8% and 10% in order to achieve this, subject to those caveats, and have done so during the period. During the six months the Company repurchased a total of 1,722,929 Ordinary shares into Treasury at an average 10.1% discount to NAV. Shares will only be reissued from Treasury at a premium to net asset value.

Subscription shares

During the six months to 31st December 2012 and up to the date of this report, the Company has issued a total of 7,239,071 Ordinary shares following the exercise of Subscription shares, amounting to proceeds of £33,304,000. Further details of the Subscription shares can be found on page 14 of the half year report and on the Company's website at www.jpmemergingmarkets.co.uk

Outlook

After the recent strong recovery in emerging market equities, it would not be surprising if there was a pause for consolidation. Sentiment remains positive though and valuations are reasonable so, barring further major shocks to the global environment, I would hope for positive returns for the year.

Alan Saunders
Chairman

22nd February 2013

Investment Manager's Report



After a volatile start, the first half of your Company's financial year ended with a firm recovery in share prices across emerging markets. The benchmark index against which we calibrate our results rose by some 9.8% during the period, while the net asset value per share of your Company increased by 11.5% on a fully diluted basis.

A number of factors lie behind this improvement in market levels; the most significant external factor was the apparent commitment of the European Central Bank to do 'whatever it takes' to support the Eurozone. This went some way to assuage, or at least delay, the extreme pessimism that had prevailed. Within emerging markets, the transition of political leadership in China during November removed some uncertainty and coincided with some signs that the relatively tight economic policy in that country might be relaxed. But most of all, it was modest valuations which gave markets scope to rise once investors' fears about the future abated somewhat. Even after this rise, emerging markets are still below the average valuations at which they have traded over the last 20 years.

Looking forward, we see the same combination of risks and opportunities as ever. In the last six months we bought stocks in India, South Africa and elsewhere, while reducing the portfolio's holdings in certain companies in Mexico and Turkey, among other places. Some of the businesses we like the most have become relatively highly valued, but we have also been able to find stocks whose share price has not reflected their underlying economic performance. In spite of pockets of high valuation, therefore, we have been able to maintain a spread of investments that, when viewed in the aggregate, remain reasonably priced: your Company's portfolio is priced at 13.5 times expected profits for 2013, for a diversified collection of well-managed businesses earning a collective return on equity of between 19% and 20%, with distinctly low levels of debt.

Austin Forey
Investment Manager

22nd February 2013

List of Investments

at 31st December 2012

Company	Country of Listing	Valuation £'000	%
Housing Development Finance	India	28,977	3.67
Taiwan Semiconductor Manufacturing ¹	Taiwan	21,913	2.77
Vale ¹	Brazil	19,966	2.53
Grupo Financiero Banorte	Mexico	19,836	2.51
Ping An Insurance	China	17,323	2.19
Turkiye Garanti Bankasi	Turkey	16,770	2.12
Companhia de Bebidas das Americas ¹	Brazil	16,764	2.12
Ultrapar Participações	Brazil	16,636	2.11
International Personal Finance	UK	16,373	2.07
WEG	Brazil	15,648	1.98
Jardine Matheson	Hong Kong	15,409	1.95
Hyundai Mobis	South Korea	15,308	1.94
AIA	Hong Kong	15,137	1.92
Wumart Stores	China	15,089	1.91
Hyundai Motor	South Korea	14,879	1.88
United Breweries	India	14,786	1.87
Capitec Bank	South Africa	14,290	1.81
Petroleo Brasileiro ¹	Brazil	14,005	1.77
Wal-Mart De Mexico	Mexico	13,177	1.67
China Merchants Bank	China	13,173	1.67
Magnit	Russia	12,946	1.64
Yes Bank	India	12,922	1.64
China Mobile	Hong Kong	12,869	1.63
Astra International	Indonesia	12,675	1.60
Mahindra & Mahindra Financial Service	India	12,369	1.57
African Bank Investments	South Africa	11,753	1.49
Li & Fung	Hong Kong	11,632	1.47
MTN	South Africa	11,551	1.46
Compartamos	Mexico	11,293	1.43
Itau Unibanco	Brazil	11,292	1.43
Companhia de Concessões Rodoviárias	Brazil	10,972	1.39
Cielo	Brazil	10,806	1.37
Bidvest Group	South Africa	10,683	1.35
Shoprite Holdings	South Africa	10,513	1.33
Bank Rakyat Indonesia	Indonesia	10,309	1.30
Banco Santander-Chile	Chile	10,122	1.28
Tenaris ¹	Argentina	10,068	1.27
Tsingtao Brewery	China	9,910	1.25
Sberbank	Russia	9,763	1.24
Grupo Aeroportuario del Sureste ¹	Mexico	9,748	1.23

Company	Country of Listing	Valuation £'000	%
Anhui Conch Cement	China	9,656	1.22
Clicks	South Africa	9,379	1.19
Discovery	South Africa	9,288	1.18
Sun Art Retail Group	Hong Kong	8,875	1.12
TOTVS	Brazil	8,755	1.11
RMB	South Africa	8,661	1.10
Infosys Technologies ¹	India	8,388	1.06
Delta Electronics	Taiwan	8,342	1.06
Massmart	South Africa	8,231	1.04
Tiger Brands	South Africa	8,202	1.04
ACC	India	7,441	0.94
Cafe De Coral	Hong Kong	7,263	0.92
President Chain Store	Taiwan	7,228	0.91
Marcopolo	Brazil	6,773	0.86
Hang Lung Properties	Hong Kong	6,770	0.86
Tingyi	China	6,680	0.85
KOC	Turkey	6,508	0.82
Top Glove	Malaysia	5,827	0.74
Unilever Indonesia	Indonesia	5,480	0.69
British American Tobacco Malaysia	Malaysia	5,278	0.67
Convenience Retail Asia	Hong Kong	4,912	0.62
E-mart	South Korea	4,593	0.58
Infosys Technologies	India	4,275	0.54
Bharti Airtel	India	4,064	0.51
Mr Price	South Africa	4,029	0.51
Shinsegae Food	South Korea	4,014	0.51
Holcim	Indonesia	3,928	0.50
Posco	South Korea	3,867	0.49
Ambuja Cements	India	3,477	0.44
H.K. Aircraft Engineering	Hong Kong	3,462	0.44
Tripod Technology	Taiwan	3,334	0.42
Multiplus	Brazil	3,114	0.39
Hero Supermarket	Indonesia	1,363	0.17
BRR Guardian Modaraba	Pakistan	39	0.01
JPMorgan US Dollar Liquidity Fund ²	JPM Liquidity Stock	25,257	3.20
Net current assets		3,609	0.46
Total assets less current liabilities		790,017	100.00

¹Includes ADRs/GDRs/ADSs/BDRs.

²Managed by JPMorgan Asset Management.

Portfolio Analyses

Geographical Analysis

	31st December 2012		30th June 2012	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
East Asia	30.6	46.8	31.3	46.2
Latin America	26.4	21.4	26.0	22.1
Europe/Middle East/Africa	21.4	18.1	21.8	18.0
South Asia	17.9	13.7	16.8	13.7
Total equities	96.3	100.0	95.9	100.0
Liquidity fund	3.2	–	3.6	–
Net current assets	0.5	–	0.5	–
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £790.0m (30th June 2012: £693.7m).

Sector Analysis

	31st December 2012		30th June 2012	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials	32.5	26.5	31.9	24.8
Consumer Staples	20.1	8.7	18.8	8.5
Industrials	10.4	6.5	7.8	6.8
Consumer Discretionary	9.5	7.9	10.8	7.8
Information Technology	8.3	13.8	9.3	13.8
Materials	6.1	11.7	7.0	12.4
Energy	5.1	12.5	5.7	12.7
Telecommunication Services	3.6	7.7	3.8	8.2
Health Care	0.7	1.3	0.8	1.1
Utilities	–	3.4	–	3.9
Total equities	96.3	100.0	95.9	100.0
Liquidity fund	3.2	–	3.6	–
Net current assets	0.5	–	0.5	–
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £790.0m (30th June 2012: £693.7m).

Income Statement

for the six months ended 31st December 2012

	(Unaudited) Six months ended 31st December 2012			(Unaudited) Six months ended 31st December 2011			(Audited) Year ended 30th June 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss									
Net foreign currency gains/(losses)	–	75,370	75,370	–	(123,422)	(123,422)	–	(95,669)	(95,669)
Income from investments	–	135	135	–	(589)	(589)	–	(673)	(673)
Other interest receivable and similar income	7,469	–	7,469	6,849	–	6,849	16,477	–	16,477
	2	–	2	1	–	1	3	–	3
Gross return/(loss)	7,471	75,505	82,976	6,850	(124,011)	(117,161)	16,480	(96,342)	(79,862)
Management fee	(3,679)	–	(3,679)	(3,535)	–	(3,535)	(7,070)	–	(7,070)
Performance fee	–	–	–	–	(659)	(659)	–	(1,786)	(1,786)
Other administrative expenses	(546)	–	(546)	(589)	–	(589)	(1,164)	–	(1,164)
Net return/(loss) on ordinary activities before finance costs and taxation	3,246	75,505	78,751	2,726	(124,670)	(121,944)	8,246	(98,128)	(89,882)
Finance costs	–	–	–	(3)	–	(3)	(3)	–	(3)
Net return/(loss) on ordinary activities before taxation	3,246	75,505	78,751	2,723	(124,670)	(121,947)	8,243	(98,128)	(89,885)
Taxation (note 3)	(578)	–	(578)	(324)	–	(324)	(970)	–	(970)
Net return/(loss) on ordinary activities after taxation	2,668	75,505	78,173	2,399	(124,670)	(122,271)	7,273	(98,128)	(90,855)
Return/(loss) per Ordinary share (note 4)									
Undiluted	2.22p	62.74p	64.96p	2.10p	(109.00)p	(106.90)p	6.36p	(85.77)p	(79.41)p
Diluted	2.21p	62.65p	64.86p	2.06p	(106.82)p	(104.76)p	6.22p	(83.94)p	(77.72)p

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

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st December 2012 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2012	28,907	89,252	1,665	69,939	488,820	13,348	691,931
Repurchase of shares into Treasury	–	–	–	–	(9,678)	–	(9,678)
Exercise of Subscription shares into Ordinary shares	(72)	72	–	–	–	–	–
Issue of Ordinary shares on exercise of Subscription shares	1,809	31,482	–	–	–	–	33,291
Net return on ordinary activities	–	–	–	–	75,505	2,668	78,173
Dividends appropriated in the period	–	–	–	–	–	(5,486)	(5,486)
At 31st December 2012	30,644	120,806	1,665	69,939	554,647	10,530	788,231
Six months ended 31st December 2011 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2011	28,771	86,781	1,665	69,939	587,825	10,079	785,060
Repurchase of shares into Treasury	–	–	–	–	(363)	–	(363)
Issue of Ordinary shares on exercise of Subscription shares	9	149	–	–	–	–	158
Net (loss)/return on ordinary activities	–	–	–	–	(124,670)	2,399	(122,271)
Dividends appropriated in the period	–	–	–	–	–	(4,004)	(4,004)
At 31st December 2011	28,780	86,930	1,665	69,939	462,792	8,474	658,580
Year ended 30th June 2012 (Audited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2011	28,771	86,781	1,665	69,939	587,825	10,079	785,060
Repurchase of shares into Treasury	–	–	–	–	(877)	–	(877)
Exercise of Subscription shares into Ordinary shares	(6)	6	–	–	–	–	–
Issue of Ordinary shares on exercise of Subscription shares	142	2,465	–	–	–	–	2,607
Net (loss)/return on ordinary activities	–	–	–	–	(98,128)	7,273	(90,855)
Dividends appropriated in the year	–	–	–	–	–	(4,004)	(4,004)
At 30th June 2012	28,907	89,252	1,665	69,939	488,820	13,348	691,931

Balance Sheet

at 31st December 2012

	(Unaudited) 31st December 2012 £'000	(Unaudited) 31st December 2011 £'000	(Audited) 30th June 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	761,151	634,675	664,803
Investments in liquidity funds held at fair value through profit or loss	25,257	21,572	25,200
Total investments	786,408	656,247	690,003
Current assets			
Debtors	2,254	580	1,674
Cash and short term deposits	1,808	3,698	2,492
Creditors: amounts falling due within one year	4,062 (453)	4,278 (1,945)	4,166 (452)
Net current assets	3,609	2,333	3,714
Total assets less current liabilities	790,017	658,580	693,717
Performance fees	(1,786)	–	(1,786)
Net assets	788,231	658,580	691,931
Capital and reserves			
Called up share capital	30,644	28,780	28,907
Share premium	120,806	86,930	89,252
Capital redemption reserve	1,665	1,665	1,665
Other reserve	69,939	69,939	69,939
Capital reserves	554,647	462,792	488,820
Revenue reserve	10,530	8,474	13,348
Total equity shareholders' funds	788,231	658,580	691,931
Net asset value per Ordinary share (note 5)			
Undiluted	655.4p	576.0p	602.9p
Diluted	646.6p	560.3p	584.1p

Company registration number: 2618994

Cash Flow Statement

for the six months ended 31st December 2012

	(Unaudited) Six months ended 31st December 2012 £'000	(Unaudited) Six months ended 31st December 2011 £'000	(Audited) Year ended 30th June 2012 £'000
Net cash inflow from operating activities (note 6)	2,890	2,016	5,916
Net cash outflow from returns on investments and servicing of finance	–	(3)	(3)
Tax recovered	57	–	–
Net cash outflow from capital expenditure and financial investment	(21,893)	(11,865)	(18,832)
Dividend paid	(5,486)	(4,004)	(4,004)
Net cash outflow before financing	(24,432)	(13,856)	(16,915)
Net cash inflow/(outflow) from financing	23,613	(205)	2,607
Decrease in cash in the period	(819)	(14,061)	(15,185)
Reconciliation of net cash flow to movement in net funds			
Net cash movement	(819)	(14,061)	(15,185)
Exchange movements	135	(591)	(673)
Movement in net funds in the period	(684)	(14,652)	(15,858)
Net funds at the beginning of the period	2,492	18,350	18,350
Net funds at the end of the period	1,808	3,698	2,492
Represented by:			
Cash and short term deposits	1,808	3,698	2,492

Notes to the Accounts

for the six months ended 31st December 2012

1. Financial statements

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

The figures and financial information for the year ended 30th June 2012 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009.

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

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th June 2012.

3. Taxation

The taxation charge of £578,000 (31st December 2011: £324,000 and 30th June 2012: £970,000) comprises irrecoverable overseas withholding tax.

4. Return/(loss) per Ordinary share

	(Unaudited) Six months ended 31st December 2012 £'000	(Unaudited) Six months ended 31st December 2011 £'000	(Audited) Year ended 30th June 2012 £'000
Return per Ordinary share is based on the following:			
Revenue return	2,668	2,399	7,273
Capital return/(loss)	75,505	(124,670)	(98,128)
Total return/(loss)	78,173	(122,271)	(90,855)
Weighted average number of Ordinary shares in issue during the period used for the purpose of the undiluted calculation	120,344,237	114,373,142	114,405,899
Weighted average number of Ordinary shares in issue during the period used for the purpose of the diluted calculation	120,525,572	116,708,841	116,905,369
Undiluted			
Revenue return per share	2.22p	2.10p	6.36p
Capital return/(loss) per share	62.74p	(109.00)p	(85.77)p
Total return/(loss) per share	64.96p	(106.90)p	(79.41)p
Diluted			
Revenue return per share	2.21p	2.06p	6.22p
Capital return/(loss) per share	62.65p	(106.82)p	(83.94)p
Total return/(loss) per share	64.86p	(104.76)p	(77.72)p

Notes to the Accounts continued

4. Return/(loss) per Ordinary share continued

The diluted return/(loss) per Ordinary share represents the return/(loss) on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period as adjusted in accordance with the requirements of Financial Reporting Standard 22 'Earnings per share'.

5. Net asset value per Ordinary share

	(Unaudited) 31st December 2012	(Unaudited) 31st December 2011	(Audited) 30th June 2012
Undiluted			
Ordinary shareholders' funds (£'000)	788,231	658,580	691,931
Number of Ordinary shares in issue (excluding shares held in Treasury)	120,275,887	114,329,875	114,762,153
Net asset value per Ordinary share (pence)	655.4	576.0	602.9
Diluted			
Ordinary shareholders' funds assuming exercise of Subscription shares (£'000)	843,588	741,213	772,115
Number of potential Ordinary shares in issue	130,470,596	132,293,525	132,193,525
Net asset value per Ordinary share (pence)	646.6	560.3	584.1

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the period end. The Company will only re-issue shares held in Treasury at a premium and therefore, these shares have no dilutive potential.

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

	(Unaudited) Six months ended 31st December 2012 £'000	(Unaudited) Six months ended 31st December 2011 £'000	(Audited) Year ended 30th June 2012 £'000
Total return/(loss) on ordinary activities before finance costs and taxation	78,771	(121,944)	(89,882)
Less capital (return)/loss on ordinary activities before finance costs and taxation	(75,525)	124,670	98,128
Scrip dividends received as income	(385)	(106)	(106)
Decrease in net debtors and accrued income	648	1,661	713
Overseas withholding tax	(619)	(324)	(996)
Performance fee paid	–	(1,941)	(1,941)
Net cash inflow from operating activities	2,890	2,016	5,916

Interim Management Report

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment underperformance; political and economic; loss of investment team or investment manager; discount; change of corporate control of the manager; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th June 2012.

Related Parties Transactions

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

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable

management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- (ii) the half year management report includes a fair review of the information required by DTR 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

For and on behalf of the Board

Alan Saunders
Chairman

22nd February 2013

Subscription Shares

On 11th June 2009 the Company issued Subscription shares as a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 1st August 2009 to 31st July 2014, after which the rights on the Subscription shares will lapse.

During the period, shareholders exercised their right to convert 7,236,663 Subscription shares into Ordinary shares for a total consideration of £33.3 million. Since the period end and at the time of writing, shareholders have exercised their right to convert a further 2,408 Subscription shares into Ordinary shares for a total consideration of £13,100.

The Subscription shares are exercisable between 1st August 2012 and 31st July 2014 at a price of 543 pence.

Notice of the exercise of the Subscription rights may be given at any time until 31st July 2014 and the Ordinary shares arising on conversion will be issued within ten business days of the first business day of the calendar month following the month in which the relevant notices are received by the registrars.

For further details on how to exercise the Subscription share rights please refer to the Company's website at www.jpmergingmarkets.co.uk or contact the Company Secretary on 020 7742 4000.

For the purposes of UK taxation, the issue of Subscription shares is treated as a reorganisation of the Company's share capital. Whereas such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, they do require shareholders to reallocate the base costs of their Ordinary shares between Ordinary shares and Subscription shares received.

At the close of business on 11th June 2009 the middle market prices of the Company's Ordinary shares and Subscription shares were as follows:

Ordinary shares:	392p
Subscription shares:	57p

Accordingly an individual investor who on 10th June 2009 held five Ordinary shares (or a multiple thereof) would have received a bonus issue of one Subscription share (or the relevant multiple thereof) and would apportion the base cost of such holding 97.17% to the five Ordinary shares and 2.83% to the Subscription share.

Glossary of Terms and Definitions

Portfolio return net of fees and expenses

Return on net assets, net of management and performance fees and administration expenses, but excluding both the effect of Subscription shares which have been converted during the period and the dilutive impact of Subscription shares in issue at the period end.

Return to Ordinary shareholders

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

Diluted return on net assets

Return on the diluted net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV when calculating the return on net assets.

Fully diluted net asset value ('NAV') per Ordinary share

The NAV per Ordinary share assuming that all Subscription shares in issue were converted into Ordinary shares at the period end at the current exercise price of 460 pence per share.

Benchmark return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested into the shares of the underlying companies at the time the shares were quoted ex-dividend.

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

Ordinary share price discount to diluted net asset value ('NAV') per Ordinary share

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

Return per Ordinary share – Undiluted

The undiluted return per Ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period.

Return per Ordinary share – Diluted

The diluted return per Ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period as adjusted in accordance with the requirements of Financial Reporting Standard 22 'Earnings per share'.

Notes

Information about the Company

Financial Calendar

Financial year end	30th June
Final results announced	September
Half year end	December
Half year results announced	February
Interim Management Statements announced	May and November
Final dividend on Ordinary shares paid	November
Subscription share exercise dates	1st August 2009 to 31st July 2014
Annual General Meeting	November

History

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

Directors

Alan Saunders (Chairman)
David Gamble
Anatole Kaletsky
Nigel Kenny
Percy Mistry

Company Numbers

Company registration number: 2618994

Ordinary shares

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

Subscription shares

London Stock Exchange number: B3V4X02
ISIN: GB00B3V4X029
Bloomberg code: JMGS LN

Market Information

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

The Company's Subscription share price is listed on the London Stock Exchange and quoted daily in the Financial Times and on the J.P. Morgan website at www.jpmemergingmarkets.co.uk, where the Subscription share price is updated every fifteen minutes during trading hours.

Website

www.jpmemergingmarkets.co.uk

Share Transactions

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

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone: 020 7742 4000

For company secretarial and administrative matters, please contact Jonathan Latter.

Custodian

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

Registrars

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Reference 1081
Aspect House
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Telephone: 0871 384 2320

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

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1081.

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

Independent Auditors

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

Brokers

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

Savings Product Administrators

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

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J.P. Morgan Helpline
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