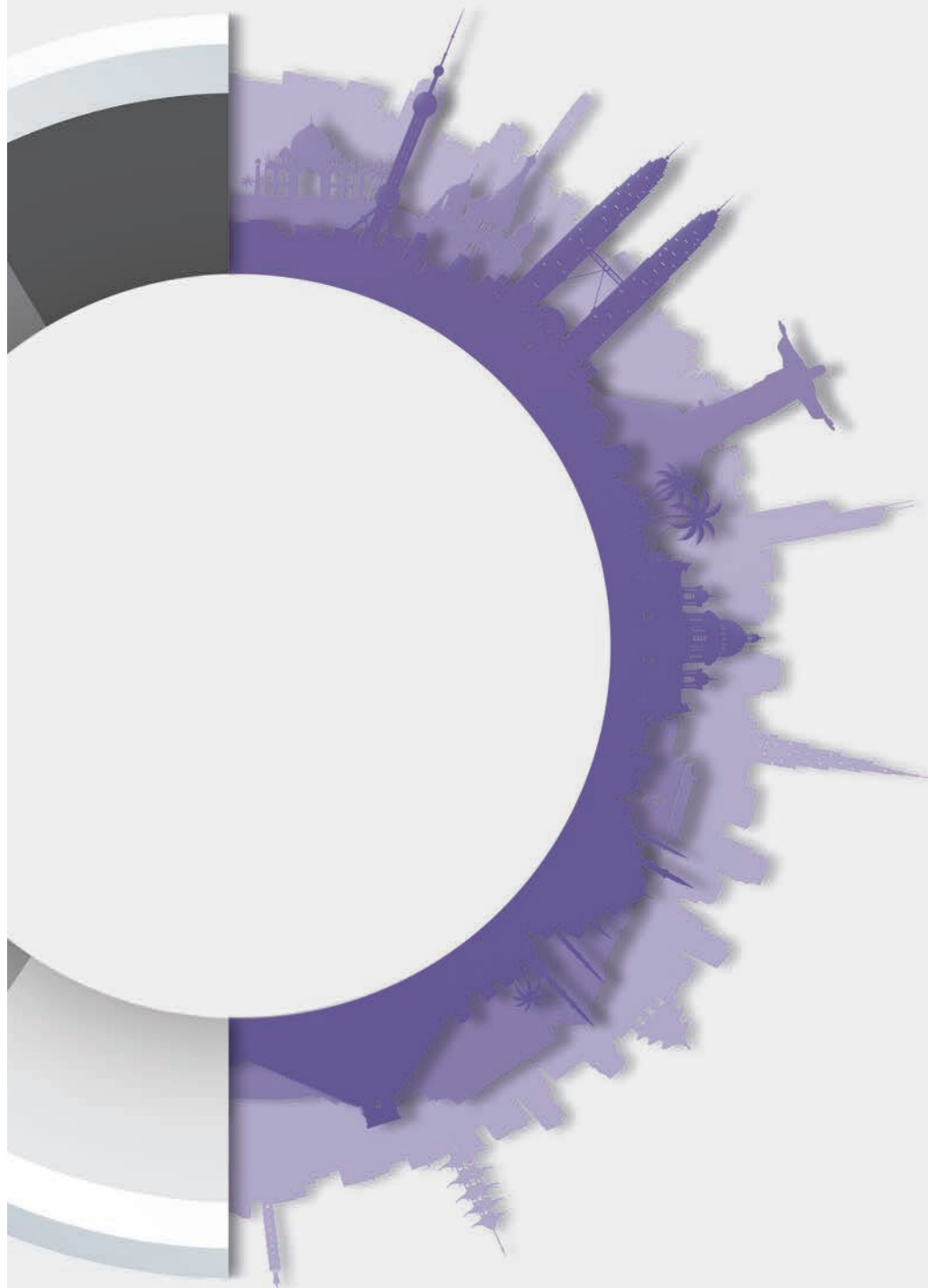


# JPMorgan Emerging Markets Investment Trust plc

Half Year Report & Financial Statements for the six months ended 31st December 2019



## KEY FEATURES

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### Your Company

#### Objective

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

#### Investment Policies

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

#### Benchmark

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

#### Share Capital

At 31st December 2019, the Company's issued share capital comprised 132,363,525 ordinary shares of 25p each, including 11,656,567 shares held in Treasury.

#### Continuation Vote

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

#### Management Company and Company Secretary

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

#### FCA regulation of 'non-mainstream pooled investments and MiFID II complex instruments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's shares are not classified as 'complex 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, which can be found at [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk), includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.



## JPMorgan Emerging Markets Investment Trust plc

### Our heritage and our team

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

### Our Investment Approach

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

**5,000+**

Company meetings  
conducted per annum

**96**

Investment  
professionals in  
Emerging Markets  
and Asia

**20+**

languages spoken,  
nationalities  
represented on the  
investment team

**75%**

Active share -  
a measure of  
active management<sup>1</sup>

<sup>1</sup> Active share is a measurement of the difference in the Company's portfolio compared to the benchmark index, i.e. the higher the figure, the greater the degree of active management.

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# Half Year Performance

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## FINANCIAL HIGHLIGHTS

### TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 31ST DECEMBER 2019

	6 Months	3 Year Cumulative	5 Year Cumulative	10 Year Cumulative
Return to shareholders <sup>1,A</sup>	+7.2%	+60.9%	+91.2%	+141.5%
Return on net assets <sup>2,A</sup>	+4.2%	+46.8%	+80.5%	+132.1%
Benchmark return <sup>3</sup>	+2.9%	+29.6%	+54.7%	+74.9%
Net asset return performance compared to benchmark return <sup>3</sup>	+1.3%	+17.2%	+25.9%	+57.1%
Interim dividend	9.0p			

<sup>1</sup> Source: Morningstar. Change in share price with dividends reinvested.

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

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

<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 25 and 26.

## SUMMARY OF RESULTS

	31st December 2019	30th June 2019	% change
Shareholders' funds (£'000)	1,341,402	1,313,769	+2.1
Net asset value per share <sup>1</sup>	1,111.3p	1,075.8p	+3.3 <sup>2</sup>
Share price	1,064.0p	1,002.0p	+6.2 <sup>2</sup>
Share price discount to capital-only net asset value per share <sup>1</sup>	3.8%	6.0%	
Share price discount to cum-income net asset value per share <sup>1</sup>	4.3%	6.9%	
Shares in issue (excluding shares held in Treasury)	120,706,958	122,119,236	-1.2
Net cash <sup>1</sup>	0.2%	0.7%	
Ongoing charges <sup>1</sup>	0.95%	1.02%	

<sup>1</sup> This return excludes dividends reinvested. Including dividends reinvested, the return of would be +4.2%.

<sup>2</sup> This return excludes dividends reinvested. Including dividends reinvested, the return of would be +7.2%.

<sup>1</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 25 and 26.

# Chairman's Statement

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**Sarah Arkle**  
Chairman

In the last annual report, I discussed the three key objectives that the Directors of your Company had set out at the beginning of the financial year to June 2019: to continue the strong record of investment performance; to reduce the discount of our share price to the net asset value; and to continue to offer a competitive proposition through a reduction in the management fee. Having negotiated with the Manager a reduction in the management fee last year, I am very pleased to report that we have also continued to make progress on performance and on the discount.

## Performance

During the first half of the Company's financial year, emerging markets produced a positive return for investors, as measured by the Company's benchmark index, the MSCI Emerging Markets Index (in sterling terms), which rose by 2.9% over the six months. In the same period the Company's return on net assets, at +4.2%, was again better than the benchmark. The return to shareholders was +7.2%, reflecting a narrowing of the discount to net asset value at which the Company's shares trade, from 6.9% at the previous financial year end to 4.3% at the half year end.

This continues the Company's outstanding record of long term performance, the net asset value and share price having both outperformed the benchmark index over one, two, three, five and ten years to 31st December 2019 and, as you will see on page 4 of this report, over five years the cumulative return to shareholders is 91.2%, against the benchmark return of 54.7%. I think it is worth re-stating that this sustained, long-term outperformance is a great credit to Austin Forey and the team at JPMorgan Asset Management and their focus on investing in long term winners with strong environmental, social and governance practices. This outperformance shows the significant benefits that can be achieved in the emerging markets area by active management compared with investments in either passive or exchange traded funds.

A review of the Company's performance for the first six months of this financial year and the outlook for the remainder of the year is provided in the Investment Manager's Report which follows.

## Revenue and Dividends

In the first half of the Company's financial year, the portfolio generated earnings of 5.59 pence per share (2018: 4.70 pence). Last year, the Board declared an interim dividend for the first time, of 5.0 pence per share, in order to more closely reflect the receipt of income from the investment portfolio, and the Company paid a total dividend of 14.0 pence per share for the year. For the current financial year, the Board has declared an interim dividend of 5.2 pence per share, an increase of 4.0%, payable on 17th April 2020 to shareholders on the register as at 13th March 2020. The ex-dividend date will be 12th March 2020.

## Share Repurchases and Discount

The Board is very pleased that the discount on the Company's shares has continued to narrow over the first half of the financial year. It regularly considers the merits of buying back shares in order to manage the level and volatility of the discount. For some time, the Board's policy was to buy back shares if the discount was wider than 10% for an extended period, was out of line with the peer group and market conditions were orderly. This time last year we broadened the scope of this policy to allow the Company to buy back shares at a discount narrower than 10% if the Board believes this to be in shareholders' interests.

During the six months the Company was active in buying back shares, repurchasing a total of 1,412,278 shares into Treasury at an average discount of 8.2% and a total cost of £14.0 million. As shares are only bought back at a discount to the prevailing net asset value, share buybacks benefit shareholders as they increase the net asset value per share. Over the six months the discount (to the cum income net asset value) on the Company's shares ranged between 9.5% and 4.3%, averaging 7.8%. At the time of writing the discount is 8.8% as the response to coronavirus has caused stock markets to be extremely volatile and market movements in ADRs and Latin American markets after the Company's closing price on the London stock market have impacted the NAV on which the discount is calculated.

### Marketing

The Board has agreed with the Manager an increased marketing and PR programme, to be part funded by the Company, with the aim of attracting new investors to the Company and thereby broadening the shareholder base. We believe this to be an important factor in helping to achieve our objective of reducing the level and volatility of the discount at which the Company's shares trade.

The Board encourages all shareholders to exercise their rights regarding voting, receiving Company documentation and attending the AGM so that we can receive feedback on the Company's progress. As the number of shareholders investing via specialist platforms has been increasing, the Board urges those shareholders to refer to their investment platforms or visit the website of the Association of Investment Companies for more details on how to vote their shares ahead of the Company's continuation vote in November 2020.

### Auditors

PricewaterhouseCoopers were auditors to the Company from its launch in 1991 until last year when, in accordance with the Audit Regulations and Guidance effective from April 2017, the Company was required to change its auditors. The Audit Committee undertook an auditor review and it was agreed to appoint BDO to succeed PricewaterhouseCoopers. Their appointment was confirmed by shareholders at the AGM held in November 2019.

### Corporate Governance

In July 2018, the FRC issued the revised UK Corporate Governance Code and in February 2019, this was followed by the publication of the revised AIC Code of Corporate Governance (the 'AIC Code'). Last year and during the course of this current financial year, the Board has taken the appropriate steps to ensure that the Company is compliant with the AIC Code and further disclosures will be made in the annual report to be published later this year.

### The Board

In the last annual report, I advised that the Board would look to recruit another Director before the November 2020 Annual General Meeting and intends to meet the Hampton-Alexander recommendation of having a minimum of 33% female representation on the Board in the medium term. The recruitment process will start shortly and an announcement will follow in due course.

### Outlook

At the time of writing there are significant uncertainties surrounding the future direction of global economic growth and the potential impact from coronavirus, and the share price has fallen sharply from the highs reached in January 2020. The discount has also widened from the tight levels seen at the end of the half year. However, your Investment Manager invests for the long term and believes that emerging markets still provide interesting opportunities to invest in companies with sustainable profit growth on reasonable valuations. As we have said before, there may be short term periods when your Investment Manager's approach of focusing on sustainable high quality growth companies may not outperform the index but the Directors believe that over the longer term this strategy will outperform, as has been the case over a number of years.

**Sarah Arkle**  
*Chairman*

6th March 2020





**Austin Forey**  
*Investment Manager*

Markets finished 2019 in relatively optimistic mood, though over the last six months as a whole our emerging markets benchmark returned a modest +2.9%. Your Company ended the period slightly ahead of the index, with the return on net assets +4.2%, while the return to shareholders was +7.2%, as the discount to NAV narrowed throughout December in particular.

In spite of plenty of political noise about trade, this was a relatively uneventful period, with few big market events to offer anomalous prices and hence opportunity. Nevertheless the companies owned in your Company's portfolio continued, in aggregate, to show solid growth in profits, even though corporate earnings in emerging markets as a whole were flat during the year. Against such a backdrop we have made few changes to the portfolio during the last six months, preferring instead to see the companies in the portfolio compounding their intrinsic value through their own efforts. The few transactions that we did make had the effect of tilting the mix of investments further towards Asia, and specifically towards China, but this continues a trend that has been in place for several years already, and which is likely to continue. The depth of investment opportunity in China in particular, combined with a level of entrepreneurial activity which is unmatched in other emerging markets, means that we are simply finding more interesting companies to look at there than elsewhere.

It is worth mentioning two other things. First, a few words about the coronavirus which is currently dominating news headlines. We fully recognise the seriousness and importance of this situation in everyday life for those directly affected, including our colleagues who are based in China; but as investors we also know that profits earned in the next few months account for a small part of any company's intrinsic value. We continue to focus on the potential of companies to generate cash flows many years into the future; it is the net present value of those cash flows which most reliably determines the value of any business, and we do not think that this is altered even by considerable uncertainty in the short term. There are a few companies in the portfolio whose business is being adversely affected right now; but we are confident that the businesses owned in your Company's portfolio are strongly positioned and able to ride out any short term difficulties; indeed, the best companies expand their competitive advantages most rapidly when times are tough. So despite the blanket news coverage, as investors we are trying to keep our eyes on the long term; in the past, events like the spread of a virus have generally faded in significance from an investment point of view when seen with the benefit of hindsight, and this seems likely to happen again in this instance.

The second issue we are regularly asked about is our view of the global economy, and especially whether the long economic cycle seen in the USA will come to an end. This is a question that has been confounding forecasters for several years already. It seems to us that interest rates are likely to remain low by historical standards, and that economic growth in emerging markets is also likely to continue to exceed that of developed countries, for a number of structural reasons. But it is also worth stressing that as investors, we do not base our decisions on this kind of macroeconomic view. We invest on your behalf in the shares of companies around the world, not in countries' GDP, and so we are far more interested in factors that are specific to a given company, especially its competitive strengths and weaknesses, and the extent to which it can earn a financial return from the skills it has; those skills include the ability to manage a business in a sustainable manner, something we pay ever more attention to in our research process. As I wrote a year ago, well run companies which can sustainably grow their share of the economic opportunity before them are what we are looking for, and that is not going to change; so you can expect that we will keep approaching investment decisions in the future in the same way that we have done in the past.

**Austin Forey**  
*Investment Manager*

6th March 2020

## LIST OF INVESTMENTS

AT 31ST DECEMBER 2019

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
<b>CHINA AND HONG KONG</b>		<b>SOUTH AFRICA</b>		<b>ARGENTINA</b>	
Tencent	77,604	Clicks	38,557	MercadoLibre	27,566
Alibaba <sup>1</sup>	74,213	Capitec Bank	22,520	Globant	18,550
AIA	59,050	Bid	21,737		<b>46,116</b>
Ping An Insurance Group Co. of China <sup>2</sup>	49,971	RMB	11,771	<b>RUSSIA</b>	
Budweiser Brewing	22,866	Sanlam	8,629	Sberbank of Russia	26,414
51job <sup>1</sup>	19,658	Discovery	6,756		<b>26,414</b>
Kweichow Moutai	18,101	Bidvest	4,544	<b>PERU</b>	
Greentown Service	16,444	Mr Price	4,146	Credicorp	15,447
Huazhu <sup>1</sup>	15,128		<b>118,660</b>		<b>15,447</b>
Techtronic Industries	14,336	<b>BRAZIL</b>		<b>SOUTH KOREA</b>	
Midea	13,954	Itau Unibanco	24,555	NAVER	11,522
Yum China	13,601	Lojas Renner	24,400		<b>11,522</b>
Jardine Matheson	10,071	WEG	17,500	<b>CHILE</b>	
Cafe de Coral	8,430	Ambev <sup>1</sup>	17,185	Banco Santander Chile <sup>1</sup>	8,385
Baidu <sup>1</sup>	7,835	Raia Drogasil	9,613		<b>8,385</b>
Foshan Haitian Flavouring & Food	7,607		<b>93,253</b>	<b>PHILIPPINES</b>	
Hong Kong Exchanges & Clearing	7,284	<b>BELARUS</b>		Jollibee Foods	4,450
JD.com <sup>1</sup>	6,182	EPAM Systems	57,021		<b>4,450</b>
	<b>442,335</b>		<b>57,021</b>	<b>TOTAL INVESTMENTS</b>	
<b>INDIA</b>		<b>INDONESIA</b>			<b>1,338,466</b>
Housing Development Finance	83,182	Bank Rakyat Indonesia Persero	20,726	<sup>1</sup> Investments in American Depositary Receipts ('ADRs').	
Tata Consultancy Services	45,262	Bank Central Asia	19,255	<sup>2</sup> Hong Kong 'H' shares, that is, shares in companies incorporated in mainland China and listed in Hong Kong and other foreign stock exchanges.	
IndusInd Bank	43,405	Unilever Indonesia	10,323		
Infosys <sup>1</sup>	24,421	Astra International	5,364		
United Breweries	19,203		<b>55,668</b>		
ITC	17,889	<b>MEXICO</b>			
Supreme Industries	17,047	Grupo Aeroportuario del Sureste <sup>1</sup>	15,196		
HDFC Life Insurance	14,496	Wal-Mart de Mexico	14,270		
	<b>264,905</b>	Grupo Financiero Banorte	13,375		
<b>TAIWAN</b>		Fomento Economico Mexicano <sup>1</sup>	12,726		
Taiwan Semiconductor Manufacturing <sup>1</sup>	99,702		<b>55,567</b>		
President Chain Store	18,395				
Chailease	13,851				
Delta Electronics	6,775				
	<b>138,723</b>				

## PORTFOLIO ANALYSES

### GEOGRAPHICAL ANALYSIS

	31st December 2019			30th June 2019		
	Portfolio % <sup>1</sup>	Benchmark %	Over/(Under) weight % <sup>1</sup>	Portfolio % <sup>1</sup>	Benchmark %	Over/(Under) weight % <sup>1</sup>
<b>East Asia</b>						
China and Hong Kong	33.0	34.3	(1.3)	29.4	31.6	(2.2)
Taiwan	10.4	11.7	(1.3)	8.4	10.8	(2.4)
South Korea	0.9	11.7	(10.8)	0.6	12.4	(11.8)
	44.3	57.7	(13.4)	38.4	54.8	(16.4)
<b>South Asia</b>						
India	19.8	8.6	11.2	21.4	9.0	12.4
Indonesia	4.2	1.9	2.3	4.6	2.1	2.5
Philippines	0.3	1.0	(0.7)	0.5	1.1	(0.6)
Thailand	–	2.6	(2.6)	–	3.0	(3.0)
Malaysia	–	1.8	(1.8)	–	2.1	(2.1)
	24.3	15.9	8.4	26.5	17.3	9.2
<b>Latin America</b>						
Brazil	7.0	7.5	(0.5)	7.7	7.7	–
Mexico	4.1	2.3	1.8	4.4	2.5	1.9
Argentina	3.4	0.2	3.2	4.7	0.4	4.3
Peru	1.1	0.3	0.8	1.3	0.4	0.9
Chile	0.6	0.7	(0.1)	0.9	0.9	–
Colombia	–	0.4	(0.4)	–	0.4	(0.4)
	16.2	11.4	4.8	19.0	12.3	6.7
<b>Europe/Middle East/Africa</b>						
South Africa	8.9	4.8	4.1	9.9	6.0	3.9
Belarus	4.3	–	4.3	4.3	–	4.3
Russia	2.0	3.9	(1.9)	1.9	4.0	(2.1)
Saudi Arabia	–	2.6	(2.6)	–	1.4	(1.4)
Qatar	–	0.9	(0.9)	–	1.0	(1.0)
Poland	–	0.9	(0.9)	–	1.1	(1.1)
United Arab Emirates	–	0.6	(0.6)	–	0.7	(0.7)
Turkey	–	0.5	(0.5)	–	0.5	(0.5)
Hungary	–	0.3	(0.3)	–	0.3	(0.3)
Greece	–	0.3	(0.3)	–	0.3	(0.3)
Egypt	–	0.1	(0.1)	–	0.1	(0.1)
Czech Republic	–	0.1	(0.1)	–	0.2	(0.2)
	15.2	15.0	0.2	16.1	15.6	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>	<b>100.0</b>	

<sup>1</sup> Based on total portfolio of £1,338.5m (30th June 2019: £1,305.0m).

SECTOR ANALYSIS

	31st December 2019			30th June 2019		
	Portfolio % <sup>1</sup>	Benchmark %	Over/(Under) weight %	Portfolio % <sup>1</sup>	Benchmark %	Over/(Under) weight %
Financials	33.6	24.2	9.4	35.1	25.2	9.9
Information Technology	18.8	15.7	3.1	18.5	13.9	4.6
Consumer Staples	17.1	6.3	10.8	16.2	6.6	9.6
Consumer Discretionary	14.7	14.2	0.5	14.2	13.4	0.8
Industrials	7.3	5.3	2.0	7.0	5.4	1.6
Communications Services	7.2	11.0	(3.8)	7.0	11.7	(4.7)
Materials	1.3	7.4	(6.1)	1.5	7.6	(6.1)
Energy	–	7.4	(7.4)	0.5	7.9	(7.4)
Real Estate	–	3.0	(3.0)	–	3.0	(3.0)
Healthcare	–	2.9	(2.9)	–	2.6	(2.6)
Utilities	–	2.6	(2.6)	–	2.7	(2.7)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>	<b>100.0</b>	

<sup>1</sup> Based on total portfolio of £1,338.5m (30th June 2019: £1,305.0m).

# Financial Statements

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## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

	(Unaudited) Six months ended 31st December 2019			(Unaudited) Six months ended 31st December 2018			(Audited) Year ended 30th June 2019		
	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	–	49,725	49,725	–	(28,351)	(28,351)	–	141,133	141,133
Net foreign currency (losses)/gains	–	(48)	(48)	–	533	533	–	100	100
Income from investments	9,742	–	9,742	8,872	–	8,872	24,975	–	24,975
Interest receivable	109	–	109	91	–	91	187	–	187
<b>Gross return/(loss)</b>	<b>9,851</b>	<b>49,677</b>	<b>59,528</b>	<b>8,963</b>	<b>(27,818)</b>	<b>(18,855)</b>	<b>25,162</b>	<b>141,233</b>	<b>166,395</b>
Management fee	(1,670)	(3,896)	(5,566)	(1,642)	(3,831)	(5,473)	(3,316)	(7,738)	(11,054)
Other administrative expenses	(714)	–	(714)	(638)	–	(638)	(1,305)	–	(1,305)
<b>Net return/(loss) before taxation</b>	<b>7,467</b>	<b>45,781</b>	<b>53,248</b>	<b>6,683</b>	<b>(31,649)</b>	<b>(24,966)</b>	<b>20,541</b>	<b>133,495</b>	<b>154,036</b>
Taxation	(679)	–	(679)	(885)	–	(885)	(2,269)	–	(2,269)
<b>Net return/(loss) after taxation</b>	<b>6,788</b>	<b>45,781</b>	<b>52,569</b>	<b>5,798</b>	<b>(31,649)</b>	<b>(25,851)</b>	<b>18,272</b>	<b>133,495</b>	<b>151,767</b>
<b>Return/(loss) per share</b> (note 3)	<b>5.59p</b>	<b>37.71p</b>	<b>43.30p</b>	<b>4.70p</b>	<b>(25.64)p</b>	<b>(20.94)p</b>	<b>14.85p</b>	<b>108.50p</b>	<b>123.35p</b>

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

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

The net return/(loss) after taxation represents the profit/(loss) for the period and also the total comprehensive income.

## STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
<b>Six months ended 31st December 2019</b>							
<b>(Unaudited)</b>							
<b>At 30th June 2019</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>1,009,708</b>	<b>25,709</b>	<b>1,313,769</b>
Repurchase of shares into Treasury	–	–	–	–	(14,041)	–	(14,041)
Net return	–	–	–	–	45,781	6,788	52,569
Dividend paid in the period (note 4)	–	–	–	–	–	(10,895)	(10,895)
<b>At 31st December 2019</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>1,041,448</b>	<b>21,602</b>	<b>1,341,402</b>
<b>Six months ended 31st December 2018</b>							
<b>(Unaudited)</b>							
<b>At 30th June 2018</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>889,474</b>	<b>29,029</b>	<b>1,196,855</b>
Repurchase of shares into Treasury	–	–	–	–	(6,719)	–	(6,719)
Net (loss)/return	–	–	–	–	(31,649)	5,798	(25,851)
Dividend paid in the period (note 4)	–	–	–	–	–	(15,452)	(15,452)
<b>At 31st December 2018</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>851,106</b>	<b>19,375</b>	<b>1,148,833</b>
<b>Year ended 30th June 2019 (Audited)</b>							
<b>At 30th June 2018</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>889,474</b>	<b>29,029</b>	<b>1,196,855</b>
Repurchase of shares into Treasury	–	–	–	–	(13,261)	–	(13,261)
Net return	–	–	–	–	133,495	18,272	151,767
Dividend paid in the period (note 4)	–	–	–	–	–	(21,592)	(21,592)
<b>At 30th June 2019</b>	<b>33,091</b>	<b>173,657</b>	<b>1,665</b>	<b>69,939</b>	<b>1,009,708</b>	<b>25,709</b>	<b>1,313,769</b>

<sup>1</sup> This reserve forms the distributable reserve of the Company and may be used to fund distributions to investors.

## STATEMENT OF FINANCIAL POSITION

### AT 31ST DECEMBER 2019

	(Unaudited) 31st December 2019 £'000	(Unaudited) 31st December 2018 £'000	(Audited) 30th June 2019 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	1,338,466	1,137,562	1,305,035
<b>Current assets</b>			
Debtors	1,335	571	3,102
Cash and cash equivalents	3,862	10,905	5,947
	5,197	11,476	9,049
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	(2,260)	(205)	(315)
Derivative financial liabilities	(1)	–	–
<b>Net current assets</b>	<b>2,936</b>	<b>11,271</b>	<b>8,734</b>
<b>Total assets less current liabilities</b>	<b>1,341,402</b>	<b>1,148,833</b>	<b>1,313,769</b>
<b>Net assets</b>	<b>1,341,402</b>	<b>1,148,833</b>	<b>1,313,769</b>
<b>Capital and reserves</b>			
Called up share capital	33,091	33,091	33,091
Share premium	173,657	173,657	173,657
Capital redemption reserve	1,665	1,665	1,665
Other reserve	69,939	69,939	69,939
Capital reserves	1,041,448	851,106	1,009,708
Revenue reserve	21,602	19,375	25,709
<b>Total shareholders' funds</b>	<b>1,341,402</b>	<b>1,148,833</b>	<b>1,313,769</b>
<b>Net asset value per share (note 5)</b>	<b>1,111.3p</b>	<b>935.5p</b>	<b>1,075.8p</b>

## STATEMENT OF CASH FLOWS

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019

	(Unaudited) Six months ended 31st December 2019 £'000	(Unaudited) Six months ended 31st December 2018 £'000	(Audited) Year ended 30th June 2019 £'000
Net cash outflow from operations before dividends and interest (note 6)	(6,486)	(5,964)	(12,591)
Dividends received	10,688	12,542	24,552
Interest received	111	93	187
Overseas tax recovered/(paid)	87	(183)	–
<b>Net cash inflow from operating activities</b>	<b>4,400</b>	<b>6,488</b>	<b>12,148</b>
Purchases of investments	(60,303)	(8,553)	(59,437)
Sales of investments	78,669	33,930	86,841
Settlement of foreign currency contracts	88	189	220
<b>Net cash inflow from investing activities</b>	<b>18,454</b>	<b>25,566</b>	<b>27,624</b>
Dividend paid	(10,895)	(15,452)	(21,592)
Repurchase of shares into Treasury	(14,041)	(6,719)	(13,261)
<b>Net cash outflow from financing activities</b>	<b>(24,936)</b>	<b>(22,171)</b>	<b>(34,853)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(2,082)</b>	<b>9,883</b>	<b>4,919</b>
Cash and cash equivalents at start of period	5,947	1,023	1,023
Exchange movements	(3)	(1)	5
Cash and cash equivalents at end of period	3,862	10,905	5,947
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(2,082)</b>	<b>9,883</b>	<b>4,919</b>
<b>Cash and cash equivalents consist of:</b>			
Cash and short term deposits	390	445	5,327
Cash held in JPMorgan US Dollar Liquidity Fund	3,472	10,460	620
<b>Total</b>	<b>3,862</b>	<b>10,905</b>	<b>5,947</b>

### RECONCILIATION OF NET DEBT

	As at 30th June 2019 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st December 2019 £'000
<b>Cash and cash equivalents</b>				
Cash	5,327	(4,934)	(3)	390
Cash equivalents	620	3,078	(226)	3,472
	5,947	(1,856)	(229)	3,862
<b>Borrowings</b>				
Debt due within one year	–	–	–	–
Debt due after one year	–	–	–	–
	–	–	–	–
<b>Total</b>	<b>5,947</b>	<b>(1,856)</b>	<b>(229)</b>	<b>3,862</b>

**FOR THE SIX MONTHS ENDED 31ST DECEMBER 2019**

**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 2019 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and including the report of the 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 financial statements are prepared 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 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.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015, and updated in March 2018 has been applied in preparing this condensed set of financial statements for the six months ended 31st December 2019.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 30th June 2019.

**3. Return/(loss) per share**

	(Unaudited) Six months ended 31st December 2019 £'000	(Unaudited) Six months ended 31st December 2018 £'000	(Audited) Year ended 30th June 2019 £'000
Return/(loss) per share is based on the following:			
Revenue return	6,788	5,798	18,272
Capital return/(loss)	45,781	(31,649)	133,495
<b>Total return/(loss)</b>	<b>52,569</b>	<b>(25,851)</b>	<b>151,767</b>
Weighted average number of shares in issue (excluding shares held in Treasury)	121,393,043	123,454,610	123,040,936
Revenue return per share	5.59p	4.70p	14.85p
Capital return/(loss) per share	37.71p	(25.64)p	108.50p
<b>Total return/(loss) per share</b>	<b>43.30p</b>	<b>(20.94)p</b>	<b>123.35p</b>

**4. Dividends paid**

	(Unaudited) Six months ended 31st December 2019 £'000	(Unaudited) Six months ended 31st December 2018 £'000	(Audited) Year ended 30th June 2019 £'000
2019 final dividend of 9.0p (2018: 12.5p)	10,895	15,452	15,452
2020 interim dividend of 5.0p (2019: 5.0p)	6,023	n/a	6,140
<b>Total dividends paid in the period/year</b>	<b>10,895</b>	<b>15,542</b>	<b>21,592</b>

All dividends paid in the period have been funded from the revenue reserve.

An interim dividend of 5.0p (2019: 5.0p) per share amounting to £6,023,000 (2019: £6,140,000), has been declared payable in respect of the six months ended 31st December 2019.

**5. Net asset value per share**

	(Unaudited) Six months ended 31st December 2019	(Unaudited) Six months ended 31st December 2018	(Audited) Year ended 30th June 2019
Net assets (£'000)	1,341,402	1,148,833	1,313,769
Number of shares in issue	120,706,958	122,798,331	122,119,236
<b>Net asset value per share</b>	<b>1,111.3p</b>	<b>935.5p</b>	<b>1,075.8p</b>

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

	(Unaudited) Six months ended 31st December 2019 £'000	(Unaudited) Six months ended 31st December 2018 £'000	(Audited) Year ended 30th June 2019 £'000
Net return/(loss) before finance costs and taxation	53,248	(24,966)	154,036
(Less capital return)/add capital loss before finance costs and taxation	(45,781)	31,649	(133,495)
Scrip dividends received as income	(33)	(21)	(21)
Decrease in accrued income and other debtors	1,767	4,386	1,855
Decrease in accrued expenses	(94)	(186)	(92)
Overseas withholding tax	(766)	(702)	(2,269)
Management fee charged to capital	(3,896)	(3,831)	(7,738)
Dividends received	(10,688)	(12,542)	(24,552)
Interest received	(111)	(93)	(187)
Realised gain/(loss) on foreign currency transactions	94	(4)	(41)
Realised (loss)/gain on liquidity fund	(226)	346	(87)
<b>Net cash outflow from operations before dividends and interest</b>	<b>(6,486)</b>	<b>(5,964)</b>	<b>(12,591)</b>

**7. Fair valuation of investments**

The fair value hierarchy disclosures required by FRS 102 are given below.

	(Unaudited) Six months ended 31st December 2019		(Unaudited) Six months ended 31st December 2018		(Audited) Year ended 30th June 2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,338,466	–	1,137,562	–	1,305,035	–
<b>Total value of investments</b>	<b>1,338,466</b>	<b>–</b>	<b>1,137,562</b>	<b>–</b>	<b>1,305,035</b>	<b>–</b>

# Interim Management Report

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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 from those reported in the Annual Report and Financial Statements for the year ended 30th June 2019 ('AFRS') and fall into the following broad categories: investment underperformance; political and economic; loss of investment team or investment manager; strategy/business management; operational and cyber crime; share price discount; change of corporate control of the manager; legal and regulatory; corporate governance and shareholder relations; and financial. Information on each of these areas is given in the Business Review within the AFRS.

### Related Parties Transactions

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

### Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half year financial report. 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 FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st December 2019 as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

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

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

and the Directors confirm that they have done so.

For and on behalf of the Board

**Sarah Arkle**

Chairman

6th March 2020

## Shareholder Information

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### Return to Shareholders (APM)

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

Total return calculation	Page	Period ended 31st December 2019	
Opening share price (p)	5	1,002.0	(a)
Closing share price (p)	5	1,064.0	(b)
Total dividend adjustment factor <sup>1</sup>		1.008982	(c)
Adjusted closing share price (d = b x c)		1,073.6	(d)
<b>Total return to shareholder (e = d / a - 1)</b>		<b>7.2%</b>	<b>(e)</b>

<sup>1</sup> 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, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Period ended 31st December 2019	
Opening cum-income NAV per share (p)	5	1,075.8	(a)
Closing cum-income NAV per share (p)	5	1,111.3	(b)
Total dividend adjustment factor <sup>2</sup>		1.008366	(c)
Adjusted closing cum-income NAV per share (d = b x c)		1,120.6	(d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>4.2%</b>	<b>(e)</b>

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

### Benchmark 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 (see page 4).

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.

### 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 5 on page 20 for detailed calculations.

#### Gearing/(Net Cash) (APM)

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

Gearing calculation	Page	31st December 2019 £'000	30th June 2019 £'000	
Investments held at fair value through profit or loss	17	1,338,466	1,305,035	(a)
Net assets	17	1,341,402	1,313,769	(b)
<b>Gearing/(Net cash) (c = a / b - 1)</b>		<b>(0.2)%</b>	<b>(0.7)%</b>	<b>(c)</b>

#### 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. The figure as at 31st December 2019 is an estimated figure based on the actual figures annualised for the six months ended 31st December 2019.

Ongoing charges calculation	Page	31st December 2019 £'000	30th June 2019 £'000	
Management fee	15	11,132	11,054	
Other administrative expenses	15	1,428	1,305	
Total management fee and other administrative expenses		12,560	12,359	(a)
Average daily cum-income net assets		1,321,489	1,206,032	(b)
<b>Ongoing charges (c = a / b)</b>		<b>0.95%</b>	<b>1.02%</b>	<b>(c)</b>

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

If the share price of an investment trust company 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.

#### Net Asset Values

The capital-only net asset value excludes current year income received from investments.

The cum-income net asset value includes current year income received from investments.

#### American Depositary Receipts (ADRs)

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

#### Hong Kong H-Shares

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

#### Association of Investment Companies ('AIC')

The AIC is the UK trade association for the closed-ended investment company industry.

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	Hargreaves Lansdown
Barclays Smart Investor	Interactive Investor
Charles Stanley Direct	Selftrade
Fidelity FundsNetwork	The Share Centre
Halifax	

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](http://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](http://unbiased.co.uk)

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

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

## 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](http://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](http://www.actionfraud.police.uk)

**Find out more at**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



## FINANCIAL CALENDAR

Financial year end	30th June
Final results announced	September
Half year end	31st December
Half year results announced	February/March
Final dividend paid	November
Annual General Meeting	November

### History

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

### Directors

Sarah Arkle (Chairman)  
Richard Laing  
Aidan Lisser  
Ruary Neill  
Andrew Page

### Company Numbers

Company registration number: 2618994  
LEI: 5493001VPQDYH1SSSR77

### Ordinary shares

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

### Market Information

The Company's net asset value ('NAV') per share is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the Company's website at [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk), where the share price is updated every fifteen minutes during trading hours.

### Website

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

### Share Transactions

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

### Manager and Company Secretary

JPMorgan Funds Limited

### Company's Registered Office

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

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

### 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 1081  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone number: 0371 384 2320

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

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

Registered shareholders can obtain further details on their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk)

### Independent Auditors

BDO LLP  
Chartered Accountants and Statutory Auditors  
55 Baker Street  
London W1U 7EU  
Telephone number: 020 7486 5888

### Brokers

Stifel Nicolaus Europe Limited  
150 Cheapside  
London EC2V 6ET  
Telephone number: 020 7710 7600

**aic**

The Association of  
Investment Companies

A member of the AIC

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## CONTACT

60 Victoria Embankment  
London  
EC4Y 0JP  
Tel +44 (0) 20 7742 4000  
Website [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk)

