

JPMorgan Emerging Markets Investment Trust plc

Half Year Report & Financial Statements for the six months ended 31st December 2018



KEY FEATURES

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 2018, the Company's issued share capital comprised 132,363,525 ordinary shares of 25p each, including 9,565,194 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, 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

76%

Active share -
a measure of
active management¹

¹ 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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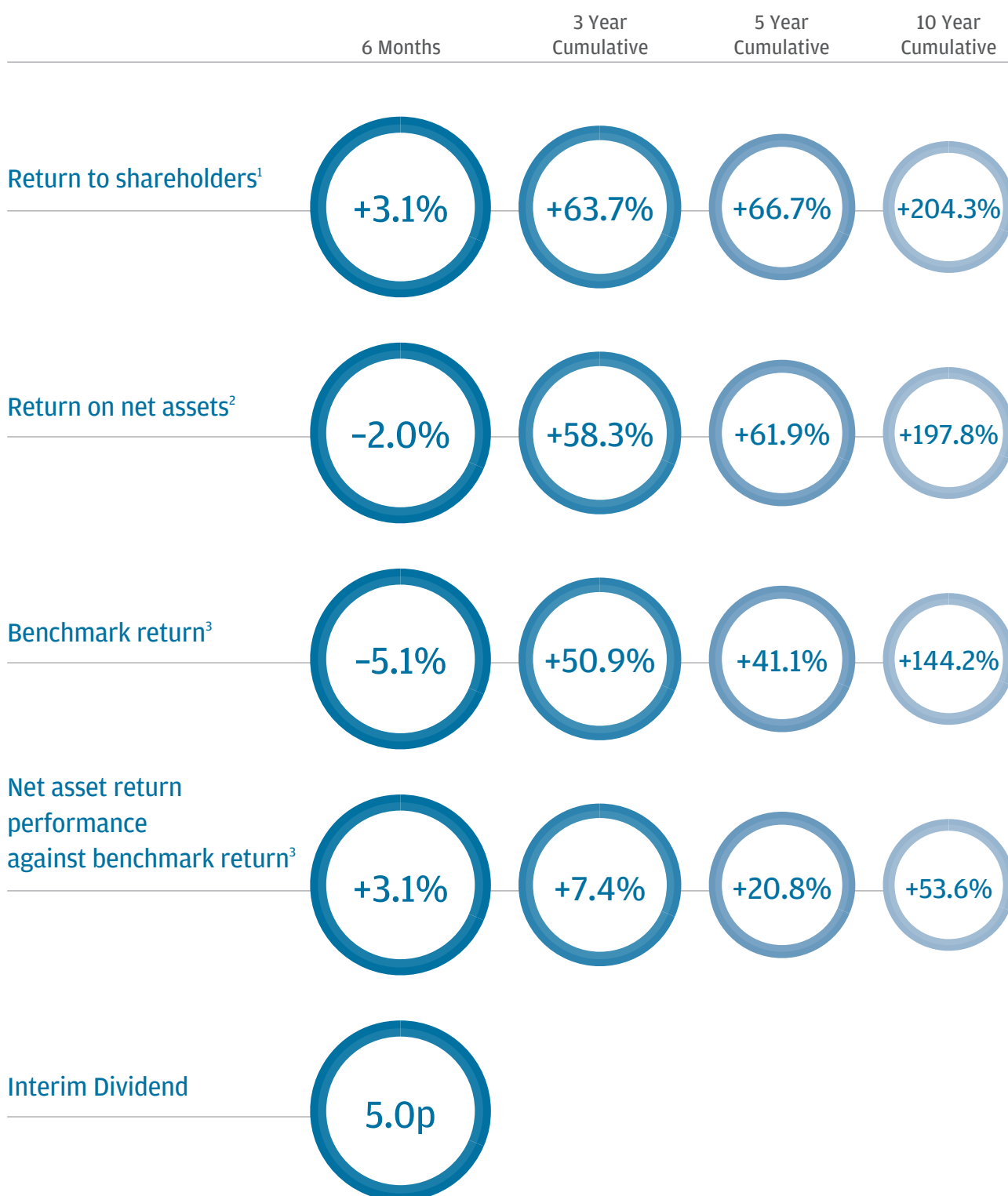
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Half Year Performance

FINANCIAL HIGHLIGHTS

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 31ST DECEMBER 2018



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

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

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

A glossary of terms and alternative performance measures is provided on pages 25 and 26.

SUMMARY OF RESULTS

	31st December 2018	30th June 2018	% change
Shareholders' funds (£'000)	1,148,833	1,196,855	-4.0
Net asset value per share	935.5p	968.2p	-3.4 ¹
Share price	855.0p	843.0p	+1.4 ²
Share price discount to capital-only net asset value per share	8.1%	11.7%	
Share price discount to cum-income net asset value per share	8.6%	12.9%	
Shares in issue (excluding shares held in Treasury)	122,798,331	123,615,346	-0.7
Gearing/(net cash)	(1.0)%	(0.6)%	
Ongoing charges	1.04%	1.02%	

¹ This return excludes dividends reinvested. Including dividends reinvested, the return of would be -2.0%.

² This return excludes dividends reinvested. Including dividends reinvested, the return of would be +3.1%.

A glossary of terms and alternative performance measures is provided on pages 25 and 26.

Chairman's Statement



Sarah Arkle
Chairman

Performance

During the first half of the Company's financial year, emerging markets were volatile. Over the period, the Company's benchmark index, the MSCI Emerging Markets Index (in sterling terms), fell by 5.1%. In the same period the Company's performance, at -2.0%, was rather better than the benchmark. The return to shareholders was positive, at +3.1%, reflecting a significant narrowing of the discount at which the Company's shares trade, from 11.7% at the previous financial year end, to 8.1% at the half year end. Whilst it is disappointing to report a fall in the net asset value, it is pleasing that the return to shareholders was positive and the outperformance of the benchmark on both measures once again demonstrates the benefits of active management. The Company's net asset value and share price have both outperformed the benchmark index over the three, five and ten years to 31st December 2018.

This sustained, long-term outperformance is a great credit to Austin Forey and the team at JPMorgan Asset Management. Their focus on finding and investing in long-term winners across the emerging markets' spectrum, backed by the strong and experienced analytical resource of the investment team, has ensured that the Company has continued to outperform its benchmark consistently over the longer term.

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 4.70 pence per share (2017: 4.41 pence). Last year, the Company paid a final dividend of 12.5 pence per share and the Board has agreed that the Company now generates sufficient income to warrant the payment of an interim dividend each year. This will more closely reflect the receipt of income from the Company's portfolio. As a consequence the Board has declared an interim dividend of 5.0 pence per share, payable on 18th April 2019 to shareholders on the register at the close of business on 15th March 2019. The ex-dividend date will be 14th March 2019.

Share Repurchases and Discount

The Board is pleased that the discount on the Company's shares has narrowed in recent months. It regularly considers the merits of buying back shares when it believes this to be in shareholders' interest and in order to manage the discount. In particular, it will consider taking action to ensure the discount does not exceed 10% for an extended period, if the discount is out of line with the peer group and market conditions are orderly.

During the six months the Company was active in buying back shares and it repurchased a total of 817,015 shares into Treasury at an average discount of 11.3% and a total cost of £6.73 million. The buybacks have benefitted shareholders as they increase the net asset value per share. The discount on the Company's shares narrowed: over the period it ranged between 7.5% and 13.1%, averaging 11.1%. At the half year end, the discount was 8.1%.

The Board

Anatole Kaletsky retired at the conclusion of the Annual General Meeting ('AGM') held in November 2018, having served as a Director since 2003. On behalf of the Board, I would like to thank him for his service to the Company and its shareholders.

Aidan Lisser was appointed to the Board on 1st December 2018. Aidan is Head of Strategy at Investec Wealth & Investment Limited, where he was previously Chief Marketing Officer. He has broad senior level brand and marketing experience across consumer products, banking, asset and wealth management, having been Chief Marketing Officer at Allianz Global Investors and Head of Group Brand at Standard Chartered Bank plc. He previously held various positions at Unilever, including four years based in China and three years in Thailand. Mr Lisser is also a Non-Executive Director of Henderson International Income Trust plc.

Outlook

Stock markets have recovered from their lows in the fourth quarter of 2018 as some of the fears of rising interest rates, a stronger US dollar and a more aggressive US trade policy have receded. There are, however, still concerns that China and other major global economies are slowing down which may create some further headwinds and volatility going forward. Against this backdrop, emerging markets will continue to provide opportunities to invest in a number of quality companies with sustainable growth potential at reasonable valuations, which remains the focus of your Investment Manager.

Sarah Arkle
Chairman

6th March 2019



Austin Forey
Investment Manager

The last six months have seen conditions, with more volatility and plenty of uncertainty, that are more familiar to investors in emerging markets than the smooth untroubled progress that equities enjoyed a year earlier. Why has this been the case? I highlighted three headwinds for markets in my commentary in the last annual report – a strong US dollar, economic sanctions imposed on certain countries by the US, and the trade disputes between the US and China. None of these were really resolved during the last six months, and the US/China trade issues in particular continued to bear negatively on share prices. As a result, markets declined in sterling terms, falling 5.1% during the period. The return on your Company's share price managed to stay in positive territory, at 3.1%. Most of this 8% difference was due to a narrowing of the discount to net asset value, which contributed about 5%; the remaining 3% was due to the underlying performance of the investment portfolio, measured as the return on net asset value, which was ahead of the index by 3.1%.

What did we do during the last six months? Activity in the portfolio was low, and for the most part we were content to continue holding the same companies; as long as they keep producing decent results while maintaining or growing their competitive strengths, we remain happy to leave them alone. The most notable change in markets was the decline in many Chinese stocks, but given where valuations were, this has not always been enough to produce compelling entry points; more, a reversion towards reasonable valuation levels. Elsewhere, Brazilian equities experienced a strong recovery after the presidential election there in October, as markets reacted with a degree of euphoria to the prospect of political change and economic reform. Experience suggests that such enthusiasm should be met with caution; the road to reform is rarely as smooth as it is portrayed to be during election campaigns.

Looking forward, what's on our minds? China is still the focus of a lot of our attention, though we really want to make changes only when the reasons to do so become compelling. People often assume that we spend our days looking for more and more new ideas to add to the portfolio; but if our strongest views are already in the portfolio, we are not interested in diversification for the sake of it. The number of holdings in the portfolio actually fell marginally during the last half year. Apart from China, we are spending a lot of our time looking at consumer sector companies in all emerging market regions; our positioning in the consumer sector has tended to be more diverse than in sectors like financial or information technology, but the more we can formulate strong opinions, the more we should be able to concentrate our views more sharply.

More generally, we can't help but be aware of what's going on in the global economy, and there, good signs are getting harder to find; but that's never been our starting point as investors, and it isn't today. Well managed companies, bought at sensible prices, which stay competitive and grow their share of the economic opportunity before them; that's been our bread and butter as investors, and will be in the future too.

Austin Forey
Investment Manager

6th March 2019

LIST OF INVESTMENTS

AT 31ST DECEMBER 2018

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
CHINA AND HONG KONG		TAIWAN		ARGENTINA	
Tencent	68,198	Taiwan Semiconductor Manufacturing ¹	65,848	Globant	19,127
AIA	48,573	President Chain Store	19,091	MercadoLibre	14,679
Alibaba ¹	46,910	Chailease	10,507		33,806
Ping An Insurance Group Co. of China ²	38,810	Delta Electronics	9,756		
Jardine Matheson	23,654		105,202		
51job ¹	13,819			RUSSIA	
Baidu ¹	13,497			Sberbank of Russia	17,989
Greentown Service	12,833	BRAZIL			17,989
Cafe de Coral	10,137	Itau Unibanco	25,428		
Tsingtao Brewery ²	8,506	Lojas Renner	20,916	PERU	
JD.com ¹	7,843	WEG	16,323	Credicorp	16,710
Tencent Music Entertainment G ¹	6	Vale ¹	14,170		16,710
	292,786	Ultrapar Participacoes	11,477		
		Ambev ¹	10,912	CHILE	
		Raia Drogasil	5,318	Banco Santander Chile ¹	11,319
			104,544		11,319
INDIA		INDONESIA		SOUTH KOREA	
Housing Development Finance	72,035	Bank Rakyat Indonesia Persero	17,265	NAVER	8,114
IndusInd Bank	48,880	Bank Central Asia	15,040		8,114
Tata Consultancy Services	42,093	Astra International	11,325		
Infosys ¹	24,593	Unilever Indonesia	11,193	PHILIPPINES	
United Breweries	24,006		54,823	Jollibee Foods	6,039
ITC	22,528				6,039
Supreme Industries	19,473	MEXICO		PAKISTAN	
HDFC Standard Life Insurance	9,570	Grupo Aeroportuario del Sureste ¹	13,942	BRR Guardian Modaraba	86
	263,178	Wal-Mart de Mexico	13,147		86
SOUTH AFRICA		Grupo Financiero Banorte	12,070	TOTAL INVESTMENTS	
Clicks	30,114	Fomento Economico Mexicano ¹	12,047		1,137,562
Bid	17,648	Genera	3,357		
Capitec Bank	17,643		54,563		
RMB	15,884	BELARUS			
Discovery	10,957	EPAM Systems	40,509		
Sanlam	8,811		40,509		
Shoprite	8,057				
Bidvest	7,412				
Tiger Brands	5,692				
Mr Price	5,676				
	127,894				

¹ Includes investments in American Depositary Receipts ('ADRs').

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

PORTFOLIO ANALYSES

GEOGRAPHICAL ANALYSIS

	31st December 2018			30th June 2018		
	Portfolio % ¹	Benchmark %	Over/(Under) weight %	Portfolio % ¹	Benchmark %	Over/(Under) weight %
East Asia						
China and Hong Kong	25.7	30.4	(4.7)	28.6	32.7	(4.1)
Taiwan	9.3	11.4	(2.1)	8.7	11.6	(2.9)
South Korea	0.7	13.8	(13.1)	0.7	14.6	(13.9)
Thailand	–	2.4	(2.4)	–	2.2	(2.2)
	35.7	58.0	(22.3)	38.0	61.1	(23.1)
South Asia						
India	23.1	9.4	13.7	22.1	8.6	13.5
Indonesia	4.8	2.3	2.5	4.0	1.9	2.1
Philippines	0.5	1.1	(0.6)	0.4	1.0	(0.6)
Malaysia	–	2.4	(2.4)	–	2.3	(2.3)
Pakistan	–	–	–	–	0.1	(0.1)
	28.4	15.3	13.1	26.5	13.9	12.6
Latin America						
Brazil	9.2	7.5	1.7	8.7	5.8	2.9
Mexico	4.8	2.8	2.0	5.0	2.9	2.1
Argentina	3.0	–	3.0	2.8	–	2.8
Peru	1.5	0.4	1.1	1.4	0.4	1.0
Chile	1.0	1.1	(0.1)	1.0	1.1	(0.1)
Colombia	–	0.4	(0.4)	–	0.5	(0.5)
	19.5	12.2	7.3	18.9	10.7	8.2
Europe/Middle East/Africa						
South Africa	11.2	6.2	5.0	10.8	6.6	4.2
Belarus	3.6	–	3.6	3.5	–	3.5
Russia	1.6	3.7	(2.1)	2.3	3.5	(1.2)
Poland	–	1.3	(1.3)	–	1.1	(1.1)
Turkey	–	0.6	(0.6)	–	0.8	(0.8)
Qatar	–	1.1	(1.1)	–	0.8	(0.8)
United Arab Emirates	–	0.8	(0.8)	–	0.6	(0.6)
Greece	–	0.2	(0.2)	–	0.3	(0.3)
Hungary	–	0.3	(0.3)	–	0.3	(0.3)
Czech Republic	–	0.2	(0.2)	–	0.2	(0.2)
Egypt	–	0.1	(0.1)	–	0.1	(0.1)
	16.4	14.5	1.9	16.6	14.3	2.3
Total	100.0	100.0		100.0	100.0	

¹ Based on total portfolio of £1,137.6m (30th June 2018: £1,189.1m).

SECTOR ANALYSIS

	31st December 2018			30th June 2018		
	Portfolio % ¹	Benchmark %	Over/(Under) weight %	Portfolio % ¹	Benchmark %	Over/(Under) weight %
Financials	35.2	24.8	10.4	33.7	22.8	10.9
Information Technology	17.8	14.2	3.6	33.0	27.9	5.1
Consumer Staples	16.5	6.7	9.8	16.7	6.6	10.1
Consumer Discretionary	10.9	10.4	0.5	5.4	9.8	(4.4)
Telecommunication Services	7.9	14.1	(6.2)	–	4.3	(4.3)
Industrials	7.7	5.6	2.1	7.5	5.3	2.2
Materials	3.0	7.7	(4.7)	2.7	7.6	(4.9)
Energy	1.0	7.9	(6.9)	1.0	7.1	(6.1)
Healthcare	–	2.8	(2.8)	–	3.2	(3.2)
Real Estate	–	3.1	(3.1)	–	3.0	(3.0)
Utilities	–	2.7	(2.7)	–	2.4	(2.4)
Total	100.0	100.0		100.0	100.0	

¹ Based on total portfolio of £1,137.6m (30th June 2018: £1,189.1m).

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2018

	(Unaudited) Six months ended 31st December 2018			(Unaudited) Six months ended 31st December 2017			(Audited) Year ended 30th June 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	–	(28,351)	(28,351)	–	123,601	123,601	–	83,886	83,886
Net foreign currency gains/(losses)	–	533	533	–	(446)	(446)	–	(796)	(796)
Income from investments	8,872	–	8,872	8,359	–	8,359	23,039	–	23,039
Interest receivable and similar income	91	–	91	97	–	97	168	–	168
Gross return/(loss)	8,963	(27,818)	(18,855)	8,456	123,155	131,611	23,207	83,090	106,297
Management fee	(1,642)	(3,831)	(5,473)	(1,610)	(3,758)	(5,368)	(3,293)	(7,687)	(10,980)
Other administrative expenses	(638)	–	(638)	(610)	–	(610)	(1,294)	–	(1,294)
Net return/(loss) on ordinary activities before taxation	6,683	(31,649)	(24,966)	6,236	119,397	125,633	18,620	75,403	94,023
Taxation	(885)	–	(885)	(773)	–	(773)	(2,044)	–	(2,044)
Net return/(loss) on ordinary activities after taxation	5,798	(31,649)	(25,851)	5,463	119,397	124,860	16,576	75,403	91,979
Return/(loss) per share (note 3)	4.70p	(25.64)p	(20.94)p	4.41p	96.47p	100.88p	13.40p	60.96p	74.36p

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

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

The net return/(loss) on ordinary activities 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 2018

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 31st December 2018							
(Unaudited)							
At 30th June 2018	33,091	173,657	1,665	69,939	889,474	29,029	1,196,855
Repurchase of shares into Treasury	–	–	–	–	(6,719)	–	(6,719)
Net (loss)/return on ordinary activities	–	–	–	–	(31,649)	5,798	(25,851)
Dividend paid in the period (note 4)	–	–	–	–	–	(15,452)	(15,452)
At 31st December 2018	33,091	173,657	1,665	69,939	851,106	19,375	1,148,833
Six months ended 31st December 2017							
(Unaudited)							
At 30th June 2017	33,091	173,657	1,665	69,939	816,561	26,069	1,120,982
Repurchase of shares into Treasury	–	–	–	–	(2,488)	–	(2,488)
Net return on ordinary activities	–	–	–	–	119,397	5,463	124,860
Dividend paid in the period (note 4)	–	–	–	–	–	(13,616)	(13,616)
At 31st December 2017	33,091	173,657	1,665	69,939	933,470	17,916	1,229,738
Year ended 30th June 2018 (Audited)							
At 30th June 2017	33,091	173,657	1,665	69,939	816,561	26,069	1,120,982
Repurchase of shares into Treasury	–	–	–	–	(2,490)	–	(2,490)
Net return on ordinary activities	–	–	–	–	75,403	16,576	91,979
Dividend paid in the period (note 4)	–	–	–	–	–	(13,616)	(13,616)
At 30th June 2018	33,091	173,657	1,665	69,939	889,474	29,029	1,196,855

¹ This reserve forms the distributable reserve of the Company and may be used to fund distributions to investors via dividend payments.

STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2018

	(Unaudited) 31st December 2018 £'000	(Unaudited) 31st December 2017 £'000	(Audited) 30th June 2018 £'000
Fixed assets			
Investments held at fair value through profit or loss	1,137,562	1,227,205	1,189,079
Current assets			
Derivative financial assets	–	–	1
Debtors	571	1,024	9,467
Cash and cash equivalents	10,905	2,184	1,023
	11,476	3,208	10,491
Current liabilities			
Creditors: amounts falling due within one year	(205)	(675)	(2,711)
Derivative financial liabilities	–	–	(4)
Net current assets	11,271	2,533	7,776
Total assets less current liabilities	1,148,833	1,229,738	1,196,855
Net assets	1,148,833	1,229,738	1,196,855
Capital and reserves			
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	851,106	933,470	889,474
Revenue reserve	19,375	17,916	29,029
Total shareholders' funds	1,148,833	1,229,738	1,196,855
Net asset value per share (note 5)	935.5p	994.8p	968.2p

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2018

	(Unaudited) Six months ended 31st December 2018 £'000	(Unaudited) Six months ended 31st December 2017 £'000	(Audited) Year ended 30th June 2018 £'000
Net cash outflow from operations before dividends and interest (note 6)	(5,964)	(6,374)	(12,752)
Dividends received	12,542	9,931	19,314
Interest received	93	90	166
Overseas tax recovered	(183)	(91)	–
Net cash inflow from operating activities	6,488	3,556	6,728
Purchases of investments	(8,553)	(32,859)	(82,163)
Sales of investments	33,930	38,877	84,070
Settlement of foreign currency contracts	189	(150)	(218)
Net cash inflow from investing activities	25,566	5,868	1,689
Dividend paid	(15,452)	(13,616)	(13,616)
Repurchase of shares into Treasury	(6,719)	(4,202)	(4,323)
Net cash outflow from financing activities	(22,171)	(17,818)	(17,939)
Increase/(decrease) in cash and cash equivalents	9,883	(8,394)	(9,522)
Cash and cash equivalents at start of period	1,023	10,580	10,580
Exchange movements	(1)	(2)	(35)
Cash and cash equivalents at end of period	10,905	2,184	1,023
Increase/(decrease) in cash and cash equivalents	9,883	(8,394)	(9,522)
Cash and cash equivalents consist of:			
Cash and short term deposits	445	326	873
Cash held in JPMorgan US Dollar Liquidity Fund	10,460	1,858	150
Total	10,905	2,184	1,023

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2018

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 2018 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 revised 'SORP') issued by the Association of Investment Companies in November 2014 and updated in February 2018.

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

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 2018.

3. Return/(loss) per share

	(Unaudited) Six months ended 31st December 2018 £'000	(Unaudited) Six months ended 31st December 2017 £'000	(Audited) Year ended 30th June 2018 £'000
Return/(loss) per share is based on the following:			
Revenue return	5,798	5,463	16,576
Capital (loss)/return	(31,649)	119,397	75,403
Total (loss)/return	(25,851)	124,860	91,979
Weighted average number of Ordinary shares in issue (excluding shares held in Treasury)	123,454,610	123,772,751	123,694,695
Revenue return per share	4.70p	4.41p	13.40p
Capital (loss)/return per share	(25.64)p	96.47p	60.96p
Total (loss)/return per share	(20.94)p	100.88p	74.36p

4. Dividend paid

	(Unaudited) Six months ended 31st December 2018 £'000	(Unaudited) Six months ended 31st December 2017 £'000	(Audited) Year ended 30th June 2018 £'000
2018 Final dividend of 12.50p (2017: 11.0p)	15,452	13,616	13,616
Total dividend paid in the period/year	15,452	13,616	13,616

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

An interim dividend of 5.0p (2017: nil) per share amounting to £6,140,000 (2017: £nil), has been declared payable in respect of the six months ended 31st December 2018.

5. Net asset value per share

	(Unaudited) Six months ended 31st December 2018	(Unaudited) Six months ended 31st December 2017	(Audited) Year ended 30th June 2018
Net assets (£'000)	1,148,833	1,229,738	1,196,855
Number of shares in issue	122,798,331	123,615,346	123,615,346
Net asset value per share	935.5p	994.8p	968.2p

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

	(Unaudited) Six months ended 31st December 2018 £'000	(Unaudited) Six months ended 31st December 2017 £'000	(Audited) Year ended 30th June 2018 £'000
Net (loss)/return on ordinary activities before finance costs and taxation	(24,966)	125,633	94,023
Add capital loss/(less capital return) on ordinary activities before finance costs and taxation	31,649	(119,397)	(75,403)
Scrip dividends received as income	(21)	–	–
Decrease/(increase) in accrued income and other debtors	4,386	2,245	(1,688)
(Decrease)/increase in accrued expenses	(186)	(114)	53
Management fee charged to capital	(3,831)	(3,758)	(7,687)
Overseas withholding tax	(702)	(666)	(2,028)
Dividends received	(12,542)	(9,931)	(19,314)
Interest received	(93)	(90)	(166)
Realised (loss)/gain on foreign currency transactions	(4)	155	(5)
Realised gain/(loss) on liquidity fund	346	(451)	(537)
Net cash outflow from operations before dividends and interest	(5,964)	(6,374)	(12,752)

7. Fair valuation of investments

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

	(Unaudited) Six months ended 31st December 2018		(Unaudited) Six months ended 31st December 2017		(Audited) Year ended 30th June 2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,137,562	–	1,227,205	–	1,189,079	–
Total value of investments	1,137,562	–	1,227,205	–	1,189,079	–

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; 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 Annual Report and Financial Statements for the year ended 30th June 2018.

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 2018, 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 2019

Shareholder Information

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 2018	
Opening share price (p)	5	843.0	(a)
Closing share price (p)	5	855.0	(b)
Total dividend adjustment factor ¹		1.016192	(c)
Adjusted closing share price (d = b x c)		868.8	(d)
Total return to shareholder (e = d / a - 1)		3.1%	(e)

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

Return on Net Assets (APM)

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

Total return calculation	Page	Period ended 31st December 2018	
Opening cum-income NAV per share (p)	5	968.2	(a)
Closing cum-income NAV per share (p)	5	935.5	(b)
Total dividend adjustment factor ²		1.014112	(c)
Adjusted closing cum-income NAV per share (d = b x c)		948.7	(d)
Total return on net assets (e = d / a - 1)		-2.0%	(e)

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

Benchmark 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.

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 2018 £'000	30th June 2018 £'000	
Investments held at fair value through profit or loss	17	1,137,562	1,189,079	(a)
Net assets	17	1,148,833	1,196,855	(b)
Gearing/(Net cash) (c = a / b - 1)		(1.0)%	(0.6)%	(c)

Ongoing Charges (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable and excluding/including performance fee 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 2018 is an estimated figure based on the actual figures for the six months ended 31st December 2018.

Ongoing charges calculation	Page	31st December 2018 £'000	30th June 2018 £'000	
Management fee	15	10,946	10,980	
Other administrative expenses	15	1,276	1,294	
Total management fee and other administrative expenses		12,222	12,274	(a)
Average daily cum-income net assets		1,177,183	1,205,517	(b)
Ongoing charges (c = a / b)		1.04%	1.02%	(c)

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

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share.

The opposite of a discount is a premium. It is more common for an investment trust company's shares to trade at a discount than at a premium (page 5).

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.

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

1. Directly from J.P. Morgan

Investment Account

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

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments with a J.P. Morgan ISA. For the 2018/19 tax year, from 6th April 2018 and ending 5th April 2019, the total ISA allowance is £20,000. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk/investor

2. Via a third party provider

Third party providers include;

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

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

3. Through a professional adviser

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

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	30th June
Final results announced	September
Half year end	31st December
Half year results announced	February
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)
Aidan Lisser
Ruary Neill
Richard Laing
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, where the 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 and the J.P. Morgan ISA. These products are all available on the online service at jpmorgan.co.uk/online

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT
Telephone number: 020 7710 7600

Brokers

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

Savings Product Administrators

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

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The Association of
Investment Companies

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www.jpmemergingmarkets.co.uk

J.P. MORGAN HELPLINE

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

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