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Annual Report 09

JPMorgan Emerging Markets Investment Trust plc

Annual Report & Accounts for the Year Ended 30th June 2009

Features

Contents

Objective

Capital growth from emerging markets worldwide.

Investment Policies

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

Further details on investment policies and risk management are given in the Directors' Report on page 18.

Benchmark

The MSCI Emerging Markets Free Index in sterling terms.

Company Structure

The Company has an authorised share capital of 296,000,000 Ordinary shares of 25p each of which 110,303,742 were in issue at the year end.

During the year, the Company issued 22,059,783 Subscription shares as a bonus issue to Ordinary shareholders.

Continuation Vote

At the Annual General Meeting held on 6th November 2008 an ordinary resolution of the shareholders approved the continuation of the Company until the Annual General Meeting in 2011 and at three yearly intervals thereafter.

Management Company

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

Financial Results

Total Returns (capital plus income)

-13.1%
Return to shareholders[1]
(2008: +4.7%)

-13.3%
Return on net assets[2]
(2008: +2.5%)

-13.1%
Benchmark return[3]
(2008: +5.5%)

3.2p
Dividend
(2008: 2.0p)

Long Term Performance

for periods ended 30th June 2009

JPMorgan Emerging Markets - Return to shareholders[1]
JPMorgan Emerging Markets - Return on net assets[1]
Benchmark[1]

A glossary of terms and definitions is provided on page 64.

[1]Source: Morningstar.
[2]Source: J.P. Morgan.
[3]Source: Datastream. The Company's benchmark is the MSCI Emerging Markets Free Index in sterling terms.

Chairman's Statement

The year to end June 2009 was probably the most dramatic period in financial markets that most of us can remember. I am therefore pleased, almost relieved, to report that we came through it in reasonable shape with the net asset value (NAV) total return down 13.3%, more or less in line with our benchmark index, the MSCI Emerging Markets Free Index in sterling terms. The share price over the year fell from 433p to 374p producing a total return to shareholders of -13.1%.

I say relieved, since at one point our NAV touched 257.1p some 45% below the figure it was on 1st July 2008 and some 53% below its peak of 549p in December 2007. In these circumstances it is difficult to find the firm ground to make good investments and indeed our stock selection has not been as good as we would have liked. However, the Manager was quickly aware of the problem and strengthened his team accordingly.

Despite such volatile markets the discount of our share price to NAV has averaged 6.2% as compared to 9.8% last year and peaked at 14.5%. The Board monitored the situation carefully against our clear discount policy but at no time did we consider it necessary to buy back shares. It is often difficult to explain the movements in the level of discount but I would hope that the discount levels that we are now seeing are to some extent a measure of how well your Company is perceived by the market. Also, turnover in the Company's shares is now on average double what it was 5 years ago, which again I believe leads to somewhat lower discounts.

Last year in my report I said that we were entering a period of massive upheaval but that I was confident that the fundamentals for continued growth in emerging markets would remain in place. Therefore in May with the market beginning to show signs of a recovery the Board took the decision to propose to shareholders a 1 for 5 issue of subscription shares. This was agreed at a general meeting on 10th June 2009 with 99.7% of votes cast in favour. On 30th June 2009 the subscription shares were priced at 39.5p, which equates to an additional 7.9p or 2.1% return per ordinary share.

As in previous years the dividend we are proposing of 3.20p per share (2008: 2.00p) is set by our policy of maximising capital growth and this is a figure which is more or less the minimum we can pay and maintain our status as an investment trust. Subject to shareholders' approval at the AGM this will be paid on 6th November 2009 to shareholders on the register at close of business on 9th October 2009.

With the failure of governance at many large financial institutions it is important for me to assure you that this is a subject at the top of our agenda. We comply fully with the Financial Reporting Council Combined Code and the AIC Code of Corporate Governance. Moreover, I should add that we do not see this as a box ticking exercise but we endeavour to "kick the tyres" and question the Manager rigorously on performance and strategy. The Board was particularly aware of the contagion of investment and operational risk during the height of the financial crisis, although we were of course fortunate in the overall strength of JPMorgan as our Manager. Going forward we are planning to work with the Manager in reviewing the way we evaluate risk to see if we can better understand the risks we clearly must run if we are to continue to deliver out performance. As in previous years we have also carried out a formal review of the Manager, the Board as a whole and separately the Board evaluated my role as Chairman. I am pleased to report that no major concerns were raised and the Board firmly believes that the reappointment of the Manager is in the best interests of the Company.

As a Board we have also tried to manage our own succession planning, and following the appointment during the year of Nigel Kenny and Percy Mistry as Directors, Val Powell and I will be retiring at the AGM. This will bring the Board numbers down to our normal level of five. It has been agreed that Alan Saunders will take over as Chairman, David Gamble will become the Senior Independent Director and that Nigel Kenny will become the Chairman of the Audit Committee. Val Powell joined our Board following the merger with F&C Emerging Markets Investment Trust in 2006 and has brought to bear his considerable City knowledge in all our discussions. I would like to thank him for his positive contributions and personal support.

Where then is your Company heading over the next few years? We have of course seen a considerable bounce in emerging markets share prices over the last six months, driven by the general perception that the worst is over in the USA and Europe and by the internally generated boost from China. Therefore whilst some consolidation might be expected over the remainder of the year I remain of the belief that emerging markets will continue to grow strongly in the medium and longer term.

Finally, may I thank my fellow Directors for their support and for JPMorgan Asset Management for their professionalism in delivering outstanding performance. It has been a privilege to be your Chairman for the last six years and I am confident that your Company will continue to outperform in the years ahead.

Roy Reynolds
Chairman

30th September 2009

Investment Manager's Report

Austin Forey

What has happened?

How different the world would seem if you travelled, out of reach of news media and share price information, across some huge desert, or better, on an ocean, only putting in to port once a year on the 1st July. That day, the first one after the end of your Company's financial year, would afford the opportunity to update your financial statements and assess what had changed. Very little, might be your first response this time. It would seem a disappointing year for emerging markets, with the index down by 13.1%, and your Company's portfolio down by 13.3%, almost the same. On the other hand, since the investment manager's reports have repeatedly mentioned the improbability that the returns of 2002-2007 could be sustained, you might not be surprised. Most of all, you might wonder what all the fuss has been about.

And yet for those in the thick of it, and frankly for any customer of any financial organisation, it has been an extraordinary twelve months. Only massive state intervention preserved public confidence in financial systems, and that only by a slim margin and at the eleventh hour. For those of us versed in a decade of economic crises in the developing world, the patterns that unfolded in Western economies were not unfamiliar, though no less disconcerting for that. For those more used to the US and Europe, this was the first serious financial crisis for almost twenty years and a shocking experience.

Shareholders of this Company will be only too aware that its net asset value per share, 470p at the beginning of this financial year in July 2008, reached 257p towards the end of October 2008, with the share price touching 235p at the same time. The assets we manage on your behalf fell by almost half in a period of six weeks, but over the last ten months have slowly crawled back up to a level approaching that from which we started.

The details of what happened need no repeating here; instead, it may be helpful to analyse briefly how emerging markets were affected by the crisis and what implications it has for the future.

There are perhaps three salient points to make; first, *this was not an emerging market crisis*, but a developed world credit problem that turned rapidly into a failure of wholesale credit markets. Emerging markets as a whole entered this crisis as net lenders to the developed world, in sharp contrast to the nineties when they relied on borrowing from developed nations to fund their growth. With relatively strong government finances and banking systems more focused on conventional domestic lending, many emerging countries experienced a sharp slowdown, particularly in external trade, but not a serious banking crisis. There have been relatively few corporate insolvencies and certainly nothing like what was seen in the Asian crisis of 1997-98. While the withdrawal of foreign investment capital meant that equity markets fell in a very similar way to the developed world (the so-called "contagion" effect), the underlying economic fundamentals were not hugely changed and allowed a much faster recovery in share prices. Only Eastern Europe, where foreign currency debts greatly increased the vulnerability of the corporate sector, has experienced a real banking crisis and therefore a downturn more similar to those seen in previous emerging market crises.

Performance attribution for the year ended 30th June 2009

	%	%
Contributions to Total Returns		
Benchmark Total Return		**-13.1**
Asset Allocation	+0.6	
Stock Selection	-2.4	
Gearing/Cash	+2.6	
Currency	-0.1	
Investment Manager Contribution		**+0.7**
Portfolio Total Return		**-12.4**
Management Fees/ Other Expenses	-1.3	
VAT Recovery	+0.3	
Residual*	+0.1	
Other Effects		**-0.9**
Net Asset Value Return		**-13.3**
Impact of change in Discount	+0.2	
Share Price Total Return		**-13.1**

Source: Xamin/Datastream/Morningstar. All figures are on a total return basis.

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

* The residual arises principally from timing differences in the treatment of income flows. The Xamin attribution system accounts for income on a received (on the ex-dividend date) basis whereas Morningstar calculates the Company's NAV Total Return using the actual dividends paid by the Company (on the ex-dividend date).

A glossary of terms and definitions is provided on page 64.

Second, *the response to the crisis in the developed world has been very different* to that seen in emerging markets which experienced similar bank-led crises in recent times. While emerging markets have typically, with the encouragement of developed world agencies, dealt with crises through a combination of currency devaluation and austerity (sharp domestic recessions), such harsh medicine is intolerable and perhaps impossible in the developed world except when spread over long timeframes; in the short term great efforts have been made to prevent a contraction in the money supply. Interest rates have gone down, not up, and seem likely to remain low for some time. In the emerging world, the immediate response to this external threat to economic growth has been stimulus programmes directed at domestic investment, financed with relative ease from government funds. China has led the way in this.

So in the short term, most emerging countries are doing relatively well. Economic growth rates will remain well above those of the developed world in the next few years, though we will need to watch carefully for the risk that state-directed investment may bring about over-capacity and declining returns at some point in the future. Before that happens, the risk of an asset bubble, especially in Asia, should not be overlooked.

Third, *the long term dynamic at work in emerging markets remains largely unchanged.* Protectionism and closed markets still represent the greatest threat to the development of emerging economies and their companies; but it is very hard to envisage a complete unpicking of the world of integrated production, distribution and consumption that binds the developed world and the developing world together. We expect long term trends in economic development to continue along relatively well-mapped lines. The same challenges remain, but for investors like ourselves, interested above all in compounding effects sustained over long periods, where else would one rather be working to invest capital?

What did we do?

We changed some 20% of the portfolio this year, and details of our changes can be seen on page 13. Investors should understand that we do not start each year with a budget for transaction volumes; nor do we go looking for reasons to change the portfolio, because one cannot take a long term approach by making changes every day. So instead we prefer that decisions present themselves to us when the returns on offer seem wholly disproportionate; every investment decision comes down to a judgement about the return on today's price that the market is offering us in the future and the risks that we assume to get that return.

Over the last year the pricing of some of those risks has been subject to huge fluctuations. In the second half of 2008, the economic crisis created extreme uncertainty and fear, so liquidity (which meant keeping your options open, having the freedom to change your mind and move your money easily) became very highly priced: investors would accept close to zero returns (very low interest rates) in exchange for immediate liquidity with a reliable counterparty (e.g. US government treasury bills). Conversely, very low prices were assigned to illiquid assets, including the shares of small companies, and therefore high prospective returns were offered to those able to hold them.

Investment Manager's Report continued

At the level of individual companies, markets' attitudes to liquidity were expressed through a big divergence in valuations. On the one hand, companies with the financial freedom to act and make decisions, able to fund their operations internally, with little or no debt, outperformed significantly as markets fell. Businesses which lacked this financial freedom, or worse, had significant debts that needed to be either refinanced or repaid, found themselves in the opposite position.

Because banks could no longer be relied on to roll over debt facilities, some companies found themselves facing insolvency because of a lack of liquidity and their share prices were marked down sharply, in some cases assuming imminent bankruptcy. In the year that has passed the investment opportunity lay in avoiding such stocks at all costs in the first half of the year; but from March onwards the pricing of risk returned towards a normal level and the stocks which had performed worst during the sell-off saw their shares prices rebound most strongly.

Our investment decisions during the year can be most easily understood against this simple background. Broadly speaking, we made four kinds of decisions, all of which relate to the pricing of risk during the year; we sold several investments, especially in the real estate sector, which we believed presented a very real risk of permanent loss of value. This could be through outright insolvency - though in fact this outcome has been averted in almost all cases - but could also be through the requirement to recapitalise the business, which effectively obliges shareholders to pay twice over for the same thing. Over the last few months these have looked like poor decisions, though one should take into account the use we made of the proceeds too.

We added to businesses which were being penalised by the market for the same issues of financial risk, but where in our view the risks could be easily resolved by the passage of time and would then be revalued upwards. Most but not all of these purchases were in the financial sector itself; we added to the portfolio's investments in financial services in India, China, Mexico, Russia and elsewhere. Thirdly, we reduced or sold outright other stocks where the potential for future returns appeared to be diminishing as businesses mature and slow down. And fourth, we increased or introduced new investments that we regard as long term holdings for the portfolio. These tend to have the following characteristics; we expect them to generate good returns on capital in the future; they have an opportunity to reinvest their profits which are large enough to permit many years of growth ahead of them; they have strong competitive positions. Stocks like this usually trade at valuations which reflect their qualities, but in the crisis there were opportunities to buy them when this was not the case.

The results of our policy this year have been mixed and we struggled to match the benchmark return. Analysis shows that our stock selection was somewhat disappointing, especially in a couple of markets. Perhaps not surprisingly, given the severity of market falls, cash was a positive contributor to relative returns. By spending much of the cash after markets had fallen, we managed to avoid handing back most of this positive effect as markets recovered. Overall, however, we found this a challenging year. As we continue into the current year, we have two clear priorities: to take adequate risk and to refresh the portfolio to ensure that our ideas produce the best pay-off for shareholders.

What happens next?

The typical evolution of a market recovery divides into several phases and we do not expect this one to be different. First, fear slowly abates and valuation rises towards previous norms. Second, valuations do not stop but go on to look expensive. Third, corporate profits come out ahead of expectations and valuations in fact turn out to be normal after all. Fourth, valuations rise again and the market really does become over-valued. Fifth, company profits begin to undershoot expectations but nobody cares, such is the momentum in share prices and the fear of being left behind. Sixth, reality strikes and it is all over. The markets we invest in are not all identically placed, but most of them are in the second phase and some are moving into the third; the first phase of the normalisation of valuations has been largely completed in the space of a few months.

If this gives a broad market context for our future decisions, it is worth repeating that individual companies are really what interest us the most. Given the convergence of valuations that we have seen, differentiated profit performance seems likely to be a very significant factor in determining stock performance in the next few years. Accordingly, our research effort continues to look above all for companies which can persistently create value for shareholders, especially by reinvesting and growing their businesses. We particularly like companies able to grow their share of a market that is itself growing.

Although this tends to focus the mind on Asia above all, where general economic growth rates are highest, the reality of what we do is much more specific than that. Accordingly, the relevance of broad generalisations about markets and sectors is limited; we can be (and are) as interested in a supermarket retailer in China as in a micro-lender in Latin America; one of the best investment opportunities we came across in the last twelve months was in Russia. For all the many ways that exist of talking about, measuring, categorising and appraising the practice of investment, we strive to keep it as simple as possible; we look for businesses where we can be confident that they will be worth a lot more in the future than they are in the present, and we try to combine them in a diversified portfolio. To do this, we will keep deploying the abilities of our people, aiming to produce good returns for this portfolio, in the same way that we have in the past.

Austin Forey
Investment Manager

30th September 2009

Summary of Results

	2009	2008	
Total Returns for the year ended 30th June			
Return to shareholders[1]	**-13.1%**	+4.7%	
Return on net assets[2]	**-13.3%**	+2.5%	
Benchmark return[3]	**-13.1%**	+5.5%	
Net Asset Value, Share Price and Discount at 30th June			% change
Shareholders' funds (£'000)	**448,160**	518,430	-13.6
Net asset value per share	**406.3p**	470.0p	-13.6
Share price	**374.0p**	433.5p	-13.7
Share price discount to net asset value	**7.9%**	7.8%	
Ordinary shares in issue	**110,303,742**	110,303,742	
Subscription share price	**39.5p**	–	–
Subscription shares in issue	**22,059,783**	–	–
Revenue for the year ended 30th June			
Gross revenue return (£'000)	**11,344**	9,456	+20.0
Net revenue attributable to shareholders (£'000)	**4,888**	2,858	+71.0
Revenue return per share	**4.43p**	2.59p	+71.0
Dividend per share	**3.2p**	2.0p	+60.0
Actual Gearing Factor at 30th June[4]	**99.2%**	95.3%	
Total Expense Ratio ('TER')[5]	**1.05%**	1.25%	

A glossary of terms and definitions is provided on page 64.

[1]Source: Morningstar.

[2]Source: J.P. Morgan.

[3]Source: Datastream.

[4]Actual gearing represents investments, excluding holdings in liquidity funds, expressed as a percentage of total net assets.

[5]Management fees and all other operating expenses, excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

Performance

Ten Year Performance

Figures have been rebased to 100 at 30th June 1999

Source: Morningstar/Datastream.

- JPMorgan Emerging Markets - Share price.
- JPMorgan Emerging Markets - Net asset value.
- Benchmark - MSCI Emerging Markets Free Index in sterling terms.

Performance Relative to Benchmark

Figures have been rebased to 100 at 30th June 1999

Source: Morningstar/Datastream.

- JPMorgan Emerging Markets - Share price.
- JPMorgan Emerging Markets - Net asset value.
- Benchmark - MSCI Emerging Markets Free Index in sterling terms (represented by the horizontal line)

Ten Year Financial Record

At 30th June	1999	2000	2001	2002	2003	2004	2005[1]	2006	2007	2008	**2009**
Shareholders' funds (£m)	144.1	179.0	129.8	120.4	115.9	148.4	222.2	360.9	508.0	518.4	**448.2**
Net asset value per share (p)	151.8	195.2	142.0	133.5	128.5	164.5	246.3	327.2	460.5	470.0	**406.3**
Ordinary share price (p)	122.8	162.8	116.8	111.8	107.5	137.8	216.0	299.0	416.5	433.5	**374.0**
Discount (%)	19.1	16.6	17.7	16.3	16.3	16.2	12.3	8.6	9.6	7.8	**7.9**
Actual gearing factor (%)	103.1	109.8	110.4	107.4	99.7	95.8	95.0	99.8	100.8	95.3	**99.2**
Subscription share price (p)[2]	–	–	–	–	–	–	–	–	–	–	**39.5**
Year ended 30th June											
Gross revenue attributable to shareholders (£'000)	3,511	3,157	2,232	3,010	3,013	4,474	5,435	8,488	8,055	9,456	**11,344**
Revenue (loss)/return per share (p)	(0.48)	(1.14)	(2.17)	(0.22)	0.69	2.47	2.87	4.30	1.96	2.59	**4.43**
Dividend per share (p)	–	–	–	–	–	–	2.45	3.65	2.00	2.00	**3.20**
Total expense ratio ('TER') %[3]	1.63	1.68	1.73	1.68	1.57	1.40	1.31	1.28	1.24	1.25	**1.05**
Rebased to 100 at 30th June 1999											
Ordinary share price total return[4]	100.0	132.6	95.1	91.0	87.6	112.2	176.0	247.5	346.4	362.6	**315.2**
Net asset value total return[4]	100.0	128.6	93.6	87.9	84.7	108.4	160.7	218.8	310.7	317.3	**275.1**
Benchmark[5]	100.0	114.0	90.9	84.8	83.5	101.2	137.6	180.6	241.4	254.6	**221.3**

A glossary of terms and definitions is provided on page 64.

[1]Figures have been restated to reflect changes in accounting policy regarding dividends payable. Such dividends are now included in the accounts in the year in which they are paid. Years prior to 2005 have not been restated.

[2]For details on Subscription shares see page 20.

[3]Management fees and all other operating expenses, excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

[4]Source: Morningstar.

[5]Source: Morningstar/Datastream.

Ten Largest Equity Investments

Year ended 30th June

Company	Country	2009 Valuation £'000	2009 Valuation %[1]	2008 Valuation £'000	2008 Valuation %
Petroleo Brasileiro Petroleo Brasileiro explores for and produces oil and natural gas. The company refines, markets and supplies oil products. The company operates oil tankers, distribution pipelines, marine, river and lake terminals, thermal power plants, fertilizer plants and petrochemical units. The company operates in South America and elsewhere around the world.	Brazil	**33,264**	**7.4**	50,886	9.8
Vale Vale produces and sells iron ore, pellets, manganese, alloys, gold, nickel, copper, kaolin, bauxite, alumina, aluminum and potash. The company is based in Brazil, where it owns and operates railroads and maritime terminals.	Brazil	**21,349**	**4.8**	32,733	6.3
China Merchants Bank[2] China Merchants Bank provides a wide range of commercial banking services including deposit, loan, bill discount, government bonds underwriting and trading, interbank lending, letter of credit, bank guarantee and other related services.	China	**18,731**	**4.2**	8,140	1.6
America Movil America Movil provides wireless communications services in all regions of Mexico. The company also participates in telecommunications joint ventures in several other South American countries as well as in the United States.	Mexico	**16,244**	**3.6**	17,451	3.4
Housing Development Finance Housing Development Finance provides housing finance in India. The company provides long-term housing loans to low and middle income individuals, as well as to corporations. The company also provides construction finance to real estate developers, besides providing lease financing facilities to companies and development authorities for infrastructure and other assets.	India	**15,817**	**3.5**	11,412	2.2
MTN MTN is an investment holding company with an interest in Mobile Telephone Networks Holdings Limited. The group operates a GSM cellular telephone network in South Africa, as well as providing related services. The group also provides cellular phone services in other African countries and operates Orbicom, a satellite communications provider.	South Africa	**14,414**	**3.2**	11,798	2.3
Infosys Technologies[2] Infosys Technologies provides IT consulting and software services, including e-business, program management and supply chain solutions. The group's services include application development, product co-development, and system implementation and system engineering. Infosys targets businesses specialising in the insurance, banking, telecommunication and manufacturing sectors.	India	**12,952**	**2.9**	8,980	1.7
Bharti Airtel Bharti Airtel, a part of Bharti Enterprises, provides telecommunications services throughout India. The company provides GSM Mobile Services, broadband, fixed line telephone services, long distance services (international & national) and enterprise services.	India	**12,473**	**2.8**	9,784	1.9
China Mobile[3] China Mobile provides cellular telecommunications and related services in the People's Republic of China and Hong Kong.	Hong Kong	**12,403**	**2.8**	–	–
African Bank Investments[2] African Bank Investments is a bank holding company. The group provides financial services to the under serviced areas of the South African population. The company specialises in making consumer loans and microlending products to individuals and small businesses. The company also offers life and funeral insurance.	South Africa	**11,725**	**2.6**	7,686	1.5
Total		**169,372**	**37.8**		

[1]Based on total assets less current liabilities of £448.2m (2008: £518.4m).
[2]Not included in the ten largest investments at 30th June 2008.
[3]Not held in the portfolio at 30th June 2008.

At 30th June 2008, the value of the ten largest investments amounted to £183.2m representing 35.3% of total assets less current liabilities.

Portfolio Analyses

Geographic

	30th June 2009		30th June 2008	
	Portfolio	Benchmark	Portfolio	Benchmark
	%	%	%	%
East Asia	**32.6**	**43.5**	21.7	37.6
Latin America	**28.3**	**21.7**	34.4	25.5
Europe/Middle East/Africa	**22.5**	**20.9**	27.8	25.9
South Asia	**15.8**	**13.9**	11.4	11.0
Total equities	**99.2**	**100.0**	95.3	100.0
Liquidity fund	**0.1**	**–**	4.6	–
Net current assets	**0.7**	**–**	0.1	–
Total	**100.0**	**100.0**	100.0	100.0

Based on total assets less current liabilities of £448.2m (2008: £518.4m).

Sector

	30th June 2009		30th June 2008	
	Portfolio	Benchmark	Portfolio	Benchmark
	%	%	%	%
Financials	**23.6**	**24.1**	21.4	20.2
Telecommunication Services	**14.7**	**10.5**	10.0	10.9
Consumer Staples	**14.1**	**5.1**	10.6	4.3
Materials	**12.5**	**13.5**	16.7	16.9
Consumer Discretionary	**10.5**	**5.0**	10.0	4.5
Energy	**9.9**	**15.9**	14.4	20.7
Information Technology	**7.0**	**12.3**	5.2	10.4
Industrials	**4.9**	**7.2**	4.3	7.5
Healthcare	**2.0**	**2.5**	2.7	1.6
Utilities	**–**	**3.9**	–	3.0
Total equities	**99.2**	**100.0**	95.3	100.0
Liquidity fund	**0.1**	**–**	4.6	–
Net current assets	**0.7**	**–**	0.1	–
Total	**100.0**	**100.0**	100.0	100.0

Based on total assets less current liabilities of £448.2m (2008: £518.4m).

Investment Activity
during the year ended 30th June 2009

	Value at 30th June 2008 £'000	Value at 30th June 2008 % of portfolio	Purchases £'000	Sales £'000	Changes in value £'000	Value at 30th June 2009 £'000	Value at 30th June 2009 % of portfolio
China and Hong Kong	62,437	12.1	38,986	9,150	2,672	**94,945**	**21.3**
Brazil	115,848	22.4	9,103	9,082	(34,793)	**81,076**	**18.2**
India	46,600	9.0	5,020	4,305	9,192	**56,507**	**12.7**
South Africa	59,397	11.5	2,103	8,532	187	**53,155**	**12.0**
Mexico	45,871	8.9	6,570	789	(12,728)	**38,924**	**8.8**
South Korea	34,965	6.7	845	1,746	(3,121)	**30,943**	**7.0**
Russia	43,699	8.4	4,934	178	(24,428)	**24,027**	**5.4**
Taiwan	19,449	3.8	610	–	110	**20,169**	**4.5**
Egypt	9,602	1.8	3,824	–	(3,565)	**9,861**	**2.2**
Indonesia	8,431	1.6	212	1,407	2,584	**9,820**	**2.2**
Israel	8,588	1.7	299	2,860	1,255	**7,282**	**1.6**
Malaysia	3,737	0.7	–	–	533	**4,270**	**1.0**
Chile	2,696	0.5	137	–	882	**3,715**	**0.8**
Argentina	9,716	1.9	108	1,995	(4,699)	**3,130**	**0.7**
United Arab Emirates	11,415	2.2	2,492	5,456	(5,443)	**3,008**	**0.7**
United Kingdom	–	–	4,066	–	(1,761)	**2,305**	**0.5**
Turkey	2,010	0.4	–	732	(530)	**748**	**0.2**
Romania	663	0.1	–	34	(213)	**416**	**0.1**
Pakistan	104	–	–	–	(64)	**40**	**–**
Czech Republic	8	–	–	–	3	**11**	**–**
Austria	6,478	1.2	–	2,492	(3,986)	**–**	**–**
Hungary	2,395	0.5	–	1,193	(1,202)	**–**	**–**
Total equity investment	494,109	95.4	79,309	49,951	(79,115)	**444,352**	**99.9**
Liquidity Fund	23,793	4.6	22,882	52,070	5,891	**496**	**0.1**
Total Portfolio	517,902	100.0	102,191	102,021	(73,224)	**444,848**	**100.0**

List of Investments

at 30th June 2009

Company	Valuation £'000
China and Hong Kong	
China Merchants Bank	18,731
China Mobile	12,403
Ping An Insurance 'H'	9,032
Li & Fung	7,606
Anhui Conch Cement	7,364
Xinyi Glass	5,157
Tsingtao Brewery	4,485
Esprit Holdings	4,366
Wumart Stores	3,950
China Resources Enterprise	3,932
Franshion Properties	3,522
China National Building Material	3,106
GOME Electrical Appliances	3,075
Integrated Distribution Services	2,515
H.K. Aircraft Engineering	2,258
Convenience Retail Asia	1,770
FU JI Food & Catering Services	1,673
	94,945
Brazil	
Petroleo Brasileiro[1]	33,264
Vale[1]	21,349
Itau Unibanco	10,534
Brasileira de Meios de Pagamento	6,865
WEG	4,262
Companhia de Bebidas das Americas[1]	3,636
GP Investments[1]	1,166
	81,076
India	
Housing Development Finance	15,817
Bharti Airtel	12,473
Infosys Technologies[1]	7202
Infosys Technologies	5750
ACC	4,525
Reliance Capital	3,642
Pantaloon Retail	3,243
Zee Entertainment Enterprises	2,130
Ambuja Cements	1,725
	56,507
South Africa	
MTN	14,414
African Bank Investments	11,725
Impala Platinum	8,231
Sasol	7,926
Massmart	5,447
RMB Holdings	5,412
	53,155
Mexico	
America Movil[1]	16,244
Grupo Financiero Banorte	8,798
Wal-Mart De Mexico	6,868
Fomento Economico Mexicano[1]	4,430
CEMEX S.A.B. de C.V.[1]	2,584
	38,924
South Korea	
KT&G	7,252
Hyundai Mobis	5,812
Hyundai Motor	5,496
Shinsegae	5,458
Posco	5,169
Shinsegae Food	1,756
	30,943
Russia	
Magnit	9,306
Sberbank Rossii	7,297
Vimpel Communications[1]	2,362
DIXY	2,048
Mechel[1]	1,806
Pharmacy Chain 36.6	647
Sollers	520
RTM OAO	41
	24,027

Company	Valuation £'000
Taiwan	
Hon Hai Precision	9,346
Taiwan Semiconductor Manufacturing[1]	9,243
President Chain Store	1,580
	20,169
Egypt	
Orascom Telecom	4,307
Orascom Construction Industries	3,009
Eastern Tobacco	2,545
	9,861
Indonesia	
Bank Rakyat Indonesia	3,941
Telekomunikasi Indonesia[1]	3,608
Unilever Indonesia	2,271
	9,820
Israel	
Teva Pharmaceutical Industries[1]	7,282
	7,282
Malaysia	
British American Tobacco Malaysia	4,270
	4,270
Chile	
Banco Santander-Chile[1]	3,715
	3,715
Argentina	
Tenaris[1]	3,130
	3,130
United Arab Emirates	
DP World	3,008
	3,008

Company	Valuation £'000
United Kingdom	
International Personal Finance	2,305
	2,305
Turkey	
EastPharma[1]	748
	748
Romania	
A&D Pharma[1]	416
	416
Pakistan	
BRR Guardian Modaraba	40
	40
Czech Republic	
Czech & Slovak Investment Corporation[2]	11
	11
Total equity investments	**444,352**
Liquidity Fund	
JPMorgan US Dollar Liquidity Fund[2]	496
	496
Total Portfolio	**444,848**

[1]Comprises ADRs/GDRs/ADSs/BDRs.
[2]Managed by JPMorgan Asset Management.

Board of Directors

Roy Reynolds, CMG §†‡

(Chairman of the Board and of the Nomination Committee and Remuneration Committee)

A Director since December 1999.

Formerly a Director of LASMO plc, the Chief Executive of the Commonwealth Development Corporation and Managing Director of Shell UK Oil.

David Gamble *§†‡

A Director since April 2006.

Formerly Chief Executive of British Airways Pension Investment Management, a Director of F&C Emerging Markets Investment Trust plc and New Star Asset Management Group plc. Mr Gamble is currently a Director and trustee of IBM (UK) Pension Trust and External Investment Adviser to the BBC Pension Trust Limited, Chairman of the management committee of Hermes Property Unit Trust and a Director of four other investment trusts and a number of other companies.

Anatole Kaletsky *§†‡

A Director since September 2003.

Editor at Large at The Times of London and also Chief Economist of Gavekal Research, a Hong Kong based investment boutique which provides economic analysis and asset management services to financial institutions around the world.

Valentine Powell *§†‡

A Director since April 2006.

Formerly a senior partner of Pinchin Denny & Co., Chairman of F&C Emerging Markets Investment Trust plc, a Director of Morgan Grenfell Securities, Chief Executive of the Association of Lloyd's Members and of the Lloyd's Corporate Capital Association.
Mr Powell is currently Chairman of The Rank Foundation and a Director of CTVC.

Alan Saunders *§†‡

(Senior Independent Director and Chairman of the Audit Committee)

A Director since May 2002.

An Independent Investment Consultant with Allenbridge Group plc. Mr Saunders was formerly Chief Economist at Royal Dutch Shell and also held senior investment roles in both Lazards and the Private Banking Division of UBS A.G. He is currently independent investment adviser to Dorset County Council Pension Scheme and and independent trustee of two private sector pension schemes as well as acting as a Non-Executive Director of ING Real Estate (UK).

Nigel Kenny *§†‡

A Director since September 2008.

A founding partner of emerging markets private equity company Sabre Capital. He is currently an independent non-executive director of UC Rusal Ltd, the world's largest producer of aluminium and alumina products, and a non-executive director of First City Monument Bank Plc, a bank listed on the Nigerian stock exchange. He was previously an independent non-executive director of PartyGaming Plc. Between 1992 and 2002 Mr Kenny held a number of senior positions at Standard Chartered Bank, including Group Head of Operations, Corporate and Institutional Banking and Finance Director. Prior to that he spent 14 years with Chase Manhattan Bank. He is a chartered accountant.

Percy Mistry *§†‡

A Director since January 2009.

Chairman of The Oxford International Group which comprises companies engaged in investment banking, asset management, private equity investment and strategic financial and economic services to governments and multinational companies in emerging market countries. He is a senior advisor to Europa Partners, a corporate finance boutique. He was previously CEO of Synergy Power Corporation, a director of ICICI and non-executive chairman of D.C. Gardner. He was also an advisory member of the Forum on Debt and Development and has held several senior positions with the World Bank.

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

Directors' Report

The Directors present their report for the year ended 30th June 2009.

Business Review

Business of the Company

The Company carries on business as an investment trust and was approved by HM Revenue and Customs as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30th June 2008. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify. The Company will continue to seek approval under Section 842 of the Income and Corporation Taxes Act 1988 each year.

Approval for the year ended 30th June 2008 is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 2 and 3, and in the Investment Manager's Report on pages 4 to 7.

Objective

The Company's objective is to achieve capital growth from emerging markets worldwide.

Investment Policies and Risk Management

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

The Company is managed to produce capital growth and not to produce any particular level of dividend and it will only pay dividends to the extent necessary to maintain investment trust status.

The Board's policy is to employ gearing when the Manager believes it is appropriate to do so. The Board regularly reviews this policy. Should the Manager decide to employ gearing, the Company will remain invested in the range of 90-120% under normal market conditions.

The Board has set no minimum or maximum limits on the number of investments in the portfolio but it is a relatively concentrated portfolio consisting typically of between 60 and 90 investments. The assets are managed by an investment manager based in London who is supported by a 50 strong emerging markets equity team.

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

Investment Restrictions and Guidelines

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

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

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

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

Performance

In the year to 30th June 2009, the Company produced a total return to shareholders of -13.1% and a total return on net assets of -13.3%. This compares with the return on the Company's benchmark index of -13.1%. At 30th June 2009, the value of the Company's investment portfolio (including liquidity fund holdings) was £445 million. The Investment Manager's Report on pages 4 to 7 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends

Gross loss for the year amounted to £62.2 million (2008: gain £17.4 million) and net total loss after deducting interest, administration expenses and taxation amounted to £67.8 million (2008: gain £12.7 million). Distributable income for the year amounted to £4.9 million (2008: £2.9 million).

The Directors recommend a final dividend of 3.2p per share payable on 6th November 2009 to holders on the register at the close of business on 9th October 2009. This distribution will amount to £3.5 million. The revenue reserve after transfer of the final dividend will amount to £2.5 million.

Key Performance Indicators ('KPIs')

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

- **Performance against the benchmark index**
  This is the most important KPI by which performance is judged.

Performance Relative to Benchmark Index

Figures have been rebased to 100 at 30th June 1999

Source: Standard & Poor's - Morningstar/Datastream.

- JPMorgan Emerging Markets - Share price.
- JPMorgan Emerging Markets - Net asset value.
- Benchmark - MSCI Emerging Markets Free Index in sterling terms (represented by the horizontal line).

Ten Year Performance

Figures have been rebased to 100 at 30th June 1999

Source: Morningstar/Datastream.

- JPMorgan Emerging Markets - Share price.
- JPMorgan Emerging Markets - Net asset value.
- Benchmark - MSCI Emerging Markets Free Index in Sterling terms.

- **Performance against the Company's peers**
  The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors the performance relative to a broad range of competitor funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. Details of the attribution analysis for the year ended 30th June 2009 are given in the Investment Manager's Report on page 5.

- **Discount to net asset value ('NAV')**
  The Board has a share repurchase policy which seeks to address imbalances in supply of and demand for the Company's shares within the market. This helps to reduce the volatility and absolute level of the discount to NAV at which the Company's shares trade in relation to its peers in the sector. In the year to 30th June 2009, the shares traded between a discount of 14.5% and a premium of 3.0%.

Directors' Report continued

Discount Performance

Source: Datastream (month end data).

▬ JPMorgan Emerging Markets - Discount.

- **Total expense ratio ('TER')**
  The TER is an expression of the Company's management fees and all other operating expenses, excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets. The TER for the year ended 30th June 2009 was 1.05% (2008: 1.25%). The Board reviews each year an analysis which shows a comparison of the Company's TER and its main expenses with those of its peers.

Share Capital
The Company has the authority both to repurchase shares in the market for cancellation and to issue new shares for cash.

The Company did not issue or repurchase any shares for cancellation during the year. However, Special Resolutions to renew the authorities to issue and repurchase shares will be put to shareholders for approval at the Annual General Meeting.

The Company does not currently hold any shares in Treasury and does not have authority to reissue shares from Treasury at a discount to NAV.

Subscription Shares
Following the passing of the Special Resolution proposed at the Company's General Meeting held on 10th June 2009, the Company issued 22,059,783 Subscription shares on 11th June 2009 as a bonus issue to Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 1st August 2009 to 31st July 2014 (both dates inclusive) when the rights under the Subscription shares will lapse. The conversion prices of the Subscription shares, calculated as at the close of business on 9th June 2009 and based on the Company's net asset value of 417.3 pence, per share are as follows:

- if exercised between 1st August 2009 and 31st July 2010, 422 pence;
- if exercised between 1st August 2010 and 31st July 2012, 460 pence; and
- if exercised between 1st August 2012 and 31st July 2014, 543 pence;

For the purposes of UK taxation, the issue of Subscription shares is treated as a reorganisation of the Company's share capital. Whereas such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, they do require shareholders to reallocate the base costs of their Ordinary shares between Ordinary shares and Subscription shares received under the Bonus Issue. At the close of business on 11th June 2009 the middle market prices of the Company's Ordinary shares and Subscription shares were as follows:

Ordinary shares	392p
Subscription shares	57p

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

Principal Risks
With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly under the following categories:

- Investment Underperformance: An inappropriate investment strategy, for example asset allocation, the level of gearing or the degree of portfolio risk, could lead to underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments and through a set of investment restrictions and guidelines which are monitored and reported on by the Manager. JPMorgan Asset Management (UK) Limited ('JPMAM') provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Manager, who attends all Board meetings, and reviews data which show statistical measures of the Company's risk profile.

- Political and Economic: Administrative risks, such as the imposition of restrictions on the free movement of capital.
- Loss of Investment Team or Investment Manager: A sudden departure of the investment manager or several members of the investment management team could result in a short-term deterioration in investment performance. The Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team based approach, as well as special efforts to retain key personnel.
- Discount: A disproportionate widening of the discount relative to the Company's peers could result in loss of value for shareholders. The Board regularly discusses discount policy and has set parameters for the Manager and the Company's broker to follow.
- Change of Corporate Control of the Manager: The Board holds regular meetings with senior representatives of JPMAM in order to obtain assurance that the Manager continues to demonstrate a high degree of commitment to its investment trusts business through the provision of significant resources.
- Accounting, Legal and Regulatory: In order to qualify as an investment trust, the Company must comply with Section 842 of the Income and Corporation Taxes Act 1988 ('Section 842'). Details of the Company's approval are given under "Business of the Company" above. Were the Company to breach Section 842, it might lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 842 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules. A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing which in turn would breach Section 842. The Board relies on the services of its Company Secretary, JPMAM, and its professional advisers to ensure compliance with the Companies Act and the UKLA Listing Rules.
- Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 26 to 29.
- Operational: Disruption to, or failure of, JPMAM's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by JPMAM and its associates and the key elements designed to provide effective internal control are included within the Internal Control section of the Corporate Governance report on pages 28 and 29.
- Financial: The financial risks faced by the Company include market price risk, interest rate risk and credit risk. Further details are disclosed in note 22 on pages 48 to 53.

Future Developments

Clearly the future development of the Company is much dependent upon the success of the Company's investment strategy in the light of economic and equity market developments in the countries in which it invests. The Investment Manager discusses the outlook in his report on pages 4 and 7.

Management of the Company

The Manager and Secretary, JPMAM, is employed under a contract which is subject to twelve months' notice of termination unless notice is given as a result of poor investment performance, in which case the contract can be terminated on six months' notice. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

JPMAM is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Investment Manager, noting consistent outperformance of the benchmark over the long term, and the quality of support that the Company receives from JPMAM.

Management and Performance Fees

The management fee is charged at the rate of 1.0% per annum of the Company's total assets less current liabilities. The fee is calculated and paid monthly in arrears. Investments on which JPMAM earns a fee are excluded from the calculation and therefore attract no fee.

Directors' Report continued

In addition the Manager receives a performance fee equivalent to 10% of any outperformance of the Company's net asset value ('NAV') per share (on a total return basis) over the Company's benchmark index, the MSCI Emerging Markets Free Index in sterling terms (on a total return basis) over the Company's financial year. The performance fee is calculated at the end of the Company's financial year and charged to its capital account in the annual financial statements. However, an estimate is accrued on a monthly basis and reflected in the Company's published NAV per share.

The amount of performance fee earned and paid to the Manager each year is subject to the following conditions:

- Any performance fee earned in a given year is divided into two categories; that which can be offset ('offsetable') by underperformance in future years; and that which cannot ('non-offsetable').
- The 'non-offsetable' fee that can be earned in any one year is capped at 0.75% of the Company's average monthly total assets less current liabilities for the year. In a year when the Company produces a negative NAV total return per share, the 'non-offsetable' fees earned in that year are accrued but not paid. In a year when the Company produces a positive NAV total return per share, the Company will pay to the Manager all 'non-offsetable' fees earned in that year and those accrued from previous years, subject to the restriction below.
- The maximum fee that can be paid to JPMAM in any one year is capped at 0.75% of the Company's average monthly total assets less current liabilities for the year.
- The 'offsetable' fee is uncapped and equal to any fees earned in excess of the 0.75% cap. Until paid (i.e. in a year when the NAV total return per share is zero or positive), these fees are capable of being absorbed by any underperformance in a subsequent year.
- The performance fee calculation restarts at the end of a period when outperformance of the benchmark has been achieved and a performance fee earned.

At 30th June 2009 the cumulative performance fee is negative £700,000 (2008: £1,025,000), which will be carried forward and offset by future outperformance.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 18), risk management policies (see page 48), capital management policies and procedures (see page 54), the nature of the portfolio and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Payment Policy

It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by those terms. As at 30th June 2009, the Company had no outstanding trade creditors (2008: none).

Directors

The Directors of the Company at the end of the year, together with their beneficial interests in the Company's share capital, are given below:

Directors	30th June 2009 Ordinary Shares	30th June 2009 Subscription Shares	1st July 2008 Ordinary Shares[1]
David Gamble	3,781	756	3,781
Anatole Kaletsky	4,203	840	4,203
Nigel Kenny[2]	–	–	–
Percy Mistry[3]	–	–	–
Valentine Powell	11,344	32,688	11,344
Roy Reynolds	17,000	3,400	17,000
Alan Saunders	5,000	1,000	5,000

[1] Or as at date of appointment.
[2] Appointed as a Director on 1st September 2008
[3] Appointed as a Director on 1st January 2009

Since the year end, Valentine Powell and Roy Reynolds have acquired 19,580 and 12,000 Subscription shares respectively.

In accordance with the Company's Articles of Association the Director retiring by rotation at the Annual General Meeting will be Anatole Kaletsky. Having been appointed since the last AGM, Percy Mistry must stand for election. Both Directors, being eligible, offer themselves for re-election/election. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be re-elected/elected.

The Chairman and Valentine Powell will retire from the Board with effect from the conclusion of the AGM. Alan Saunders will succeed the Chairman, Nigel Kenny will become Chairman of the Audit Committee and David Gamble, Senior Independent Director.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to Auditors

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

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's Auditors are unaware, and

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

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

Section 992 Companies Act 2006

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

Capital Structure

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

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Meeting on page 59.

Notifiable Interests in the Company's Voting Rights

At the date of this report, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
Lazard Asset Management LLC	20,091,711	18.2
Sarasin & Partners LLP	9,227,823	8.4
Chase Nominees[1,2]	8,569,069	7.8
City of London Investment Management Company	7,076,607	6.4
Royal Skandia	6,089,708	5.5
Legal & General Management	4,533,336	4.1

[1]Held on behalf of JPMAM ISA and Share Plan participants.
[2]Non-beneficial.

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

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

Directors' Report continued

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

Annual General Meeting

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

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

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 7 and 8)

The Directors will seek renewal of the authority at the AGM to issue up to 5,517,594 new Ordinary shares for cash up to an aggregate nominal amount of £1,379,398 such amount being equivalent to 5% of the present issued ordinary share capital (excluding Treasury shares) as at the last practicable date before the publication of this document. The full text of the resolutions is set out in the Notice of Meeting on page 57. This authority will expire at the conclusion of the AGM of the Company in 2010 unless renewed at a prior general meeting.

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

The Company currently does not hold any shares in the capital of the Company in Treasury.

(ii) Authority to repurchase the Company's shares for cancellation (resolution 9)

The authority to repurchase (i) up to 14.99% of the Company's issued share capital, granted by shareholders at the 2008 AGM, and (ii) up to 14.99% of the Company's issued Subscription shares, granted by shareholders at the General Meeting of the Company held on 10th June June 2009 will expire on 5th May 2010 and 9th December 2010 respectively unless renewed at the forthcoming AGM. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 9 gives the Company authority to buy back its own issued Ordinary shares and Subscription shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum of (i) 16,541,747 Ordinary shares, and (ii) 3,299,545 Subscription shares, representing approximately 14.99% of the Company's issued Ordinary shares and issued Subscription shares respectively, as at 29th September 2009 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 9 is passed at the AGM it is the Company's current intention to hold in Treasury any shares it may purchase pursuant to the authority granted to it for possible re-issue at a premium to NAV. This policy is kept under review by the Board.

As at 29th September 2009 (being the latest practicable date prior to the publication of this document), there were no warrants or options over Ordinary shares in the capital of the Company, other than the 22,011,642 Subscription shares in issue (each of which gives the holder thereof the right to subscribe for one new Ordinary share) which represent 19.95% of the Company's issued Ordinary share capital. If the authority to purchase the Company's Ordinary shares was exercised in full (and the authority to purchase Subscription shares not exercised at all) then the Subscription shares would represent 23.46% of the Company's issued Ordinary share capital.

The full text of the resolution is set out in the Notice of Meeting on pages 57 and 58. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate. Under the Act, this authority may remain in place for five years, but is the Board's intention to seek renewal of the authority at each AGM.

(iii) Adoption of New Articles of Association (resolution 10)

The Company proposes to adopt new articles of association. These incorporate amendments to the current articles of association to reflect the changes in company law brought about by the Act which come into effect on 1st October 2009 and changes made to the Act in August 2009 to implement the EU Shareholder Rights Directive in the UK, as well as some minor technical or clarifying changes.

The principal changes in the new articles of association proposed to be adopted at the 2009 AGM relate to shareholder meetings and resolutions, the Company's constitution and share capital.

In August 2009, changes were made to the provisions in the Act on company meetings by The Companies (Shareholders' Rights) Regulations 2009 ('Shareholders' Rights Regulations') to implement the EU Shareholder Rights Directive in the UK. The new articles incorporate amendments in relation to meetings to ensure consistency with the Act (as amended by the Shareholders' Rights Regulations).

Under the Act all provisions of the Company's memorandum, but most significantly the objects clause, are deemed to form part of the Company's articles from 1st October 2009. It is possible for the objects clause to be removed or amended by amending the articles by special resolution. It is not necessary under the Act for a company to set out its objects. The Act provides that, unless the articles state otherwise, a company's objects will be unrestricted.

One of the other key provisions of the memorandum which is deemed to form part of the Company's articles from 1st October 2009 is the restriction created by the existing authorised share capital statement. The Act removes the requirement for a company to place limits on its authorised share capital.

By adopting the new Articles which do not contain the objects clause or the authorised share capital statement, the Company will remove these provisions, which would otherwise be deemed to form part of the Company's articles under section 28 of the Act, from its articles.

For a more detailed explanation of these and other amendments please refer to the Appendix to this document on pages 60 to 63.

A copy of the current articles of association and the proposed new articles of association that reflect these amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of JPMAM, Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ up until the close of the AGM. Copies will also be available at The Salters' Hall, 4 Fore Street, London EC2Y 5DE, being the place of the AGM, for 15 minutes prior to, and during, the AGM.

Recommendation

The Board considers that resolutions 7 to 10 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 41,328 Ordinary shares representing approximately 0.04% of the voting rights of the Company.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
30th September 2009

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 31, indicates how the Company has applied the principles of good governance of the Financial Reporting Council Combined Code 2008 (the 'Combined Code') and the AIC's Code of Corporate Governance, (the 'AIC Code'), which complements the Combined Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the Combined Code, insofar as they are relevant to the Company's business, and of the AIC Code throughout the year under review.

Role of the Board

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

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

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMAM, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Roy Reynolds, consists of between five and seven non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on page 16 and 17.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. The Senior Independent Director leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Anatole Kaletsky is founding partner and Chief Economist of Gavekal Research, whose clients include JPMorgan's Treasury Division. The Board does not believe this connection influences Mr Kaletsky's independence as a Director of this Company.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be re-elected by shareholders. Thereafter, a Director's appointment will run for a term of three years. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for the Director to seek an additional term. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the Combined Code, including the need to refresh the Board and its Committees. The Company's Articles of Association require that Directors stand for re-election at least every three years. Any Director who has served for a period of more than nine years will stand for annual re-election thereafter.

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

As a result of the Board's evaluation process described below, it confirms that Percy Mistry and Anatole Kaletsky, who stand for election/re-election at this year's Annual General Meeting, continue to be effective Directors and the Board recommends their election/re-election.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. All Directors are members of the committees, with the exception of the Chairman who attends the Audit Committee by invitation.

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

Director	Board Meetings Attended	Audit Committee Meetings Attended	Remuneration Committee Meetings Attended	Nomination Committee Meetings Attended
David Gamble	5	2	1	1
Anatole Kaletsky	5	1	1	1
Nigel Kenny[2]	4	2	–	–
Percy Mistry[3]	2	1	–	–
Valentine Powell	5	2	1	1
Roy Reynolds[1]	5	1	1	1
Alan Saunders	5	2	1	1

[1] Ceased to be a member of the Audit Committee on 12th September 2007, Mr. Reynolds now attends by invitation.

[2] Appointed as a Director on 1st September 2008.

[3] Appointed as a Director on 1st January 2009.

Training and Appraisal

The Manager and Company Secretary provide all Directors with induction training on appointment. Thereafter, regular briefings are provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts.

The Board has agreed procedures for the formal evaluation of the Manager, its own performance and of that of its committees and individual Directors. Questionnaires, drawn up by the Board, are completed by each Director. The responses are collated and then discussed at a private meeting. The evaluation of individual Directors is led by the Chairman and the Senior Independent Director leads the evaluation of the Chairman's performance. The Board as a whole evaluates the Manager, its own performance and that of its Committees.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Roy Reynolds, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. A variety of sources, including the use of external search consultants, may be used to ensure that a wide range of candidates are considered. Search consultants were used in the recruitment of Nigel Kenny and Percy Mistry.

The Committee undertakes an annual performance evaluation to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board.

Remuneration Committee

The Remuneration Committee, chaired by Roy Reynolds, consists of all of the Directors and meets annually to review the levels of remuneration of the Chairman, the Chairman of the Audit Committee and other Directors, taking into account both boards of other investment trusts and corporate salaries generally to ensure that high quality people are attracted and retained.

Audit Committee

The Audit Committee, chaired by Alan Saunders and whose membership is set out on pages 16 and 17, meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. At least one member of the Committee has recent and relevant financial experience.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the Combined Code. It reviews the terms of the management agreement and examines the effectiveness of the Company's internal control systems, receives information from the Manager's Compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. Representatives of the Company's auditors attend the Audit Committee meeting at which the draft annual report and accounts are considered. The Directors' statement on the Company's system of internal control is set out below.

Corporate Governance continued

Terms of Reference

The Nomination, Remuneration and Audit Committees all have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website and for inspection on request at the Company's registered office and at the Company's Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders quarterly each year by way of the annual report and accounts, the half year report and two interim management statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is given by the Investment Manager who reviews the Company's performance. The Company's brokers, the Investment Manager and JPMAM hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Secretary whose details are shown on page 65.

The Company's Annual Report and Accounts is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 65.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Internal Control

The Combined Code requires the Directors, at least annually, to review the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMAM. This arrangement is kept under review.

The key elements designed to provide effective internal control are as follows:

Financial Reporting - Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager and custodian regulated by the Financial Services Authority ('FSA'), whose responsibilities are clearly defined in a written agreement.

Management Systems - The Manager's system of internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMAM's Compliance department which regularly monitors compliance with FSA rules.

Investment Strategy - Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- reviews the terms of the management agreement and receives regular reports from JPMAM's Compliance department;

- reviews reports on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- reviews every six months an independent report on the internal controls and the operations of JPMAM.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal control for the year ended 30th June 2009 and to the date of approval of this Annual Report and Accounts.

During the course of its review of the system of internal control, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The text below is a summary of JPMAM's policy statement on corporate governance and voting policy which has been noted by the Board. The full policy is available from JPMAM on request, or can be downloaded from the internet as follows: go to www.jpmorganassetmanagement.co.uk/institutional and within the "Commentary & Analysis" tab you will find a section on Corporate Governance.

"JPMAM is committed to delivering superior investment performance to its clients worldwide. We believe that one of the drivers of investment performance is an assessment of the corporate governance principles and practices of the companies in which we invest our clients' assets and we expect those companies to demonstrate high standards of governance in the management of their business.

Proxy voting is an important part of the corporate governance process, and we view seriously our obligation to manage the voting rights of the shares entrusted to us as we would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable we will vote at all of the meetings called by companies in which we are invested."

In order to do this we have formulated detailed guidelines for each region, which set out our stance on a variety of key corporate governance issues, including disclosure and transparency, board composition and independence, control structures, remuneration, as well as social and environmental issues (see below). These guidelines form the basis of our proxy voting decisions, although it should be noted that JPMAM makes all of its voting decisions on a case by case basis, taking into account the individual circumstances of each vote".

Corporate Social Responsibility

The following is a summary of JPMAM's policy statement on corporate social responsibility which has been noted by the Board:

"We believe it is our primary duty to act in the best financial interests of our clients and to achieve good financial returns consistent with an acceptable level of risk. We recognise that nonfinancial issues, such as social and environmental issues, can have an economic impact and that any company run in the long term interests of its shareholders will need to manage effectively relationships with its employees, suppliers and customers, to behave ethically and to have regard to the environment and society as a whole. Our investment managers take these factors into account as part of any investment decision."

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The auditors' opinion is included in their report on pages 32 and 33.

Directors' Remuneration[1]

Directors Name	2009 £	2008 £
Roy Reynolds (Chairman)	**30,000**	27,500
David Gamble	**20,000**	18,000
Anatole Kaletsky	**20,000**	18,000
Nigel Kenny[2]	**16,666**	–
Percy Mistry[3]	**10,000**	–
Valentine Powell	**20,000**	18,000
Alan Saunders	**25,000**	22,000
Total	**141,666**	103,500

[1] Audited information.

[2] Appointed as a Director on 1st September 2008.

[3] Appointed as a Director on 1st January 2009.

The total Directors' fees of £141,666 (2008: £103,500) comprise £141,666 (2008: £103,500) in respect of aggregate emoluments paid to Directors and £nil (2008: £nil) paid to third parties for making available the services of Directors.

With effect from 1st July 2008, Directors have been paid at the following rates: Chairman £30,000; Audit Committee Chairman £25,000; and other Directors £20,000. With effect from 1st November 2009, the Senior Independent Director will be paid at the rate of £22,500 per annum.

The Board's policy is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board, the Senior Independent Director and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfiling those roles.

The Remuneration Committee reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Secretary, JPMAM, and industry research on the level of fees paid to the Directors of the Company's peers and within the investment trust industry generally. The Directors' fees are not performance related and the Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment. The Articles stipulate that aggregate fees must not exceed £150,000 per annum. Any increase in this amount requires both Board and shareholder approval.

The terms and conditions of Directors' appointments are set out in formal letters of appointment. Details of the Board's policy on tenure are set out on pages 26 and 27.

The Company does not operate any type of incentive or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in connection with attending the Company's business.

A graph showing the Company's share price total return compared with the return on its benchmark index, the MSCI Emerging Markets Free Index (in sterling terms), over the last five years is shown below:

Five Year Share Price and Benchmark Total Return to 30th June 2009

Source: Datastream/Morningstar

- Ordinary Share Price Total Return.
- Benchmark Total Return.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
30th September 2009

Directors' Responsibilities in Respect of the Accounts

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

Company law requires the Directors to prepare accounts for each financial year. Under that law, the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these accounts, the Directors are required to:

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

The Directors confirm that they comply with these requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmemergingmarkets.co.uk website, which is maintained by the Company's Manager, JPMorgan Asset Management (UK) Limited ('JPMAM'). The maintenance and integrity of the website maintained by JPMAM is, so far as it relates to the Company, the responsibility of JPMAM.

Statement under the Disclosure & Transparency Rules 4.1.12

The Directors each confirm to the best of their knowledge that:

(a) the accounts, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and net return or loss of the Company; and

(b) this Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
Roy Reynolds,
Chairman
30th September 2009

Independent Auditors' Report

To the shareholders of JPMorgan Emerging Markets Investment Trust plc

We have audited the accounts of JPMorgan Emerging Markets Investment Trust plc for the year ended 30th June 2009 which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 31, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; whether the significant accounting estimates made by the Directors are reasonable; the overall presentation of the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the Company's affairs at 30th June 2009 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 31, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the 2006 Combined Code specified for our review.

Ian Armfield

Ian Armfield (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, London

30th September 2009

Notes:

(a) The maintenance and integrity of the JPMorgan Emerging Markets Investment Trust plc website (www.jpmemergingmarkets.co.uk) is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the accounts since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Income Statement

for the year ended 30th June 2009

	Notes	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
(Losses)/gains on investments held at fair value through profit or loss	2	–	**(73,264)**	**(73,264)**	–	8,491	8,491
Net foreign currency losses		–	**(316)**	**(316)**	–	(516)	(516)
Income from investments	3	**11,033**	–	**11,033**	9,356	–	9,356
Other interest receivable and similar income	3	**311**	–	**311**	100	–	100
Gross return/(loss)		**11,344**	**(73,580)**	**(62,236)**	9,456	7,975	17,431
Management fee	4	**(4,106)**	–	**(4,106)**	(5,394)	–	(5,394)
Performance fee written back	4	–	–	–	–	1,020	1,020
VAT recoverable	5	**38**	**(42)**	**(4)**	811	292	1,103
Other administrative expenses	6	**(962)**	–	**(962)**	(1,016)	–	(1,016)
Net return/(loss) on ordinary activities before finance costs and taxation		**6,314**	**(73,622)**	**(67,308)**	3,857	9,287	13,144
Finance costs	7	–	–	–	(129)	–	(129)
Net return/(loss) on ordinary activities before taxation		**6,314**	**(73,622)**	**(67,308)**	3,728	9,287	13,015
Taxation	8	**(1,426)**	**922**	**(504)**	(870)	533	(337)
Net return/(loss) on ordinary activities after taxation		**4,888**	**(72,700)**	**(67,812)**	2,858	9,820	12,678
Return/(loss) per share	10	**4.43p**	**(65.91)p**	**(61.48)p**	2.59p	8.90p	11.49p

Dividends proposed in respect of the financial year ended 30th June 2009 total 3.2p per share (2008: 2.0p per share) costing £3,530,000 (2008: £2,206,000). Further details are given in note 9(a) on page 43.

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

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

The notes on pages 38 to 54 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2007	27,575	71,052	1,665	69,939	335,042	2,685	**507,958**
Net return on ordinary activities	–	–	–	–	9,820	2,858	**12,678**
Dividends appropriated in the year	–	–	–	–	–	(2,206)	**(2,206)**
At 30th June 2008	27,575	71,052	1,665	69,939	344,862	3,337	**518,430**
Bonus issue of Subscription shares	221	(221)	–	–	–	–	**–**
Subscription shares' issue costs	–	(252)	–	–	–	–	**(252)**
Net (loss)/return on ordinary activities	–	–	–	–	(72,700)	4,888	**(67,812)**
Dividends appropriated in the year	–	–	–	–	–	(2,206)	**(2,206)**
At 30th June 2009	27,796	70,579	1,665	69,939	272,162	6,019	**448,160**

The notes on pages 38 to 54 form an integral part of these accounts.

Balance Sheet

At 30th June 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments held at fair value through profit or loss		**444,352**	494,109
Investment in liquidity fund held at fair value through profit or loss		**496**	23,793
Total investments	11	**444,848**	517,902
Current assets	12		
Debtors		**10,064**	2,392
Cash and short term deposits		**364**	7
Derivative financial instrument: forward currency contract at fair value through profit or loss		**–**	2
		10,428	2,401
Creditors: amounts falling due within one year	13	**(7,116)**	(1,873)
Net current assets		**3,312**	528
Total assets less current liabilities		**448,160**	518,430
Provisions for liabilities and charges	14	**–**	–
Total net assets		**448,160**	518,430
Capital and reserves			
Called up share capital	15	**27,796**	27,575
Share premium	16	**70,579**	71,052
Capital redemption reserve	16	**1,665**	1,665
Other reserve	16	**69,939**	69,939
Capital reserves	16	**272,162**	344,862
Revenue reserve	16	**6,019**	3,337
Shareholders' funds		**448,160**	518,430
Net asset value per share	17	**406.3p**	470.0p

The accounts on pages 34 to 54 were approved and authorised for issue by the Directors on 30th September 2009 and were signed on their behalf by:

Alan Saunders
Director

The accompanying notes on pages 38 to 54 form an integral part of these accounts.

Cash Flow Statement

for the year ended 30th June 2009

	Notes	2009 £'000	2008 £'000
Net cash inflow/(outflow) from operating activities	18	**6,017**	(1,351)
Returns on investments and servicing of finance			
Interest paid		**–**	(129)
Net cash outflow from returns on investments and servicing of finance		**–**	(129)
Taxation			
Taxation recovered		**6**	3
Capital expenditure and financial investment			
Purchases of investments		**(96,628)**	(189,032)
Sales of investments		**93,582**	192,335
Other capital charges		**(65)**	(20)
Net cash (outflow)/inflow from capital expenditure and financial investment		**(3,111)**	3,283
Dividends paid		**(2,206)**	(2,206)
Net cash inflow/(outflow) before financing		**706**	(400)
Financing			
Subscription shares' issue costs		**(42)**	–
Net cash outflow from financing		**(42)**	–
Increase/(decrease) in cash in the year	19	**664**	(400)

The accompanying notes on pages 38 to 54 form an integral part of these accounts.

Notes to the Accounts
for the year ended 30th June 2009

1. Accounting policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (the 'SORP') issued by the AIC in January 2009. All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments and derivative financial instruments at fair value.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value which is bid market price for listed investments. Unquoted and restricted investments are valued at fair value by the Board. In making its valuations, the Board has taken into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors.

Gains and losses on sales of investments and derivatives, exchange differences of a capital nature, performance fees charged to capital and other capital receipts and payments, are dealt with in capital reserves within 'Gains and losses on sales of investments and derivatives'. Increases and decreases in the valuation of investments and derivatives held at the year end are accounted for in capital reserves within 'Holding gains and losses on investments and derivatives'.

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

(c) Income

Dividends receivable from equity shares are included in the revenue column of the income statement on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in the capital column.

UK dividends are included net of any tax credits. Overseas dividends are included gross of any withholding tax.

Interest receivable from debt securities together with any premiums or discounts on purchase are allocated to the revenue column on a time apportionment basis so as to reflect the effective interest rate of those securities.

Stock lending income and interest receivable on deposits is taken to the revenue column on an accruals basis.

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

Special dividends are recognised on an ex-dividend basis and are treated as a capital item or an income item depending on the facts and circumstances of each dividend.

(d) Expenses

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

- Performance related fees are allocated 100% to the capital column.
- Expenses incidental to the purchase of an investment are included within the cost of the investment and those incidental to the sale are deducted from the sales proceeds. These expenses are commonly referred to as transaction costs and include items such as stamp duty and brokerage commissions. Details of transaction costs are given in note 11 on page 44.
- Subscription shares' issue costs are charged to share premium.

(e) Finance costs

Finance costs are accounted for on an accruals basis and in accordance with the provisions of FRS 25 'Financial Instruments: Presentation' and FRS 26 'Financial Instruments: Measurement'.

Finance costs are allocated wholly to the revenue column of the income statement.

(f) Financial instruments

Cash and short term deposits may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

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

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method.

Derivative financial instruments are valued at fair value and are included in current assets or current liabilities in the balance sheet in accordance with FRS 26: 'Financial Instruments: Measurement'.

Short term forward currency contracts are classified as derivative financial instruments and the net unrealised gain or loss is included in debtors or creditors respectively.

(g) Foreign currency

In accordance with FRS23: 'The effects of changes in Foreign Currency Exchange Rates' the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be sterling. Sterling is also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising on monetary assets from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature. Gains and losses on investments arising from a change in exchange rates are included in gains from investments held at fair value through profit or loss.

(h) Taxation

Deferred taxation is accounted for in accordance with FRS 19: 'Deferred Tax'.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred taxation liabilities are recognised for all taxable timing differences but deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Notes to the Accounts continued

1. Accounting policies continued

(i) Dividends

In accordance with FRS 21: 'Events after the Balance Sheet Date', dividends are included in the accounts in the year in which they are paid.

(j) VAT

Irrecoverable VAT is included in the expense on which it has been suffered. The basis on which it has been calculated is the partial exemption method using the proportion of taxable supplies to non taxable supplies. Further information regarding VAT on management fees is given in note 5 on page 41.

	2009 £'000	2008 £'000
2. (Losses)/gains on investments held at fair value through profit or loss		
(Losses)/gains on sales of investments held at fair value through profit or loss based on historical cost	**(28,076)**	96,429
Amounts recognised in investment holding losses/(gains) in the previous year in respect of investments sold during the year	**9,217**	(84,911)
(Losses)/gains on sales of investments based on carrying value at previous balance sheet date	**(18,859)**	11,518
Net change in investment holding gains	**(54,365)**	(2,980)
Other capital charges	**(40)**	(47)
Total (losses)/gains on investments held at fair value through profit or loss	**(73,264)**	8,491

	2009 £'000	2008 £'000
3. Income		
Income from investments		
Dividends from investments listed in the UK	**37**	23
Dividends from investments listed overseas	**10,436**	9,139
Income from liquidity fund	**339**	95
Scrip dividends	**221**	99
	11,033	9,356
Other interest receivable and similar income		
Deposit interest	**13**	54
Stock lending fees[1]	**3**	46
Interest on VAT recovered[2]	**295**	–
	311	100
Total income	**11,344**	9,456

[1]Stock lending was suspended during the year.

[2]This represents interest on VAT recovered relating to management fees paid in the past. Further details are given in note 5 on page 41.

	2009 £'000	2008 £'000
4. Management fee and performance fee		
Management fee	**4,106**	5,505
VAT written back	–	(111)
	4,106	5,394
Performance fee written back	–	(749)
VAT written back on prior year's performance fee	–	(271)
	–	(1,020)

Details of the management and performance fees are given in the Directors' Report on pages 21 and 22.

5. VAT recoverable

No VAT has been charged on management fees since November 2007 when HM Revenue & Customs announced acceptance that VAT was not chargeable on investment trust management fees. An amount of £1,103,000 was included in last year's accounts in respect of VAT paid in the past which the Company expected to recover. The actual recovery amounted to £1,099,000 and an adjustment has been included in these accounts to reflect the difference. The VAT recovered has been allocated between revenue and capital in the same proportion as it was originally expensed to revenue and capital.

Interest amounting to £295,000 has also been received and is allocated wholly to revenue in this year and is included within 'other interest receivable and similar income' in note 3 on page 40.

	2009 £'000	2008 £'000
6. Other administrative expenses		
Other administration expenses	**661**	777
Directors' fees[1]	**142**	104
Savings products[2]	**130**	110
Auditors' remuneration – for audit services[3]	**29**	25
	962	1,016

[1]Full disclosure is given in the Directors' Remuneration Report on page 30.

[2]Paid to JPMAM for the marketing of 'wrapper' products.

[3]Includes £4,000 (2008: £3,000) irrecoverable VAT.

	2009 £'000	2008 £'000
7. Finance costs		
Interest on bank loans and overdrafts	–	129

Notes to the Accounts continued

8. Taxation

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
(a) Analysis of tax charge in the year						
UK corporation tax at 28% (2008: 29.5%)	**1,336**	**–**	**1,336**	776	–	776
Double taxation relief	**(1,336)**	**–**	**(1,336)**	(776)	–	(776)
Overseas withholding tax	**504**	**–**	**504**	337	–	337
Tax attributable to expenses and finance costs charged to capital	**922**	**(922)**	**–**	533	(533)	–
Current tax charge for the year	**1,426**	**(922)**	**504**	870	(533)	337
(b) Factors affecting current tax charge for the year						
Net return/(loss) on ordinary activities before taxation	**6,314**	**(73,622)**	**(67,308)**	3,728	9,287	13,015
Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 28% (2008: 29.5%)	**1,768**	**(20,614)**	**(18,846)**	1,099	2,740	3,839
Effects of:						
Non taxable capital losses/(returns)	**–**	**20,602**	**20,602**	–	(2,353)	(2,353)
Non taxable UK dividends	**(10)**	**–**	**(10)**	(7)	–	(7)
Non taxable scrip dividends	**(62)**	**–**	**(62)**	(29)	–	(29)
Non taxable overseas dividends	**(403)**	**–**	**(403)**	–	–	–
Income taxed in different periods	**279**	**–**	**279**	(127)	–	(127)
Tax relief on capitalised expenses	**(12)**	**12**	**–**	387	(387)	–
Overseas withholding tax	**504**	**–**	**504**	337	–	337
Double taxation relief	**(1,336)**	**–**	**(1,336)**	(776)	–	(776)
Brought forward excess expenses utilised	**(224)**	**–**	**(224)**	(547)	–	(547)
Tax attributable to expenses charged to capital	**922**	**(922)**	**–**	533	(533)	–
Current tax charge for the year	**1,426**	**(922)**	**504**	870	(533)	337

The Company has an unrecognised deferred tax asset of £712,000 (2008: £1,681,000). This has arisen because deductible expenses have exceeded taxable income. This asset may be utilised in future years where there is an excess of taxable income over deductible expenses. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future.

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

9. Dividends

	2009 £'000	2008 £'000
(a) Dividends paid and proposed		
Dividends paid		
2008 Final dividend of 2.0p (2007: 2.0p)	**2,206**	2,206
Total dividends paid in the year	**2,206**	2,206
Dividends proposed		
Final dividend proposed of 3.2p (2008: 2.0p)	**3,530**	2,206
Total dividends proposed	**3,530**	2,206

The final dividend proposed in respect of the year ended 30th June 2009 is subject to approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the accounts for the year ending 30th June 2010.

(b) Dividend for the purposes of Section 842 of the Income and Corporation Taxes Act 1988

The requirements of Section 842 of the Income and Corporation Taxes Act 1988 are considered on the basis of dividends proposed in respect of the financial year, as follows:

	2009 £'000	2008 £'000
Final dividend proposed of 3.2p (2008: 2.0p)	**3,530**	2,206
Total dividend for Section 842 purposes	**3,530**	2,206

The revenue available for distribution by way of dividend for the year is £4,888,000 (2008: £2,858,000).

10. Return/(loss) per share

The revenue return per share is based on the earnings attributable to the Ordinary shares of £4,888,000 (2008: £2,858,000) and on the weighted average number of shares in issue during the year of 110,303,742 (2008: 110,303,742).

The capital return per share is based on the capital loss attributable to the Ordinary shares of £72,700,000 (2008: £9,820,000 gain) and on the weighted average number of shares in issue during the year of 110,303,742 (2008: 110,303,742).

The total return per share is based on the total loss attributable to the Ordinary shares of £67,812,000 (2008: £12,678,000 gain) and on the weighted average number of shares in issue during the year of 110,303,742 (2008: 110,303,742).

Notes to the Accounts continued

	2009 £'000	2008 £'000
11. Investments		
Investments listed on a recognised investment exchange	**444,848**	517,902
	444,848	517,902

	2009 Total £'000
Opening book cost	**334,183**
Opening investment holding gains	**183,719**
Opening valuation	**517,902**
Movements in the year:	
Purchases at cost	**102,191**
Sales - proceeds	**(102,021)**
Losses on sales based on fair value at the previous balance sheet date	**(18,859)**
Net movement in investment holding gains	**(54,365)**
	444,848
Closing book cost	**306,277**
Closing investment holding gains	**138,571**
Total investments held at fair value	**444,848**

Transaction costs on purchases during the year amounted to £220,000 (2008: £436,000) and on sales during the year amounted to £149,000 (2008: £428,000). These costs comprise brokerage commission.

During the year, prior year investment holding losses of £9,217,000 on listed investments have been transferred to gains and losses on sales of investment as disclosed in notes 2 and 16.

	2009 £'000	2008 £'000
12. Current assets		
Debtors		
Securities sold for future settlement	**8,439**	–
Dividends and interest receivable	**1,565**	1,228
Other debtors	**60**	61
VAT recoverable[1]	**–**	1,103
	10,064	2,392

[1]Further details are given in note 5 on page 41.

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

Cash and short term deposits

Cash and short term deposits comprises bank balances and short term deposits. The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

	2009 £'000	2008 £'000
13. Creditors: amounts falling due within one year		
Securities purchased for future settlement	**6,719**	1,377
Subscription shares' issue costs	**210**	–
Other creditors and accruals	**180**	496
Derivative financial instrument:		
Forward currency contract at fair value through profit or loss	**7**	–
	7,116	1,873

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

	2009 £'000	2008 £'000
14. Provision for liabilities and charges		
Performance fee payable[1]		
Opening balance	**–**	749
Performance fee written back	**–**	(749)
Closing balance	**–**	–

[1]Further details on the performance fee can be found in the the Directors' Report on pages 21 and 22.

	2009 £'000	2008 £'000
15. Called up share capital		
Authorised share capital:		
296,000,000 (2008: 296,000,000) Ordinary shares of 25p each	**74,000**	74,000
25,000,000 (2008: nil) Subscription shares of 1p each	**250**	–
	74,250	74,000
Issued and fully paid share capital:		
Ordinary shares of 25p each		
110,303,742 (2008: same) shares	**27,575**	27,575
Subscription shares of 1p each:		
Bonus issue of 22,059,783 Subscription shares[1]	**221**	–
Closing balance	**27,796**	27,575

[1]The Subscription shares were issued as a bonus issue to the Ordinary shareholders on 11th June 2009 on the basis of one Subscription share for every five Ordinary shares. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share upon exercise of the Subscription share rights and on the payment of the Subscription price, as set out below.

(a) If exercised on any day between and including 1st August 2009 and 31st July 2010 - 422 pence.
(b) If exercised on any day between and including 1st August 2010 and 31st July 2012 - 460 pence.
(c) If exercised on any day between and including 1st August 2012 and 31st July 2014 - 543 pence.

Notes to the Accounts continued

	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves: Gains and losses on sales of investments and derivatives £'000	Capital reserves: Holding gains and losses on investments and derivatives £'000	Revenue reserve £'000
16. Reserves						
Opening balance	71,052	1,665	69,939	161,141	183,721	3,337
Currency losses on cash and short-term deposits held during the year	–	–	–	(309)	–	–
Unrealised losses on foreign currency contracts	–	–	–	–	(7)	–
Unrealised gains on foreign currency contracts now realised	–	–	–	2	(2)	–
Losses on sales of investments based on fair value at the previous balance sheet date	–	–	–	(18,859)	–	–
Net change in investment holding gains	–	–	–	–	(54,365)	–
Transfer on disposal of investments	–	–	–	(9,217)	9,217	–
VAT recoverable adjustment charged to capital	–	–	–	(42)	–	–
Other capital charges	–	–	–	(40)	–	–
Bonus issue of Subscription shares	(221)	–	–	–	–	–
Subscription shares' issue costs	(252)	–	–	–	–	–
Tax relief on expenses charged to capital	–	–	–	922	–	–
Dividends appropriated in the year	–	–	–	–	–	(2,206)
Retained revenue for the year	–	–	–	–	–	4,888
Closing balance	**70,579**	**1,665**	**69,939**	**133,598**	**138,564**	**6,019**

17. Net asset value per share

Net asset value per share is based on funds attributable to shareholders of £448,160,000 (2008: £518,430,000) and on 110,303,742 (2008: 110,303,742) shares in issue at the year end.

	2009 £'000	2008 £'000
18. Reconciliation of total (loss)/return on ordinary activities before finance costs and taxation to net cash inflow/(outflow) from operating activities		
Total (loss)/return on ordinary activities before finance costs and taxation	**(67,308)**	13,144
Less capital loss/(return) before finance costs and taxation	**73,622**	(9,287)
Scrip dividends received as income	**(221)**	(99)
Increase in accrued income	**(337)**	(524)
Decrease/(increase) in VAT recoverable	**1,103**	(1,103)
VAT (charged)/credited to capital	**(42)**	292
Decrease in other debtors	**1**	43
Decrease in accrued expenses	**(297)**	(222)
Tax on unfranked investment income	**(504)**	(337)
Performance fee paid	**–**	(3,258)
Net cash inflow/(outflow) from operating activities	**6,017**	(1,351)

	At 30th June 2008 £'000	Cash flow £'000	Exchange movements £'000	At 30th June 2009 £'000
19. Analysis of changes in net funds				
Cash and short term deposits	7	664	(307)	**364**

20. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2008: £nil).

21. Transactions with the Manager

Details of the management contract are set out in the Directors' Report on pages 21 and 22. The terms make allowance for the exclusion of management charges on investments held in funds on which JPMorgan Asset Management ('JPMAM') earns a management fee. The fee payable to JPMAM for the year was £4,106,000 (2008: £5,505,000 excluding VAT written back) of which £nil (2008: £nil) was outstanding at the year end.

No performance fee is payable for the year (2008: £nil) and £nil (2008: £nil) was outstanding at the year end.

Expenses amounting to £119,000 excluding VAT (2008: £110,000) were payable to JPMAM for the marketing of its savings products of which £nil (2008: £nil) was outstanding at the year end.

Included in other administration expenses in note 6 on page 41 are safe custody fees payable to JPMorgan Chase amounting to £291,000 (2008: £495,000) of which £61,000 (2008: £360,000) was outstanding at the year end.

JPMAM carries out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities for the year was £9,000 (2008: £nil) of which £nil (2008: £nil) was outstanding at the year end.

Handling charges incurred on dealing transactions amounting to £40,000 (2008: £47,000) were payable to JPMorgan Chase of which £9,000 (2008: £34,000) was outstanding at the year end.

The Company holds an investment in a fund managed by JPMAM. At 30th June 2009 this investment was valued at £11,000 (2008: £8,000). No purchases or sales of this investment were made during the year and no income (2008: £nil) was receivable.

During the year, the Company made purchases and sales of units in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMAM. At the year end, the Company's investment in this fund amounted to £496,000 (2008: £23,793,000) and represented 0.1% (2008: 4.6%) of the Company's investment portfolio. Income amounting to £339,000 (2008: £95,000) was receivable from this investment for the year.

The Company has received £3,000 (2008: £46,000) from stock lending transactions during the year. JPMAM commissions in respect of such transactions amounted to £1,000 (2008: £12,000). During the year under review the Company ceased stock lending.

At the year end, a bank balance of £364,000 (2008: £7,000) was held with JPMorgan Chase. Interest amounting to £13,000 (2008: £30,000) was receivable by the Company from JPMorgan Chase for the year.

Notes to the Accounts continued

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

As an investment trust company, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the Features page. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close co-operation with the Board and the Manager, co-ordinates the Company's risk management strategy.

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

The Company's financial instruments may comprise the following:

- investments in equity shares of overseas companies and a US Dollar liquidity fund which are held in accordance with the Company's investment objective;
- short term debtors, creditors and cash arising directly from its operations; and
- short term forward currency contracts for the purpose of settling short term liabilities.

(a) Market risk

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

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and the currency in which it reports). As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least five occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements. It is currently not the Company's policy to hedge against foreign currency risk.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30th June are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2009						
	US Dollars £'000	South Korean Won £'000	South African Rands £'000	Indian Rupees £'000	Taiwanese Dollars £'000	Other £'000	Total £'000
Investments at fair value through profit or loss that are monetary items	496	–	–	–	–	–	**496**
Net current (liabilities)/assets	(547)	27	4,563	26	–	(555)	**3,514**
Foreign currency exposure on net monetary items	(51)	27	4,563	26	–	(555)	**4,010**
Investments held at fair value through profit or loss that are equities	143,483	94,946	53,155	49,304	30,943	70,217	**442,048**
Total net foreign currency exposure	143,432	94,973	57,718	49,330	30,943	69,662	**446,058**

The above year end amounts are not representative of the exposure to foreign currency risk during the year. Investments at fair value through profit or loss that are monetary items comprises the holding in the JPMorgan US Dollar Liquidity Fund which has fluctuated between £496,000 and £26,974,000 during the year.

	2008						
	US Dollars £'000	South Korean Won £'000	South African Rands £'000	Indian Rupees £'000	Taiwanese Dollars £'000	Other £'000	Total £'000
Investments at fair value through profit or loss that are monetary items	23,793	–	–	–	–	–	**23,793**
Net current (liabilities)/assets	(1,231)	–	(155)	–	50	1,238	**(98)**
Foreign currency exposure on net monetary items	22,562	–	(155)	–	50	1,238	**23,695**
Investments held at fair value through profit or loss that are equities	206,388	26,025	59,397	39,907	11,045	151,258	**494,020**
Total net foreign currency exposure	228,950	26,025	59,242	39,907	11,095	152,496	**517,715**

The above year end amounts are not representative of the exposure to foreign currency risk during the comparative year. Investments at fair value through profit or loss that are monetary items comprises the holding in the JPMorgan US Dollar Liquidity Fund which has fluctuated between £nil and £23,793,000 during the year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of profit after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2008: 10%) appreciation or depreciation in sterling against the US Dollar, South Korean Won, South African Rand, Indian Rupee, Taiwanese Dollar and other currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

If sterling had weakened this would have had the following effect:

	2009 £'000	2008 £'000
Income statement return after taxation		
Revenue return	**1,100**	934
Capital return	**401**	2,370
Total return after taxation for the year	**1,501**	3,304
Net assets	**1,501**	3,304

Conversely if sterling had strengthened this would have had the following effect:

	2009 £'000	2008 £'000
Income statement return after taxation		
Revenue return	**(1,100)**	(934)
Capital return	**(401)**	(2,370)
Total return after taxation for the year	**(1,501)**	(3,304)
Net assets	**(1,501)**	(3,304)

In the opinion of the Directors, the above sensitivity analysis is not representative of the whole of the current or comparative year due to fluctuations in the JPMorgan US Dollar Liquidity Fund as shown above.

(ii) Interest rate risk

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

Management of interest rate risk

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

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below.

	2009 £'000	2008 £'000
Exposure to floating interest rates:		
Cash and short term deposits	**364**	7
JPMorgan US Dollar Liquidity Fund	**496**	23,793
Total exposure	**860**	23,800

Interest receivable on cash balances is at a margin below LIBOR.

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

The exposure to floating interest rates has fluctuated during the year between net overdraft balances and net cash and liquidity fund balances as follows:

	2009 £'000	2008 £'000
Minimum credit/maximum debit exposure to floating rates - net cash/(overdraft) balances	**850**	(5,134)
Maximum credit interest rate exposure to floating rates - net cash and liquidity fund balances	**27,252**	26,372

Interest rate sensitivity

The following table illustrates the sensitivity of the profit after taxation for the year and net assets to a 1% (2008: 1%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary currency financial instruments held at the balance sheet date and the income receivable in foreign currency, with all other variables held constant.

	2009		2008	
	1% Increase in rate £'000	1% Decrease in rate £'000	1% Increase in rate £'000	1% Decrease in rate £'000
Income statement return after taxation				
Revenue return	**9**	**(9)**	238	(238)
Capital return	–	–	–	–
Total return after taxation for the year	**9**	**(9)**	238	(238)
Net assets	**9**	**(9)**	238	(238)

In the opinion of the Directors, the above sensitivity analysis is not representative of the whole year as the level of exposure has fluctuated between net overdraft balances and net cash and liquidity fund balances as shown above.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of investments.

Management of other price risk

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

Notes to the Accounts continued

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

Other price risk exposure

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

	2009 £'000	2008 £'000
Equity investments held at fair value through profit or loss	**444,352**	494,109

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

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 11 to 15. This shows that the investments' value is in a broad spread of countries with no concentration of exposure to any one country. It should also be noted that an investment may not be wholly exposed to the economic conditions in its country of domicile.

Other price risk sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 10% (2008: 10%) in the fair value of the Company's equities in sterling terms. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and adjusting for change in the management fee, but with all other variables held constant.

	2009		2008	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Income statement - return after taxation				
Revenue return	**(444)**	**444**	(494)	494
Capital return	**44,435**	**(44,435)**	49,411	(49,411)
Total return after taxation for the year and net assets	**43,991**	**(43,991)**	48,917	(48,917)

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in settling financial liabilities as they fall due.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

Liquidity risk exposure

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

	2009 Three months or less £'000	2009 Total £'000	2008 Three months or less £'000	2008 Total £'000
Creditors: amounts falling due within one year				
Securities purchased for future settlement	**6,719**	**6,719**	1,377	1,377
Subscription share costs	**210**	**210**	–	–
Other creditors and accruals	**180**	**180**	496	496
Derivative financial instrument	**7**	**7**	–	–
	7,116	**7,116**	1,873	1,873

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash

Counterparties are subject to daily credit analysis by the Manager and trades can only be placed with counterparties that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

Exposure to JPMorgan Chase

The Company's assets are clearly ring-fenced in client designated accounts. Therefore, in the event that JPMorgan Chase were to cease trading, these assets would be protected.

Credit risk exposure

The amounts shown in the balance sheet under debtors and cash and short term deposits represent the maximum exposure to credit risk at the current and comparative year end.

Cash and short term deposits comprises balances held at banks that have a minimum rating of A1/P1 from Standard & Poor's and Moody's respectively.

There were no securities on loan at 30th June 2009. The highest value of securities on loan during the year ended 30th June 2009 amounted to £2,301,000. Collateral is obtained by JPMorgan Asset Management and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is in a different currency. Collateral acceptable under the Stock Lending Agreement may comprise: cash in sterling, euros or US dollars, Eurozone government securities, UK government securities and US government securities.

(d) Fair values of financial assets and financial liabilities

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

Notes to the Accounts continued

23. Capital management policies and procedures

The Company's capital comprises the following:

	2009 £'000	2008 £'000
Equity		
Share capital	**27,796**	27,796
Reserves	**420,364**	490,634
Total capital	**448,160**	518,430

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

The Board's policy is to employ gearing when the Manager believes it to be appropriate to do so. Gearing will be in the range 90% - 120% in normal market conditions, at the discretion of the Manager. Gearing for this purpose is defined as investments excluding holdings in liquidity funds, expressed as a percentage of total net assets.

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

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

Shareholder Analyses

at 30th June 2009

Ordinary Shares	Number of shares	% Holding
Unit Trusts	28,995,680	26.3
Pension Funds	13,131,351	11.9
Investment Trusts[1]	12,029,257	10.9
Insurance Companies	10,817,271	9.8
Other Institutions	8,281,791	7.5
Government	2,012,548	1.8
Charities	736,994	0.7
Total Institutions	**76,004,892**	**68.9**
Private Client Brokers	12,829,408	11.6
Retail Investors holding shares directly or through nominee accounts[2]	11,250,556	10.2
Individuals in the Investment Trust Share Plan[3]	7,226,744	6.6
Individuals in the Investment Trust Individual Savings Account[3]	2,027,720	1.8
Individuals in the Investment Trust Pension Accounts[3]	964,422	0.9
Total Retail Holdings	**34,298,850**	**31.1**
Total Shares in Issue	**110,303,742**	**100**

[1]Includes 1,076,866 shares held by JPMorgan Elect plc.

[2]Includes shares below threshold of 10,000 shares.

[3]Savings products managed by J.P. Morgan.

Source: Thomson Financial.

Shareholder Analyses continued
at 30th June 2009

Subscription Shares	Number of shares	% Holding
Unit Trusts	5,571,089	25.3
Pension Funds	2,674,407	12.1
Investment Trusts[1]	2,489,109	11.3
Insurance Companies	2,076,272	9.4
Other Institutions	1,444,347	6.5
Government	505,883	2.3
Charities	142,366	0.6
Total Institutions	**14,903,473**	**67.6**
Retail investors holding shares directly through nominee accounts[2]	2,745,570	12.4
Private Client Brokers	2,417,828	11.0
Individuals in the Investment Trust Share Plan[3]	1,445,415	6.6
Individuals in the Investment Trust Individual Savings Account[3]	353,100	1.6
Individuals in the Investment Trust Pension Account[3]	194,397	0.9
Total Retail Holdings	**7,156,310**	**32.4**
Total Shares in Issue	**22,059,783**	**100**

[1]Includes 208,790 shares held by JPMorgan Elect plc.
[2]Includes shares below threshold of 10,000 shares.
[3]Savings products managed by J.P. Morgan.
Source: Thomson Financial.

Notice of Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of JPMorgan Emerging Markets Investment Trust plc will be held at the Salters' Hall, 4 Fore Street, London EC2Y 5DE on 30th October 2009 at 3.00 p.m. for the following purposes:

1 To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th June 2009.

2 To approve the Directors' Remuneration Report for the year ended 30th June 2009.

3 To approve a final dividend of 3.2p per share.

4 To elect Percy Mistry as a Director of the Company.

5 To re-elect Anatole Kaletsky as a Director of the Company.

6 To re-appoint PricewaterhouseCoopers LLP as Auditors to the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares - Ordinary Resolution

7 THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £1,379,398, representing approximately 5% of the Company's issued Ordinary share capital as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

8 THAT subject to the passing of Resolution 7 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £1,379,398 representing approximately 5% of the issued Ordinary share capital as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 7 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares - Special Resolution

9 THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares and Subscription shares on such terms and in such manner as the Directors may from time to time determine.

PROVIDED ALWAYS THAT

(i) the maximum number of Ordinary shares and Subscription shares hereby authorised to be purchased shall be 16,541,747 and 3,299,545 respectively, or if less, that number of Ordinary shares or Subscription shares which is equal to 14.99% of the issued share capital of the relevant share class as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for an Ordinary share or Subscription share shall be 25 pence and 1 pence respectively;

(iii) the maximum price which may be paid for a share shall be an amount equal to the highest of (a) 105% of the average of the middle market quotations for a share of that class of share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased or (b) the price of the last independent trade; or (c) the highest current independent bid;

Notice of Meeting continued

(iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 29th October 2014 unless the authority is renewed at the Company's Annual General Meeting in 2010 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of shares pursuant to any such contract.

Adoption of new Articles of Association - Special Resolution

10 THAT

(i) the Articles of Association of the Company be amended by deleting all the provisions formerly in the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and

(ii) the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
30th September 2009

Notes

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

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.

6. As an alternative to completing a hard copy proxy form, a member can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting I.D., Task I.D. and Shareholder Reference Number (it is the series of numbers printed under your name on the proxy form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your proxy form at www.shareview.co.uk. Full instructions are given on both websites. The proxy appointment and instructions should reach Equiniti Registrars not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. You are advised to read the terms and conditions of use carefully. Any electronic communication found to contain a computer virus will not be accepted.
7. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.
8. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

   Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.
9. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.
10. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.
11. Under sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
12. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
13. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmemergingmarkets.co.uk.
14. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.
15. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
16. As at 29th September 2009 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 110,351,883 Ordinary shares, carrying one vote each and 22,011,642 Subscription shares with no voting rights. Therefore the total voting rights in the Company are 110,351,883.

Electronic appointment - CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Appendix

The Companies Act 2006 (the '2006 Act'), which is replacing the Companies Act 1985 (the '1985 Act') has been implemented in stages but is fully in force from 1st October 2009. In addition, the Shareholders' Rights Regulations which amend certain provisions of the 2006 Act relating to meetings of the Company came into force in August 2009. Under Resolution 10, the Company is adopting new Articles of Association (the 'Articles') which will reflect the changes in company law brought about by the Shareholders' Rights Regulations and by the provisions of the 2006 Act which came into effect on or before 1st October 2009. The Articles also include some other modernising and clarifying amendments, including, where appropriate, adopting the wording of the new model form articles for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 (the 'model form articles'), which are replacing the Table A articles under the 1985 Act on which many of the Company's current articles are based. Set out below is a summary of the principal changes.

1. The Company's objects

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The provisions governing the operations of the Company are currently set out in both its memorandum of association and its articles of association. Under the 2006 Act, the memorandum no longer contains an objects clause and simply records the names of the subscribers and the number of shares which each subscriber agreed to take in the Company. Under Section 28 of the 2006 Act, the objects clause and all other provisions in the memorandum are treated as part of the articles with effect from 1st October 2009 but the Company can remove these provisions by special resolution. Unless the articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1st October 2009. Resolution 10 confirms the removal of these provisions and adopts the new Articles.

2. Limited liability (Article 3)

Under the 2006 Act, the memorandum of association also no longer contains a clause stating that the liability of the members of a company is limited. For existing companies, this statement is automatically treated as having moved into the articles on 1st October 2009. As noted in paragraph 1 above, Resolution 10 confirms the removal, from the Company's articles of association, of the provisions of the Company's memorandum of association which are treated as forming part of the Company's articles of association by virtue of Section 28 of the 2006 Act, which includes the statement of limited liability. An explicit statement of the members' limited liability is therefore included in the new Articles.

3. Authorised share capital and unissued shares

The 2006 Act abolishes the concept of authorised share capital and under the 2006 Act, the memorandum of association no longer contains a statement of the Company's authorised share capital. For existing companies, this statement is deemed to be a provision of the Company's articles of association setting out the maximum amount of shares that may be allotted by the Company. The adoption of the new Articles by the Company will have the effect of removing this provision relating to the maximum amount. Directors will still need to obtain the usual shareholders' authorisation in order to allot shares.

References to authorised share capital and to unissued shares have therefore been removed from the new Articles.

4. Redeemable shares (Article 5)

Under the 2006 Act, the articles of association need not include the terms on which redeemable shares may be redeemed. The Directors may determine the terms, conditions and manner of redemption of redeemable shares provided they are authorised to do so by the articles. The new Articles contain such authorisation.

5. Share certificates (Article 12)

The new Articles contain new provisions for the issue of consolidated share certificates, in line with the model form articles.

6. Transfer of shares (Articles 30 and 31)

The provision which gave the ability to suspend the registration of transfers of shares for periods not exceeding 30 days in any one year has been removed from the new Articles as there is no ability under the 2006 Act to close the register.

7. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital (Article 41)

Under the 1985 Act, a company required specific authorisations in its articles of association to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital. Under the 2006 Act, public companies do not require specific authorisations in their articles of association to undertake these actions, but shareholder authority is still required. Amendments have been made to the new Articles to reflect these changes.

8. Participation in meetings at different places and by electronic means (Article 52)

Amendments made to the 2006 Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The new Articles include amendments to provide greater scope for members to participate in meetings of the Company even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations, but also by any other electronic means of participation.

9. Adjournments (Article 54)

The Shareholders' Rights Regulations add a provision to the 2006 Act which requires that, when a general meeting is adjourned due to lack of quorum, at least ten days' notice must be given to reconvene the meeting. The new Articles include amendments to the provisions dealing with notice of adjourned meetings to make them consistent with this new requirement.

10. Removal of chairman's casting vote

Pursuant to changes brought about by the Shareholders' Rights Regulations, a traded company is no longer permitted to allow the chairman to have a casting vote in the event of an equality of votes. Accordingly, this provision has been removed in the new Articles.

11. Voting rights (Article 63)

The Shareholders' Rights Regulations clarify the various powers of proxies and representatives of corporate members in respect of resolutions taken on a show of hands. Where a proxy has been duly appointed by one member, he has one vote on a show of hands unless he has been appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been appointed by more than one member to vote for the resolution and by more than one member to vote against the resolution. Where a corporate member appoints representatives to attend meetings on its behalf, each representative duly appointed by a corporate member has one vote on a show of hands. The new Articles contain provisions which clarify these rights and also clarify how the provisions giving a proxy a second vote on a show of hands should apply to discretionary powers.

12. Voting record date (Article 64)

The new Articles include a new provision which was not previously in the Company's articles of association, dealing with the method for determining which persons are allowed to attend or vote at a general meeting of the Company and how many votes each person may cast. Under this new provision, when convening a meeting the Company may specify a time, not more than 48 hours before the time of the meeting (excluding any part of a day that is not a working day), by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. This new provision is in line with a requirement for listed companies introduced by the Shareholders' Rights Regulations.

13. Validity of votes (Article 68)

Following the implementation of the Shareholders' Rights Regulations, proxies are expressly required to vote in accordance with instructions given to them by members. The new Articles contain a provision stating that the Company is not required to enquire whether a proxy or corporate representative has voted in accordance with instructions given to him and that votes cast by a proxy or corporate representative will be valid even if he has not voted in accordance with his instructions.

14. Termination of proxy authority (Article 74)

Article 74 provides that the termination of a proxy's authority should be in writing as this is required by the Shareholders' Rights Regulations.

15. Corporate representatives (Article 76)

The new Articles provide that the Company can require a corporate representative to produce a certified copy of the resolution appointing him before permitting him to exercise his powers.

16. Retirement of directors by rotation (Articles 82 and 83)

The new Articles have been redrafted in order to make this provision clearer and to ensure (as far as possible) a regular number of retiring directors each year, with the number to retire being the number nearest to one-third of the board, excluding those directors who are retiring and seeking re-election for other reasons. Article 82 continues to comply with Combined Code provision A.7.1 which recommends that all directors should be subject to re-election at intervals of no more than three years. New Article 83 requires any non-executive director (other than the chairman) who has held office for nine years or more to put himself up for re-election

Appendix continued

at each annual general meeting. This is in line with Combined Code provision A.7.2.

17. Alternate directors (Articles 89, 91 and 93)
Article 89 now clarifies that an alternative director is entitled to be paid expenses (but not directors' fees). Article 91 is a new provision which effectively applies the provisions of Article 87, regarding removal of directors, to alternate directors. Article 93(c) makes it clear that an alternate is subject to the same restrictions as the director who appointed him.

18. Borrowing powers (Article 95)
A number of presentational and descriptive amendments have been made to the borrowing powers provision:

(i) Article 95(1)(a) - a reference has been added to amounts "credited as paid up" on share capital to clarify that these should be included as well as amounts actually paid up.

(ii) Article 95(1)(b) - this has been amended to refer to total of "any credit balance on the distributable and undistributable reserves of the Group", to clarify that all reserves of the Group will be relevant for the calculation and to reflect the language used by those preparing the accounts. The reference to "including share premium account, capital redemption reserve and credit balance on the profit and loss account reserve" has therefore been deleted.

(iii) Article 95(1) - the last paragraph has been amended to allow the Company also to adjust for variations in its capital redemption reserve since the balance sheet date as the directors may reasonably consider to be appropriate.

(iv) Articles 95(1)(a) and 95(3)(e) - additional wording has been included to clarify how any preference shares that might be issued should be treated for the purposes of the borrowing powers. Under IFRS and UK GAAP preference shares are now treated as a debt on a company's balance sheet, rather than equity. The additional wording included in Articles 95(1)(a) and 95(3)(e) reflects this accounting treatment. The effect of this wording is to exclude the amount of any preference share capital from the calculation of the Company's share capital and reserves and to include such amount in the calculation of the Company's borrowings.

19. Delegation to persons or committees (Article 96)
Article 96 follows the new, simplified approach to delegation adopted in the model form articles, allowing the directors to delegate as they decide appropriate.

20. Directors' appointments, interests and conflicts of interest (Article 101)
Article 101, which is the provision for dealing with conflicts in our current articles, allowing directors to be interested in transactions and to be an officer of or employed by or interested in a body corporate in which the Company is interested provided that he has disclosed his interest in accordance with the articles and the provisions of the Acts, has been amended so that it contains provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict falls within the situations covered by Article 101.

21. Procedures regarding board meetings & resolution in writing (Articles 103 & 106)
The provisions of Article 103 have been amended to make it clear that notice of a board meeting may be given personally, by telephone, in hard copy or in electronic form. The requirements for giving notice to directors who are not in the United Kingdom have also been clarified. In order to clarify the procedure for written resolutions of directors, Article 106 has been amended so that, rather than referring to a resolution in writing by all directors, a resolution in writing will be valid and effectual as if it had been passed at a meeting if executed by all the directors entitled to receive notice of the meeting and who would have been entitled to vote (and whose vote would have been counted) on a resolution at a meeting.

22. Quorum (Article 107)
The proposed amendment to Article 107, which deals with the quorum requirement for board meetings, clarifies that a director cannot count in the quorum for a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but he may count in the quorum for the other matters or resolutions to be considered or voted on at the meeting.

23. Permitted interests and voting (article 108)
Article 108 has been amended to allow a director to vote on a resolution which relates to giving him an indemnity or funding for expenditure incurred in defending proceedings provided all the other directors have been given or are to be given arrangements on substantially the same terms. This exception has become a common exception for listed companies to include.

24. Notice when post not available (Article 128)
Article 128 is the article covering service of notice in the event of a postal strike. It has been amended to allow the Company in such circumstances to serve notices only on those members who receive notices via electronic means, provided that, as before, the Company also puts an advertisment in two national newspapers and sends a confirmatory hard copy notice if the postal service is available again within seven days of the meeting.

25. The seal (Articles 137 and 138)
Article 137 provides that instruments (other than share certificates) to which the seal is affixed shall be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors.

26. Change of name (Article 140)
Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its articles. To take advantage of this provision, the new Articles enable the directors to pass a resolution to change the Company's name.

Glossary of Terms

Return to Shareholders
Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested in the shares of the Company at the time the shares were quoted ex-dividend. Transaction costs of reinvestment are not taken into account.

Return on Net Assets
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 in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

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

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

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

Actual Gearing Factor
Investments, excluding holdings in liquidity funds, expressed as a percentage of shareholders' funds. This shows the effect of gearing on the net asset value if the market value of the portfolio were to increase by 100%.

Total Expense Ratio (TER)
Management fees and all other operating expenses excluding interest and VAT recoverable, expressed as a percentage of the average of the opening and closing net assets.

Share Price Discount/Premium to Net Asset Value ('NAV')
If the share price of an investment company is lower than the NAV per share, the Company's shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment company's shares to trade at a discount than at a premium.

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

Performance Attribution Definitions:

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

Stock Selection
Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities outside of the benchmark.

Gearing/Cash
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Currency
Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

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

VAT Recovery
In 2007, HM Revenue & Customs announced acceptance that VAT was not chargeable on investment trust management fees. The Company has since been able to recover VAT on management fees paid in the past, plus interest thereon.

Residual
Arises when there is a divergence between total return as calculated by Morningstar and total return from JPMAM attribution systems which is a result of different methodologies and timing differences.

Information about the Company

Financial Calendar

Financial year end	30th June
Final results announced	September
Half year end	December
Half year results announced	February
Interim Management Statements announced	May and November
Dividend on ordinary shares paid	November
Annual General Meeting	October/November

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

Company Numbers
Company registration number: 2618994

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

Subscription Shares
London Stock Exchange number: B3V4X02
ISIN: GB00B3V4X029
Bloomberg code: JMGS

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

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

Website
www.jpmemergingmarkets.co.uk

Share Transactions
The 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 Investment Trust Share Plan, Individual Savings Account ('ISA') and the Pension Account.

Manager and Company Secretary
JPMorgan Asset Management (UK) Limited

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Telephone: 020 7742 6000

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

Registrars
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Aspect House
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Telephone: 0871 384 2320

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

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

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Savings Product Administrators
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