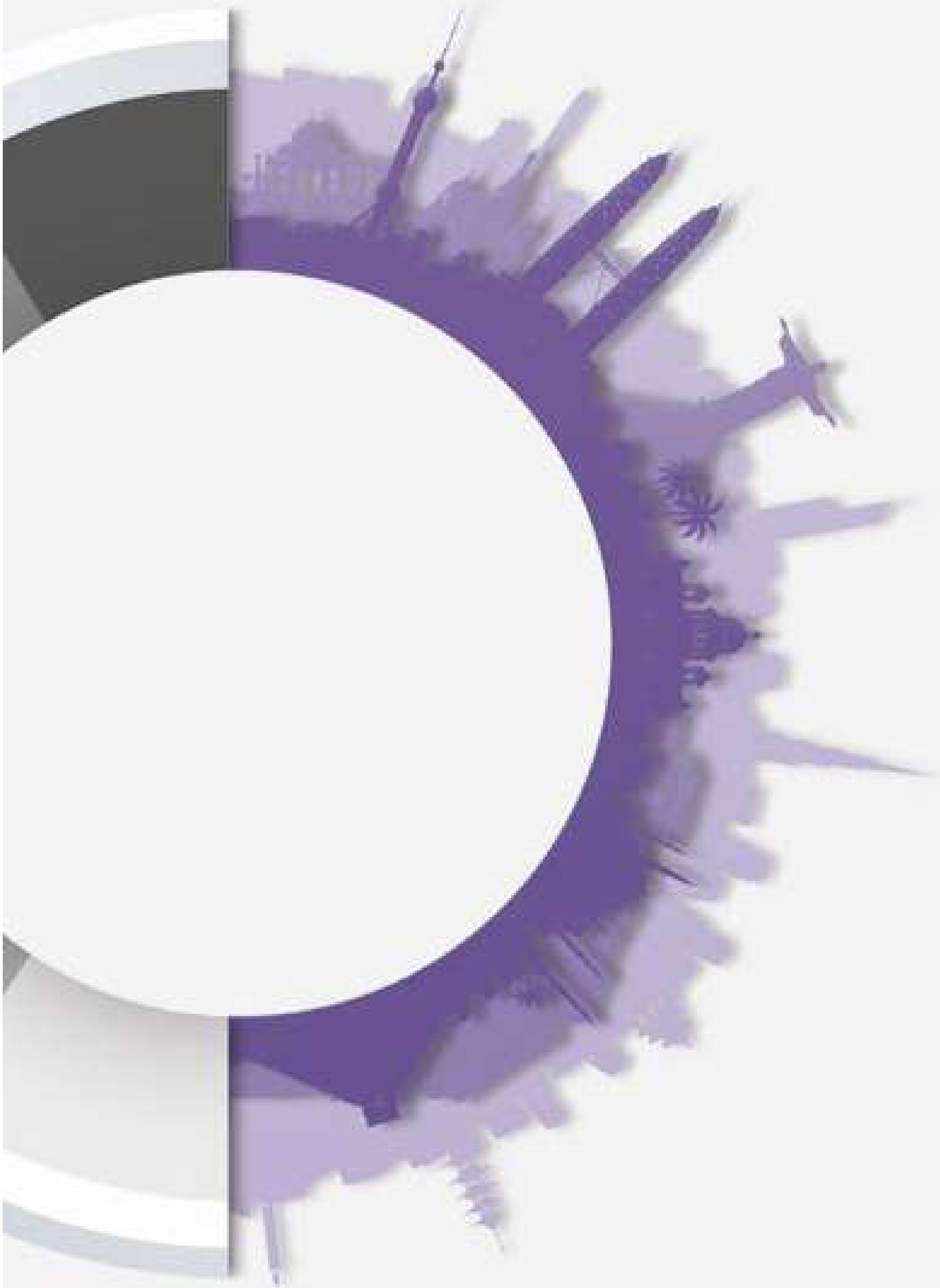
JPMorgan Emerging Markets Investment Trust plc

Annual Report & Financial Statements for the year ended 30th June 2020



J.P.Morgan
Asset Management

Your Company

Objective

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

Investment Policies

- To invest in a diversified portfolio, concentrating on countries and shares with the most attractive prospects. To have no more than 50% of the Company's assets invested in any one region or 10% above the equivalent benchmark weighting, whichever is the greater.
- To invest no more than 15% of gross assets in other UK listed closed-ended investment funds (including investment trusts).

Further details on investment policies and risk management are given in the Business Review on page 24.

Benchmark

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

Capital Structure

At 30th June 2020 the Company's issued share capital comprised 132,363,525 Ordinary shares of 25p each, including 12,658,285 shares held in Treasury.

Continuation Vote

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

Management Company and Company Secretary

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

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

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

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's shares are not classified as 'complex investments' under the FCA's revised appropriateness criteria adopted in the implementation of MiFID II.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at **www.jpmemergingmarkets.co.uk** includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

> “We are not looking for average companies and average solutions will not be enough to produce sustainably superior outcomes. The best companies understand this and understand also that the corporate sector has to play a major role in an enormous economic transition that is needed to secure a sustainable future for all. Companies are often portrayed as the villains in the drama and some of them deserve this characterisation. But without the innovation, the investments and the ambition of the corporate sector, in emerging markets and elsewhere, a sustainable future will be hard to achieve.”
>
> Austin Forey, Investment Manager, JPMorgan Emerging Markets Investment Trust plc

JPMorgan Emerging Markets Investment Trust

Our heritage and our team

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

Our Investment Approach

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

5,000
Company meetings conducted per annum, on average[1]

94
Investment professionals in Emerging Markets and Asia

20+
languages spoken, nationalities represented on the investment team

72.5%
Active share – a measure of active management[2]

[1] Company meetings have continued despite the impact of COVID-19.

[2] Active share is a measurement of the difference in the Company’s portfolio compared to the benchmark index.

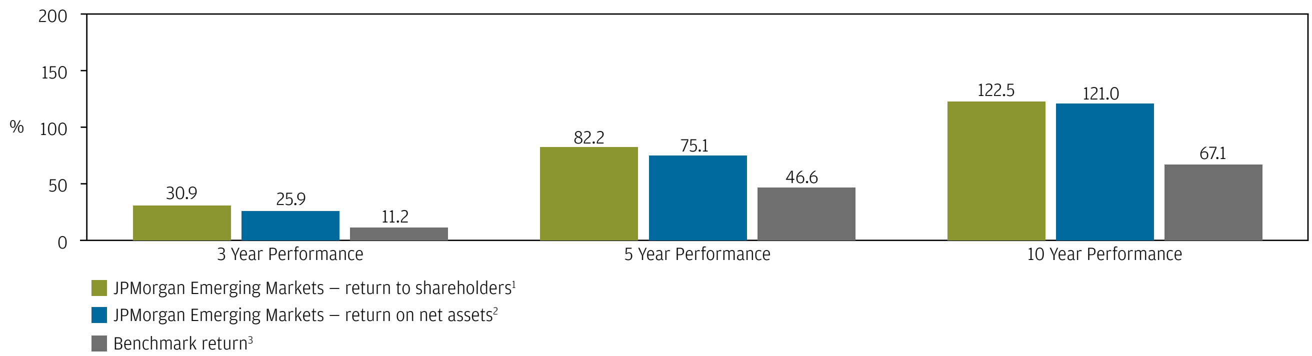
CONTENTS

Strategic Report

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 30TH JUNE

	2020	2019	3 Years Cumulative	5 Years Cumulative
Return to shareholders[1,A]	+0.7%	+21.5%	+30.9%	+82.2%
Return on net assets[2,A]	+2.7%	+13.3%	+25.9%	+75.1%
Benchmark return[3]	-0.5%	+5.0%	+11.2%	+46.6%
Dividend	+14.2p	+14.0p		

LONG TERM PERFORMANCE (TOTAL RETURNS) FOR PERIODS ENDED 30TH JUNE 2020



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

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

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

[A] Alternative performance measure ('APM').

A glossary of terms and APMs is provided on pages 81 to 82.

SUMMARY OF RESULTS

	2020	2019	% change
Total returns for the year ended 30th June			
Return to shareholders[1,A]	+0.7%	+21.5%	
Return on net assets[2,A]	+2.7%	+13.3%	
Benchmark return[3]	-0.5%	+5.0%	
Net asset value, share price and discount at 30th June			
Shareholders' funds (£'000)	1,303,915	1,313,769	-0.8
Net asset value per share	1,089.3p	1,075.8p	+1.3
Share price	994.0p	1,002.0p	-0.8
Share price discount to net asset value per share[A]	8.7%	6.9%	
Shares in issue (excluding shares held in Treasury)	119,705,240	122,119,236	
Revenue for the year ended 30th June			
Gross revenue return (£'000)	20,383	25,162	-19.0
Net revenue attributable to shareholders (£'000)	14,177	18,272	-22.4
Revenue return per share	11.74p	14.85p	-20.9
Dividend per share	14.20p	14.00p	
Net cash at 30th June[A]	1.2%	0.7%	
Ongoing charges to 30th June[A]	0.95%	1.02%	

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

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

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

[A] Alternative performance measure ('APM').

A glossary of terms and APMs is provided on pages 81 to 82.

Sarah Arkle
Chairman

The Directors of your Company set three key objectives for your Company for the financial year to 30th June 2020. These were to continue the strong record of investment performance, to reduce the discount of the Company's share price to the net asset value and to broaden the shareholder base. Whilst investment performance has remained above benchmark and we have made progress in broadening the shareholder base to include more retail investors and wealth managers, the discount of the Company's share price to net asset value widened to 8.7% at the end of the financial year from 6.9% the previous year as COVID-19 caused a general widening of investment trust discounts over the period. However, the average discount for the year just ended was 8.3% against 10.6% the previous year, indicating that for the year as a whole there was an overall improvement.

Investment Performance

Investment performance in the year to 30th June 2020 was again positive in both absolute and relative terms. The return to shareholders was+0.7% over the year and the Company's return on net assets was +2.7%. This represents outperformance of the benchmark index (the MSCI Emerging Markets index with net dividends reinvested, in sterling terms) which returned -0.5%. Those return figures may seem unremarkable on the face of it, but in the second half of our financial year the world, and global equity markets, faced the almost unprecedented challenges of the COVID-19 pandemic. For the most part, markets appear to have shrugged off the economic headwinds as unprecedented low interest rates have encouraged investors back into the stock market, but challenges will remain for some time. In his report which follows, Austin Forey illustrates how the pandemic has accelerated trends that were already in place in emerging markets and it is encouraging that a number of positions had already been taken in the portfolio in anticipation of these trends.

The outperformance of our benchmark index in such volatile markets demonstrates once again the integrity and strength of Austin and his team's process of investing in companies with sustainable business models and responsible managements. These companies tend to have more enduring growth and greater resilience through challenging times, which has helped underpin the strong performance of your Company. Performance over the longer term remains very strong and is well ahead of benchmark over three, five and ten years as the graph on page 4 illustrates. It is very pleasing that this outperformance has been recognised by the Company winning a number of prestigious awards such as the Investment Week Best Emerging Markets Trust 2019, as well as awards from AJ Bell, Citywire, Money Observer and Moneywise. The Investment Manager's Report provides more detail on the investment performance and how it was achieved.

Discount

The Board regularly considers the merits of buying back shares in order to manage the level and volatility of the discount and will buy back shares if the discount is out of line with the peer group and markets are orderly. As shares are only bought back at a discount to the prevailing net asset value, share buybacks benefit shareholders as they increase the net asset value per share.

The discount (calculated using the cum-income net asset value, on which the Board's share buyback programme is operated) ranged between 4.3% and 15.9%, averaging 8.3% through the year. The unusually wide discount level of 15.9% is not indicative of usual levels and was the result of the extreme volatility during the COVID-19 sell off in March 2020, in line with discount movements across the investment trust sector. The Board monitors the discount closely and, although the discount closed at a slightly wider level than the previous year end, the shares have continued to trade at a lower discount than the historic average and at a narrower level than the Company's largest peers. At the time of writing the Company's shares are trading on a discount of 9.5%, which is in line with the general widening of discounts in the investment trust industry over recent worries of a second wave of COVID-19.

Shareholder Base

The Directors have continued to make progress on their objective to broaden the shareholder base to include more wealth managers and retail investors and the share register is now significantly more diversified than in the past. The Company's excellent long term investment performance record has enabled both J.P.Morgan and the Company's broker Stifel to successfully promote the Company to attract new investors.

Revenue and Dividends

The Board has been consistent in communicating to shareholders that the Company is managed to produce total return rather than any particular level of dividend and that the level of dividends will vary. For individual years dividends received in sterling terms may fluctuate in line with underlying earnings, as well as currency movements and any changes in the portfolio. In the financial year just ended, the COVID-19 pandemic has led to a number of investee companies either cutting or cancelling their dividends. As a result, for the first year since 2014, the revenue return per share decreased in the financial year with the revenue return per share for the year falling to 11.74 pence (from 14.85 pence in 2019).

However, one of the advantages of being an investment trust rather than an open ended fund is the ability to use the Company's revenue reserve to smooth dividends paid to shareholders from year to year. This has allowed the Board to increase this year's total dividend by 1.4%, when most open ended emerging markets funds have reduced their distributions. The Board proposes a final dividend of 9.0 pence per share, subject to shareholder approval at the forthcoming Annual General Meeting ('AGM'). Together with the interim dividend of 5.2 pence paid in April, this will increase the total dividend for the year from 14.0 pence last year to 14.2 pence.

Environment, Social and Governance ('ESG') Issues

Sustainable investing has always been at the heart of the team's investment philosophy and ESG considerations are core to how it selects stocks in emerging markets companies. In more recent years, the integration of ESG considerations have become formalised in the investment process. There is an ever increasing focus on ESG and sustainable investing and for the first time this year, this annual report includes a separate report (on page 14) which provides much more comprehensive information on these issues and how they have been developed and integrated into the Manager's investment process for many years.

Corporate Governance

The AIC Code of Corporate Governance for investment companies was revised and reissued in 2019, following on from the revision of the FRC UK Corporate Governance Code in 2018. This annual report reflects the new disclosure requirements and in particular readers will note new statements on the Company's purpose, strategy and values. There is also a statement on how the Directors have carried out their duty to promote the success of the Company, in accordance with the Companies Act, on page 34. We hope that you find this information, together with the more comprehensive information on ESG issues, helpful.

The Board

Helena Coles was appointed to the Board on 1st September 2020. Helena, who is a Chartered Financial Analyst, has over 20 years' fund management experience in Asian and emerging markets equities and has expertise in investment trusts and environmental, social and governance issues. She is currently the independent investment adviser to the Joseph Rowntree Charitable Trust and was a co-founder and board member of Rexiter Capital Management, a specialist emerging markets and Asian asset management company. She has also worked with Fidelity International's Sustainable Investing team, at the Bank of England's Prudential Regulatory Authority and as a consultant to Edison Investment Research. I have no doubt that, with her considerable skills and experience, Helena will be a great asset to the Board of your Company.

I am pleased to confirm that the composition of the Board now meets the Hampton-Alexander recommendation of having a minimum of 33% female representation.

The Manager

The Board monitors the performance of our Manager through the Management Engagement Committee. It judges performance over the longer term and thus we remain pleased with the Manager's overall performance, not only in terms of investment performance but also in terms of risk management, administration, controls and compliance, where we continue to be very well served by J.P.Morgan.

Share Split

As a consequence of the Company's strong performance, the share price has risen sharply in recent years. In fact, over the last ten years it has almost doubled and, since its launch in 1991, it has risen from £1.00 to £9.94 at the year end. Whilst this has been very good for our existing shareholders, the Board believes that the high share price is unhelpful for those investing smaller amounts, monthly savers and dividend re-investment programmes and may deter new investors. Therefore it is proposing a share split, to sub-divide the shares on a 10 for 1 basis; following the share split each shareholder will hold ten new ordinary shares for each share held on the Record Date immediately prior to the share split. We would like to assure existing shareholders that the splitting of the shares will not affect the overall value of their holdings in the Company as the reduction in the price per share will be offset by a commensurate increase in the number of shares they hold. By way of example, taking the price as at 30th June 2020 of 994.0p per share, following the sub-division each holder of one ordinary share would receive ten new shares which would be priced at 99.4p per share immediately after the share split.

Shareholders will have the opportunity to vote on this proposal at the forthcoming AGM and more details on this and the format of this year's AGM are set out on pages 32 and 33.

Investment Restrictions and Guidelines

In April this year, the Board announced that, in response to the consequences for investment markets of the COVID-19 pandemic, it had reviewed the Company's investment restrictions and guidelines and decided to add to the existing investment restriction "No more than 50% of the Company's assets may be invested in one region" the following clause as a temporary measure: "or 10% above the equivalent benchmark weighting, whichever is the greater". The change did not constitute a material change of the Company's Investment Policy but was intended to allow the Investment Manager temporarily to continue to hold and invest the Company's assets in regions which had outperformed in the crisis, and that were expected to continue to do so, in accordance with the Company's Investment Objective. The change also preserved the relevance of the current benchmark as a measure for performance appraisal. We advised that the temporary change would be kept under review and, in consultation with the Manager, the Board has decided to make this change permanent and not to make any further change at this point. As explained in the announcement made in April, and confirmed by our corporate broker Stifel, this does not represent a material change to the Company's investment policy and therefore it is not necessary to propose a resolution for the approval of the Company's shareholders at the forthcoming AGM.

Continuation of the Company

As shareholders will be aware, every three years the Company offers shareholders a Continuation Vote to determine whether the Company should continue in existence. Shareholders will be asked to vote on this in a resolution ahead of the forthcoming AGM in November, as COVID-19 restrictions mean that shareholders will not be able to attend the AGM in person. The Board believes strongly that the Company should continue and it urges shareholders to support the Company by voting in favour of the Company's continuation. The Board recommends that shareholders refer to their investment platforms or visit the website of the Association of Investment Companies if they require more details on how to vote their shares.

AGM

This year's AGM will be held at J.P.Morgan's office at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 5th November 2020 at 3.00 p.m. Due to the ongoing situation surrounding COVID-19 and Government advice, regretfully the Board had to revise the format of this year's AGM. Only the formal business of the AGM will be considered and there will be no presentation from the Investment Manager. The Government has, for the time being, placed restrictions on public gatherings and therefore shareholders will not be allowed to attend the AGM in person. Anyone seeking to attend the meeting will be refused entry.

However, in advance of the meeting, we will be uploading to the Company's website a presentation from Austin Forey, reviewing the past year and giving his view on the outlook for emerging markets for the current year. Shareholders are encouraged to raise any questions on the presentation, or on the business to be conducted at the AGM, with the Company Secretary in advance of the AGM via the 'Ask a Question' link on the Company's website. Any questions received will be replied to by the Company Secretary.

In light of the changed format, the Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance, by completing and returning their proxy forms. This will ensure that the votes are registered.

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

Outlook

The extent of any sustained global economic recovery is currently unclear as the possibility of a second wave of COVID-19 is threatening a number of countries and industries. Geopolitical developments, such as rising US-Sino tensions and the impact on global trade, and the outcome of the US election, are also a cause for concern. However, in this environment it is likely that global interest rates will remain at historically low levels for some time which will be supportive of equities. Your Manager's investment process concentrates on investing in companies which he is confident can deliver sustainable growth and create value in these uncertain times. There may be some short-term periods when this strategy underperforms but the Directors firmly believe that it will reward investors over the longer term.

Sarah Arkle
Chairman

30th September 2020

Austin Forey
Investment Manager

Objectives & Outcomes

Purpose

The primary purpose of your Company has always been to achieve superior investment returns for its shareholders. The statement on page 24 sets out not only this purpose, but the most important principles that have guided us in pursuit of this objective. Together, these form a natural agenda for this commentary and overview of the past financial year.

Investment returns

At first glance, returns for shareholders during the latest fiscal year to 30th June 2020 were nothing to write home about: the total return on net assets was 2.7% over the year, while the total return on the share price was only 0.7%, because the discount to NAV widened during the year. But I hope shareholders will see these numbers in a broader context. Not only was this a year in which the asset class as a whole delivered a marginally negative return (as measured by our benchmark index, which declined by 0.5%), it was and will no doubt be remembered as the year of the pandemic. Given everything that has transpired in the last few months, it is good to be able to report even a modest gain in value for the Company's shareholders. Even though this was anything but an average year, the underlying value added to the Company by active management, measuring the portfolio return before costs against the index return, was 4.0%; this is in fact almost exactly the same as the average annual "manager contribution" over the last 12 years.

Our Approach

Guiding principles

In past reports I have tried to explain not just how we approach investment, but the rationale behind our process. This year, we have expanded this to a set of guiding principles which I hope will offer shareholders not just the comfort of seeing that the portfolio "does what it says on the tin", but also that it will continue to do so. These guiding principles are intended as enduring statements of basic investment beliefs.

First and foremost is we aim **to take a long term approach to investing**. This brings two simple but powerful effects for the portfolio. First, if we can find businesses whose value compounds in a sustained way, they will eventually have a big impact on the overall value of the portfolio; nothing is as powerful as compounding over long periods. Second, such an approach minimizes transaction costs and thus helps overall returns to shareholders; the long term effects of this should not be underestimated.

In the past year, we changed about 10% of the portfolio, as can be seen in the statistics on page 22: these show that we made purchases of £134m on a portfolio or £1.3bn. Another way of thinking about this is that our *average* holding period for investments is roughly 10 years, which I hope supports our claim to be taking a long term approach.

Our second guiding principle is **to use fundamental research to manage the portfolio actively**, something we have been doing now for almost three decades already. Yet in that time, our research capability has developed to something entirely different from where we began. Twenty years ago, I was both a portfolio manager and a researcher of ideas, but as the asset class expanded and became more complex, it was clear that we would need more resources, and so almost fifteen years ago we started building a team of analysts dedicated solely to researching companies in emerging markets. Today that team numbers over 40 analysts: it's a very diverse group of people, reflecting the diversity of investment options we see before us. Most importantly, this diverse group works with a common research framework, which allows us to select the most suitable ideas for the portfolio, no matter where they are found. The core of our research process has always remained the same, and focuses on understanding the basic economics, duration and governance of any company we look at. But our approach has also evolved as appropriate: in the last decade we have introduced new elements into our research to better capture the environmental and social risks faced by companies.

As for managing the portfolio actively, this should not of course be understood to mean that we are constantly trading shares. Rather, shareholders should understand that we pay little attention to the index when constructing the portfolio and have always been prepared to take positions which differ significantly from the benchmark, both at the individual stock level, and when seen in aggregate. We are really only interested in particular kinds of companies and we find them most often in certain industries, as I explain below when talking about sustainability. The portfolio reflects this.

Our next principle is **to focus on stock selection above all**. More than anything else, we are trying to find the best individual companies to invest in. Of course, we think about the context in which they operate, the currencies to which they are exposed and other macro-economic effects and risks. But we have never set out to be "overweight" or "underweight" in a particular country or industry, we have always just pursued the best investments, wherever we could find them. This has led us to opportunities that a more "top down" approach might well have missed. In the last few years we have invested in three companies, two based in Argentina and one whose principal operations base is in Belorussia, and between them these investments have added significant value to the portfolio. It is very unlikely, had we been thinking at a country level, that we would ever have found these opportunities; more likely, we would have dismissed both countries out of hand.

We focus on stock selection for three reasons. First, and most importantly, it's where we have added value in the past and where we think we can do so in the future; it's what our research process is designed for and it's what our analysts do. Second, it gives us far more choices than a process led by selecting countries as the primary decisions factor; as an investor, the more things you have to choose from, the better. And third, a focus on individual company investments leads us naturally to think a lot about what makes any company stand out, and the stocks we tend to like the most, and keep the longest, are those where we remain most convinced of the company's competitive strengths and of its ability to create value with those strengths. Why does this matter? Because if we can find opportunities that are very company-specific, they are intrinsically diversified, because they rest on factors which other companies cannot replicate. The more each investment in your portfolio is driven by idiosyncratic factors, the more truly diversified the portfolio is in the long term.

Our last two principles are less to do with decision making and address instead our broader conduct as investors of capital on behalf of the Company's shareholders. We set out **to act as a responsible and engaged shareholder** of the companies that we have invested in on your behalf. In a way this seems so obvious that it hardly needs saying: we conduct thousands of meetings with companies every year and, over time, dozens of meetings with the same individual companies which may stay in the portfolio for years and years. These are not one-way discussions – we offer companies our opinions and our views, especially on issues like capital allocation and governance which lie beyond the purely operational remit of management. Always, we present arguments with the intention of helping a company extend its competitive duration and enhance its long term value. We always vote the shares that the portfolio holds and information on our voting over the last year is shown elsewhere in this annual report.

We see a responsibility not just to challenge and question management teams, but to engage where we see scope for improvement, whether it is in something as simple as the composition of the board or the transparency of reporting, or in a more complex area. Sometimes we simply offer a broader perspective, because we look across many countries and many industries. But the essential thing is to view ownership of a company's shares as an activity in its own right; active management does not mean trading the stocks in the portfolio incessantly – it is about sustained engagement with leading companies over many years, in pursuit of better outcomes for all. We have always done this, but we also look for ways to improve what we do, and one enhancement to our research process that we have introduced in the last year has been the development of a "materiality framework", identifying the most important ESG factors in over 50 industry categories, as chosen by our research experts. This not only allows a far sharper focus on how companies are performing in the areas that are most significant for their particular industry, it also helps us drive targeted engagement on the most important issues for any single company. I look forward to reporting on this in more detail in the future as we accumulate more experience in applying this framework.

Lastly, we want **to use the benefits of the closed-end fund structure for shareholders**. What does this mean in practice? Primarily, we have been able to make investments in some smaller companies, where the liquidity of the shares would have been inappropriate in a fund offering daily subscriptions and redemptions. Shareholders should know, however, that we have done this selectively. These investments have never made up a large part of the portfolio, but they have added value; and of course if they are really successful investments, then over time those companies become larger and their shares more liquid. One of our largest investments today, HDFC, was a $750m company when we first invested in it in 1998 and not at all easy to buy. Today, that company's shares typically trade $100m in a day and its market value is over USD 40bn; this is an admittedly extreme example of why we have been prepared to take liquidity risk in specific outstanding investments, something that the closed fund structure of an investment trust makes possible.

The year and the portfolio

The past year

PERFORMANCE ATTRIBUTION

YEAR ENDED 30TH JUNE 2020

	%	%
Contributions to total returns		
Benchmark return		-0.5
Asset allocation	-0.2	
Stock selection	4.2	
Currency effect	-0.2	
Net cash	0.2	
Investment Manager contribution		4.0
Portfolio return		3.5
Management fee and expenses	-1.0	
Share buybacks	0.2	
Return on net assets[A]		2.7
Return to shareholders[A]		0.7

Source: JPMAM/Morningstar.

All figures are on a total return basis.

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

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 81 and 82.

It has, in that most clichéd of footballing clichés, been a year of two halves: before the pandemic; and then the pandemic. Everything altered, and yet in some ways, established trends just accelerated. Until late February, markets paid little attention to the virus that was already spreading slowly outside China. But that all changed suddenly and emerging stock markets, like all others, suffered sharp declines and the most severe market panic since the financial crisis of 2008-09. Since the end of March, they have also staged a gradual recovery, to the point that, as I write, the asset class has more or less recovered to the level at which it started the year, in sterling terms. This may seem a surprising outcome, given the damage inflicted on the global economy by the pandemic and the ensuing lockdowns and restrictions on economic activity. But the general trend masks some very divergent specific outcomes. Existing trends in e-commerce, and other online services, have seen accelerated growth and some companies in these industries have seen their share prices reach new highs throughout the last few months. In more traditional industries, there have been plenty of stocks that have some way to go simply to recover recent losses.

Corporate trends and the portfolio

Recent outcomes for emerging equity markets have been heavily influenced by the way countries have coped with the pandemic, and how quickly they have been able to return towards normality; this explains in part why China has been one of the best performing markets in the last six months, not just among emerging markets, but in a global context. But, although it may seem hard to believe right now, the pandemic will pass and economic fundamentals and corporate skill will re-emerge as the most important determinants of long term investment outcomes.

And that leads to an important and, I think, very encouraging trend in emerging markets: they are becoming more like developed markets. What do I mean by this? Not that they have achieved economic convergence; rather, that value creation in the corporate sector is being strongly driven by very similar factors in both areas. Digitalisation, the development of internet-based business models, the creation of intangible value rather than reliance on physical assets and large amounts of investment in fixed assets – these are far more widely seen in emerging markets today than in the past, as, as can be seen simply by looking at the trust's ten largest investments.

In fact, the majority of the portfolio is invested in sectors which broadly fit this characterisation – software services, internet services, gaming, consumer brands, even stock exchanges. This is important because companies that do not have to invest large amounts of capital tend to generate higher returns on capital, require less leverage, and ultimately generate more cash for shareholders, all highly desirable qualities in an equity investment. Moreover, the value added by intellectual property is highly specific to the company that created it, and less easily replicated. By contrast, businesses which have low value-added and are capital-dependent will always, in my view, see their returns trend towards the price of capital, which today is lower than ever. And that is why the portfolio today concentrates heavily on the former and avoids the latter. It has no exposure to capital intensive industries like basic commodities, real estate, utilities or heavy industry. As a result, your Company's portfolio is also made up of businesses whose returns on capital are significantly above the average emerging market company, something that is unlikely to change.

Looking forwards

A Sustainable future

Much more attention is now being paid to the notion of sustainability in the practice of asset management. In fact, the word "sustainability" has acquired a specific and, one might argue, narrow meaning in this context. Given both our long term focus and our long holding periods for investments, we have always been interested in sustainability, defined in the broadest way, which is closely tied both to competitive advantage and strong economics, as well as to responsible corporate behaviour, and our investment approach has always incorporated this. There is no doubt, however, that the focus on corporate responsibility in general, and climate change in particular, is changing the criteria for successful long term value creation in the corporate world, making effective consideration of sustainability factors all the more essential. For the best companies, great opportunities abound; for the worst, irrelevance and extinction lie ahead.

Your Company's portfolio naturally tilts towards industries with a carbon footprint that is better than average, and this is reflected in some of the data we show on the portfolio on page 27. But in a more detailed way, we now regularly challenge and interrogate companies on issues that are really specific to what they do – and that could be the way that an alcohol producer markets its products to consumers, or the way a semiconductor company is increasing its use of renewable energy sources. As a really granular example, we recently engaged with a pharmacy company to discuss its use of inappropriate third-party advertising from a product manufacturer, to understand how a mistake had been made, what had been done about it and how repetitions would be avoided in the future. This is a typical example of the detailed discussions that we have with companies across a wide range of industries and geographies.

We are not looking for average companies and average solutions will not be enough to produce sustainably superior outcomes. The best companies understand this and understand also that the corporate sector has to play a major role in an enormous economic transition that is needed to secure a sustainable future for all. Companies are often portrayed as the villains in the drama and some of them deserve this characterisation. But without the innovation, the investments and the ambition of the corporate sector, in emerging markets and elsewhere, a sustainable future will be hard to achieve. I remain optimistic both about the contribution that companies can make, and about the investment opportunities this will bring; and therefore I remain optimistic about the prospects of your Company.

Austin Forey
Investment Manager

30th September 2020

ESG and J.P.Morgan Investment Trusts

Introduction

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

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

The basics: what is ESG?

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

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

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

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

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

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

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

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

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

Why do we integrate ESG into our investment processes?

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

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

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

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

Engagement and Voting

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

Alongside this direct engagement, we endeavour to vote at all of the meetings called by companies in which your portfolio invests. A summary of key voting statistics and activity undertaken in respect of stocks in the Company's portfolio for the 12 months to 30th June 2020 is detailed below. On behalf of the Company, J.P.Morgan voted at all of the annual general meetings and extraordinary meetings held during the year by its portfolio companies.

JPMorgan Emerging Markets Investment Trust plc: Voting at shareholder meetings over the year to 30th June 2020

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against
Routine Business	251	2	0	2	253	0.8
Director Related	369	15	18	33	402	8.2
Capitalisation	62	11	0	11	73	15.1
Reorganisation and Mergers	25	2	0	2	27	7.4
Non-salary Compensation	46	6	0	6	52	11.5
TOTAL	**753**	**36**	**18**	**54**	**807**	**4.5**

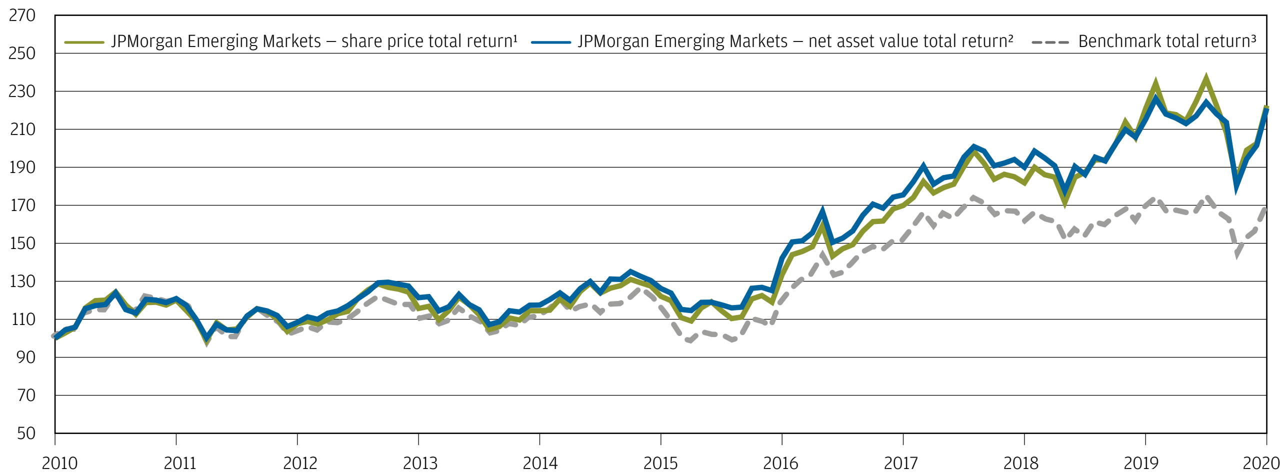
The future

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

J.P.Morgan Asset Management

TEN YEAR PERFORMANCE

REBASED TO 100 AT 30TH JUNE 2010



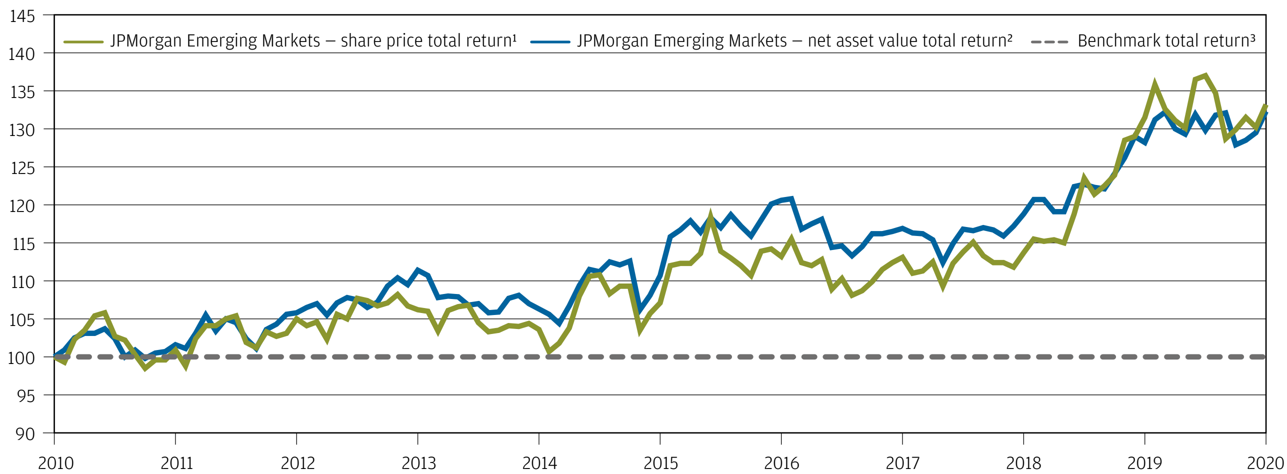
[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, cum income net asset value.

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

TEN YEAR PERFORMANCE RELATIVE TO BENCHMARK

REBASED TO 100 AT 30TH JUNE 2010



[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, cum income net asset value.

TEN YEAR FINANCIAL RECORD

At 30th June	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shareholders' funds (£m)	631.9	785.1	691.9	785.8	750.6	852.7	934.6	1,121.0	1,196.9	1,313.8	1,303.9
Net asset value per share (p)	544.9	655.7	584.1	649.3	623.4	663.8	740.8	904.7	968.2	1,075.8	1,089.3
Share price (p)	500.0	597.5	531.5	567.0	556.0	587.0	635.0	798.5	843.0	1,002.0	994.0
Discount (%)[A]	8.2	8.9	9.0	12.7	10.8	11.6	14.3	11.7	12.9	6.9	8.7
Net cash (%)[A]	(1.7)	(5.2)	(3.7)	(4.2)	(4.6)	(3.5)	(3.6)	(1.0)	(0.6)	(0.7)	(1.2)
Year ended 30th June											
Gross revenue return (£'000)	12,335	15,912	16,480	18,487	16,071	19,805	17,119	21,902	23,207	25,162	20,383
Revenue return per share (p)	4.47	5.26	6.22	6.73	5.12	6.68	9.49	12.75	13.40	14.85	11.74
Dividend per share (p)	3.20	3.50	4.50	5.50	5.50	6.00	9.00	11.00	12.50	14.00	14.20
Ongoing charges (%)[A]	1.17	1.15	1.18	1.14	1.17	1.14	1.16	1.07	1.02	1.02	0.95
Rebased to 100 at 30th June 2010											
Share price total return[1,A]	100	120.1	107.6	115.7	114.5	122.1	133.5	169.9	181.8	220.8	222.5
Net asset value total return[2,A]	100	120.9	108.4	121.4	117.5	126.2	142.2	175.5	190.0	215.2	221.0
Benchmark total return[3]	100	119.1	102.5	109.0	110.5	114.0	117.9	150.2	159.9	167.9	167.1

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

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

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

[A] Alternative performance measure ('APM').

A glossary of terms and APMs is provided on pages 81 and 82.

TEN LARGEST EQUITY INVESTMENTS

AT 30TH JUNE

Company	Country	2020 Portfolio £'000	2020 Portfolio %[1]	2020 Valuation Benchmark %	Over/ (Under) Weight %	2019 Portfolio £'000	2019 Portfolio %[1]	2019 Valuation Benchmark %	Overweight %
Tencent Tencent is an internet services company. From its headquarters in Shenzhen, Tencent provides gaming and social network services, digital payments and other online products and services in China and elsewhere.	China and Hong Kong	113,982	8.8	6.4	2.4	75,587	5.8	4.7	1.1
Taiwan Semiconductor Manufacturing[2] TSMC is the world's leading semiconductor foundry company, based in Taiwan. It produces semiconductor chips for third-party designers.	Taiwan	104,431	8.1	4.5	3.6	69,949	5.4	3.4	2.0
Alibaba[2] Alibaba is a Chinese internet services company. Its principal business is in e-commerce. Through its affiliated company Ant Financial, Alibaba also offers digital payment solutions. In addition, it is the largest provider of cloud services in China.	China and Hong Kong	87,149	6.8	7.0	(0.2)	61,701	4.7	4.4	0.3
EPAM Systems EPAM Systems provides software development, outsourcing services, e-business, enterprise relationship management and content management solutions.	Belarus	70,498	5.5	–	5.5	56,638	4.3	–	4.3
Housing Development Finance HDFC is a financial services company in India. Its core business is mortgage lending. It was a founding shareholder of HDFC Bank, a leading commercial bank in the same country. HDFC also has operations in life insurance, general insurance, asset management and rural lending.	India	61,528	4.8	0.7	4.8	81,331	6.2	0.9	5.3
AIA AIA is an insurance company operating throughout Asia. The company offers life insurance; it also provides health and accident insurance, wealth management services and retirement planning.	China and Hong Kong	56,140	4.4	–	4.4	63,101	4.8	–	4.8
MercadoLibre[3] MercadoLibre Inc. operates an online trading site for the Latin American markets. The Company's website allows business and individuals to list items and conduct sales and purchases online in either a fixed-price or auction format. MercadoLibre offers classified advertisements for motor vehicles, vessels, aircraft, real estate and services, and offers online payment services.	Argentina	49,313	3.8	–	3.8	30,690	2.4	–	2.4
Ping An Insurance[4] Ping An is a leading financial services group in China. It provides a full range of retail financial services including life and general insurance, health insurance, banking, brokerage and wealth management. It also offers health and technology services.	China and Hong Kong	45,265	3.5	1.0	3.5	52,834	4.0	1.2	2.8
Tata Consultancy Services TCS is a global IT services business headquartered in India. It provides a comprehensive range of IT services to clients around the world in many different industries.	India	44,200	3.4	0.4	3.4	50,136	3.8	0.5	3.3
Sea[2,5] Sea Limited offers information technology services. The Company provides online personal computer and mobile digital content, e-commerce, and payments platforms. Sea serves customers worldwide.	Singapore	30,097	2.3	–	2.3	–	–	–	–
Total		**662,603**	**51.4**	**20.0**					

[1] Based on total portfolio of £1,288.9m (2019: £1,305.0m).

[2] Includes investments in American Depositary Receipts (ADRs).

[3] Not included in the ten largest equity investments at 30th June 2019.

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

[5] Not included in the list of investments at 30th June 2019.

At 30th June 2019, the value of the ten largest equity investments amounted to £588.1 million representing 44.9% of the total portfolio.

GEOGRAPHIC BY REGION

	30th June 2020			30th June 2019		
	Portfolio %[1]	Benchmark %	Over/(Under) Weight %	Portfolio %[1]	Benchmark %	Over/(Under) Weight %
East Asia						
China and Hong Kong	39.4	40.9	(1.5)	29.4	31.6	(2.2)
Taiwan	11.1	12.3	(1.2)	8.4	10.8	(2.4)
South Korea	1.3	11.6	(10.3)	0.6	12.4	(11.8)
	51.8	64.8	(13.0)	38.4	54.8	(16.4)
South Asia						
India	15.7	8.0	7.7	21.4	9.0	12.4
Indonesia	3.3	1.5	1.8	4.6	2.1	2.5
Singapore	2.3	–-	2.3	–	–	–
Thailand	–	2.3	(2.3)	–	3.0	(3.0)
Malaysia	–	1.8	(1.8)	–	2.1	(2.1)
Philippines	–	0.8	(0.8)	0.5	1.1	(0.6)
	21.3	14.4	6.9	26.5	17.3	9.2
Latin America						
Argentina	5.8	0.1	5.7	4.7	0.4	4.3
Brazil	4.9	5.1	(0.2)	7.7	7.7	–
Mexico	3.1	1.7	1.4	4.4	2.5	1.9
Peru	0.8	0.3	0.5	1.3	0.4	0.9
Chile	0.5	0.6	(0.1)	0.9	0.9	–
Colombia	–	0.2	(0.2)	–	0.4	(0.4)
	15.1	8.0	7.1	19.0	12.3	6.7
Europe/Middle East/Africa						
Belarus	5.5	–	5.5	4.3	–	4.3
South Africa	5.1	3.8	1.3	9.9	6.0	3.9
Russia	1.2	3.2	(2.0)	1.9	4.0	(2.1)
Saudi Arabia	–	2.7	(2.7)	–	1.4	(1.4)
Qatar	–	0.8	(0.8)	–	1.0	(1.0)
Poland	–	0.7	(0.7)	–	1.1	(1.1)
United Arab Emirates	–	0.5	(0.5)	–	0.7	(0.7)
Turkey	–	0.5	(0.5)	–	0.5	(0.5)
Hungary	–	0.2	(0.2)	–	0.3	(0.3)
Greece	–	0.1	(0.1)	–	0.3	(0.3)
Egypt	–	0.1	(0.1)	–	0.1	(0.1)
Czech Republic	–	0.1	(0.1)	–	0.2	(0.2)
	11.8	12.7	(0.9)	16.1	15.6	0.5
North America	–	0.1	(0.1)	–	–	–
United States	–	0.1	(0.1)	–	–	–
Total	**100.0**	**100.0**		**100.0**	**100.0**	

[1] Based on total portfolio of £1,288.9m (2019: £1,305.0m).

SECTOR ANALYSIS

	30th June 2020			30th June 2019		
	Portfolio %[1]	Benchmark %	Over/(Under) Weight %	Portfolio %[1]	Benchmark %	Over/(Under) Weight %
Financials	26.3	19.1	7.2	35.1	25.2	9.9
Information Technology	21.5	16.9	4.6	18.5	13.9	4.6
Consumer Discretionary	16.5	17.4	(0.9)	14.2	13.4	0.8
Consumer Staples	15.7	6.5	9.2	16.2	6.6	9.6
Communications Services	13.8	13.5	0.3	7.0	11.7	(4.7)
Industrials	4.9	4.7	0.2	7.0	5.4	1.6
Materials	1.3	6.8	(5.5)	1.5	7.6	(6.1)
Energy	–	5.9	(5.9)	0.5	7.9	(7.4)
Health Care	–	4.3	(4.3)	–	2.6	(2.6)
Real Estate	–	2.6	(2.6)	–	3.0	(3.0)
Utilities	–	2.3	(2.3)	–	2.7	(2.7)
Total	**100.0**	**100.0**		**100.0**	**100.0**	

[1] Based on total portfolio of £1,288.9m (2019: £1,305.0m).

INVESTMENT ACTIVITY

DURING THE YEAR ENDED 30TH JUNE 2020

	Value at 30th June 2019					Value at 30th June 2020	
	£'000	% of portfolio	Purchases £'000	Sales £'000	Changes in value £'000	£'000	% of portfolio
China and Hong Kong	384,239	29.4	109,663	(53,643)	67,871	508,130	39.4
India	279,780	21.4	–	(6,993)	(71,014)	201,773	15.7
Taiwan	109,090	8.4	74	(3,999)	38,168	143,333	11.1
Argentina	60,864	4.7	–	(16,851)	30,881	74,894	5.8
Belarus	56,638	4.3	–	(11,322)	25,182	70,498	5.5
South Africa	129,228	9.9	2,813	(31,135)	(35,418)	65,488	5.1
Brazil	100,499	7.7	7,734	(30,295)	(14,128)	63,810	4.9
Indonesia	60,381	4.6	–	(9,094)	(9,241)	42,046	3.3
Mexico	57,075	4.4	–	(2,669)	(14,951)	39,455	3.1
Singapore	–	–	13,696	–	16,401	30,097	2.3
South Korea	7,330	0.6	–	–	9,687	17,017	1.3
Russia	25,334	1.9	–	(5,492)	(4,259)	15,583	1.2
Peru	17,252	1.3	–	–	(6,868)	10,384	0.8
Chile	11,335	0.9	–	–	(4,936)	6,399	0.5
Philippines	5,990	0.5	–	(2,309)	(3,681)	–	–
Total investments	**1,305,035**	**100.0**	**133,980**	**(173,802)**	**23,694**	**1,288,907**	**100.0**

LIST OF INVESTMENTS AT 30TH JUNE 2020

Company	Valuation £'000
CHINA AND HONG KONG	
Tencent	113,982
Alibaba[1]	87,149
AIA	56,140
Ping An Insurance Group Co. of China[2]	45,265
Kweichow Moutai	23,650
Budweiser Brewing	21,085
Techtronic Industries	18,370
51job[1]	17,825
Hong Kong Exchanges & Clearing	17,629
NetEase[1]	16,847
Midea	15,136
Yum China	14,601
Foshan Haitian Flavouring & Food	14,003
JD.com[1]	11,322
Sichuan Swellfun	9,474
Huazhu[1]	7,314
Zhejiang Supor	7,124
Greentown Service	5,921
Cafe de Coral	5,293
	508,130
INDIA	
Housing Development Finance	61,528
Tata Consultancy Services	44,200
Infosys[1]	24,532
Supreme Industries	16,626
ITC	14,884
IndusInd Bank	13,841
United Breweries	13,177
HDFC Life Insurance	12,985
	201,773

Company	Valuation £'000
TAIWAN	
Taiwan Semiconductor Manufacturing[1]	104,431
President Chain Store	17,934
Chailease	13,485
Delta Electronics	7,483
	143,333
ARGENTINA	
MercadoLibre	49,313
Globant	25,581
	74,894
BELARUS	
EPAM Systems	70,498
	70,498
SOUTH AFRICA	
Clicks	24,149
Bid	16,113
Capitec Bank	14,128
Sanlam	5,554
Mr Price	2,814
Bidvest	2,730
	65,488
BRAZIL	
Itau Unibanco	13,261
Lojas Renner	13,070
B3 - Brasil Bolsa Balcao	11,434
WEG	9,398
Ambev[1]	9,158
Raia Drogasil	7,489
	63,810

Company	Valuation £'000
INDONESIA	
Bank Central Asia	17,091
Bank Rakyat Indonesia Persero	14,871
Unilever Indonesia	10,084
	42,046
MEXICO	
Wal-Mart de Mexico	12,700
Grupo Aeroportuario del Sureste[1]	8,965
Fomento Economico Mexicano[1]	8,953
Grupo Financiero Banorte	8,837
	39,455
SINGAPORE	
Sea[1]	30,097
	30,097
SOUTH KOREA	
NAVER	17,017
	17,017
RUSSIA	
Sberbank of Russia	15,583
	15,583
PERU	
Credicorp	10,384
	10,384
CHILE	
Banco Santander Chile[1]	6,399
	6,399
TOTAL INVESTMENTS	**1,288,907**

[1] Includes investments in American Depositary Receipts (ADRs).

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

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Company has performed. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment limits and restrictions, performance and key performance indicators, share capital, the Company's environmental, social and ethical policy, principal risks and how the Company seeks to manage those risks and finally its long term viability.

The Company's Purpose, Values and Objectives

Purpose

To achieve superior long term returns for shareholders from a portfolio of emerging markets equities

Guiding Principles

To take a long-term approach to investing

To use fundamental research to inform active management of the portfolio

To focus on stock selection above all

To act as a responsible and engaged shareholder of the companies owned

To use the benefits of the closed-end fund structure for the Company's shareholders

Values

Integrity: to act with integrity and to ensure that third party suppliers also do so

Transparency: to promote transparency in the Company's reporting to shareholders and others

Accountability: to hold the Directors, the Investment Manager and other third party suppliers of services accountable.

Sustainability: To manage the Company in a sustainable manner and oversee the portfolio in the same regard

Current Business Objectives

To continue the strong record of investment performance

To promote the Company effectively in order to broaden the Company's shareholder base

To manage and reduce the volatility and absolute level of the discount to net asset value

To enhance the Company's reporting in the field of sustainability

Business Review

Structure and Objective of the Company

JPMorgan Emerging Markets Investment Trust plc (the 'Company') is an investment trust company that has a premium listing on the London Stock Exchange. In seeking to achieve the Company's purpose, the investment objective is to maximise total return from emerging markets worldwide through a diversified portfolio of underlying investments. To achieve this objective the Company employs JPMorgan Funds Limited ('JPMF') to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms.

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 30th June 2013 and future years. The Directors have no reason to believe that approval will not continue to be obtained. 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 6 to 9 and in the Investment Managers' Report on pages 10 to 13.

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 foreign investors or prudent diversification can best be achieved in this way. The Company conducts its affairs so as to maintain approved investment trust status in the UK.

The Company is managed to produce total return and not to produce any particular level of dividend and therefore the level of dividend will vary. The Board aims to grow the Company's dividend over the long term in line with earnings per share, but there are likely to be short term fluctuations.

The Board determines the Company's capital structure and gearing policy, with input from the Manager. The Board's gearing policy is that 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 50 and 80 investments. The assets are managed by an investment manager based in London.

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:

- 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 or 10% above the equivalent benchmark weighting, whichever is the greater.
- 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 closed-ended investment funds 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 closed-ended investment funds.
- The Company does not normally enter into derivative transactions, other than short term forward currency contracts to manage working capital requirements 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 2020, the Company produced a total return to shareholders of +0.7% (2019: +21.5%) and a total return on net assets of +2.7% (2019: +13.3%). This compares with the total return on the Company's benchmark index of -0.5% (2019: +5.0%). At 30th June 2020, the value of the Company's investment portfolio was £1,288.9 million (2019: £1,305.0 million). The Investment Manager's Report on pages 10 to 13 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 total return for the year amounted to £44.3 million (2019: £166.4 million) and net total return after deducting management fee, other administrative expenses, finance costs and taxation amounted to £30.6 million (2019: £151.8 million). Distributable income for the year amounted to £14.2 million (2019: £18.3 million).

The Directors recommend a final dividend of 9.0p per share payable on 12th November 2020 to holders on the register at the close of business on 9th October 2020. This distribution will amount to £10.8 million. The revenue reserve after payment of the final dividend will amount to £12.0 million.

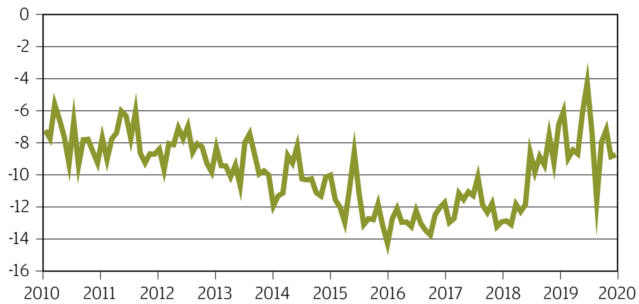
Key Performance Indicators ('KPIs')

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

- **Total return performance against the benchmark index**
  This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Manager's Report. (Also, please refer to the graphs on page 17).
- **Performance against the Company's peers**
  The principal objective is to maximise total return relative to the benchmark. However, the Board also monitors the performance relative to a broad range of investment trust companies, open ended funds and exchange traded 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 2019 are given in the Investment Manager's Report on page 12.

- **Share price discount to net asset value ('NAV') per share**
  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 should help to reduce the volatility and absolute level of the discount to NAV per share at which the Company's shares trade in relation to its peers in the sector. In the year to 30th June 2020, the Company's shares traded at a discount to cum income net asset value per share between 4.3% and 15.9%, averaging 8.3% over the year.

Discount Performance



Source: Datastream.

JPMorgan Emerging Markets – share price discount to cum income net asset value per share. The graph is based on month end data and therefore the figures differ from those stated above and in the Chairman's Statement, which are based on daily data.

- **Ongoing charges**
  The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges for the year ended 30th June 2020 were 0.95% (2019: 1.02%). The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers. The latest analysis shows the Company's ongoing charges ratio to be lower than the average for its peer group.

Share Capital

The Directors have, on behalf of the Company, the authority both to repurchase shares in the market for cancellation, or to hold in Treasury, and to issue new shares for cash or from Treasury.

A total of 2,413,996 shares were repurchased into Treasury during the year under review, for a total consideration of £23,157,000. This represented 2.0% of the shares in issue at the start of the financial year. The Company did not allot any new shares for cash. Since the year end 701,916 shares have been repurchased into Treasury.

Resolutions to renew the authorities to issue new shares and to repurchase shares for cancellation and/or for holding in Treasury will be put to shareholders for approval at the forthcoming Annual General Meeting.

The full text of these Resolutions is set out in the Notice of Meeting on pages 78 and 79.

Board Diversity

At 30th June 2020, there were four male Directors and one female Director on the Board. Another female Director, Helena Coles, was appointed to the Board on 1st September 2020. The Company has no employees. When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and has met the Hampton-Alexander recommendation of having 33% female representation on the Board.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the JPMorgan Asset Management ('JPMAM') policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our approach to how we implement the principles is set out in the ESG statement on pages 14 to 16

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

A comprehensive ESG statement is included on pages 14 to 16.

Greenhouse Gas Emissions

The Company is managed by JPMF, has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. However, if the carbon footprint of the Company's investments is analysed, you will see in the table below that it is less than one twentieth of the MSCI Emerging Markets Index. JPMAM is also a signatory to CDP (formerly known as Carbon Disclosure Project). JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

MSCI CARBON ESG FOOTPRINT CALCULATOR

	Carbon Emissions tons CO2e/$M invested	Carbon Intensity tons CO2e/$M sales
JPMorgan Emerging Markets Investment Trust	11.7	39.4
MSCI EM Index	284.1	383.5
Aim/Purpose	*What is my portfolio's normalised carbon footprint per million dollars invested?*	*What is my portfolio's exposure to carbon intensive companies?*

Coverage by Portfolio Weight:
JPMorgan Emerging Markets Investment Trust plc: 94.5
MSCI: 100%

Source: MSCI, J.P. Morgan Asset Management. Table as of 30th June 2020 based on data from MSCI as at that date. MSCI EM = MSCI Emerging Markets Index. Coverage refers to percentage of index or portfolio covered by data.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. J.P.Morgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/modern-slavery-act.pdf

Corporate Criminal Offence

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

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified, including emerging risks, and the ways in which they are managed or mitigated are summarised as follows. The impact of the COVID-19 pandemic is inherent in all of these risks and is discussed by the Board on a regular basis.

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. In assessing the risks and how they can be mitigated, the Board has given particular attention to those issues that threaten the viability of the Company. These key risks fall broadly under the following categories:

- **Investment Underperformance**
  An inappropriate investment strategy, for example poor stock selection, 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. The Manager 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.

- **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.

- **Political and Economic**
  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. Sustained underperformance of emerging markets as an asset class may occur as a result of risks such as the imposition of restrictions on the free movement of capital. Currently, there are broader political risks and specific risks, such as rising US-Sino tensions and the impact on global trade, the uncertain outcome of the 'Brexit' process which may impact the value of sterling and the COVID-19 pandemic. These risks are discussed by the Board on a regular basis.

- **Strategy/Business Management**
  An inappropriate corporate initiative, for example a takeover of another company or an issue of new capital; misuse of the investment trust structure, for example inappropriate gearing; or if the Company's business strategy is no longer appropriate, may lead to a lack of investor demand. The Board discusses these risks regularly and takes advice from the Manager and its professional advisers.

- **Operational and Counterparty Failure**
  Disruption to, or failure of, the Manager's or a counterparty's accounting, dealing or payments systems or the Depositary or Custodian's records may prevent accurate reporting and monitoring of the Company's financial position. This includes

the failure of the Manager's continuity plans in the face of systems outage, office disruption or a pandemic and the risk of cyber crime and the consequent potential threat to security and business continuity. Under the terms of its agreement, the Depositary has strict liability for the loss or misappropriation of assets held in custody. See note 20(c) for further details on the responsibilities of the Depositary. Details of how the Board monitors the services provided by JPMF and its associates and the key elements designed to provide effective risk management and internal controls are included within the Risk Management and Internal Controls section of the Corporate Governance Statement on page 37.

- **Cyber Crime**
  The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received the cyber security policies for its key third party service providers and JPMF has assured Directors that the Company benefits directly or indirectly from all elements of J.P.Morgan's Cyber Security programme. The information technology controls around the physical security of J.P.Morgan's data centres, security of its networks and security of its trading applications are tested by an independent third party and reported every six months against the AAF Standard.

- **Share Price Discount**
  A disproportionate widening of the share price 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 JPMF 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.

- **Legal and Regulatory**
  In order to qualify as an investment trust, the Company must comply with Section 1158. Details of the Company's approval are given under 'Structure and Objective of the Company' on page 24. Should the Company breach Section 1158, 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 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure Guidance and Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary and its professional advisers to ensure compliance with the Companies Act and the UKLA Listing Rules and DTRs.

- **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 Statement on pages 34 to 38.

- **Financial**
  The financial risks faced by the Company include market price risk, interest rate risk and credit risk. Further details are disclosed in note 20 on pages 67 to 72.

Long Term Viability

Taking account of the Company's current position, the principal and emerging risks that it faces, including the COVID-19 pandemic, and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for emerging markets economies and equity markets.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of maximising total return, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers, that investors should consider investing in equities for a minimum of five years. Thus the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that, assuming a successful continuation vote at the 2020 AGM, they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited
Company Secretary

30th September 2020

Directors’ Report

Sarah Arkle *§†‡# (Chairman of the Board, Nomination and Management Engagement Committees)
A Director since September 2013.
Last reappointed to the Board: 2019.
Remuneration: £44,500.
Non-executive director of Foreign & Colonial Investment Trust plc and a member of the finance committee of the Royal Commission for the Exhibition of 1851. She was previously a non-executive director of Janus Henderson Group plc, a member of the Newnham College Cambridge Investment Committee, an advisor to the South Yorkshire Pension Fund and was Chief Investment Officer of Threadneedle Asset Management where she held a number of other senior positions.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 20,000 Ordinary shares.

Richard Laing *§†‡# (Chairman of the Audit Committee)
A Director since January 2015.
Last reappointed to the Board: 2019.
Remuneration: £36,750.
Non-executive director of Perpetual Income and Growth Investment Trust plc, Miro Forestry, Leeds Castle Foundation, 3i Infrastructure plc, Tritax Big Box REIT plc and Development Works Limited. Previously a trustee of Plan International UK, The Overseas Development Institute, finance director of De La Rue plc and from 2000 until 2012 worked for CDC Group plc where he was finance director and latterly chief executive officer. Formerly a non-executive director of London Metal Exchange, Aureos Capital, Madagascar Oil Limited and Emerging Markets Private Equity Association, where he was chairman of the Advisory Council. He is a qualified accountant.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 6,000 Ordinary shares.

Andrew Page*§†‡# (Senior Independent Director, Chairman of the Remuneration Committee)
A Director since January 2015.
Last reappointed to the Board: 2019.
Remuneration: £33,500.
A non-executive director of The Schroder UK Mid Cap Fund plc. Formerly chairman of Northgate plc, senior independent director of Carpetright plc and Arena Leisure plc. He retired as chief executive of The Restaurant Group plc ('TRG') in September 2014 after thirteen years with TRG. Prior to joining TRG, he held a number of senior positions in the leisure and hospitality industry including senior vice president with InterContinental Hotels. Andrew trained and qualified as a chartered accountant with KPMG following which he was a corporate financier with Kleinwort Benson.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 5,000 Ordinary shares.

Ruary Neill *§†‡#
A Director since 1st January 2017.
Last reappointed to the Board: 2019.
Remuneration: £30,500.
Non-executive director of Baillie Gifford UK Growth Fund plc, and a member of The Advisory Council, The SOAS China Institute, London University. Formerly Chairman of the Investment Committee, Great Ormond Street Hospital's Children's Charity, he previously worked in investment banking, managing the multi asset sales business at UBS Investment Bank and working closely with chief investment officers and senior asset managers on strategic and tactical asset allocation decisions. Prior to this he spent a number of years working in the Asian equity markets for UBS Investment Bank and Schroder Securities.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 5,000 Ordinary shares.

Aidan Lisser *§†‡#
A Director since 1st December 2018.
Last reappointed to the Board: 2019.
Remuneration: £30,500.
Head of strategy at Investec Wealth & Investment Limited, where he was previously chief marketing officer until June 2017. He has broad senior level brand and marketing experience across consumer products, banking, asset management and wealth, having been chief marketing officer at Allianz Global Investors and head of group brand at Standard Chartered Bank plc. From 1983 until 2005 he held various positions at Unilever, including four years based in China and three years in Thailand. Latterly he was senior vice president of the Global Household Products category. He is also a non-executive director of Henderson International Income Trust plc and a Marketing Ambassador for the Association of Investment Companies. He was previously a non-executive director of Henderson Global Trust plc.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 5,000 Ordinary shares.

Helena Coles *§†‡#
A Director since 1st September 2020.
Last reappointed to the Board: n/a.
Remuneration: £30,500.
Helena is a Chartered Financial Analyst with over 20 years' fund management experience in Asian and emerging markets equities and has expertise in investment trusts and environmental, social and governance issues. She is currently the independent investment adviser to the Joseph Rowntree Charitable Trust and was a co-founder and board member of Rexiter Capital Management, a specialist emerging markets and Asian asset management company. She has also worked with Fidelity International's Sustainable Investing team, at the Bank of England's Prudential Regulatory Authority and as a consultant to Edison Investment Research.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 1,200 Ordinary shares.

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

The Directors present their report and the audited financial statements for the year ended 30th June 2020.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which can be terminated on one year's notice, without penalty, unless notice is given as a result of poor investment performance, in which case the contract can be terminated on six months' notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Board, through the Management Engagement Committee, conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Manager, performance against the benchmark and a relevant peer group over the long term and the support the Company receives from JPMF. The Company has consistently outperformed its benchmark index over the long term and as a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmemergingmarkets.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 75 and 76.

Management Fee

During the year under review the management fee was charged at the rate of 1.0% per annum on the value of the Company's portfolio up to £500 million and at the rate of 0.75% thereafter. 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 additional management fee.

Directors

The Directors of the Company who held office at the end of the year are detailed on page 30. Helena Coles was appointed a Director on 1st September 2020.

Details of Directors' beneficial shareholdings in the Company may be found in the Directors' Remuneration Report on page 42. No changes have been reported to the Directors' shareholdings since the year end.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for reappointment. 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 reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which 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 2006) of which the Company's Auditors are unaware, and

(b) each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make him or herself aware of any relevant audit information 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 of the Companies Act 2006.

Independent Auditors

In accordance with the Audit Regulations and Guidance effective from April 2017, the Company was required to change its auditors no later than 2020. Therefore the Audit Committee undertook an auditor review in 2019 and, following that review, the Board agreed to appoint BDO to succeed PricewaterhouseCoopers. This was approved by shareholders at the AGM held in November 2019.

Companies Act 2006 Requirements

The following disclosures are made in accordance with the 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 Annual General Meeting on page 80.

Notifiable Interests in the Company's Voting Rights

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

Shareholder	Ordinary shares	%
Lazard Asset Management LLC	15,945,817	12.99
City of London Investment Management Company	11,804,079	9.80
Rathbone Investment Management	6,204,292	5.02

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.

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in the identifiable section of the Annual Report or across reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this report.

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'):

The Directors recommend that the Company continues in existence as an investment trust for a further three year period.

(i) Continuation vote (resolution 11)

The Directors recommend that the Company continues in existence as an investment trust for a further three year period.

(ii) Sub-division of existing ordinary shares (resolution 12)

At the Annual General Meeting the Directors will seek authority to sub-divide each existing ordinary share of 25 pence each (the 'Existing Ordinary Shares') into ten new ordinary shares of 2.5 pence each (the 'New Ordinary Shares'). The full text of this resolution is set out on page 78. The resolution is conditional upon the New Ordinary Shares being listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange.

If resolution 12 is passed at the Annual General Meeting and the conditions attaching to the resolution are fulfilled there will be 1,323,635,250 New Ordinary Shares in issue (including those held in Treasury) immediately following completion of the sub-division (on the basis that there are currently 132,363,525 Existing Ordinary Shares in issue, including those held in Treasury). The Directors consider the sub-division to be in the best interests of shareholders as a whole as lowering the price at which the shares are traded should improve their marketability.

The New Ordinary Shares will rank *pari passu* with each other and will be subject to the same rights and restrictions as the Existing Ordinary Shares, including the same rights to participate in dividends or income of the Company. Communication preferences and mandates and other instructions for the payment of dividends, including any dividend reinvestment instruction received, in paper form or via CREST, will, unless and until revised, continue to apply to the New Ordinary Shares. A holding of New Ordinary Shares following the sub-division will represent the same proportion of the issued ordinary share capital of the Company as the corresponding holding of Existing Ordinary Shares.

If resolution 12 is approved at the Annual General Meeting it is expected that: (i) dealings in Existing Ordinary Shares will cease as at close of business on 5th November 2020 and the existing ISIN (GB0003418950) will be disabled in CREST (the 'Record Date') and that admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange and dealings will commence in the New Ordinary Shares on 6th November 2020; (ii) where Existing Ordinary Shares are held in certificated form, share certificates will cease to be valid from the close of business on 5th November 2020. Certificates in respect of the New Ordinary Shares will be posted, at the risk of shareholders, no later than 20th November (these will replace existing certificates which should be destroyed); and (iii) shareholders who hold their Existing Ordinary Shares in uncertificated form will have their CREST accounts credited with the relevant entitlements to New Ordinary Shares on or soon after 8.00 a.m. on 6th November 2020.

(iii) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 13 and 14)

The Directors will seek renewal of the authority at the AGM to issue up to 66,181,763 new ordinary shares or sell shares held in Treasury for cash up to an aggregate nominal amount of 1,654,544 such amount being equivalent to 5% of the present issued ordinary share capital as at the last practicable date before the publication of this document. This authority will expire at the conclusion of the AGM of the Company in 2021 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares (or to sell Treasury shares) to investors when the Directors consider that it is in the best interests of shareholders to do so. As 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 holds 13,360,201 shares in the capital of the Company in Treasury. The full text of the resolutions is set out in the Notice of Annual General Meeting on page 78.

(iv) Authority to repurchase the Company's shares (resolution 15)

The authority to repurchase up to 14.99% of the Company's issued ordinary share capital, granted by shareholders at the 2019 AGM will expire on 12th May 2021, unless renewed prior to that time. 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 15 gives the Company authority to repurchase its own issued ordinary 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 178,385,983 ordinary shares, representing approximately 14.99% of the Company's issued ordinary shares as at 29th September 2020 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 15 is passed at the AGM it is the Company's current intention to hold in Treasury any shares it may repurchase 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.

The full text of the resolution is set out in the Notice of Annual General Meeting on pages 78 and 79. Repurchases of ordinary shares 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.

Recommendation

The Board considers that resolutions 11 to 15 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 41,000 ordinary shares representing approximately 0.03% of the voting rights of the Company.

Other Information

The recommended final dividend, as well as information on acquisition of the Company's own shares and greenhouse gas emissions, can be found in the Business Review. Financial risk management objectives and policies, with information on exposure to price, credit and liquidity risk, can be found in Note 20 to the Financial Statements. Information on post balance sheet events can be found in Note 22.

Corporate Governance Statement

Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment trust companies. It considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. The Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

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

Directors' Duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires that a Director must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

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

The Board has sought to engage with and understand the views of the Company's shareholders, either directly or through its corporate broker, and other key stakeholders as it regards an understanding of their views as essential in being able to fulfil its duty. The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. In particular they have sought to achieve three objectives in 2020: to continue the strong record of investment performance; to reduce the discount of the Company's share price to the net asset value; and to broaden the shareholder base. In addition, the Directors have kept under review the competitiveness of the management fee and the Company's other operating costs; continued to hold the Manager to account on investment performance; undertaken a robust review of the principal and emerging risks faced by the Company; and initiated, with the Manager, a series of new marketing programmes, prior to the onset of COVID-19.

Role of the Board

A management agreement between the Company and the Manager 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, administrative 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, capital structure and gearing policy (with input from the Manager), 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 has procedures in place to deal with potential conflicts of interest and, following the introduction of The Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

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, JPMF, which is responsible to the

Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Sarah Arkle, consists of six 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 30.

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. Andrew Page, the Senior Independent Director leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on page 30. The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are summarised below. With the exception of Helena Coles, all of the Directors held office throughout the year under review. All Directors will stand for reappointment at the forthcoming AGM.

Resolution 5 is for the reappointment of Sarah Arkle. She joined the Board in September 2013 and has served for seven years as a Director, becoming Chairman in 2017. Sarah has more than two decades of investment management experience and has held a number on non executive and advisory positions.

Resolution 6 is for the reappointment of Helena Coles. She joined the Board on 1st September 2020. Helena has expertise in investment trusts and environmental, social and governance issues and many years experience in asset management within emerging markets.

Resolution 7 is for the reappointment of Richard Laing. He joined the Board in January 2015 and has served for almost six years as a Director. Richard is a qualified accountant and has many years experience as a Chief Executive and Chief Financial Officer. He has held a number of non executive and trustee positions.

Resolution 8 is for the reappointment of Aidan Lisser. He joined the Board in December 2018 and has served for almost two years as a Director. Aidan has broad senior level brand and marketing experience across consumer products, banking, asset and wealth management. During his career, he spent several years working in China and Thailand. Aidan is a Marketing Ambassador for the Association of Investment Companies.

Resolution 9 is for the reappointment of Ruary Neill. He joined the Board in January 2017 and has served for almost four years as a Director. Ruary worked in investment banking for almost three decades, managing the multi asset sales business of a global investment bank, prior to which he spent a number of years working in the Asian equity markets. He holds a number of positions with both profit and not for profit organisations.

Resolution 10 is for the reappointment of Andrew Page. He joined the Board in January 2015 and has served for almost six years as a Director. Andrew is a chartered accountant and during his executive career, he held a number of senior positions within the leisure and hospitality sector as well as working in corporate finance. He has held a number of non executive positions.

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

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for each Director to seek reappointment. In accordance with corporate governance best practice, Directors continuing in office seek annual reappointment and no Directors, including the Chairman, will seek reappointment after having served for nine years on the Board, unless there are exceptional circumstances for doing so.

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.

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

Induction and Training

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

Meetings and Committees

The Board delegates certain responsibilities and functions to 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, two Audit Committee meetings, one meeting of each of the Management Engagement Committee, the Nomination Committee and the Remuneration Committee.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Management Engagement Committee Meetings Attended	Remuneration Committee Meetings Attended	Nomination Committee Meetings Attended
Sarah Arkle	5	2	1	1	1
Richard Laing	5	2	1	1	1
Ruary Neill	5	2	1	1	1
Aidan Lisser	5	2	1	1	1
Andrew Page	5	2	1	1	1

Board Committees

Nomination Committee

The Nomination Committee, chaired by Sarah Arkle, 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. The appointment process takes account of the benefits of diversity, including gender. An external agency, Nurole, was engaged for the recruitment of Helena Coles. Nurole has no other connection with the Company.

The Board's policy on diversity is set out on page 26.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together. The evaluation of individual Directors is led by the Chairman. Andrew Page, the Senior Independent Director, leads the evaluation of the Chairman's performance. Every three years, a more thorough, externally facilitated independent Board evaluation is carried out which includes unattributable one-to-one interviews and results in the setting of a number of objectives.

Remuneration Committee

The Remuneration Committee, chaired by Andrew Page, comprises 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. This takes into account the level of fees paid to the directors of the Company's peers and within the investment trust industry generally to ensure that high quality individuals are attracted and retained. Recommendations are made to the Board as and when appropriate.

Management Engagement Committee

The Management Engagement Committee, chaired by Sarah Arkle, consists of all of the Directors and meets annually to review the performance of the Manager and key third party suppliers.

The Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of 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 JPMF. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

Audit Committee

The report of the Audit Committee is set out on page 39.

Terms of Reference

The Nomination, Remuneration, Audit and Management Engagement 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 twice each year by way of the annual report and accounts and the half year report. These are supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares and the Company's level of gearing.

As explained in the Chairman's Statement, given the restrictions in place due to the COVID-19 pandemic, shareholders will not be permitted to attend this year's AGM. Under normal circumstances, all shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is given by the Investment Manager who reviews the Company's performance. The Board seeks regular engagement with the Company's major shareholders to understand their views on governance and performance against the Company's investment objective and investment policy, either directly or through the Company's brokers, the Investment Managers and JPMF by holding discussions on an ongoing basis. The Directors may be contacted through the Company Secretary whose details are shown on page 84 or via the Company's website.

The Company's annual report and financial statements are 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 84. A formal process is in place for all letters to the Directors to be forwarded immediately. As part of this process, any feedback from shareholders is also communicated to the Board.

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

Risk Management and Internal Control

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

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

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 27 and 28). This process has been in place for the year under review and up to the date of the approval of the annual report and accounts and it accords with the Financial Reporting Council's guidance. Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

The key elements designed to provide effective risk management and 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 Conduct Authority ('FCA'), whose responsibilities are clearly defined in a written agreement.

- **Management Systems**

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

- **Investment Strategy**

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

  The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of risk management and 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 the Manager's Compliance department;
  - reviews reports on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed;
  - reviews every six months an independent report on the risk management and internal controls and the operations of the Manager; and
  - reviews quarterly reports from the Company's Depositary.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th June 2020 and to the date of approval of this Annual Report and Financial Statements.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not affect the Company.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the ESG statement on pages 14 to 16 and on page 26.

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement

JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

– *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*

– *disclose their policy on managing conflicts of interest;*

– *monitor their investee companies;*

– *establish clear guidelines on how they escalate engagement;*

– *be willing to act collectively with other investors where appropriate;*

– *have a clear policy on proxy voting and disclose their voting record; and*

– *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: https://am.jpmorgan.com/uk/institutional/corporate-governance.

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

Audit Committee Report

Role and Composition

The Audit Committee, chaired by Richard Laing and whose membership is set out on page 30, meets at least twice each year. The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code. It 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. The Audit Committee has reviewed the independence and objectivity of the auditors and is satisfied that the auditors are independent. The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of external auditors.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 30th June 2020, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1(b) to the accounts on page 57. Controls are in place to ensure that valuations are appropriate and existence is verified through custodian reconciliations.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the accounts on page 57.
Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Section 1158 and 1159')	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

Going Concern

The Directors believe that having considered the Company's investment objective (see page 24), risk management policies (see pages 67 to 72), capital management policies and procedures (see pages 72 and 73), 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 financial statements. They have not identified any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of these financial statements.

Auditor Appointment and Tenure

Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report & Financial Statements were considered and also engage with Directors as and when required. The Board reviews and approves any non-audit services provided by the independent auditors and assesses the impact of any non audit work on the ability of the auditors to remain independent. Details of the auditors fees paid are disclosed in note 6 on page 60. In 2019, the Board agreed to appoint BDO LLP to succeed PricewaterhouseCoopers LLP. This was confirmed by shareholders at the AGM held in November 2019. Consequently this year is the first year for the current audit partner.

Fair, Balanced and Understandable

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th June 2020, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 45.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

30th September 2020

Directors’ Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th June 2020, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

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 47 to 51.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. The policy was last approved at the Annual General Meeting held in 2019 and therefore will next be put to shareholders for approval at the 2022 Annual General Meeting. The policy is set out in full below and is currently in force.

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

The Remuneration Committee, comprising all Directors, reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending the Company's business.

In the year under review, Directors' fees were paid at the following rates: Chairman £43,000; Audit Committee Chairman £35,500; Senior Independent Director £32,500 and other Directors £29,500. With effect from 1st July 2020, fees have been increased to £44,500, £36,750, £33,500 and £30,500 respectively.

The Company's articles of association currently stipulate that aggregate fees must not exceed £225,000 per annum and provide that any increase in the maximum aggregate annual limit on Directors' fees requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 35.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th June 2019 and no changes are proposed for the year ending 30th June 2021.

At the Annual General Meeting held on 13th November 2019, of the votes cast, 99.9% of votes were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.1% voted against. Abstentions were received from less than 0.1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2020 Annual General Meeting will be given in the annual report for the year ending 30th June 2021.

Details of the implementation of the Company's remuneration policy are given below.

Single total figure of remuneration

The single total figure of remuneration for the Board as a whole for the year ended 30th June 2020 was £171,630. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

	2020			2019		
Directors' Name	Fees £	Taxable expenses[2] £	Total £	Fees £	Taxable expenses[2] £	Total £
Sarah Arkle	43,000	43	43,043	41,000	–	41,000
Anatole Kaletsky[3]	–	–	–	14,250	–	14,250
Richard Laing	35,500	971	36,471	34,500	–	34,500
Ruary Neill	29,500	616	30,116	28,500	–	28,500
Andrew Page	32,500	–	32,500	29,750	–	29,750
Aidan Lisser[4]	29,500	–	29,500	16,625	–	16,625
Total	170,000	1,630	171,630	164,625	–	164,625

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

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

[3] Retired 22nd November 2018.

[4] Appointed on 1st December 2018.

A table showing the total remuneration for the Chairman over the five years ended 30th June 2020 is below:

Remuneration for the Chairman over the five years ended 30th June 2020

Year ended 30th June	Fees
2020	£43,000
2019	£41,000
2018	£40,000
2017	£38,000
2016	£38,000

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are detailed below.

Directors' Name	30th June 2020	1st July 2019
Sarah Arkle	20,000	10,000
Richard Laing	6,000	6,000
Aidan Lisser	5,000	2,300
Ruary Neill	5,000	5,000
Andrew Page	5,000	5,000
Total	41,000	28,300

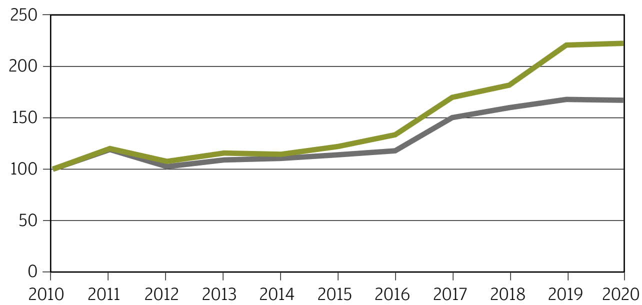
[1] Audited information.

As at the latest practical date before the publication of this document, there have been no changes to the Directors' shareholdings.

The Directors have no other share interests or share options in the Company and no share schemes are available.

A graph showing the Company's share price total return compared with the return on its benchmark index, the MSCI Emerging Markets Index with net dividends reinvested, in sterling terms, over the last ten years is shown below. The Board believes that this index is the most appropriate for performance comparison purposes because it reflects the Investment Manager's investment universe.

Ten Year Share Price and Benchmark Total Return Performance to 30th June 2020



Source: Morningstar.

Share price total return.

Benchmark total return.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th June 2020 £	2019 £
Remuneration paid to all Directors		
– by way of fees	171,630	164,625
Distribution to shareholders		
– by way of dividend	17,151,000	21,592,000
– by way of share repurchases	23,293,000	13,261,000

For and on behalf of the Board
Andrew Page
Chairman of the Remuneration Committee

30th September 2020

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

and the Directors confirm that they have done so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report 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. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the Annual Report since they were initially presented on the website. The Annual Report is prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and Directors' Remuneration Report that comply with the law and those regulations.

Each of the Directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board
Sarah Arkle
Chairman

30th September 2020

Independent Auditors’ Report

Independent auditor's report to the members of JPMorgan Emerging Markets Investment Trust plc

Opinion

We have audited the financial statements of JPMorgan Emerging Markets Investment Trust plc (the 'Company') for the year ended 30th June 2020 which comprise the income statement, the statement of changes in equity, the balance sheet and the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to principal risks, going concern and viability statement

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

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the Company's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How We Addressed the Key Audit Matter in the Audit
Valuation and ownership of investments (Note 1(b) and 10 to the financial statements) We considered the valuation and ownership of investments to be the most significant audit areas as investments represent the most significant balance in the financial statements and underpin the principal activity of the entity. We also considered the valuation of investments with respect to realised and unrealised gains/ (losses) to be a significant area as the reported performance of the portfolio is a key area of interest for the users of the financial statements. Furthermore, we considered the disclosures related to investments to be a significant area as they are expected to be a key area of interest for the users of the financial statements.	We responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures: In respect of quoted investment valuations we have: • Confirmed the year-end bid price was used by agreeing to externally quoted prices and for all of the investments, assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value. • Obtained direct confirmation from the custodian regarding all investments held at the balance sheet date. The gains/(losses) on investments held at fair value comprise realised and unrealised gains/ (losses). For unrealised gains/ (losses) we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and custodian's transaction report and performed the re-calculation of a sample of realised gains/losses. We also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of the relevant accounting standards. **Key observations:** Based on our procedures performed we did not identify any material exceptions with regards to valuation or ownership of investments or the disclosures.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements. The application of these key considerations gives rise to three levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£) – 2020
Financial statement materiality. *(1% of net assets)*	Assessing whether the financial statements as a whole present a true and fair view.	• The value of gross investments • The level of judgement inherent in the valuation • The range of reasonable alternative valuations	£13,000,000
Performance materiality. *(70% of materiality)*	Lower level of materiality applied in performance of the audit when determining the nature and extent of testing applied to individual balances and classes of transactions.	• Financial statement materiality • Risk and control environment • History of prior errors (if any)	£9,000,000

We have set a lower testing threshold for those items impacting revenue returns of £1,600,000, with a performance threshold of £1,100,000 which is based on 10% of the total revenue returns before tax and 70% of this respectively.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £260,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Company's activities, and the overall control environment. Based on this understanding we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of the valuation of investments which have a high level of estimation uncertainty involved in determining the unquoted investment valuations.

How the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, section 1158 of the Corporation Tax Act 2020, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (the 'SORP') issued in November 2014 and updated in February 2018 with consequential amendments and FRS 102.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- review of minutes of Board meetings throughout the period.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

- **Fair, balanced and understandable** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit Committee reporting** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by The Board of Directors on 13 November 2019 to audit the financial statements for the year ending 30th June 2020 and subsequent financial periods. The period of total uninterrupted engagement is one year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

30th September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

FOR THE YEAR ENDED 30TH JUNE 2020

		2020			2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	3	–	23,660	23,660	–	141,133	141,133
Net foreign currency gains		–	292	292	–	100	100
Income from investments	4	20,247	–	20,247	24,975	–	24,975
Interest receivable	4	136	–	136	187	–	187
Gross return		**20,383**	**23,952**	**44,335**	**25,162**	**141,233**	**166,395**
Management fee	5	(3,231)	(7,539)	(10,770)	(3,316)	(7,738)	(11,054)
Other administrative expenses	6	(1,324)	–	(1,324)	(1,305)	–	(1,305)
Net return before taxation		**15,828**	**16,413**	**32,241**	**20,541**	**133,495**	**154,036**
Taxation	7	(1,651)	–	(1,651)	(2,269)	–	(2,269)
Net return after taxation		**14,177**	**16,413**	**30,590**	**18,272**	**133,495**	**151,767**
Return per share	8	**11.74p**	**13.59p**	**25.33p**	**14.85p**	**108.50p**	**123.35p**

A final dividend of 9.0p (2019: 9.0p) per ordinary share has been proposed in respect of the year ended 30th June 2020, totalling £10.8 million (2019: £11.0 million). Further details are given in note 9 on page 62.

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. Net return after taxation represents the profit for the year and also Total Comprehensive Income.

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

FOR THE YEAR ENDED 30TH JUNE 2020

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserves £'000	Capital reserves £'000	Revenue reserve[1] £'000	Total £'000
At 30th June 2018	**33,091**	**173,657**	**1,665**	**69,939**	**889,474**	**29,029**	**1,196,855**
Repurchase of shares into Treasury	–	–	–	–	(13,261)	–	(13,261)
Net return	–	–	–	–	133,495	18,272	151,767
Dividends paid in the year (note 9)	–	–	–	–	–	(21,592)	(21,592)
At 30th June 2019	**33,091**	**173,657**	**1,665**	**69,939**	**1,009,708**	**25,709**	**1,313,769**
Repurchase of shares into Treasury	–	–	–	–	(23,293)	–	(23,293)
Net return	–	–	–	–	16,413	14,177	30,590
Dividends paid in the year (note 9)	–	–	–	–	–	(17,151)	(17,151)
At 30th June 2020	**33,091**	**173,657**	**1,665**	**69,939**	**1,002,828**	**22,735**	**1,303,915**

[1] This reserve forms the distributable reserve of the Company and is used to fund distributions to investors.

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

AT 30TH JUNE 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**1,288,907**	**1,305,035**
Current assets	11		
Debtors		1,703	3,102
Cash and cash equivalent		13,534	5,947
		15,237	**9,049**
Current liabilities			
Creditors: amounts falling due within one year	12	(229)	(315)
Net current assets		**15,008**	**8,734**
Total assets less current liabilities		**1,303,915**	**1,313,769**
Net assets		**1,303,915**	**1,313,769**
Capital and reserves			
Called up share capital	13	33,091	33,091
Share premium	14	173,657	173,657
Capital redemption reserve	14	1,665	1,665
Other reserve	14	69,939	69,939
Capital reserves	14	1,002,828	1,009,708
Revenue reserve	14	22,735	25,709
Total shareholders' funds		**1,303,915**	**1,313,769**
Net asset value per share	15	**1,089.3p**	**1,075.8p**

The financial statements on pages 53 to 73 were approved and authorised for issue by the Directors on 30th September 2020 and were signed on their behalf by:

Richard Laing
Director

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

The Company is registered in England and Wales.

Company registration number: 2618994.

FOR THE YEAR ENDED 30TH JUNE 2020

	Notes	2020 £'000	2019 £'000
Net cash outflow from operations before dividends and interest[1]	16	(12,390)	(12,590)
Dividends received		19,859	24,552
Interest received		138	187
Overseas tax recovered		91	–
Net cash inflow from operating activities		**7,698**	**12,149**
Purchases of investments		(133,905)	(59,437)
Sales of investments		173,768	86,841
Settlement of forward currency contracts		257	220
Net cash inflow from investing activities		**40,120**	**27,624**
Repurchase of shares into Treasury		(23,293)	(13,261)
Dividend paid		(17,151)	(21,592)
Net cash outflow from financing activities		**(40,444)**	**(34,853)**
Increase in cash and cash equivalents		**7,374**	**4,920**
Cash and cash equivalents at start of year		5,947	1,023
Unrealised gain on foreign currency cash and cash equivalents[1]		213	4
Cash and cash equivalents at end of year		13,534	5,947
Increase in cash and cash equivalents		**7,374**	**4,920**
Cash and cash equivalents consist of:			
Cash and short term deposits		747	5,327
Cash held in JPMorgan US Dollar Liquidity Fund		12,787	620
Total		**13,534**	**5,947**

[1] The unrealised exchange gain on the JPMorgan US Dollar Liquidity Fund in the comparative column has been moved from the initial "Net cash outflow from operations" total to be disclosed separately as the "unrealised gain on foreign currency cash and cash equivalents".

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

RECONCILIATION OF NET CASH

	As at 30th June 2019 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th June 2020 £'000
Cash and cash equivalents				
Cash	5,327	(4,589)	9	747
Cash equivalents	620	11,963	204	12,787
Total	**5,947**	**7,374**	**213**	**13,534**

FOR THE YEAR ENDED 30TH JUNE 2020

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in October 2019.

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

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 39 of the Directors' Report form part of these financial statements.

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

(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. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors.

Accordingly, upon initial recognition the investments are 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 tocapital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

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

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency, management fees and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'.

(d) Income

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

Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

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

Interest receivable is taken to revenue on an accruals basis.

(e) Expenses

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

– The management fee and any finance costs incurred are allocated 30% to revenue and 70% to capital, in line with Board's expected long term split of revenue and capital return from the Company's investment portfolio.

– Expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 10 on page 63.

(f) Financial instruments

Cash and cash equivalents may comprise cash including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

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

Derivative financial instruments, including short term forward currency contracts are valued at fair value, which is the net unrealised gain or loss, and are included in current assets or current liabilities in the Statement of Financial Position.

(g) Taxation

Current tax is provided at the amounts expected to be paid or recovered.

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

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(h) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(i) Functional currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates.The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

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

Any 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.

1. Accounting policies *continued*

(j) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

(k) Repurchase of shares for cancellation

The cost of repurchasing ordinary shares including the related stamp duty and transactions costs is charged to the 'capital reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

(l) Repurchase of shares to hold in Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs, is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of 'Called up share capital' and into the 'Capital redemption reserve'.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised capital profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to 'Share premium'.

2. Significant accounting judgements and estimates

The preparation of the Company's financial statements on occasion requires the Board to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any significant accounting judgements or estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Gains on investments held at fair value through profit or loss

	2020 £'000	2019 £'000
Realised gains on sales of investments	69,343	23,685
Net change in unrealised gains and losses on investments	(45,649)	117,492
Other capital charges	(34)	(44)
Total capital gains on investments held at fair value through profit or loss	**23,660**	**141,133**

4. Income

	2020 £'000	2019 £'000
Income from investments		
Overseas dividends	20,172	24,954
Scrip dividends	75	21
	20,247	**24,975**
Interest receivable and similar income		
Interest from liquidity fund	134	183
Deposit interest	2	4
	136	187
Total income	**20,383**	**25,162**

5. Management fee

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	3,231	7,539	10,770	3,316	7,738	11,054

Details of the management fee are given in the Directors' Report on page 31.

6. Other administrative expenses

	2020 £'000	2019 £'000
Administrative expenses	422	367
Safe custody fees	490	529
Directors' fees[1]	172	165
Depositary fees[2]	138	133
Savings scheme costs[3]	64	79
Auditors' remuneration – for audit services[4]	38	32
	1,324	**1,305**

[1] Full disclosure is given in the Directors' Remuneration Report on page 42.

[2] Includes £9,000 (2019: £9,000) irrecoverable VAT.

[3] Paid to the Manager for the administration of savings scheme products. Includes £4,000 (2019: £5,000) irrecoverable VAT.

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

7. Taxation

(a) Analysis of tax charge in the year

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas withholding tax	1,651	–	1,651	2,269	–	2,269
Total tax charge for the year	**1,651**	**–**	**1,651**	**2,269**	**–**	**2,269**

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower than (2019: lower) the Company's applicable rate of corporation tax of 19% (2019: 19%) The factors affecting the total tax charge for the year are as follows:

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	15,828	16,413	32,241	20,541	133,495	154,036
Net return before taxation multiplied by the applicable rate of corporation tax of 19% (2019: 19%)	3,007	3,119	6,126	3,902	25,364	29,266
Effects of:						
Non taxable scrip dividends	(14)	–	(14)	(4)	–	(4)
Non taxable capital gains	–	(4,551)	(4,551)	–	(26,834)	(26,834)
Non taxable overseas dividends	(3,588)	–	(3,588)	(4,253)	–	(4,253)
Tax attributable to expenses charged to capital	(1,432)	1,432	–	(1,470)	1,470	–
Timing differences relating to the receipt of dividends	323	–	323	(88)	–	(88)
Unrelieved expenses	1,773	–	1,773	1,963	–	1,963
Overseas withholding tax	1,651	–	1,651	2,269	–	2,269
Double tax relief expensed	(69)	–	(69)	(50)	–	(50)
Total tax charge for the year	**1,651**	**–**	**1,651**	**2,269**	**–**	**2,269**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £18,059,000 (2019: £17,506,000) based on a prospective corporation tax rate of 19% (2019: 17%). The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

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

8. Return per share

	2020 £'000	2019 £'000
Revenue return	14,177	18,272
Capital return	16,413	133,495
Total return	**30,590**	**151,767**
Weighted average number of shares in issue during the year	120,794,216	123,040,936
Revenue return per share	11.74p	14.85p
Capital return per share	13.59p	108.50p
Total return per share	**25.33p**	**123.35p**

9. Dividends

(a) Dividends paid and proposed

	2020 £'000	2019 £'000
Dividends paid		
2019 final dividend of 9.0p (2018: 12.5p) per share	10,895	15,452
2020 interim dividend of 5.2p (2019: 5.0p) per share	6,256	6,140
Total dividends paid in the year	17,151	21,592
Dividend proposed		
2020 final dividend proposed of 9.0p (2019: 9.0p) per share	10,773	10,991

All dividends paid and proposed in the year have been funded from the revenue reserve.

The dividend proposed in respect of the year ended 30th June 2020 is subject to shareholder approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 30th June 2021.

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

The requirements of Section 1158 are considered on the basis of the dividend proposed in respect of the financial year, shown below.

The revenue available for distribution by way of dividend for the year is £14,177,000 (2019: £18,272,000). The revenue reserve after payment of the final dividend will amount to £11,962,000 (2019: £14,814,000).

	2020 £'000	2019 £'000
2020 interim dividend of 5.2p (2019: 5.0p) per share	6,256	6,140
2020 final dividend proposed of 9.0p (2019: 9.0p) per share	10,773	10,991
	17,029	17,131

10. Investments

	2020 £'000	2019 £'000
Investments listed on a recognised stock exchange	1,288,907	1,305,035
Opening book cost	555,591	557,127
Opening investment holding gains	749,444	631,952
Opening valuation	1,305,035	1,189,079
Movements in the year:		
Purchases at cost	133,980	57,140
Sales – proceeds	(173,802)	(82,361)
Gains on investments	23,694	141,177
	1,288,907	1,305,035
Closing book cost	585,112	555,591
Closing investment holding gains	703,795	749,444
Total investments held at fair value through profit or loss	**1,288,907**	**1,305,035**

Transaction costs on purchases during the year amounted to £338,000 (2019: £84,000) and on sales during the year amounted to £186,000 (2019: £109,000). These costs comprise mainly brokerage commission.

The company received £173,802,000 (2019: £82,361,000) from investments sold in the year. The bookcost of these investments when they were purchased was £104,459,000 (2019: £58,676,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

11. Current assets

	2020 £'000	2019 £'000
Debtors		
Dividends and interest receivable	1,611	3,042
Other debtors	92	60
	1,703	3,102

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

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds. The carrying amount of these represents their fair value.

12. Current liabilities

	2020 £'000	2019 £'000
Creditors: amounts falling due within one year		
Other creditors and accruals	229	315
	229	**315**

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

13. Called up share capital

	2020 £'000	2019 £'000
Issued and fully paid share capital:		
Ordinary shares of 25p each		
Opening balance of 122,119,236 (2019: 123,615,346) shares excluding shares held in Treasury	30,530	30,904
Repurchase of 2,413,996 (2019:1,496,110) shares into Treasury	(604)	(374)
Subtotal of 119,705,240 (2019: 122,119,236) shares excluding shares held in Treasury	29,926	30,530
12,658,285 (2019: 10,244,289) shares held in Treasury	3,165	2,561
Closing balance of 132,363,525 (2019: 132,363,525) shares including shares held in Treasury	33,091	33,091
Total called up share capital	**33,091**	**33,091**

Share capital transactions

During the year 2,413,996 shares were repurchased into Treasury for a total consideration of £23,293,000.

Further details of transactions in the Company's shares are given in the Business Review on page 26.

14. Capital and reserves

2020

					Capital reserves			
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Gains and losses on sales of investments £'000	Investment holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	33,091	173,657	1,665	69,939	260,871	748,837	25,709	1,313,769
Net foreign currency gains	–	–	–	–	292	–	–	292
Realised gains on sale of investments	–	–	–	–	69,343	–	–	69,343
Net change in unrealised gains and losses on investments	–	–	–	–	–	(45,649)	–	(45,649)
Repurchase of shares into Treasury	–	–	–	–	(23,293)	–	–	(23,293)
Management fee charged to capital	–	–	–	–	(7,539)	–	–	(7,539)
Other capital charges	–	–	–	–	(34)	–	–	(34)
Dividend paid in the year	–	–	–	–	–	–	(17,151)	(17,151)
Retained revenue for the year	–	–	–	–	–	–	14,177	14,177
Closing balance	**33,091**	**173,657**	**1,665**	**69,939**	**299,640**	**703,188**	**22,735**	**1,303,915**

[1] Created during the year ended 30th June 1999, following a cancellation of the share premium account.

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

2019

					Capital reserves			
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Gains and losses on sales of investments £'000	Investment holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	33,091	173,657	1,665	69,939	258,129	631,345	29,029	1,196,855
Net foreign currency gains	–	–	–	–	100		–	100
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	(5,373)	–	–	(5,373)
Net movement in investment holding gains and losses	–	–	–	–	–	146,550	–	146,550
Transfer on disposal of investments	–	–	–	–	29,058	(29,058)	–	–
Repurchase of shares into Treasury	–	–	–		(13,261)	–	–	(13,261)
Management fee charged to capital	–	–	–	–	(7,738)	–	–	(7,738)
Other capital charges	–	–	–	–	(44)	–	–	(44)
Dividends paid in the year	–	–	–	–	–	–	(21,592)	(21,592)
Retained revenue for the year	–	–	–	–	–	–	18,272	18,272
Closing balance	**33,091**	**173,657**	**1,665**	**69,939**	**260,871**	**748,837**	**25,709**	**1,313,769**

[1] Created during the year ended 30th June 1999, following a cancellation of the share premium account.

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

15. Net asset value per share

	2020 £'000	2019 £'000
Net assets (£'000)	1,303,915	1,313,769
Number of shares in issue	119,705,240	122,119,236
Net asset value per share	**1,089.3p**	**1,075.8p**

16. Reconciliation of net return before taxation to net cash outflow from operations before dividends and interest

	2020 £'000	2019 £'000
Net return before taxation	32,241	154,036
Less: capital return before taxation	(16,413)	(133,495)
Scrip dividends received as income	(75)	(21)
Decrease in accrued income and other debtors	1,399	1,855
Decrease in accrued expenses	(86)	(92)
Overseas withholding tax	(1,742)	(2,269)
Expenses charged to capital	(7,539)	(7,738)
Dividends received	(19,859)	(24,552)
Interest received	(138)	(187)
Realised loss on foreign currency transactions	(141)	(41)
Exchange loss on liquidity fund	(37)	(86)
Net cash outflow from operations before dividends and interest[1]	**(12,390)**	**(12,590)**

[1] The Unrealised exchange gain on liquidity fund (2019: loss of £1,000) in the comparative column has been removed from this note to be disclosed separately on the face of the Statement of cash flows within the "Unrealised gain on foreign currency cash and cash equivalents".

17. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2019: none).

18. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 31. The management fee payable to the Manager for the year was £10,770,000 (2019: £11,054,000) of which £nil (2019: £nil) was outstanding at the year end.

During the year £64,000 (2019: £79,000), including VAT, was payable to the Manager for the administration of savings scheme products, of which £nil (2019: £36,000) was outstanding at the year end.

Safe custody fees amounting to £490,000 (2019: £529,000) were payable during the year to JPMorgan Chase N.A. of which £100,000 (2019: £138,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £9,000 (2019: £3,000) of which £nil (2019: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMF. At the year end this was valued at £12.8 million (2019: £0.6 million). Interest amounting to £134,000 (2019: £183,000) was received during the year of which £nil (2019: £1,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £34,000 (2019: £44,000) were payable to JPMorgan Chase N.A. during the year of which £16,000 (2019: £16,000) was outstanding at the year end.

At the year end, total cash of £747,000 (2019: £5,327,000) was held with JPMorgan Chase. A net amount of interest of £2,000 (2019: £4,000) was receivable by the Company during the year from JPMorgan Chase of which £nil (2019: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 42.

19. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio. The investments are categorised into a hierarchy consisting of the following three levels:

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

(2) Inputs other than quoted prices included within Level 1 that are observable (ie: developed using market data) for the asset or liability, either directly or indirectly

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

(3) Inputs are unobservable (ie: for which market data is unavailable) for the asset or liability

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b) on page 57.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th June.

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,288,907	–	1,305,035	–

There were no transfers between Level 1, 2 or 3 during the year (2019: same).

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

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

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

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

- investments in equity shares of overseas companies, which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund; and
- short term debtors, creditors and cash arising directly from its operations.

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

(a) Market risk

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

(i) Currency risk

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

Management of currency risk

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

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 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.

	2020						
	US Dollar £'000	Hong Kong Dollar £'000	Indian Rupee £'000	Chinese Yuan Renminbi £'000	South African Rand £'000	Other £'000	Total £'000
Net current assets	14,316	49	127	–	–	545	15,037
Foreign currency exposure on net monetary items	14,316	49	127	–	–	545	15,037
Investments held at fair value through profit or loss	518,951	283,684	177,240	69,387	65,488	174,156	1,288,906
Total net foreign currency exposure	**533,267**	**283,733**	**177,367**	**69,387**	**65,488**	**174,701**	**1,303,943**

	2019						
	US Dollar £'000	Indian Rupee £'000	Hong Kong Dollar £'000	South African Rand £'000	Brazilian Real £'000	Other £'000	Total £'000
Net current assets	4,341	466	812	219	144	2,911	8,893
Foreign currency exposure on net monetary items	4,341	466	812	219	144	2,911	8,893
Investments held at fair value through profit or loss	448,129	252,115	216,101	129,230	82,611	176,849	1,305,035
Total net foreign currency exposure	**452,470**	**252,581**	**216,913**	**129,449**	**82,755**	**179,760**	**1,313,928**

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk on monetary items during the year. Cash held in the JPMorgan US Dollar Liquidity Fund has fluctuated between £nil and £31,449,175 during the year (2019: £nil and £15,407,929).

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2019: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed to, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2020		2019	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(2,038)	2,038	(2,516)	2,516
Capital return	(1,504)	1,504	(889)	889
Total return after taxation	(3,542)	3,542	(3,405)	3,405
Net assets	**(3,542)**	**3,542**	**(3,405)**	**3,405**

In the opinion of the Directors, the above sensitivity analysis is not representative of the whole year or comparative year due to fluctuations in the cash held in liquidity fund.

(ii) Interest rate risk

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

Management of interest rate risk

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

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

(a) Market risk *continued*

(ii) Interest rate risk *continued*

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are reset, is shown below.

	2020 £'000	2019 £'000
Exposure to floating interest rates:		
Cash and short term deposits	747	5,327
JPMorgan US Dollar Liquidity Fund	12,787	620
Total net exposure	**13,534**	**5,947**

Interest receivable on cash balances is at a margin below LIBOR (2019: same).

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

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2019: 1%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2020		2019	
	1% increase in rate £'000	1% decrease in rate £'000	1% increase in rate £'000	1% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	135	(135)	59	(59)
Capital return	–	–	–	–
Total return after taxation for the year	135	(135)	59	(59)
Net assets	**135**	**(135)**	**59**	**(59)**

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and cash held in the liquidity fund.

(iii) Other price risk

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

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular 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.

Other price risk exposure

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

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	1,288,907	1,305,035

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 19 to 23. The Company's benchmark is the MSCI Emerging Markets Index but, it should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2019: 10%) in the market value of equity investments. In addition, for this year, due to the COVID-19 pandemic, we have added the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20%. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for changes in the management fee but with all other variables held constant.

	2020				2019	
	20% increase in fair value £'000	20% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation						
Revenue return	(580)	580	(290)	290	(294)	294
Capital return	256,428	(256,428)	128,214	(128,214)	129,818	(129,818)
Total return after taxation for the year and net assets	**255,848**	**(255,848)**	**127,924**	**(127,924)**	**129,524**	**(129,524)**

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary.

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

(b) Liquidity risk *continued*

Liquidity risk exposure

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

	2020 Within one year £'000	2020 Total £'000	2019 Within one year £'000	2019 Total £'000
Creditors: amounts falling due within one year				
Other creditors and accruals	229	229	315	315
	229	**229**	**315**	**315**

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

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

Cash and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group.

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. The Depositary, The Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

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

21. Capital management policies and procedures

The Company's capital comprises the following:

	2020 £'000	2019 £'000
Equity:		
Called up share capital	33,091	33,091
Reserves	1,270,824	1,280,678
Total capital	**1,303,915**	**1,313,769**

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

The Board determines the Company's capital structure and gearing policy, with input from the Manager. The Board's gearing policy is that the Company will remain invested in the range of 90-120% under normal market conditions.

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	1,288,907	1,305,035
Net assets	1,303,915	1,313,769
Gearing/(net cash)	**(1.2)%**	**(0.7)%**

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 or to hold in Treasury, which takes into account the share price discount or premium;
- the need for issues of new shares including issues from Treasury; and
- the ability to employ gearing.

22. Subsequent events

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

Regulatory Disclosures

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

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, at 30th June 2020, which gives the following figures:

Leverage Exposure	Gross Method	Commitment Method
Maximum limit	175%	175%
Actual[1]	100%	100%

[1] It should be noted that the Company does not have a borrowing facility and does not currently employ gearing. At the year end the Company's position was 0.7% net cash. The above figures are theoretical and are calculated in accordance with the methodology prescribed by the AIFMD.

JPMF Remuneration

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan Emerging Markets Investment Trust plc (the '**Company**') and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers' Directive (the '**AIFMD**'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period (the '**Performance Year**') as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

Remuneration Policy

A summary of the Remuneration Policy currently applying to the Management Company (the '**Remuneration Policy Statement**') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('**AIFMD Identified Staff**'). The AIFMD Identified Staff include members of the Board of the Management Company (the '**Board**'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2019 Performance Year in June 2019 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2019 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JPMorgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 30 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 38 sub-funds) as at 31st December 2019, with a combined AUM as at that date of £13.8 billion and £17.1 billion respectively.

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

The aggregate 2019 total remuneration paid to AIFMD Identified Staff was USD $57,449,000, of which USD $4,425,000 relates to Senior Management and USD $53,024,000 relates to other Identified Staff[1].

[1] Since 2017, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURE (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th June 2020.

Shareholder Information

Notice is hereby given that the twenty ninth Annual General Meeting of JPMorgan Emerging Markets Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 5th November 2020 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 2020.
2. To approve the Directors' Remuneration Report for the year ended 30th June 2020.
3. To approve a final dividend of 9.0p per share.
4. To reappoint Sarah Arkle as a Director of the Company.
5. To reappoint Helena Coles as a Director of the Company.
6. To reappoint Richard Laing as a Director of the Company.
7. To reappoint Aidan Lisser as a Director of the Company.
8. To reappoint Ruary Neill as a Director of the Company.
9. To reappoint Andrew Page as a Director of the Company.
10. To reappoint BDO LLP as independent Auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Continuation Vote – Ordinary Resolution

11. THAT the Company continue in existence as an investment trust for a further three year period.

Authority for sub-division of existing ordinary shares – Ordinary Resolution

12. THAT each of the issued ordinary shares of 25 pence each in the capital of the Company be sub-divided into ten ordinary shares of 2.5 pence each (the 'New Ordinary Shares') having the rights and being subject to the restrictions and obligations set out in the articles of association of the Company, such sub-division to be conditional on the New Ordinary Shares being admitted to the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange (expected to be 8.00 a.m. on 6th November 2020).

Authority to allot new shares – Ordinary Resolution

13. 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 £1,654,544, 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 2021 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

14. THAT subject to the passing of Resolution 13 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 to 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 13 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 £1,654,544 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 13 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

15. 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 on such terms and in such manner as the Directors may from time to time determine.

PROVIDED ALWAYS THAT

(i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 178,385,983, or if less, that number of Ordinary shares which is equal to 14.99% of the issued share capital as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for an Ordinary share shall be the nominal value;

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

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

(v) the authority hereby conferred shall expire on 4th May 2022 unless the authority is renewed at the Company's Annual General Meeting in 2021 or at any other general meeting prior to such time; and

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

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

7th October 2020

Due to the ongoing situation surrounding COVID-19 and Government advice, the Board has decided to revise the format of this year's AGM. Only the formal business of the AGM will be considered and there will be no presentation from the Investment Manager. The Government has, for the time being, placed restrictions on public gatherings and therefore shareholders will not be allowed to attend the AGM in person. Anyone seeking to attend the meeting will be refused entry.

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.

3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form no later than 3.00 p.m. two business days prior to the Meeting (i.e. excluding weekends and bank holidays).

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the 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.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.

10. Under sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy 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.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmemergingmarkets.co.uk.

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 29th September 2020 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 132,363,525 Ordinary shares (of which 13,360,201 shares are held in Treasury), carrying one vote each. Therefore the total voting rights in the Company are 119,003,324.

Electronic appointment – CREST members

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

Return to Shareholders (APM)

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

Total return calculation	Page	Year ended 30th June 2020	Year ended 30th June 2019	
Opening share price (p)	5	1,002.0	843.0	(a)
Closing share price (p)	5	994.0	1,002.0	(b)
Total dividend adjustment factor[1]		1.015561	1.021907	(c)
Adjusted closing share price (d = b x c)		1,009.5	1,024.0	(d)
Total return to shareholders (e = d / a – 1)		**0.7%**	**21.5%**	(e)

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

Return on Net Assets (APM)

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

Total return calculation	Page	Year ended 30th June 2020	Year ended 30th June 2019	
Opening cum-income NAV per share (p)	5	1,075.8	968.2	(a)
Closing cum-income NAV per share (p)	5	1,089.3	1,075.8	(b)
Total dividend adjustment factor[2]		1.014140	1.019304	(c)
Adjusted closing cum-income NAV per share (d = b x c)		1,104.7	1,096.6	(d)
Total return on net assets (e = d / a – 1)		**2.7%**	**13.3%**	(e)

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

Benchmark total return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

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

Gearing/(Net Cash) (APM)

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

Gearing calculation	Page	Year ended 30th June 2020 £'000	Year ended 30th June 2019 £'000	
Investments held at fair value through profit or loss	55	1,288,907	1,305,035	(a)
Net assets	55	1,303,915	1,313,769	(b)
Gearing/(net cash) (c = a / b – 1)		**(1.2)%**	**(0.7)%**	(c)

Ongoing Charges (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges calculation	Page	Year ended 30th June 2020 £'000	Year ended 30th June 2019 £'000	
Management Fee	53	10,770	11,054	
Other administrative expenses	53	1,324	1,305	
Total management fee and other administrative expenses		12,094	12,359	(a)
Average daily cum-income net assets		1,279,072	1,206,032	(b)
Ongoing Charges (c = a / b)		**0.95%**	**1.02%**	(c)

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

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

Portfolio Turnover

Portfolio turnover is based on the average equity purchases and sales expressed as a percentage of average opening and closing portfolio values (excluding liquidity funds).

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 from 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 which are not included in the benchmark.

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

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

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

Share Buyback
Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

American Depositary Receipts (ADRs)

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

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

1. Via a third party provider

Third party providers include:

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

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

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms, to include the default options offered by JPMorgan, provide shareholders with the ability to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

2. Through a professional adviser

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

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

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

FINANCIAL CALENDAR

Financial year end	30th June
Final results announced	September/October
Half year end	December
Half year results announced	February
Final dividend on ordinary shares paid	November
Annual General Meeting	November

History

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

Company Numbers

Company registration number: 2618994
LEI: 5493001VPQDYH1SSSR77

Ordinary Shares

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

Market Information

The Company's net asset value ('NAV') 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 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.

Website

www.jpmemergingmarkets.co.uk

Share Transactions

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

Manager and Company Secretary

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

Telephone: 020 7742 4000

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

Depositary

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

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

Registrars

Equiniti Limited
Reference 1081
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone number: 0371 384 2320

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

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

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

Independent Auditors

BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
London W1U 7EU
Telephone number: 020 7486 588

Brokers

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

Telephone number: 020 7710 7600

aic
The Association of Investment Companies
A member of the AIC

www.jpmemergingmarkets.co.uk

CONTACT

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

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