



Half Year Report 08

JPMorgan Emerging Markets Investment Trust plc

Half Year Report & Accounts for the six months ended 31st December 2008

Features

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Objective

Capital growth from emerging markets worldwide.

Investment Policy

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

Benchmark

The MSCI Emerging Markets Free Index in sterling terms.

Capital Structure

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

Continuation Vote

At the Extraordinary General Meeting held on 31st March 2006, a Special Resolution of the shareholders approved the continuation of the Company until the Annual General Meeting in 2008 and at three yearly intervals thereafter.

Management Company

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

Half Year Performance

Total Returns (capital plus income)

-28.0%

Return to shareholders¹

-26.2%

Return on net assets

-26.8%

Benchmark return^{2,3}

A glossary of terms, including definitions of how the above returns are calculated, is provided on page 14.

Financial Data

	31st December 2008	30th June 2008	% change
Shareholders' funds (£'000)	378,245	518,430	-27.0
Number of shares in issue	110,303,742	110,303,742	—
Net asset value per share	342.9p	470.0p	-27.0
Share price	310.0p	433.5p	-28.5
Discount of share price to net asset value	9.6%	7.8%	

¹Source: Standard & Poor's – www.funds.morningstar.com

²Source: Datastream

³The Company's benchmark is the MSCI Emerging Markets Free Index in sterling terms.

Chairman's Statement



The second half of 2008 was the worst six months for worldwide financial markets that most of us can remember. The net asset value (NAV) total return of our Company was -26.2%, more or less in line with our benchmark index, the MSCI Emerging Markets Free Index (in sterling terms) of -26.8%

This performance compares with the FTSE All Share Index, which fell 21.1% and the World MSCI Index (in US dollar terms) excluding emerging markets, down 34.4%. Moreover, our discount at the end of 2008 was 9.6% and 6.0% as at the end of January 2009, as compared to 7.8% on 30th June 2008. We can therefore take some comfort that we have not been hit significantly harder than the general market and that we are still perceived with some confidence as markets and economies worldwide face an uncertain future.

Governments worldwide, and of course particularly the US, are taking dramatic action to counter the global fall in economic activity although as yet there is little or no blue sky to be seen. Nevertheless, whilst it may take a few years, it is reasonable to expect that the measures being taken will result in a turnaround. It is therefore important at this time that we identify the companies that will both survive the current crisis and who will emerge from it with clear competitive advantage. This will involve even greater scrutiny of the companies we invest in and the manager has strengthened his team accordingly.

The Board recognises that it maybe sometime before we see an upturn in the market, but believes your Company remains well placed for managing these difficult times.

Roy Reynolds
Chairman

13th February 2009

Investment Manager's Report



This was a bad six months for emerging markets, which declined by 26.8% in sterling terms, experiencing a convulsive sell-off especially during September and October; for us as investors it has also proved a challenging period, reflected in a 26.2% decline in the net asset value per share of your Company.

Unlike previous downturns, the origins of the current crisis lie in the developed rather than the emerging world and there are distinctions to be drawn between the challenges facing the countries in which we invest and those which confront developed nations. For the latter, the freezing of wholesale financial markets, a dramatic rise in risk aversion, fears of deflation and high levels of debt conspired to produce a potentially grave outcome. The degree of government intervention in financial systems reveals the level of concern about systemic risk; even without a depression-type outcome, a severe and perhaps extended recession looks probable.

For the emerging world, there is the challenge of dealing with a synchronised global downturn, which will reduce growth rates and be problematic where excess debt has been used to fund excess investment, especially if currency risk has been built in to the equation. But conditions like these, which expose corporate equity to insolvency risk from asset/liability mismatches (exactly the situation we saw in places like Thailand and Indonesia in the Asian crisis of 1997-98), are more localised this time, and most obvious in Eastern Europe. Elsewhere, government finances are in better shape and currencies trade more freely, which does much to avert the development of serious imbalances. These differences were reflected in market returns, especially in the final three months of 2008: while Russia lost half its value in sterling terms, Asian markets ended the quarter down 1%. Your portfolio also moved to a larger position in Asia, and especially in China, than we have had before and retains a bias towards relatively stable industries, including the consumer and telecom sectors.

Given the prevailing gloom, what is our outlook? It may seem perverse, but we are relatively sanguine, for three reasons. First, much of the over-optimism about profits and valuations has been beaten out of share prices very quickly and resultant valuations look low by all historical standards. Second, for the majority of the countries we look at, underlying financial conditions are better than before and the degree of price discovery allowed in markets is greater, allowing a quicker clearing process. Third, the more negative the economic news becomes, the more it is priced in to equity markets. One might define the bottom of a market cycle as the moment at which nobody believes that a recovery can come.

If our longer-term view is encouraged by the declines in valuations, it must be noted that market conditions still oblige us to make a difficult judgement in the first half of 2009: should we believe that a recovery can come quickly, with rising commodity prices and a declining US dollar (in which case the biggest turnaround in value will come in marginal businesses that once again become commercially viable)? Or should we think that in a protracted slowdown advantage accrues to superior businesses, which in fact have the most to gain? Our answer is clear: in hard times shifts in market share accelerate; the best companies advance the most when things are most difficult. On a medium term view, this is where we want to be invested. In the near term, we think that financial risks must decline before economies can recover; investors are currently offered more return to accept financial risk (for example in bank stocks) than to bet on the economic cycle (for example in commodity stocks); and smaller companies offer genuinely low valuations too. In the end, however, the judgements we make are all to do with specific companies, which generalisations can not fully illuminate. Investing in these conditions is not easy, but it is interesting; there will be a big pay-back for good decisions and our task in the months ahead is to take risks well. We are confident that we retain the resources and capabilities to address this task in the future as we have done in the past.

Austin Forey
Investment Manager

13th February 2009

Ten Largest Equity Investments

at 31st December 2008

Company	Country	Valuation £'000	Total Assets %¹
Petroleo Brasileiro	Brazil	26,072	6.9
Vale	Brazil	16,846	4.5
America Movil	Mexico	14,862	3.9
China Mobile	China	14,243	3.8
China Merchants Bank	China	13,386	3.5
MTN	South Africa	12,648	3.3
Sasol	South Africa	12,449	3.3
Bharti Airtel	India	12,436	3.3
Housing Development Finance	India	11,255	3.0
African Bank Investments	South Africa	10,481	2.8
Total²		144,678	38.3

¹Based on total assets less current liabilities of £378.2m.

²As at 30th June 2008, the value of the ten largest investments amounted to £183.2m representing 35.3% of total assets less current liabilities.

Portfolio Analysis

at 31st December 2008

Geographic Analysis

	at 31st December 2008		at 30th June 2008	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
East Asia	29.7	43.2	21.7	37.6
Latin America	26.8	21.0	34.4	25.5
Europe/Middle East/Africa	21.7	23.3	27.8	25.9
South Asia	16.5	12.5	11.4	11.0
Total equities	94.7	100.0	95.3	100.0
Liquidity fund	4.9	—	4.6	—
Net current assets	0.4	—	0.1	—
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £378.2m (30th June 2008: £518.4m).

Sector Analysis

	at 31st December 2008		at 30th June 2008	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials	20.3	22.8	21.4	20.2
Telecommunication Services	16.5	13.6	10.0	10.9
Consumer Staples	15.1	5.8	10.6	4.3
Materials	12.0	12.8	16.7	16.9
Energy	10.9	14.9	14.4	20.7
Consumer Discretionary	8.1	4.7	10.0	4.5
Information Technology	6.4	10.8	5.2	10.4
Industrials	3.2	7.7	4.3	7.5
Health Care	2.2	2.9	2.7	1.6
Utilities	—	4.0	—	3.0
Total equities	94.7	100.0	95.3	100.0
Liquidity fund	4.9	—	4.6	—
Net current assets	0.4	—	0.1	—
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £378.2m (30th June 2008: £518.4m).

Income Statement

for the six months ended 31st December 2008

	(Unaudited) Six months ended 31st December 2008			(Unaudited) Six months ended 31st December 2007			(Audited) Year ended 30th June 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains from investments held at fair value through profit or loss	—	(141,755)	(141,755)	—	93,669	93,669	—	8,491	8,491
Net foreign currency losses	—	(123)	(123)	—	(192)	(192)	—	(516)	(516)
Income from investments	6,585	—	6,585	4,386	—	4,386	9,356	—	9,356
Other interest receivable and similar income	304	—	304	152	—	152	100	—	100
Gross return/(loss)	6,889	(141,878)	(134,989)	4,538	93,477	98,015	9,456	7,975	17,431
Management fee	(2,179)	—	(2,179)	(2,596)	—	(2,596)	(5,394)	—	(5,394)
Performance fee writeback	—	—	—	—	417	417	—	1,020	1,020
Other administrative expenses	(531)	—	(531)	(510)	—	(510)	(1,016)	—	(1,016)
VAT recoverable	38	(42)	(4)	—	—	—	811	292	1,103
Net return/(loss) on ordinary activities before finance costs and taxation	4,217	(141,920)	(137,703)	1,432	93,894	95,326	3,857	9,287	13,144
Finance costs	—	—	—	(193)	—	(193)	(129)	—	(129)
Net return/(loss) on ordinary activities before taxation	4,217	(141,920)	(137,703)	1,239	93,894	95,133	3,728	9,287	13,015
Taxation (note 3)	(1,182)	906	(276)	(110)	—	(110)	(870)	533	(337)
Net return/(loss) on ordinary activities after taxation	3,035	(141,014)	(137,979)	1,129	93,894	95,023	2,858	9,820	12,678
Return/(loss) per share (note 4)	2.75p	(127.84)p	(125.09)p	1.02p	85.12p	86.14p	2.59p	8.90p	11.49p

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

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

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st December 2008	(Unaudited)						Total £'000
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	
At 30th June 2008	27,575	71,052	1,665	69,939	344,862	3,337	518,430
Net (loss)/return from ordinary activities	—	—	—	—	(141,014)	3,035	(137,979)
Dividends appropriated in the period	—	—	—	—	—	(2,206)	(2,206)
At 31st December 2008	27,575	71,052	1,665	69,939	203,848	4,166	378,245

Six months ended 31st December 2007	(Unaudited)						Total £'000
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	
At 30th June 2007	27,575	71,052	1,665	69,939	335,042	2,685	507,958
Net return from ordinary activities	—	—	—	—	93,894	1,129	95,023
Dividends appropriated in the period	—	—	—	—	—	(2,206)	(2,206)
At 31st December 2007	27,575	71,052	1,665	69,939	428,936	1,608	600,775

Year ended 30th June 2008	(Audited)						Total £'000
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	
At 30th June 2007	27,575	71,052	1,665	69,939	335,042	2,685	507,958
Net return from ordinary activities	—	—	—	—	9,820	2,858	12,678
Dividends appropriated in the year	—	—	—	—	—	(2,206)	(2,206)
At 30th June 2008	27,575	71,052	1,665	69,939	344,862	3,337	518,430

Balance Sheet

as at 31st December 2008

	(Unaudited) 31st December 2008 £'000	(Unaudited) 31st December 2007 £'000	(Audited) 30th June 2008 £'000
Fixed assets			
Investments at fair value through profit or loss	357,980	605,182	494,109
Investments in liquidity funds at fair value through profit or loss	18,699	—	23,793
Total investments	376,679	605,182	517,902
Current assets			
Debtors	2,015	5,554	2,392
Cash and short term deposits	936	1,843	7
Derivative financial instrument: Forward currency contract at fair value through profit or loss	—	—	2
	2,951	7,397	2,401
Creditors: amounts falling due within one year	(1,385)	(11,804)	(1,873)
Net current assets/(liabilities)	1,566	(4,407)	528
Total assets less current liabilities	378,245	600,775	518,430
Total net assets	378,245	600,775	518,430
Capital and reserves			
Called up share capital	27,575	27,575	27,575
Share premium	71,052	71,052	71,052
Capital redemption reserve	1,665	1,665	1,665
Other reserve	69,939	69,939	69,939
Capital reserves	203,848	428,936	344,862
Revenue reserve	4,166	1,608	3,337
Shareholders' funds	378,245	600,775	518,430
Net asset value per share (note 5)	342.9p	544.7p	470.0p

Cash Flow Statement

for the six months ended 31st December 2008

	(Unaudited) Six months ended 31st December 2008 £'000	(Unaudited) Six months ended 31st December 2007 £'000	(Audited) Year ended 30th June 2008 £'000
Net cash inflow/(outflow) from operating activities (note 6)	4,166	(2,773)	(1,351)
Net cash outflow from returns on investments and servicing of finance	—	(193)	(129)
Taxation recovered	5	—	3
Net cash (outflow)/inflow from capital expenditure and financial investment	(915)	3,513	3,283
Dividends paid	(2,206)	(2,206)	(2,206)
Net cash inflow/(outflow) before financing	1,050	(1,659)	(400)
Net cash inflow from financing	—	2,769	—
Increase/(decrease) in cash for the period	1,050	1,110	(400)
Reconciliation of net cash flow to movement in net funds			
Net cash movement	1,050	1,110	(400)
Exchange movements	(121)	(192)	(518)
Movement in net funds in the period	929	918	(918)
Net funds at the beginning of the period	7	925	925
Net funds at the end of the period	936	1,843	7
Represented by:			
Cash and short term deposits	936	1,843	7

Notes to the Accounts

for the six months ended 31st December 2008

1. Financial Statements

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

The figures and financial information for the year ended 30th June 2008 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

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

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

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th June 2008.

3. Taxation

The taxation charge of £276,000 (31st December 2007: £110,000 and 30th June 2008: £337,000) relates to irrecoverable overseas taxation.

4. Return/(loss) per share

	(Unaudited) Six months ended 31st December 2008 £'000	(Unaudited) Six months ended 31st December 2007 £'000	(Audited) Year ended 30th June 2008 £'000
Return/(loss) per share is based on the following:			
Revenue return	3,035	1,129	2,858
Capital (loss)/return	(141,014)	93,894	9,820
Total (loss)/return	(137,979)	95,023	12,678
Weighted average number of shares in issue	110,303,742	110,303,742	110,303,742
Revenue return per share	2.75p	1.02p	2.59p
Capital (loss)/return per share	(127.84)p	85.12p	8.90p
Total (loss)/return per share	(125.09)p	86.14p	11.49p

5. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31st December 2008 of 110,303,742 (31st December 2007: 110,303,742 and 30th June 2008: 110,303,742).

Notes to the Accounts continued

for the six months ended 31st December 2008

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

	(Unaudited) Six months ended 31st December 2008 £'000	(Unaudited) Six months ended 31st December 2007 £'000	(Audited) Year ended 30th June 2008 £'000
Total (loss)/return on ordinary activities before finance costs and taxation	(137,703)	95,326	13,144
Less capital loss/(return) on ordinary activities before finance costs and taxation	141,920	(93,894)	(9,287)
Scrip Dividends received as income	(99)	(97)	(99)
VAT recoverable	(38)	—	(811)
Decrease/(increase) in net debtors and accrued income	367	(740)	(703)
Tax on unfranked investment income	(281)	(110)	(337)
Performance fee paid	—	(3,258)	(3,258)
Net cash inflow/(outflow) from operating activities	4,166	(2,773)	(1,351)

Information about the Company

Financial Calendar

Financial year end	30th June
Half year results announced	February
Final results announced	September
Final dividend on shares	November
Annual General Meeting	November
Interim Management Statements	October and April

History

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

Directors

Roy Reynolds (Chairman)
David Gamble
Anatole Kaletsky
Nigel Kenny
Percy Mistry
Valentine Powell
Alan Saunders

Company Numbers

Company registration number: 2618994
London Stock Exchange code: 0341895
Bloomberg code: JMG LN
Reuters code: JMG.L

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmergingmarkets.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmergingmarkets.co.uk

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the Investment Trust Share Plan, Individual Savings Account ('ISA'), Personal Equity Plan ('PEP') and Pension Account.

Manager and Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone: 020 7742 6000

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

Registrars

Equiniti
Reference 1081
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0870 600 3984

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1081. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Brokers

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

Savings Product Administrators

For queries on the JPMorgan ISA, PEP, Share Plan or Pension Account, see contact details on the back cover of this report.



The Association of
Investment Companies A member of the AIC

Interim Management Report

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into five broad categories: investment and strategy; accounting, legal and regulatory; corporate governance and shareholder relations; operational; and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th June 2007.

Related Parties Transactions

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

Directors' Responsibilities

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

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

For and on behalf of the Board

Roy Reynolds
Chairman

13th February 2009

Glossary of Terms

Return to shareholders

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

Return on net assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Benchmark return

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

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

Discount/Premium

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

Notes

Notes

JPMorgan Helpline

Freephone 0800 40 30 30 or 020 7742 9999

9.00 am to 5.30 pm Monday to Friday

JPMorgan Pension Helpline

Freephone 0800 41 31 76 or 0172 241 4888

9.00 am to 5.00 pm Monday to Friday

Please use this number if you have any queries relating to the Pension Account.

Your telephone call may be recorded for your security

www.jpmemergingmarkets.co.uk