Jupiter Emerging & Frontier Income Trust PLC

Annual Report & Accounts

for the period 15 May 2017 to 30 September 2018

Registered in England & Wales
Registered number 10708991

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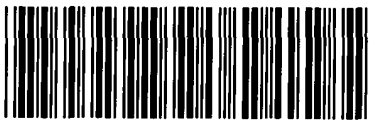

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Investment Objective, Investment Policy, Investment Restrictions and Benchmark Index

Investment Objective

The Company's investment objective is to achieve capital growth and income, both over the long term, through investment predominantly in companies exposed directly or indirectly to Emerging Markets and Frontier Markets worldwide.

Investment Policy

The Company will invest at least 70% of Total Assets in companies that, at the time of investment, have their registered offices or principal places of business in Emerging Markets or Frontier Markets, or which exercise a material part of their economic activities in Emerging Markets and/or Frontier Markets, and which are considered by the Investment Manager to be undervalued or otherwise to offer good prospects for capital growth.

The Company may invest up to 25% of Total Assets in companies that, at the time of investment, have their registered offices or principal places of business in, or which exercise a material part of their economic activities in, Frontier Markets (calculated at the time of investment).

The Company may invest up to 5% of Total Assets in unquoted companies (calculated at the time of investment).

The Company will invest no more than 10% of Total Assets in any single holding (calculated at the time of investment).

The Company's portfolio is expected to be diversified across a number of geographical areas and, whilst there are no specific limits placed on exposure to any one geographical area, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

The Company does not expect to take controlling interests in investee companies.

The Company will not be restricted to investing in constituent companies of the Benchmark.

"**Emerging Market**" means each constituent country of the Benchmark (the MSCI Emerging Markets Index) from time to time. The constituent countries of the Benchmark are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates.

"**Frontier Market**" means each country that is not a constituent of either the MSCI Emerging Markets Index or the MSCI Developed Markets Index. Generally, the Investment Manager considers Frontier Markets to be smaller, less well established economies that are at an earlier stage of economic and political development than Emerging Markets. Examples of countries that the Investment Manager currently considers to be Frontier Markets are Vietnam and Nigeria.

The Company may, in pursuance of the investment objective:

- invest in equity and equity-related securities (including quoted preference shares, quoted convertible unsecured loan stock, quoted warrants and other similar securities);
- hedge against directional risk using index futures and/or cash;
- hold bonds and warrants on transferable securities;
- utilise options and futures for hedging purposes and for efficient portfolio management;
- enter into contracts for differences;
- hold participation notes;
- use forward currency contracts; and
- hold liquid assets.

Notwithstanding the above, the Company does not intend to utilise derivatives or other financial instruments to take short positions, nor to increase the Company's gearing in excess of the limit set out in the borrowing policy.

Investment Objective, Investment Policy, Investment Restrictions and Benchmark Index continued

Investment Policy continued	It is expected that the Company's investments will predominantly be exposed to non-sterling currencies in terms of their revenues and profits. The base currency of the Company is sterling and it will pay any dividends to Shareholders in sterling, which creates a potential currency exposure. Whilst the Company retains the flexibility to do so, it is expected in the normal course that this potential currency exposure will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments. The Company may deploy gearing of up to 20% of Net Asset Value (calculated at the time of borrowing) to seek to enhance long-term capital growth and income returns and for the purpose of capital flexibility. The Company's gearing is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the Board may determine. No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.
Investment Restrictions	The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy. The Company will not invest more than 10% of its Total Assets in other listed closed ended investment funds (as defined in the Listing Rules).
Benchmark Index	MSCI Emerging Markets Index (Total Return) in sterling.

THE COMPANY IS A MEMBER OF THE

Strategic Report

Financial Highlights for the period from 15 May 2017 to 30 September 2018

Capital Performance

	30 September 2018
Total assets less current liabilities (£'000)	91,473

Ordinary Share Performance

	30 September 2018	15 May 2017	%
Net asset value (pence)/Issue price (pence)	98.26	100.00	(1.74)
Net asset value total return with dividends added back (pence)/Issue price (pence)*	102.26	100.00	2.26
Middle market price (pence)/Issue price (pence)	99.00	100.00	(1.00)
MSCI Emerging Markets Index (Net Total Return) in Sterling	551.47	517.11	6.64
Premium to net asset value (%)*	0.8	–	–
Total dividends declared and paid during the period (pence)	4.0	–	–
Ongoing charges figure (%) excluding finance costs*	1.35	–	–

* Alternative performance measure.

Note: A Glossary of Terms including alternative performance measures can be found on page 52 of this report.

Strategic Report continued

Chairman's Statement

I am pleased to present the first report and audited accounts for Jupiter Emerging & Frontier Income Trust PLC (the "Company"). This covers the period since launch on 15 May 2017 to 30 September 2018, reflecting the decision taken at flotation to select an initial accounting period significantly longer than 12 months. As at 30 September 2018 the Company had investments of £101.5 million and net assets attributable to shareholders of £91.5 million.

For the first portion of the period under review global stock markets rose, sitting at near record levels towards the end of 2017, aided by tax reforms in the United States. 2018 has, however, been a different story, with world markets displaying signs of nervousness, reflecting in part geo-political tensions and, perhaps, a feeling that after an extended bull run all good things have to come to an end. Your Company has little direct exposure to the technology sector and the 'gig economy', but to adapt a phrase which has been employed to explain the interlinkage of world capital markets "When Apple and Amazon sneeze, the world catches a cold". Thus the stocks in which the Company invests suffered as concerns about excessive valuations in the developed world led to a widespread sell-off in emerging markets generally. Yet, as our Investment Adviser describes in more detail, most of the companies in which we invest continue to perform well and the stream of dividends we receive is in line with our expectations.

Our investment performance

During the period under review the Company's share price and NAV (with dividends added back) returned 3.0% and 2.3%, respectively. This compares with a total return of 6.6% for our benchmark, the MSCI Emerging Markets Index. Although we do not attempt in any way to track our benchmark, we accept this is a somewhat underwhelming result for our first reporting period and reflects in the main the very challenging circumstances which have confronted the markets in which we invest during recent months.

As at 30 September 2018 the Net Asset Value per share was 98p, a 1.7% decrease since launch, and the middle market price per share on the London Stock Exchange was 99p, representing a premium to net asset value of 1%.

Your Company's recent performance is considered in more detail by our portfolio managers, Ross Teverson and Charlie Sunnucks, in their Investment Adviser's report.

Gearing

Gearing is defined as the ratio of a company's debt less cash held compared to its equity capital, expressed as a percentage. The effect of gearing is that, in rising markets, the company tends to benefit from any growth of the Company's investment portfolio above the cost of payment of the prior ranking entitlements of any lenders and other creditors. Conversely, in falling markets the company suffers more if its investment portfolio underperforms the cost of those prior entitlements.

The Company currently has access to a flexible loan facility with Scotiabank Europe plc for amounts up to £20 million. The ability to borrow in this way is seen as a clear advantage enjoyed by investment trusts as compared with open ended investment vehicles such as unit trusts. As at 30 September 2018 the Company's net gearing level, being the amount of drawn down bank debt, less the cash held on the balance sheet, was 11%.

The Board of Directors ('the Board') reviews the Company's gearing on a regular basis. The current maximum has been set at 20% of the Company's Net Asset Value (calculated at the time of borrowing) and we encourage the Investment Adviser to use the gearing facility and the Company's cash reserves in order to enhance returns for shareholders.

Dividends

The Board's policy is to pay a semi-annual dividend in June and December of each year. A total of 4 pence in two interim dividends of 2 pence each have been paid to date and we have declared a third interim dividend, payable on 18 January 2019, of 2.2 pence a share, exceeding the projections set out in the Company's prospectus last year, which envisaged a total dividend of 6 pence for our first reporting period. These distributions have been fully covered by earnings.

Discount and premium management

The Company's total asset base is currently at the lower end of the minimum size preferred by many institutional and wealth management investors. The Board and the Investment Adviser are committed to growing the Company over time. Our shares have traded since launch predominantly at a small premium to net asset value and this has enabled us to undertake a number of small secondary issues. Market conditions have not, in the opinion of the Board, been conducive to a major capital raising exercise, albeit this remains our longer term goal.

The Board remains committed to its stated policy of using share buybacks and new issues of shares with the intention of ensuring that, in normal market conditions, the market price of the Company's shares will track close to their underlying Net Asset Value. The Board continues to believe that this commitment to the active management of discount and premium will provide materially improved liquidity for both buyers and sellers of the Company's shares.

During the period under review the Company has issued a total of 3.1 million shares through its ongoing placing programme. At the annual redemption point in June there were no redemption requests in relation to shares by means of placing those shares with other buyers in the market.

PRIIPS key information documents

We are required by EU regulations introduced at the beginning of 2018 to provide investors with a key information document ("KID") which includes performance projections which are the product of prescribed calculations based on the Company's past performance. Whilst the content and format of the KID cannot be amended under the applicable EU regulations, the Board is one of many voices that makes no secret of its view that these projections are neither an appropriate nor a helpful way to assess the Company's prospects. For those shareholders interested to learn more on this issue, I refer them to an excellent article published by our industry association, the AIC, under the title "Burn before reading".

We continue to steer shareholders in the direction of the comprehensive information set out in these final accounts, along with the monthly fact sheets and daily net asset value announcements. Together with a link to Ed Marten's third party research coverage of the Company, these documents are published at www.jupiteram.com/JEFI.

Strategic Report continued

Chairman's Statement continued

Annual General Meeting

The Company's Annual General Meeting will be held on Wednesday, 27 February 2019 at 11:30 a.m. at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. Notice of the Annual General Meeting, containing full details of the business to be conducted at the meeting, is set out on page 53 of this report. Your attention is also drawn to the Report of the Directors on page 19 where various Resolutions relating to special business are explained.

In addition to the formal business, the Fund Manager will provide a short presentation to shareholders on the performance of the Company over the past year as well as an outlook for the future. The Board would welcome your attendance at the Annual General Meeting as it provides shareholders with an opportunity to ask questions of the Board and Investment Adviser.

Outlook

Our portfolio managers' approach is to concentrate on identifying companies enjoying positive change that is under-appreciated by the market, as distinct from being driven by macro-economic considerations.

The current volatility of world markets has highlighted the importance of being selective and our managers have already shown themselves to be adept at identifying suitable investment opportunities. As I have said before, the Board has great confidence in the Investment Adviser's ability to navigate its way through the choppy waters currently presented by emerging and frontier markets. All of the directors continue to be significant shareholders in the Company and, in addition to our undertaking to invest all of our first two years' net earnings in the Company's shares, we have been purchasing in excess of that commitment, reflecting our faith in the Company and its investment strategy.

John Scott
Chairman
11 January 2019

Strategic Report continued

Investment Adviser's Review

Market review

Over the period, the MSCI Emerging Markets Index returned 6.6% in sterling terms. MSCI country benchmark returns for key markets were as follows: China +16.5%; India +2.3%; Brazil -9.2%; and Russia +21.5%.

Emerging Market equities broadly throughout most of 2017 and beginning of 2018 performed strongly, with a rally largely led by Chinese stocks. These gains were subsequently given up, as concerns over rising US-China trade tensions, Russian sanctions and the potential impact of higher US interest rates weighed on valuations. In addition, there has been a relatively high degree of political uncertainty over the period, with recent national elections in Turkey, Mexico, Columbia, Pakistan, Brazil and upcoming elections in India, Sri Lanka and Nigeria, all creating further volatility.

In terms of sector performance, firms positively exposed to energy and materials have led the market. The outperformance of these sectors reflects what has broadly been a continued recovery in the price of commodities. Collectively, the fund has 9.0% invested across these two sectors, relative to its index 16% weight. As these areas of the market are typically more exposed to cyclical variation than fundamental change, the fund's exposure will likely remain limited.

Performance

Over the period, the portfolio delivered a NAV total return (including the two 2p dividends paid) of 2.3% (using the launch price of 100p as a base), while the trust delivered a total price return of +3.0% – both figures lagged the MSCI Emerging Markets benchmark (+6.6%).

The weaker than benchmark performance has largely been due to several headwinds. Notably, the weak performance of emerging market small caps and frontier markets; returning only +1.0% and +1.2% respectively. While the return from these areas of the market has been disappointing over recent history, we continue to believe that some of the most attractive bottom-up opportunities globally are within these areas. Moreover, investing beyond emerging market large caps provides scope to deliver greater geographical and sector diversification; a characteristic which should over time deliver lower levels of volatility.

In terms of individual stock performance, return dispersion has been high. Chroma ATE has been the most material positive contributor to returns. The Taiwanese electronics company sells into a diverse range of industries including semiconductors, electronic vehicle batteries, solar, LED and 3D sensors. Chroma's strong share price performance has been driven by better-than-expected earnings and positive management guidance.

Other positive contributors included Salmones Camanchaca, a Chilean Salmon producer. The firm has recently invested in a number of projects, which in our view will deliver an attractive return on investment. Moreover, the firm's low level of leverage provides it flexibility to invest into further new projects, and there is scope for organic growth as management improve the efficiency of existing facilities.

The trust's holding in Cambodian entertainment and gaming operator NagaCorp also performed well over the period. The company is based in the capital – Phnom Phen, but only caters to foreign tourists, (mostly from South East Asia and China). Structurally the business continues to benefit from rising tourism in Cambodia, a trend supported by increasing direct flight routes into Chinese cities. Moreover, at a company level, rising utilisation at Naga 2 (a recent extension) and renovation within Naga 1 mean that there is still scope for further organic growth.

The position that most materially detracted from performance was Ascendis Health in South Africa. The firm is a company that has made several European acquisitions in recent years and we believe these acquisitions will generate significant value for Ascendis shareholders over time. However, the Steinhoff scandal, which bears no relation to Ascendis at all, has made domestic South African investors highly sceptical of any company making overseas acquisitions. As such, the stock has undergone a derating, which we view as temporary and unjustified.

Another detractor was Bizlink, a Taiwan based wire-harness producer. The firm is a beneficiary from a structural rise of electric vehicle demand, with clients including Tesla. The significant decline in the share price has been a combination of Tesla supply chain concerns and margin pressure due to a rise in operating expenditure not matched by sales growth during one quarter. We have continued to communicate with management and believe that the investment case remains attractive, which should be better reflected in the valuation as the company delivers on earnings growth.

Activity

During the period there have been a number of position changes within the portfolio. These include exiting the position in State Bank India (SBI), and investing in Pakistan bank UBL; as well as exiting Dali Foods and investing in Bestway International.

UBL was added to the portfolio after a period of share price weakness created an attractive opportunity to establish a position in a business that is well-positioned to benefit from positive structural change in the Pakistan banking sector. Relative to other emerging markets, the penetration of financial services remains low in Pakistan, but this is beginning to change, as policy makers are targeting a higher level of financial inclusion. UBL stands out amongst Pakistani banks in that its superior scale, combined with a strong management team, have supported a level of profitability comfortably in excess of its cost of equity. Its strong balance sheet allows the bank to pay substantial dividends while, at the same time, also growing its loan book. The experience of more mature markets, such as Indonesia, suggest that a combination of good structural growth prospects and a strongly profitable banking franchise can deliver high returns over time, as a market develops. The position was part financed by exiting State Bank of India, as we are keen to manage the overall fund exposure to banks, and relative to SBI we had more confidence in the investment case of UBL.

The other new position – Bestway Global – produces outdoor inflatable leisure products, (inflatable jacuzzi, inflatable paddle boards, inflatable swimming pools). The firm's market continues to grow, supported by new application development for inflatable products and fast rising demand in Asia. Moreover, within this market Bestway operates in a duopoly, where scale benefits make it highly competitive and their earnings growth is supplemented by an expanding margin delivered by positive product mix change. At the time of investment, the firm's share price had materially sold off due to Chinese trade relationship concerns. However, as nearly all global manufacturing of inflatable leisure products is within China, any future tariff on these products would have a very limited effect on the firm's outlook given the lack of alternative sourcing globally. The position was partly funded by the exit of Dali Foods. Dali is a Chinese snack and beverage brand/producer, and its strong relative stock price had lifted the valuation beyond where we felt change was meaningfully underappreciated. Additionally, the trust seeks to diversify single country exposure, and selecting Dali as a

Strategic Report continued

Investment Adviser's Review continued

source of funds has meant that that the overall China weight within the fund remains balanced.

Outlook

The recent sharp falls in the Argentinian peso and Turkish lira, and the knock-on effect on other emerging market currencies, have spooked markets. Importantly, however, we have always sought to avoid companies with a foreign exchange debt mismatch, meaning they have borrowed in US dollars but receive revenue in their local currency. The fundamental strength of the companies in the portfolio remains, in our view, as sound as they were before the current turmoil.

The last few months have been painful for the fund and its investors. Global economic factors have had a significant impact on emerging market returns this year; however, these factors are often difficult if not impossible to predict. We believe our expertise lies in finding opportunities where an element of change is underappreciated by the market, but during periods where the market is preoccupied with bigger picture concerns, such fundamental stock characteristics will often continue to go overlooked.

When we look at emerging markets from the bottom-up we don't have any difficulty in finding interesting opportunities and stocks are having to compete to get into the portfolio. We therefore remain comfortable maintaining around 10% gearing in the trust – a level which we have described to our investors as a "typical" level of gearing and one which we feel is appropriate unless valuations become either stretched (at which point we would reduce gearing) or depressed (at which point we would consider up to 20% gearing).

The recent market volatility has highlighted the importance of being selective when seeking out investment opportunities. Some large companies, most notably those that are widely perceived to be high quality, continue to be very highly valued by the market, even after the recent falls. This is one of the reasons that our approach places an emphasis on medium-sized and smaller companies, where we believe some of the best long-term opportunities can be found. The companies we invest in have generally delivered strong earnings growth and, given the recent fall in markets, share price valuations now looking compelling to us both in a historical context and relative to developed markets.

Ross Teverson and Charles Sunnucks
Fund Managers
Jupiter Asset Management Limited
Investment Adviser
11 January 2019

Strategic Report continued

List of Investments as at 30 September 2018

		30 September 2018	
Company	Country of Listing	Market value £'000	Percentage of portfolio
Corp Inmobiliaria Vesta	Mexico	3,738	3.7
NWS Holdings	Hong Kong	3,357	3.3
Samsung Electronics Preference	Korea	3,356	3.3
Wilson Sons, BDR	Brazil	3,278	3.2
Grit Real Estate Income Group	Mauritius	3,110	3.1
NagaCorp	Hong Kong	3,103	3.1
MMC Norilsk Nickel, ADR	Russia	3,063	3.0
Sberbank of Russia Preference	Russia	2,860	2.8
KCB	Kenya	2,838	2.8
Hindustan Petroleum	India	2,700	2.7
Moneta Money Bank	Czech Republic	2,658	2.6
Itau Unibanco Holding	Brazil	2,604	2.6
Ginko International	Taiwan	2,602	2.6
Taiwan Semiconductor Manufacturing	Taiwan	2,579	2.5
Chroma ATE	Taiwan	2,406	2.4
Saudi Telecom (Merrill Lynch) warrant 12/02/2020	Curacao	2,375	2.3
Air Arabia	United Arab Emirates	2,331	2.3
Hyundai Motor Preference	Korea	2,288	2.3
MediaTek	Taiwan	2,268	2.2
Sands China	Hong Kong	2,261	2.2
LSR Group, GDR	Russia	2,235	2.2
Emaar Malls	United Arab Emirates	2,226	2.2
Almacenes Exito	Colombia	2,183	2.1
MHP, GDR	Cyprus	2,057	2.0
SEPLAT Petroleum Development	Nigeria	2,026	2.0
Access Bank	Nigeria	2,013	2.0
Hon Hai Precision Industry	Taiwan	1,933	1.9
NetEase, ADR	Hong Kong	1,923	1.9
Detsky Mir	Russia	1,913	1.9
Salmones Camanchaca	Chile	1,900	1.9
Huayu Automotive Systems (HSBC) warrant 23/11/2021	United Kingdom	1,871	1.8
Merida Industry	Taiwan	1,864	1.8
MTN Group	South Africa	1,751	1.7
United Bank	Pakistan	1,736	1.7
Pico Far East Holdings	Hong Kong	1,707	1.7
Hollysys Automation Technologies	Virgin Islands, British	1,681	1.7
Bizlink Holdings	Taiwan	1,679	1.7

Strategic Report continued

List of Investments continued

		30 September 2018	
Company	Country of Listing	Market value £'000	Percentage of portfolio
Vietnam Dairy Products (HSBC) warrant 20/11/2020	United Kingdom	1,624	1.6
Bank of Georgia Group	United Kingdom	1,559	1.5
Jaya Real Property	Indonesia	1,483	1.5
John Keells Holdings	Sri Lanka	1,392	1.4
Pavilion Real Estate Investment Trust[1]	Malaysia	1,374	1.3
Ascendis Health	South Africa	1,363	1.3
Sphera Franchise Group	Romania	1,301	1.3
Indus Motor	Pakistan	1,089	1.1
Anadolu Hayat Emeklilik	Turkey	1,034	1.0
Bestway Global	Hong Kong	839	0.8
Total		**101,531**	**100.0**

[1] Listed closed-ended investment company.

Cross Holdings in other Investment Companies

As at 30 September 2018, 1.3% of the Company's total assets were invested in the securities of other listed closed-ended investment companies. It is the Company's stated policy that its exposure to other closed-ended listed investment companies should not be permitted to exceed 10% of total assets.

Strategic Report continued

Strategic Review

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the Directors of the Company during the period under review.

Business and Status

During the period 15 May 2017 to 30 September 2018 the Company carried on business as an investment trust with its principal activity being portfolio investment. The Company has been approved by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 ('CTA 2010') and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the Directors, the Company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company is not a close company within the meaning of the provisions of the CTA 2010 and has no employees.

The Company was incorporated in England & Wales on 4 April 2017.

Reviews of the Company's activities are included in the Chairman's Statement and Investment Adviser's Review on pages 5 to 8.

There has been no significant change in the activities of the Company during the period to 30 September 2018 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

Investment Objective

The Company's investment objective is to achieve capital growth and income, both over the long term, through investment predominantly in companies exposed directly or indirectly to Emerging Markets and Frontier Markets worldwide.

Investment Policy

The Company will invest at least 70% of Total Assets in companies that, at the time of investment, have their registered offices or principal places of business in Emerging Markets or Frontier Markets, or which exercise a material part of their economic activities in Emerging Markets and/or Frontier Markets, and which are considered by the Investment Manager to be undervalued or otherwise to offer good prospects for capital growth.

The Company may invest up to 25% of Total Assets in companies that, at the time of investment, have their registered offices or principal places of business in, or which exercise a material part of their economic activities in, Frontier Markets (calculated at the time of investment).

The Company may invest up to 5% of Total Assets in unquoted companies (calculated at the time of investment).

The Company will invest no more than 10% of Total Assets in any single holding (calculated at the time of investment).

Full details of the Company's investment objective can be found on pages 2 and 3.

Investment Restrictions

The Company will at all times invest and manage its assets with the objective of spreading risk in accordance with its published investment policy.

The Company will not invest more than 10% of its Total Assets in other listed closed ended investment funds (as defined in the Listing Rules).

Benchmark Index

The Company's benchmark index is the MSCI Emerging Markets Index (Total Return) in sterling.

Gearing

Gearing is defined as the ratio of a company's debt less cash held compared to its equity capital, expressed as a percentage. The effect of gearing is that, in rising markets, the Company tends to benefit from any growth of the Company's investment portfolio above the cost of payment of the prior ranking entitlements of any lenders and other creditors. Conversely, in falling markets the Company suffers more if it's investment portfolio underperforms the cost of those prior entitlements.

The Company may deploy gearing of up to 20% of Net Asset Value (calculated at the time of borrowing) to seek to enhance long-term capital growth and income returns and for the purpose of capital flexibility. The Company's gearing is expected to primarily comprise bank borrowings but may include the use of derivative instruments and such other methods as the Board may determine.

Loan Facility

In order to improve the potential for capital returns to shareholders the Company has, with effect from 5 July 2017, negotiated a flexible loan facility with Scotiabank (Ireland) Designated Activity Company ('Scotiabank') for up to £20 million.

The ability to borrow in this way is seen as a clear advantage enjoyed by investment trusts as compared with open ended investment vehicles such as unit trusts.

The Directors consider it a priority that the Company's level of gearing should be maintained at appropriate levels with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions. The Board reviews the Company's level of gearing on a regular basis.

Further details of the loan facility with Scotiabank (Ireland) Designated Activity Company ('Scotiabank') can be found in Note 13 to the Accounts on page 41.

Use of Derivatives

The Company may invest in derivative financial instruments comprising options, futures and contracts for difference for investment, hedging and efficient portfolio management, as more fully described in the investment policy. There is a risk that the use of such instruments will not achieve the goals desired. Also, the use of swaps, contracts for difference and other derivative contracts entered into by private agreements may create a counterparty risk for the Company. This risk is mitigated by the fact that the counterparties must be institutions subject to prudential supervision and that the counterparty risk on a single entity must be limited in accordance with the individual restrictions.

Strategic Report continued

Strategic Review continued

Currency Hedging

The Company's accounts are maintained in Sterling while investments and revenues are likely to be denominated and quoted in currencies other than Sterling. Although it is not the Company's present intention to do so, the Company may, where appropriate and economic to do so, employ a policy of hedging against fluctuations in the rate of exchange between Sterling and other currencies in which its investments are denominated.

Dividend Policy

The Company will target an annualised dividend yield of a minimum of 4% at launch (based on the Issue Price). Due to the flexibility afforded by the investment trust structure, the Company will have the scope to build a revenue reserve, potentially allowing for progressive dividend payments. It is intended that the Company will build up revenue reserves over time so as to enable the Board to smooth the level of future interim dividend payments where practicable. However, in accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.

Annual Redemption Facility

The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares as at 30 June on an annual basis. The Board have absolute discretion to operate the annual redemption facility on any given Redemption Point and to accept or decline in whole or part any Redemption Request.

Key Performance Indicators

At their quarterly Board meetings the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives. The key performance indicators used to measure the performance of the Company over time are as follows:

- Net Asset Value changes;
- The premium or discount of share price to Net Asset Value over time;
- A comparison of the absolute and relative performance of the Ordinary share price and the Net Asset Value per share relative to the return on the Company's Benchmark Index and of our peers; and
- Ordinary Share price movement.

Information on these Key Performance Indicators and how the Company has performed against them can be found on page 4 and within both the Chairman's Statement on page 5 and Investment Adviser's Review on page 7.

Share Capital

The Board has authority to issue up to 200 million Ordinary Shares and/or C Shares in aggregate in the period from First Admission until the first annual general meeting ('AGM') of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Board will not be obliged to offer any new Ordinary Shares or C Shares to Shareholders on a pro rata basis. No Ordinary Shares will be issued at a price less than the (cum-income) Net Asset Value per existing Ordinary Share at the time of their issue. C Shares (if any) issued pursuant to this authority will be issued at £1.00 per C Share.

Investors should note that the issuance of new Ordinary Shares and/or C Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares and/or C Shares that may be issued.

90 million Ordinary Shares were issued on initial offering on 15 May 2017. A further 3,093,000 Ordinary Shares have been issued during the period post launch 15 May 2017 to 30 September 2018. As at 30 September 2018, the Company's issued share capital is 93,093,000 Ordinary Shares.

No C shares were issued between the period 15 May 2017 and 30 September 2018.

Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis.

The Board has the authority to make market purchases of up to 14.99% of the Ordinary Shares in issue on First Admission.

The initial authority to make market purchases expires on the earlier of the conclusion of the first AGM of the Company and the date 18 months after the date on which the resolution was passed. It is intended that a renewal will be sought from Shareholders at each AGM of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of any Ordinary Shares is 105% of the average of the middle market quotations for the Ordinary shares for the five business days immediately preceding the date of repurchase. The minimum price will be the nominal value of the Ordinary shares. The Board is proposing that its authority to repurchase up to approximately 14.99% of its issued share capital be renewed at the AGM. The new authority to repurchase will last until the conclusion of the AGM of the Company in 2020 (unless renewed earlier). Any repurchase made will be at the discretion of the Board in light of prevailing market conditions and within guidelines set from time to time by the Board, the Companies Act, the Listing Rules and the Market Abuse Regulation.

No Ordinary Shares were bought back during the period 15 May 2017 to 30 September 2018.

Treasury Shares

In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the 'Regulations') which came into force on 1 December 2003 any Ordinary Shares repurchased, pursuant to the above authority, may be held in treasury. These Ordinary Shares may subsequently be cancelled or sold for cash. This would give the Company the ability to reissue shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital.

As at 30 September 2018, there were no Ordinary Shares held in Treasury.

Strategic Report continued

Strategic Review continued

Management

The Company has no employees and most of its day to day responsibilities are delegated to Jupiter Asset Management Limited ('JAM'), which acts as the Company's Investment Adviser and Company Secretary. Further details of the Company's arrangement with JAM and the Alternative Investment Fund Manager ('AIFM'), Jupiter Unit Trust Managers Limited ('JUTM'), can be found in Note 22 to the Accounts on page 48.

J.P. Morgan Europe Limited ('JPMEL') acts as the Company's Depositary and the Company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. ('JPMCB') as Custodian and for the provision of accounting and administrative services.

Although JAM is named as the Company Secretary, JPMEL provides administrative support to the Company Secretary as part of its formal mandate to provide broader fund administration services to the Company.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code as issued by the Financial Reporting Council ('FRC') in April 2016, the Board has assessed the viability of the Company over the next three years. The Company's investment objective is to achieve long-term capital growth and the Board regards the Company's shares as a long-term investment. Three years is considered a reasonable period for investment in equities and is appropriate for the composition of the Company's portfolio.

In carrying out its assessment, the Board has considered the Company's business model including its investment objective and investment policy as well as the principal risks and uncertainties that may affect the Company as detailed below.

The Board has noted that:

- The Company holds a liquid portfolio invested predominantly in listed equities; and
- No significant increase to ongoing charges or operational expenses is anticipated.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Principal Risks and Uncertainties

The Board has undertaken a robust review of the principal risks and uncertainties that may affect the Company and its business which are described below:

Investment policy and process – Inappropriate investment policies and processes may result in under performance against the prescribed Benchmark Index and the Company's peer group. The Board manages these risks by ensuring a diversification of investments and regularly reviewing the portfolio asset allocation and investment process.

Investment Strategy and Share Price Movement – The Company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds. It is not the aim of the Board to eliminate entirely the risk of capital loss, rather it is its aim to seek capital growth. The Board reviews the Company's investment strategy and the risk of adverse share price movements at its quarterly board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the Company invests.

Liquidity Risk – The Company may invest in securities that have a very limited market which will affect the ability of the Investment Adviser to dispose of securities when it is no longer felt that they offer the potential for future returns. Likewise the Company's shares may experience liquidity problems when shareholders are unable to realise their investment in the Company because there is a lack of demand for the Company's shares. At its quarterly meetings the Board considers the current liquidity in the Company's investments when setting restrictions on the Company's exposure. The Board also reviews, on a quarterly basis, the Company's buy back programme and in doing so is mindful of the liquidity in the Company's shares.

Gearing Risk – The Company's gearing can impact the Company's performance by accelerating the decline in value of the Company's net assets at a time when the Company's portfolio is declining. Conversely gearing can have the effect of accelerating the increase in the value of the Company's net assets at a time when the Company's portfolio is rising. The Company's level of gearing is under constant review by the Board who take into account the economic environment and market conditions when reviewing the level.

Discount to Net Asset Value – A discount in the price at which the Company's shares trade to Net Asset Value would mean that shareholders would be unable to realise the true underlying value of their investment. As detailed in the Prospectus of the Company, the Board currently has the authority to purchase the Company's Ordinary Shares as a method of controlling the discount to Net Asset Value and enhancing shareholder value. Shareholder approval will be sought to renew this authority at the first (and every subsequent) AGM of the Company.

Regulatory Risk – The Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of section 1158 of the CTA 2010 could result in the Company being subject to capital gains tax on portfolio movements. Breaches of other regulations such as the UKLA Listing rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers such as the Investment Adviser could also lead to reputational damage or loss. The Board relies on the services of its Company Secretary, JAM, and its professional advisers to ensure compliance with, amongst other regulations, the Companies Act 2006, the UKLA Listing Rules, the FCA's Disclosure and Transparency Rules and the Alternative Investment Fund Managers Directive. The Investment Adviser is contractually obliged to ensure that its conduct of business confirms to applicable laws and regulations.

Credit and Counterparty Risk – The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. Further details of the management of this risk can be found in Note 14(e) to the Accounts on page 45.

Loss of Key Personnel – The day-to-day management of the Company has been delegated to the Investment Adviser. Loss of the Investment Adviser's key staff members could affect investment return. The Board is aware that JAM recognises the importance of its employees to the success of its business. Its remuneration policy is designed to be market competitive in order to motivate and retain staff and succession planning is regularly reviewed. The Board also believes that suitable alternative experienced personnel could be employed to manage the Company's portfolio in the event of an emergency.

Strategic Report continued

Strategic Review continued

Operational – Failure of the core accounting systems, or a disastrous disruption to the Investment Adviser's business or that of the administration provider, JPMCB, could lead to an inability to provide accurate reporting and monitoring. Details of how the Board monitors the services provided by JAM and its associates are included within the Internal Controls section of the Report of the Directors on page 17.

Financial – Inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and inaccurate reporting of Net Asset Value per share. The Board annually reviews the Investment Adviser's report on its internal controls and procedures.

Directors

Details of the Directors of the Company and their biographies are set out on page 15.

The Company's policy on Board diversity is included in the Corporate Governance section of the Report of the Directors on page 20.

As at 30 September 2018 the Board comprises one female and three male Directors.

Employees, Environmental, Social and Human Rights issues

The Company has no employees as the Board has delegated the day to day management and administration functions to JUTM, JAM and other third parties. There are therefore no disclosures to be made in respect of employees.

The Board has noted its Investment Adviser's policy on Environmental, Social and Human Rights issues as detailed below:

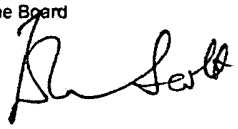
The Investment Adviser considers various factors when evaluating potential investments. While an investee company's policy towards its environmental and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the Investment Adviser does not necessarily decide to, or not to, make an investment on environmental and social grounds alone.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations as its day to day management and administration functions have been outsourced to third parties and it neither owns physical assets or property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report on Directors' Reports) Regulations 2013.

For and on behalf of the Board

John Scott
Chairman
11 January 2019



Report of the Directors & Governance

Directors

John Scott† (Chairman of the Board and Management Engagement Committee) Date of appointment: 12 April 2017	John is a former international investment banker. John was appointed a director of Scottish Mortgage Trust PLC in 2001 and became Chairman at the end of 2009 and retired in June 2017. He is a former executive director of Lazard Brothers & Co., Limited. During his twenty years with Lazard, he was involved with the merchant bank's corporate advisory activities and its Asian businesses. He is currently Chairman of Impax Environmental Markets plc and Alpha Insurance Analysts Limited, as well as being a director of various companies including Bluefield Solar Income Fund Limited and CC Japan Income & Growth Trust plc.
Mark Dampier† Date of appointment: 12 April 2017	Mark is Head of Investment Research at Hargreaves Lansdown, a position he has held since 1998, a director of Hargreaves Lansdown Asset Management Limited and a member of Hargreaves Lansdown PLC's Executive Management Committee. He has over 30 years' experience in the fund management industry, including managing and marketing investment trusts and unit trusts, has published a book on effective investing and is a leading commentator on the investment sector. He was appointed to the board of Invesco Income Growth Trust plc in March 2016.
Audrey McNair† (Chairman of the Audit Committee) Date of appointment: 12 April 2017	Audrey has been a non-executive director of Earl Shilton Building Society since February 2015 (and is currently chair of its audit, compliance and risk committee) and a non-executive director of British Friendly Society since April 2016 (and is currently chair of its risk committee). In her executive career, across the buy and sell side in the City of London, she has gained extensive knowledge of regulatory governance and investment management processes and products, including having worked at Aberdeen Asset Management plc from May 2008 to March 2016, starting as Head of Internal Audit (EMEA) and becoming Global Head of Business Risk (including Operational, IT and strategic risk) and responsible for the Group's Risk Management Framework and Internal Adequacy Capital Assessment.
Nicholas Moakes† (Senior Independent Director) Date of appointment: 12 April 2017	Nick is Chief Investment Officer at The Wellcome Trust, one the world's largest charitable foundations. He is on the Board of the Investor Forum, an investor-led organisation established for the purpose of improving long-term investment returns through collective shareholder engagement. He also chairs the Imperial College Endowment Fund and was appointed to the board of Foreign & Colonial Investment Trust PLC in March 2011. Nick has nearly 30 years' experience in Asia and 25 years' experience in global equity markets. He started his career in the diplomatic service, where he specialised in Hong Kong and China. Before joining Wellcome in 2007 he was head of the Asia Pacific investment team and co-head of Emerging Markets at BlackRock Investment Management.

† *Members of both the Audit Committee and Management Engagement Committee.*

Report of the Directors & Governance continued

Report of the Directors

The Directors present the Annual Report and Accounts of the Company for the period ended 30 September 2018.

Results and Dividends

The financial highlights of the Company are set out on page 4. In addition, results and reserve movements for the year are set out in the Statement of Comprehensive Income and Statement of Financial Position on pages 31 and 32 and the Notes to the Accounts on pages 35 to 48.

On 22 November 2017 the Company announced the payment of an interim dividend of 2.00p per Ordinary Share in respect of the financial year ended 30 September 2018. The dividend was paid on 22 January 2018, to shareholders on the register as at 1 December 2017. On 15 May 2018 the Company also announced the payment of an interim dividend of 2.00p per Ordinary Share in respect of the financial year ended 30 September 2018. The dividend was paid on 15 June 2018, to shareholders on the register as at 25 May 2018.

On 18 December 2018, the Company announced the payment of an interim dividend of 2.20p per Ordinary Share in respect of the financial year ended 30 September 2018. The dividend will be paid on 18 January 2019 to shareholders on the register as at 28 December 2018.

Capital Structure

As at 30 September 2018 the Company's issued share capital was 93,093,000 Ordinary Shares of 1p each. All of the Ordinary Shares are fully paid and carry one vote per share. The Ordinary Shares are listed on the London Stock Exchange. There are no restrictions on the holding or transfer of the Ordinary Shares which are governed by the general provisions of the Articles of the Company. The Company is not aware of any agreements between shareholders that restrict the transfer of Ordinary Shares.

As at 30 September 2018 there were no Ordinary Shares held in Treasury.

As at 30 September 2018 there were no C Shares in issue.

Annual Redemption Facility

The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. Details of this facility can be found on page 12.

Notifiable Interests in the Company's Voting Rights

In accordance with the Disclosure and Transparency Rules as issued by the Financial Conduct Authority ('FCA'), the Company has been notified of the following substantial interests in the Ordinary Shares of the Company.

Ordinary Shares

	30 September 2018	
	Number of shares	% of total voting rights
Jupiter Asset Management Limited	10,065,000	10.81
Charles Stanley Group PLC	7,921,035	8.51
Brewin Dolphin Limited	5,559,920	5.97
Investec Wealth & Investment Limited	4,593,195	4.93
	28,139,150	**30.22**

Repurchase of Shares

Authority to Repurchase Shares

At the AGM to be held on 27 February 2019 shareholders will be asked to renew the authority to buy back the Company's Ordinary Shares for cancellation or holding in Treasury. It is believed that these provisions provide a valuable tool in the management of the Company's share value against Net Asset Value. The current authority allows the Company to purchase up to 14.99% of the issued Ordinary Shares. Purchases would be made at the discretion of the Board and within guidelines set from time to time. Under the Listing Rules and the buy-back and stabilisation regulation the maximum price for such a buy-back cannot be more than the higher of (i) 105% of the average middle market price for the five days immediately preceding the date of repurchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid.

Directors

The Directors of the Company and their biographies can be found on page 15. All Directors held office throughout the period under review.

Directors' Remuneration and Interests

The Directors' Remuneration Report and Policy on pages 23 and 24 provides information on the remuneration and shareholdings of the Directors.

Conflicts of Interest

Each Director has a statutory duty to avoid a situation where they have or may have a direct or indirect interest which conflicts or might conflict with the interests of the Company, unless, in terms of the Articles of Association, the relevant conflict or potential conflict has been authorised by the Board. The Directors have declared all potential conflicts of interest with the Company. The Register of potential conflicts of interests is kept at the Registered Office of the Company. It is reviewed regularly by the Board and all Directors will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Directors' and Officers' Liability Insurance and Indemnification

During the period under review the Company purchased and maintained liability insurance for its Directors and Officers as permitted by Section 233 of the Companies Act 2006.

As permitted by the Articles of Association, the Company has entered into deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006.

Directors' and Company Secretary's Indemnification

The Company has indemnified its Directors and Company Secretary in respect of their duties as Directors and officers of the Company, certain civil claims brought by third parties and associated legal costs to the extent that they are permitted by the Companies (Audit, Investigations and Community Enterprise) Act 2004.

Management of the Company

JUTM was appointed as AIFM to the Company on 19 April 2017. JUTM subsequently delegated the portfolio management of the Company to JAM. JUTM and JAM are wholly owned subsidiaries of Jupiter Fund

Report of the Directors & Governance continued

Report of the Directors continued

Management plc. Further details of the Company's arrangement with JUTM and JAM can be found in Note 22 to the Accounts on page 48.

The Directors have reviewed the performance and terms of appointment of JUTM as the Company's AIFM and of JAM as the delegated Investment Adviser. A summary of the terms of the appointment including the notice of termination period and annual fee is set out in Note 22 to the Accounts on page 48. The Board believes that it is in the best interests of shareholders for the Company to continue the appointment of JAM on its existing terms of appointment having reviewed the company secretarial, accounting, fund management and other services provided by JAM, and having regard to the Company's performance against its Benchmark Index during the year under review. The Directors are of the view that the portfolio should remain under the Investment Adviser's stewardship.

Leverage

In accordance with the requirements under the Alternative Investments Fund Managers Directive ('AIFMD'), the leverage employed by the Company as at 30 September 2018 was 1:1.49 as determined using the Gross method, and 1:1.25 as determined using the Commitment method.

Average leverage on a gross exposure basis is calculated by taking the sum of the notional values of the derivatives used by the Company, without netting, and is expressed as a ratio of the Company's net asset value. Average leverage on a commitment basis is calculated by netting the sum of the notional values of the derivatives and expressing it as a ratio of the Company's net asset value.

Disclosed in the table below is the level of leverage employed by the Company.

Maximum limit	Gross exposure Average leverage employed during the period to 30 September 2018	Maximum limit	Commitment exposure Average leverage employed during the period to 30 September 2018
2:1	1:1.49	2:1	1:1.25

Going Concern

The Accounts have been prepared on a going concern basis. The Directors consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ISA Qualification

The Company currently manages its affairs so as to be a qualifying investment trust under the Individual Savings Account ('ISA') rules. As a result, under current UK legislation, the Ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit currently £20,000 (2018/19 in each tax year). It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

Bribery Prevention Policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board takes very seriously its responsibility to prevent, through JAM on its behalf, any bribery. To aid the prevention of bribery JAM has adopted a Bribery Prevention Policy. JAM will advise any changes to the policy to the Board.

Internal Controls

The Board is responsible for monitoring the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet the particular requirements of the Company and to manage rather than eliminate the risks of failure to achieve its objectives. The systems by their very nature can provide reasonable but not absolute assurance against material misstatement or loss. There is an ongoing process which accords with the Financial Reporting Council's guidance on Internal Control and Related Financial and Business Reporting as issued in September 2014. The Board has undertaken a robust review of the effectiveness of the Company's internal control systems including the financial, operational and compliance controls and risk management. These systems have been in place for the year under review and to the date of signing the Accounts.

The Company receives services from JAM and JPMCB relating to its investment advice, global custody and certain administration activities and from JPMEL as Depositary to the Company. Documented contractual arrangements are in place with these companies which define the areas where the Company has delegated authority to them. The Directors have considered the report on the internal control objectives and procedures of JAM together with the opinion of the service auditor for that report. That report details the measures and the testing of the measures which are in place to ensure the proper recording, valuation, physical security and protection from theft of the Company's investments and assets and the controls which have been established to ensure compliance with all regulatory, statutory and fiscal obligations of the Company.

It was noted that the Jupiter controls report for the period ending 26 November 2017 was qualified by the auditor PricewaterhouseCoopers as a number of controls relating to systems access and recertification, and associated segregation of duties were not suitably designed to achieve the control objectives. The directors understand that these controls have been redesigned to prevent reoccurrence, and in each case there were other appropriate controls and checks in operation and that there was no inappropriate access to data.

The Directors have also had regard to the procedures for safeguarding the integrity of the computer systems operated by JAM and J.P. Morgan and the key business disaster recovery plans. By way of the procedures described above the Board reviews the procedures in place to manage the risks to the Company on an annual basis.

The Company does not have an internal audit function. The Audit Committee considers whether there is a need for an internal audit function on an annual basis. As most of the Company's functions are delegated to third parties the Board does not consider it necessary for the Company to establish its own internal audit function.

Report of the Directors & Governance continued

Report of the Directors continued

UK Stewardship Code and the Exercise of Voting Powers

The Investment Adviser is responsible for voting the shares it holds on the Company's behalf. The Investment Adviser supports the UK Stewardship Code as issued by the Financial Reporting Council, which sets out the responsibilities of institutional shareholders in respect of monitoring and engaging with investee companies. The Investment Adviser's UK voting policies are consistent with the UK Stewardship Code. The Investment Adviser's Corporate Governance & Voting Policy can be found at **www.jupiteram.com/JEFI**.

The Board and the Investment Adviser believe that shareholders have an important role in encouraging a higher level of corporate performance and therefore adopt a positive approach to corporate governance. The Investment Adviser aims to act in the best interests of all its stakeholders by engaging with companies that they invest in, and by exercising its voting rights with care. Not only is this commensurate with good market practice, but it also goes hand in hand with ensuring the responsible investment of its clients' funds. Equally, companies are asked to present their plans for maintaining social and environmental sustainability within their business.

The Board and the Investment Adviser believe that institutional investors should exercise their corporate governance rights including voting at general meetings.

In order to assist in the assessment of corporate governance and sustainability issues and contribute to a balanced view, the Investment Adviser subscribes to external corporate governance and sustainability research providers but does not necessarily follow their voting recommendations. Contentious issues are identified and, where necessary (and where timescales permit) are discussed with corporate governance and/or sustainability analysts and portfolio managers, and companies. The Investment Adviser ensures that resolutions are voted in accordance with this practice and timely voting decisions made.

From time to time resolutions will be brought to annual general meetings of investee companies by third parties encouraging companies to address specific environmental and/or social concerns. In such instances Jupiter's corporate governance and sustainability analysts will discuss their views with the portfolio manager and the Company if appropriate. The Investment Adviser will then vote for what it considers to be in the best financial interests of shareholders of the Company, whilst having regard for any specific sustainability concerns unless otherwise directed.

Common Reporting Standards

With effect from 1 January 2016 The Organisation for Economic Co-operation and Development ('OECD') introduced new Regulations for Automatic Exchange of Financial Account Information (the Common Reporting Standard, 'CRS'). HMRC enacted the CRS in the UK through The International Tax Compliance Regulations 2015.

These Regulations require all Financial Institutions to share certain information on overseas shareholders with HMRC; this scope includes an obligation for Investment Trust Companies which had previously had no such reportable accounts under the UK FATCA regulations. Accordingly, the Company will be required to provide information to HMRC on the tax residencies of a number of non-UK based certificated shareholders and corporate entities on an annual basis. HMRC will in turn exchange this information with tax authorities in the country in which the shareholder may be resident for taxation purposes. HMRC has advised that the Company will not be required to provide such information on uncertified holdings held through CREST. The Company has engaged Link Asset Services to provide such information on certificated holdings to HMRC on an ongoing basis.

AIFMD Remuneration Code

Under the requirements of AIFMD, JUTM (part of the Jupiter Group, which comprises Jupiter Fund Management plc and all of its subsidiaries ('Jupiter')) is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds ('AIFs'). This includes the 'Company'.

Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success. Details of the remuneration policy, including the applicable financial and non-financial criteria, are set out in the detailed remuneration policy disclosures available via the following link: **https://www.jupiteram.com/Global/en/Investor-Relations/Governance/Risk-management**

Remuneration decisions are governed by Jupiter's Remuneration Committee (the 'Committee'), which meets on a regular basis to consider remuneration matters across the Group. In order to avoid conflicts of interest, the Committee comprises independent non-executive directors, and no individual is involved in any decisions regarding their own remuneration.

JUTM does not directly employ any individuals and therefore the total amount of remuneration paid by it is nil. All staff are employed and paid by other entities of Jupiter. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all 499 Jupiter staff in respect of JUTM's AIFMD duties performed for the AIFs on a 'number of funds' basis. It has estimated that the total amount of employee remuneration paid in respect of duties for the Company is £809,460, of which £429,559 is fixed remuneration and £379,901 is variable remuneration.

The aggregate total remuneration paid to AIFMD Identified Staff that is attributable to duties for the Company is £275,884 of which £117,316 is paid to Senior Management and £158,568 is paid to other staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the Company.

Shareholder Relations

All shareholders have the opportunity to attend and vote at the AGM during which the Directors and Investment Adviser will be available to answer questions regarding the Company. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Report of the Directors or Notes accompanying the Notice. Separate resolutions are proposed for each substantive issue. Information about proxy votes is available to shareholders attending the AGM and published thereafter on the Investment Adviser's website.

The Company reports to shareholders twice a year by way of the Half Yearly Financial Report and Annual Report & Accounts. In addition, Net Asset Values are published on a daily basis and factsheets are published monthly on the Investment Adviser's website **www.jupiteram.com/JEFI**.

The Board has developed the following procedure for ensuring that each Director develops an understanding of the views of shareholders. Regular contact with major shareholders is undertaken by the Company's corporate brokers and the corporate finance executive

Report of the Directors & Governance continued

Report of the Directors continued

of the Investment Adviser. Any issues raised by major shareholders are then reported to the Board. The Board also receives details of all material correspondence with shareholders and the Chairman and individual Directors are willing to meet shareholders to discuss any particular items of concern regarding the performance of the Company. The Chairman, Directors and representatives of the Investment Adviser are also available to answer any questions which may be raised by a shareholder at the Company's AGM.

Statement in Respect of the Annual Report & Accounts

Having taken all available information into consideration, the Board has concluded that the Annual Report & Accounts for the period ended 30 September 2018, 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. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 25.

Annual General Meeting

This year's AGM will be held at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ on Wednesday, 27 February 2019 at 11:30 a.m.

In addition to the ordinary business to be conducted at the meeting, the following resolutions in respect of special business will be proposed:

Resolution 10: Authority to allot (ordinary resolution)
Resolution 10 seeks authority for the Directors to allot Ordinary shares up to an aggregate nominal amount of approximately £93,090. This authority will represent 10% of the Company's issued share capital as at the date of this document. This authority will expire at the conclusion of the Company's AGM in 2020 (unless renewed earlier) and it is the intention of the Directors to seek renewal of this authority at that AGM. The Board will only use this authority where it believes that it is in the best interests of the Company to issue shares for cash.

Resolution 11: Disapplication of Pre-emption rights (special resolution)
The Directors may only allot Ordinary shares for cash (other than by way of an offer to all existing shareholders pro rata to their shareholdings) if they are authorised to do so by shareholders at a general meeting. The Companies Act 2006 requires that, unless shareholders have given specific authority for the waiver of their statutory pre-emption rights, the new Ordinary shares must be offered first to existing Ordinary shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new Ordinary shares (or to grant rights over shares) for cash without first offering them to existing Ordinary shareholders in proportion to their holdings. Accordingly, the Directors are seeking authority to issue up to 10% of the issued Ordinary shares on this basis.

This authority will expire at the conclusion of the Company's AGM in 2020 (unless renewed earlier) and it is the intention of the Directors to seek renewal of this authority at that AGM. Any allotment of new Ordinary shares pursuant to the authority conferred by this Resolution will dilute the voting power of shareholdings of existing shareholders.

Resolution 12: Authority to buy back shares (special resolution)
The Company is seeking shareholder approval to repurchase up to 14.99% of the shares in issue at a price that is not less than the nominal value of each share. This authority will expire at the conclusion of the Company's AGM in 2020 (unless renewed earlier) and it is the intention of the Directors to seek renewal of this authority at that AGM.

The decision as to whether or not to repurchase any shares will be at the discretion of the Board and any shares repurchased under the authority will be cancelled or held in Treasury. The Company will only fund any purchases by utilising existing cash resources or out of distributable profits as defined by the Companies Act 2006.

Any purchase of shares by the Company will be made in accordance with the Articles of Association and the Listing Rules in force at the time. No purchase of shares will be made at a price in excess of their estimated NAV.

Resolution 13: Notice of General Meetings (special resolution)
Resolution 13 is required to reflect the Shareholders' Rights Directive (the 'Directive'). The Directive has increased the notice period for General Meetings of the Company to 21 days. If Resolution 13 is passed the Company will be able to call all General Meetings (other than Annual General Meetings) on 14 clear days' notice. In order to be able to do so shareholders must have approved the calling of meetings on 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a General Meeting on 14 clear days' notice. This shorter notice period will only be used where, in the opinion of the Directors, it is merited by the purpose of the meeting.

Recommendation

The Board considers that the passing of the resolutions being put to the Company's AGM would be in the best interests of the Company and its shareholders as a whole. It therefore recommends that shareholders vote in favour of Resolutions 1 to 13, as set out in the Notice of Annual General Meeting on page 53.

By Order of the Board
Jupiter Asset Management Limited
Company Secretary
11 January 2019

Report of the Directors & Governance *continued*

Corporate Governance

Corporate Governance Compliance Statement

This statement, together with the Statement of Directors' Responsibilities on page 25 and the Statement of Internal Controls on page 17, indicates how the Company has complied with the recommendations of the AIC Code of Corporate Governance and the relevant provisions of the FRC's UK Corporate Governance Code.

The FRC has confirmed that investment companies which report against the AIC Code and which follow the AIC Guide on Corporate Governance will meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules.

The Board is committed to continued compliance with the AIC Code. A description of the main features of the Company's internal control and risk management functions can be found on pages 17 and 13 of this Report.

The Board

Role of the Board

The Board receives monthly reports and meets at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review. At these meetings the Board monitors the investment performance of the Company. The Directors also review the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board has adopted a schedule of items specifically reserved for its decision.

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Composition

As at 30 September 2018 the Board comprised four non-executive Directors, comprising one female and three males, all of whom are independent of the Investment Adviser. John Scott is the Chairman. The Company has no executive directors and no employees. The Directors' biographies can be found on page 15.

Tenure

The Board does not consider it appropriate that Directors should be appointed for a specific term.

Diversity

It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable them to contribute to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's policy to give careful consideration to overall Board balance and diversity in making new appointments to the Board.

Re-election

It is the Company's policy for all Directors to stand for election annually. The Board is recommending that all Directors be elected at the forthcoming AGM.

Training

Although no formal training in Corporate Governance is given to Directors, the Directors are kept up-to-date on Corporate Governance issues through bulletins and training materials provided from time to time by the Company Secretary. The Board may obtain training on Corporate Governance on an individual basis.

Performance Evaluation

The Board has not established an externally facilitated interview process for the evaluation of its own performance and that of the individual Directors as it does not consider this to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services to external providers. The independent non-executive Directors undertake on an annual basis an appraisal in relation to their oversight and monitoring of the performance of the Investment Adviser and other key service providers. In addition the Directors undertake, on an annual basis, an oral assessment of the effectiveness of the Board as a whole.

Board Committees

Audit Committee

The Board has established an Audit Committee which consists of the entire Board. Audrey McNair is Chairman of the Audit Committee. The report of the Audit Committee can be found on pages 21 and 22.

The Terms of Reference of the Committee are published on the Company's **website www.jupiteram.com/JEFI**.

Other Committees

Management Engagement Committee

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by John Scott and consist of all the Directors. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the Manager and the Company's other service providers and it will annually review those appointments and the terms of the Investment Management Agreement.

The Terms of Reference of the Management Engagement Committee are available on the Company's website **www.jupiteram/JEFI**.

The Board has not established Nomination or Remuneration Committees, these functions will be performed by the Board.

Directors' Attendance at Meetings

Director	Board	Audit Committee	Management Engagement Committee
John Scott	6/6	1/1	1/1
Mark Dampier	6/6	1/1	1/1
Audrey McNair	6/6	1/1	1/1
Nicholas Moakes	6/6	1/1	1/1

For and on behalf of the Board

John Scott
Chairman
11 January 2019

Report of the Directors & Governance continued

Report of the Audit Committee

Role of the Audit Committee

The Audit Committee ('the Committee') meets at least annually to consider the financial reporting by the Company, the internal controls and relations with the Company's external Auditors. In addition, it reviews the independence and objectivity of the Auditors and the effectiveness of the audit process, the quality of the audit engagement partner and the audit team, making a recommendation to the Board with respect to the reappointment of the Auditors. It also provides an opinion as to whether the Annual Report, 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.

During the course of the year, representatives of the AIFM, Investment Adviser and other third party service providers are invited to attend meetings of the Committee to report on issues as required.

The Company does not have an internal audit function as most of its day to day operations are delegated to professional third parties.

The Committee also reviews the Company's compliance with the FRC Code and the AIC Code.

Composition

The Committee consists of the entire Board. Audrey McNair is Chairman of the Committee.

All the committee members are independent non-executive Directors.

The Committee has direct access to Ernst & Young LLP ('EY'), the Heads of Internal Audit, Risk and Compliance of the Investment Adviser and to its group audit committee and reports its findings to the Board. The Board retains ultimate responsibility for all aspects relating to external financial statements and other significant published financial information.

Independent Auditors and Audit Tenure

The Company's current independent Auditors, EY, were formally appointed on 26 September 2018. As part of its review of the continuing appointment of the auditors, the Committee considers the length of tenure of the audit firm, its fees and independence from the AIFM and the Investment Adviser along with any matters raised during each audit. The fees paid to EY in respect of audit services are disclosed in Note 5 to the notes to the Accounts.

Significant Accounting Matters

During its review of the Company's Accounts for the period ended 30 September 2018 the Audit Committee considered the following significant issues, including a robust assessment of principal risks and uncertainties in light of the Company's activities and issues communicated by the Auditors during its review, all of which were satisfactorily addressed:

Issue considered	How the issue was addressed
• Valuation and existence of the investment portfolio	• Review of portfolio and controls reports provided by the Investment Adviser and Custodian
• Receipt of dividend income	• Review of income received as detailed in the monthly revenue forecast report from the Investment Adviser
• Compliance with sections 1158 & 1159 of the Corporation Tax Act 2010	• Review of compliance report from the Investment Adviser to ensure eligibility status is maintained
• Calculation of investment management fees	• Consideration of methodology used to calculate the management fee, matched against the criteria set out in the Investment Management Agreement
• Statement of going concern	• Review of investment portfolio, risks and uncertainties, projected cash flow and revenue forecast

Auditor Effectiveness & Independence

Auditor effectiveness is assessed by means of the Auditors' direct engagement with the Committee at Committee meetings and also by reference to feedback from the AIFM, Investment Adviser and its employees who have direct dealings with the Auditor during the annual audit of the Company.

The Board concluded, on the recommendation of the Committee, that the Auditors continue to be independent of the Company and the Investment Adviser and that their appointment be proposed at the Annual General Meeting.

Disclosure of Information to the Auditors

The Directors are not aware of any relevant audit information of which the Company's Auditors are unaware. The Directors also confirm that they have each taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Non-Audit Services

The Committee ensures that "auditors" objectivity and independence are safeguarded by requiring pre-approval by the Committee for all non-audit services provided to the Company, which takes into consideration:

- confirmation from the auditors that they have adequate arrangements in place to safeguard its objectivity and independence in carrying out such work, within the meaning of the regulatory and professional requirements to which it is subject;
- the fees to be incurred, relative to the audit fees;
- the nature of the non-audit services; and

Report of the Directors & Governance continued

Report of the Audit Committee continued

- whether the Auditors' skills and experience make it the most suitable supplier of such services and whether it is in a position to provide them.

The Committee has adopted a policy that all non-audit services are subject to its approval. No non-audit fees were payable to the auditors for the period under review and no services were undertaken.

Statement in Respect of the Annual Report & Accounts

Having taken all available information into consideration, and having discussed the content of the Annual Report & Accounts with the AIFM, Investment Adviser, Company Secretary and other third party service providers, the Audit Committee has concluded that the Annual Report & Accounts for the period ended 30 September 2018, 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.

For and on behalf of the Committee

Audrey McNair
Chairman of the Audit Committee
11 January 2019

Report of the Directors & Governance continued

Directors' Remuneration Report and Policy

Introduction

The Board is pleased to present the Directors' Remuneration Report for the period ended 30 September 2018 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

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 Independent Auditors' opinion is included in their report on pages 26 to 30.

Statement by the Chairman

The Board's policy on remuneration is set out below. It must be noted that it is essential that fees payable to Directors should reflect the time spent on the Company's affairs, and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

The Directors of the Company are non-executive and by way of remuneration receive an annual fee, payable quarterly in arrears.

Directors' fees (per annum) are as follows:

Chairman of the Board	£37,500
Chairman of the Audit Committee	£30,000
Director	£25,000

Details of the total emoluments paid to Directors during the period to 30 September 2018 are provided in the table below.

The Company does not award any other remuneration or benefits to the Chairman or Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors.

Directors' Remuneration Policy

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Directors are required to propose a remuneration policy to shareholders that will remain in place for a maximum of three years.

Subject to shareholder approval at the AGM to be held on 27 February 2019, the Remuneration Policy as set out below will apply until 27 February 2022 (being three years from the date of shareholder approval of the policy) unless renewed, varied or revoked by shareholders at general meeting.

The Company's proposed remuneration policy is that fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles of Association state the maximum aggregate amount of fees that can be paid to Directors in any one year. This is currently set at £300,000 per annum and shareholder approval is required for any changes to this.

Each Director is entitled to a base fee. The Chairman of the Board is paid a higher fee than the other Directors, to reflect the additional work required to be carried out in this role. The Chairman of the Audit Committee also receives a higher fee on the same basis.

The Board is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The Board did not seek external advice during the year under review.

The Board has not established a Remuneration Committee and any review of the Directors' fees is undertaken by the Board as a whole and has regard to the level of fees paid to non-executive Directors of other investment companies of equivalent size.

Directors' Service Contracts

No Director has a contract of service with the Company. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

It is the Company's policy for all Directors to stand for re-election annually. Any new Director appointed would be subject to election by shareholders at the next AGM following their appointment.

The terms and conditions of Directors' appointments are set out in formal letters of appointment.

Director	Date of Appointment	Due date for election
John Scott	2017	2019
Mark Dampier	2017	2019
Audrey McNair	2017	2019
Nicholas Moakes	2017	2019

Annual Report on Remuneration

A single figure for the total remuneration of each Director is set out in the table below for the period 15 May 2017 to 30 September 2018 respectively.

Directors' emoluments for the period (audited)†

	Annual fee £	Fees for period £	Expenses £	Total remuneration for the period 15 May 2017 to 30 September 2018 £
John Scott*	37,500	55,117	–	55,117
Mark Dampier	25,000	36,745	973	37,718
Audrey McNair**	30,000	44,093	280	44,373
Nicholas Moakes	25,000	36,745	–	36,745
Total	**117,500**	**172,700**	**1,253**	**173,953**

* *Chairman of the Board.*

** *Chairman of the Audit Committee.*

† *Fees for period are calculated from the date of appointment of the Directors being 12 April 2017.*

Report of the Directors & Governance continued

Directors' Remuneration Report and Policy continued

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the total remuneration paid to Directors to distributions made to shareholders during the financial period under review. In considering these figures, shareholders should take into account the Company's principal investment objective of achieving capital growth.

	Period end 30 September 2018 £
Remuneration paid to Directors	173,953
Distributions to shareholders – dividends	3,713,720
Total value of shares repurchased	–

Directors' Interests

The Directors who held office at the end of the period covered by these accounts and their beneficial interests in the Ordinary shares at 30 September 2018 are shown below.

The Directors' interests in contractual arrangements with the Company are as detailed in Note 22 to the Accounts on page 48. Subject to these exceptions, no Director was a party to or had any interest in any contract or arrangement with the Company at any time during the period or subsequently.

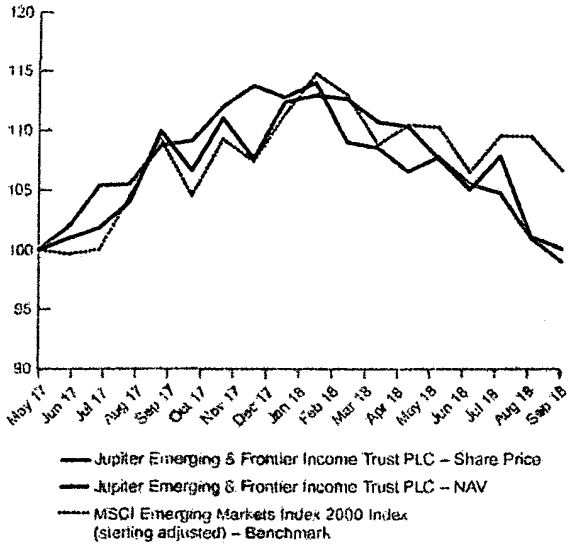
Directors' Interest in Ordinary shares (audited)

	30 September 2018
John Scott	49,752
Mark Dampier	76,658
Audrey McNair	48,560
Nicholas Moakes	48,746

As at 8 January 2019, the latest practicable date prior to publication of this document, no further changes had been notified.

Performance from 15 May 2017 to 30 September 2018

The graph below provides details of the Company's performance by reference to the Ordinary share prices compared against the MSCI Emerging Markets Index (Total Return) in sterling.



Source: Bloomberg.

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the Directors' Remuneration Report and Policy summarises, for the period 15 May 2017 to 30 September 2018, the review undertaken and the decisions made regarding the fees paid to the Board, and the future remuneration policy of the Company which is to be approved by shareholders.

For and on behalf of the Board
John Scott
Chairman
11 January 2019

Report of the Directors & Governance continued

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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 return or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

(a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

(b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

(c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;

(d) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and

(e) make judgements and estimates that are reasonable and prudent.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website www.jupiteram.com/JEFI. The work carried out by the Auditor does not include consideration of the maintenance and integrity of the website and accordingly the Auditor accepts no responsibility for any changes that have occurred to the financial statements when they are presented on the website.

The financial statements are published on www.jupiteram.com/JEFI, which is a website maintained by Jupiter Asset Management Limited.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 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.

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

Each of the Directors, who are listed on page 15 of this report, confirms to the best of their knowledge that:

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

(b) the report includes a fair view 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 the Company faces; and

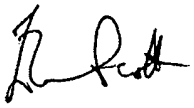
(c) that in the opinion of the Board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy.

So far as each Director is aware at the time the report is approved:

(a) there is no relevant audit information of which the Company's auditors are unaware; and

(b) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

For and on behalf of the Board
John Scott
Chairman
11 January 2019



Independent Auditors' Report to the Members of Jupiter Emerging & Frontier Income Trust PLC

Opinion

We have audited the financial statements of Jupiter Emerging & Frontier Income Trust plc (the 'Company') for the period ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related Notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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 below. 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 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 disclosures in the annual report set out on pages 13 and 14 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 13 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 17 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity'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 in relation 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 set out on page 13 in the annual report as to how they have assessed the prospects of the entity, 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 entity 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.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including classification as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect valuation and defective title to the investment portfolio.
Materiality	• Overall materiality of £0.91m which represents 1% of equity shareholders' funds.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report to the Members of Jupiter Emerging & Frontier Income Trust PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification as revenue or capital items in the income statement (as described on page 21 in the Report of the Audit Committee and per the accounting policy set out on page 35). The investment income received for the period to 30 September 2018 was £7.91m being dividend receipts from listed investments. The investment income receivable by the Company during the period directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'. Five special dividends above our testing threshold were received during the period, amounting to £1.28m; four treated as revenue and one treated as capital.	**We have performed the following procedures:** We obtained an understanding of the Manager and Administrator's processes and controls surrounding revenue recognition and allocation of special dividends by reviewing their internal controls report and performing our walkthrough procedures to evaluate the design and implementation of controls. We agreed a sample of dividend receipts to the corresponding announcement made by the investee company, recalculated the dividend amount receivable using exchange rates obtained from independent data vendor and confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 30 September 2018. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements. We reviewed the income report and the acquisition and disposal report produced by the Administrator to identify special dividends recorded in the period in excess of our testing threshold.	**The results of our procedures are:** We have no issues to communicate with respect to our assessment of the Manager's and Administrator's processes and controls surrounding the revenue recognition process. We agreed the sample of dividend receipts to an independent source, recalculating these amounts and agreeing them to the bank statements and noted no issues. We agreed the sample of investee company announcements to the income entitlements recorded by the Company and noted no issues. We recalculated the accrued dividends, agreeing to post year end bank statements, and confirming that the income obligation arose prior to 30 September 2018 and noted no issues. We reviewed the income report and acquisition and disposal report and confirmed that five special dividends above our testing threshold were received during the period. We agreed with the classification of these special dividends between revenue and capital through reviewing the underlying motives and circumstances for the payment.

Independent Auditors' Report to the Members of Jupiter Emerging & Frontier Income Trust PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation and defective title to the investment portfolio (as described on page 21 in the Report of the Audit Committee and as per the accounting policy set out on page 35). The valuation of the portfolio at 30 September 2018 was £101.53m consisting entirely of listed equities. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing, or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. All investments are classified are held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.	**We performed the following procedures:** For all investments in the portfolio, we compared the market values and exchange rates applied to an independent pricing vendor. We reviewed the price exception and stale pricing reports produced by the Administrator to highlight and investigate any unexpected price movements in investments held as at the year-end. We agreed the Company's investments to the independent confirmation received from the Company's Custodian/Depositary as at 30 September 2018.	**The results of our procedures are:** For all investments, we noted no differences above our tolerable level in market value or exchange rates when compared to an independent pricing vendor. We identified no stale priced investments at the year-end and have performed a review of the liquidity of the entire portfolio with no matters to communicate. We noted no differences between the Custodian/Depositary confirmation and the Company's underlying financial records.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £0.91m which is 1% of equity shareholders' funds. We believe that equity shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £0.46m. We have set performance materiality at this percentage due to this being our first full period of auditing the Company.

Given the importance of the distinction between revenue and capital for the Company, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.34m being the greater of; 5% of revenue return on ordinary activities before taxation and our reporting threshold.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.05m which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Independent Auditors' Report to the Members of Jupiter Emerging & Frontier Income Trust PLC continued

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 set out on page 25** – 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 performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 21 and 22** – 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 set out on page 20** – 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 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 set out on page 25, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditors' Report to the Members of Jupiter Emerging & Frontier Income Trust PLC continued

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRS, the Companies Act 2006, AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation of the Audit Committee, we were appointed by the Company on 26 February 2018 to audit the financial statements of the Company for the period ending 30 September 2018 and subsequent financial periods.

The period of total uninterrupted engagement is 1 year, covering periods from our appointment through to the period ending 30 September 2018.

- 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 the audit.
- The 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.

Susan J Dawe

Susan J Dawe (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
11 January 2019

Notes:

1. The maintenance and integrity of the Jupiter Emerging & Frontier Income Trust plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounts

Statement of Comprehensive Income for the period from 15 May 2017 to 30 September 2018

		Period ended 30 September 2018		
	Note	Revenue £'000	Capital £'000	Total £'000
Loss on investments held at fair value through profit or loss	10	–	(1,830)	(1,830)
Foreign exchange gain on loan		–	81	81
Other exchange gain		–	340	340
Income	3	7,971	–	7,971
Total income/(loss)		**7,971**	**(1,409)**	**6,562**
Investment management fee	4	(253)	(758)	(1,011)
Other expenses	5	(789)	(24)	(813)
Total expenses		(1,042)	(782)	(1,824)
Net return/(loss) before finance costs and taxation		**6,929**	**(2,191)**	**4,738**
Finance costs	6	(99)	(336)	(435)
Return/(loss) on ordinary activities before taxation		**6,830**	**(2,527)**	**4,303**
Taxation	7	(780)	141	(639)
Net return/(loss) after taxation*		**6,050**	**(2,386)**	**3,664**
Return/(loss) per Ordinary share	9	**6.54p**	**(2.58)p**	**3.96p**

* There is no other comprehensive income and therefore the 'Net return/(loss) after taxation' is the total comprehensive income for the period.

The total column of this statement is the income statement of the Company, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are both prepared under guidance produced by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

The Notes on pages 35 to 48 form part of these accounts.

Accounts continued

Statement of Financial Position as at 30 September 2018

	Note	2018 £'000
Non current assets		
Investments held at fair value through profit or loss	10	101,531
Current assets		
Other receivables	12	391
Cash and cash equivalents		1,465
		1,856
Total assets		103,387
Current liabilities		
Other payables	13	(11,914)
Total assets less current liabilities		91,473
Capital and reserves		
Called up share capital	15	931
Share premium	16	3,107
Special reserve	17	87,485
Retained earnings	18	(50)
Total equity shareholders' funds		91,473
Net Asset Value per Ordinary share	19	98.26p

Approved by the Board of Directors and authorised for issue on 11 January 2019 and signed on its behalf by:

John Scott
Chairman

Company registration number 10708991

The Notes on pages 35 to 48 form part of these accounts.

Accounts continued

Statement of Changes in Equity for the period from 15 May 2017 to 30 September 2018

Period from launch on 15 May 2017 to 30 September 2018	Note	Share Capital £'000	Share Premium £'000	Special Reserve* £'000	Retained Earnings £'000	Total £'000
Balance at 15 May 2017		–	–	–	–	–
Net profit for the period		–	–	–	3,664	3,664
Initial offering	15,16	900	89,100	–	–	90,000
Ordinary share issue	15,16	31	3,163	–	–	3,194
Expenses in relation to share issue		–	(1,671)	–	–	(1,671)
Transfer of reserves		–	(87,485)	87,485	–	–
Dividends declared and paid**	8	–	–	–	(3,714)	(3,714)
Balance at 30 September 2018		**931**	**3,107**	**87,485**	**(50)**	**91,473**

* *Special Reserve was constituted following a transfer from the Share Premium reserve and can also be used to pay dividends.*

** *Dividends paid during the period were paid out of revenue reserves which form part of retained earnings.*

The Notes on pages 35 to 48 form an integral part of these accounts.

Accounts continued

Cash Flow Statement for the period from 15 May 2017 to 30 September 2018

	Note	2018 £'000
Cash flows from operating activities		
Dividends received (gross)		7,585
Investment management fee paid		(839)
Other cash expenses		(628)
Net cash inflow from operating activities before taxation and interest	20	**6,118**
Interest paid		(432)
Overseas tax incurred		(639)
Net cash inflow from operating activities		**5,047**
Cash flows from investing activities		
Purchases of investments		(151,013)
Sales of investments		47,698
Net cash outflow from investing activities		**(103,315)**
Cash flows from financing activities		
Initial offering		90,000
Ordinary shares issued		3,194
Expenses in relation to share issue		(1,671)
Equity dividends paid		(3,714)
Net drawdown of loan		11,584
Net cash inflow from financing activities		**99,393**
Increase in cash		**1,125**
Change in cash and cash equivalents		
Cash and cash equivalents at start of period		–
Realised gain on foreign currency		340
Cash and cash equivalents at end of period		**1,465**

The Notes on pages 35 to 48 form an integral part of these accounts.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018

1. Accounting Policies

The Accounts comprise the financial results of the Company for the period from 15 May 2017 to 30 September 2018. The Accounts are presented in pounds sterling, as this is the functional currency of the Company. The Accounts were authorised for issue in accordance with a resolution of the directors on 11 January 2019. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union (EU), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in November 2014 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company adopts the going concern basis in the preparation of the financial statements:

(a) Income

Dividends from investments are recognised when the investment is quoted ex-dividend on or before the date of the Statement of Financial Position.

Dividends receivable from equity shares are taken to the revenue return column of the Statement of Comprehensive Income.

Special dividends are reviewed on a case by case basis to determine if the dividend is to be treated as revenue or capital.

(b) Presentation of Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the statement.

An analysis of retained earnings broken down into revenue items, and capital items is given in Note 18. Investment Management fees and finance costs are charged 75% to capital and 25% to revenue.

All other operational costs including administration expenses (but with the exception of any Transaction handling charges which are charged to capital) are charged to revenue.

(c) Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at the fair value, being the consideration given.

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques. These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

(d) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

(e) Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each Statement of Financial Position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Statement of Comprehensive Income within the revenue or capital column depending on the nature of the underlying item.

(f) Borrowing and finance costs

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred. All finance costs are charged 75% to capital and 25% to revenue of the Statement of Comprehensive Income.

(g) Expenses

Expenses are accounted for on an accruals basis. Management fees are charged 75% to capital and 25% to revenue with all other expenses are charged fully to the revenue column of the Statement of Comprehensive Income. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

(h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Statement of Financial Position.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

1. Accounting Policies continued

(h) Taxation continued

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

(i) Ongoing Charges Figure

The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Company over the period. The OCF is made up of the Investment Management fee and other operating costs deducted from the Company during the period, except for those payments that are explicitly excluded.

(j) Reserves

Share Capital

This reserve is the nominal value of the shares in issue.

Share Premium

The share premium may be used for the payment of share issue costs.

Special Reserve

The special reserve may be used to finance the Company's share buy-back facility.

The special reserve may also be used to fund the distribution of profits to investors via dividend payments.

Retained Earnings

Capital reserve

The capital reserve is not available for the payments of dividends.

The following are accounted for in this reserve:

- Gains and losses on the realisation of investments,
- Changes in fair value of investments held at the period end,
- Transaction costs,
- Foreign currency difference.

Revenue Reserve

The revenue profit or loss for the period is taken to or from this reserve.

The revenue reserve may be used to fund the distribution of profits to investors via dividend payments.

(k) Accounting developments

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue. They are not yet effective, and have not been early adopted. They are not expected to have a material impact:

- IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1 January 2018). The adoption of IFRS 9 is unlikely to have a material impact on the Company's financial assets or financial liabilities, which will continue to be classified as fair value through profit or loss and held at amortised cost respectively.
- IFRS 15 – Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018). The adoption of IFRS 15 is unlikely to have a material impact on the Company's financial statements as presented for the period, as the company's income is predominantly dividend income and fair value gains, which are not accounted for under IFRS 15.
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019).

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements on occasion requires management 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.

Management do not believe that any accounting judgements, estimates or assumptions have had a significant impact on this set of financial statements.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

3. Income

	Period ended 30 September 2018 £'000
Income from investments	
Dividends from United Kingdom registered companies	268
Dividends from overseas companies	7,703
Total income	**7,971**

4. Investment management fee

	Period ended 30 September 2018		
	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**253**	**758**	**1,011**

Details of the investment management contract are given in Note 22.

5. Other administrative expenses

	Period ended 30 September 2018		
	Revenue £'000	Capital £'000	Total £'000
Directors' remuneration	172	–	172
Auditors' remuneration – audit	73	–	73
Transaction handling charges	–	20	20
Administration fee	124	–	124
Bank and custody charges	126	–	126
Legal fees	–	4	4
Registrar fee	37	–	37
Other administrative expenses	257	–	257
	789	**24**	**813**

6. Finance Costs

	Period ended 30 September 2018		
	Revenue £'000	Capital £'000	Total £'000
Short-term loan interest	91	272	363
Commitment Fee	5	15	20
Financing set up costs	–	38	38
Bank overdraft	3	11	14
	99	**336**	**435**

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

7. Taxation

(a) Analysis of charge in period:

	Period ended 30 September 2018		
	Revenue	Capital	Total
Tax on ordinary activities	**£'000**	**£'000**	**£'000**
Foreign tax suffered	639	–	639
Tax relief on expenses charged to capital	141	(141)	–
	780	**(141)**	**639**

(b) Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax at 19.00%. The differences are explained below:

	Period ended 30 September 2018 £'000
Net return before taxation	4,303
Corporation tax at 19.00%	818
Effects of:	
Exempt dividend income	(1,115)
Tax free capital loss in investments	268
Income taxed in different years	(39)
Foreign tax suffered	639
Double tax relief received	(42)
Excess expenses for the period	105
Expenses not deductible for tax purposes	5
Total tax charge for the period	**639**

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

There is an unrecognised deferred tax asset of £86,000 (at 17%) which relates to unutilised excess expenses. The deferred tax asset would be recovered only if the Company were to generate sufficient profits to utilise these expenses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

8. Dividends

	Period ended 30 September 2018 £'000
Amounts recognised as distributions to equity holders in the period:	
2018 First Interim dividend of 2.00p net paid on 92,843,000 shares	1,857
2018 Second Interim dividend of 2.00p net paid on 92,843,000 shares	1,857
	3,714

Set out below is the total dividend payable in respect of the financial period under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2018 £'000
Dividends on equity shares:	
2018 First Interim dividend 2.00p	1,857
2018 Second Interim dividend 2.00p	1,857
2018 Third Interim dividend 2.20p	2,048
	5,762

9. Earnings per Ordinary share

The earnings per Ordinary share figure is based on the net return for the period of £3,664,000 and on 92,452,015 Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

The return per share figure detailed above can be further analysed between revenue and capital, as below.

	Period ended 30 September 2018 £'000
Net revenue return	6,050
Net capital loss	(2,386)
Net total return	**3,664**
Weighted average number of Ordinary shares in issue during the period	92,452,015
Revenue return per Ordinary share	6.54p
Capital loss per Ordinary share	(2.58)p
Total return per Ordinary share	**3.96p**

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

10. Non current assets

	Period ended 30 September 2018 £'000
Market value of investments at beginning of period	–
Purchases at cost during the period	151,059
Sales at cost during period	(42,781)
Cost of investments at end of period	108,278
Net unrealised loss at end of period	(6,747)
Market value	**101,531**
Listed on the London Stock Exchange	8,164
Listed on overseas stock exchanges	93,367
Market value of investments at end of period	**101,531**

	2018 £'000
Losses on investments	
Net gain on the sale of investments	4,917
Movement in unrealised losses	(6,747)
Loss on investments	**(1,830)**

11. Transaction costs

The following transaction costs were incurred during the period:

	Period ended 30 September 2018 £'000
Purchases	330
Sales	114
	444

12. Other receivables

	2018 £'000
Dividends receivable	317
Foreign recoverable tax	69
Prepayments and accrued interest	5
	391

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

13. Other payables

	2018 £'000
Commitment Fee	3
Other creditors and accruals	362
Purchases awaiting settlement	46
Short-term bank loans	11,503
	11,914

Bank Loan
The Company's revolving bank loan is with Scotiabank (Europe) Designated Activity Company, with a loan facility available up to a maximum of £20 million.

During the period the Company used the loan facility as follows:

Date	Amount Borrowed	Date Renewed
5 July 2017	$15.0 million	5 October 2017
5 October 2017	$15.0 million	5 January 2018
5 January 2018	$15.0 million	5 April 2018
5 April 2018	$15.0 million	5 July 2018
5 July 2018	$15.0 million	28 September 2018
28 September 2018	$15.0 million	28 December 2018

The $15.0 million outstanding USD loan with an interest rate of 3.19838% was renewed on 28 September 2018.

The Commitment Fee (note 6) relates to the fee payable on the unutilised portion of the loan facility.

14. Financial instruments

Background
The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in Sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk;
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement;
- interest rate risk;
- liquidity risk; and
- credit and counterparty risk.

The Investment Adviser's policies for managing these risks are summarised in the following paragraph and have been applied throughout the period.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

14. Financial instruments continued

(a) Foreign currency risk

A portion of the financial assets of the Company are denominated in currencies other than sterling, with the result that the Statement of Financial Position and Comprehensive Income can be significantly affected by currency movements.

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are expected but otherwise takes account of this risk when making investment decisions.

Foreign currency sensitivity

The following tables illustrate the sensitivity of the profit after tax for the period and net assets to exchange rates for the £ against the Brazilian real, Taiwan dollar, Hong Kong dollar, Russian Ruble, US Dollar, South Korean Won and United Arab Emirates Dirham.

It assumes a change in exchange rates:

£/Brazilian real +/– 15% £/Taiwan dollar +/– 5% £/Hong Kong dollar +/– 5% £/Russian Ruble +/– 10% £/US Dollar +/– 5% £/South Korean Won +/– 5% £/United Arab Emirates Dirham +/– 5%.

This percentage has been determined based on market volatility in exchange rates over the period from 15 May 2017 to 30 September 2018. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the date of each Statement of Financial Position.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

			2018
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Brazilian real	(2)	877	875
Taiwan dollar	(1)	762	761
Hong Kong dollar	(1)	560	559
Russian Ruble	(1)	443	442
US Dollar	(1)	439	438
Korean Won	(1)	281	280
United Arab Emirates Dirham	–	227	227
Others	(6)	3,341	3,335
	(13)	**6,930**	**6,917**

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

14. Financial instruments continued

If sterling had strengthened against the currencies below this would have the following effect:

			2018
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Brazilian real	2	(877)	(875)
Taiwan dollar	1	(762)	(761)
Hong Kong dollar	1	(560)	(559)
Russian Ruble	1	(443)	(442)
US Dollar	1	(439)	(438)
Korean Won	1	(281)	(280)
United Arab Emirates Dirham	–	(227)	(227)
Others	6	(3,341)	(3,335)
	13	**(6,930)**	**(6,917)**

(b) Market price risk

By the very nature of its activities, the Company's investments are exposed to market price fluctuations. The Board reviews and agrees policies for managing this risk. The Investment Adviser assesses the exposure to market price 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. Further information on the investment portfolio and investment policy is set out in the Investment Adviser's Review.

Other price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the period and the total equity to an increase or decrease of 20% in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the period. The sensitivity analysis is based on the Company's equities at each Statement of Financial Position date, with all other variables held constant.

The impact of a 20% increase in the value of investments on the revenue return as at 30 September 2018 is a decrease of £38,000 and on the capital return is an increase of £20,192,000.

The impact of a 20% fall in the value of investments on the revenue return as at 30 September 2018 is an increase of £38,000 and on the capital return is a decrease of £20,192,000.

(c) Interest rate risk

Interest rate movements may affect:

- the fair value of investments of any fixed interest securities;
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit; and
- the interest payable on the Company's floating interest term loans.

The Board reviews regularly the values of the Company's fixed interest rate securities. The Board imposes limits on the Company's borrowing to ensure gearing levels are appropriate to market conditions, and these are monitored and reviewed on a regular basis. The Company's borrowings are conducted through a fixed rate facility, which allows the Investment Manager to finance opportunities at competitive rates.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

14. Financial instruments continued

Interest Rate Sensitivity

As interest rates for any short-term loans are fixed at the commencement of the loan, only cash at call are subject to interest rate movements. All such deposits at call, earn interest at daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the Company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the period.

The financial assets (excluding short-term debtors) consist of:

	Floating rate £'000	Non-interest bearing £'000	2018 Total £'000
US Dollar	84	20,257	20,341
Taiwan dollar	–	15,331	15,331
Hong Kong dollar	–	11,267	11,267
Brazilian real	–	5,882	5,882
South Korean Won	–	5,644	5,644
United Arab Emirates Dirham	–	4,557	4,557
Russian Ruble	–	4,455	4,455
Nigerian Naira	62	4,039	4,101
Mexican Peso	–	3,738	3,738
Sterling	1,319	1,559	2,878
Others	–	24,802	24,802
	1,465	**101,531**	**102,996**

The floating rate assets consist of cash deposits at call. Sterling cash deposits at call earn interest at floating rates based on daily Sterling Overnight Index Average (SONIA) rates.

The non-interest bearing assets represent the equity element of the investment portfolio at 30 September 2018. However, the amounts are not representative of the exposure to foreign currency risk during the period as levels of monetary foreign currency exposure change significantly throughout the period.

The financial liabilities consist of:

	Fixed rate £'000	Non-interest bearing £'000	2018 Total £'000
Hong Kong dollar	–	46	46
Sterling	–	362	362
US Dollar	11,503	3	11,506
	11,503	**411**	**11,914**

The fixed rate liabilities consist of a short-term bank loan with Scotiabank Europe PLC.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

14. Financial instruments continued

(d) Liquidity risk

Liquidity risk is not considered significant. All liabilities are payable within three months.

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of short-term borrowings.

(e) Credit and counterparty risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by the Manager's Risk Management Team and by dealing through Jupiter Asset Management Limited with banks approved by the Financial Conduct Authority. Any derivative positions are marked to market and exposure to counterparties is monitored on a daily basis by the Manager; the Board of Directors reviews it on a quarterly basis. The maximum exposure to credit risk at 30 September 2018 was £1,856,000 consisting of short-term debtors and cash and cash equivalents. The calculation is based on the Company's credit exposure as at 30 September 2018 and may not be representative of the period as a whole. There are no financial assets that are either past due or impaired.

(f) Fair value of financial assets and financial liabilities

The financial assets and financial liabilities are carried in the statement of financial position at their fair value or the statement amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals and cash at bank).

Fair value hierarchy

IFRS 13 'Financial Instruments: Disclosures' require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. The valuation of the warrants is based on their exercise price and the price of the underlying listed security. These warrants are currently exercisable but since there is no market for the warrants these securities are shown as level 2.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2018 Total £'000
Investments	95,661	5,870	–	101,531

(g) Use of derivatives

In order to enhance returns, the Company may take short positions (using contracts for difference) in respect of a small number of larger capital securities. No positions were held during the period.

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

14. Financial instruments continued

(h) Capital management policies and procedures

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

- the planned level of gearing, which takes into account the Investment Adviser's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the Net Asset Value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including shares from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company is subject to several externally imposed capital requirements:

- The value of any short-term loans must be supported by a level of readily realisable assets.
- As a public company, the Company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

The Company has complied with these requirements during the period.

As at 30 September 2018 the Company's total capital was £91,473,000 made up of:

	2018 £'000
Ordinary shares	931
Reserves	90,542
Total capital	**91,473**

15. Called-up share capital

As at 30 September 2018	Number	2018 £
Authorised		
Ordinary shares of 1p each	200,000,000	2,000,000
Issued, called-up and fully paid		
Ordinary shares of 1p each	93,093,000	930,930

16. Share premium

	2018 £'000
At 15 May 2017	–
Initial offering	89,100
Issue of Ordinary shares	3,163
Expenses in relation to share issue	(1,671)
Transfer of reserves	(87,485)
At 30 September 2018	**3,107**

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

17. Special reserve

	2018 £'000
At 15 May 2017	–
Transfer from share premium	87,485
At 30 September 2018	**87,485**

18. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items:

	Revenue return £'000	Capital return £'000	Total £'000
At 15 May 2017	–	–	–
Net return/(loss) for the period	6,050	(2,386)	3,664
Dividends paid	(3,714)	–	(3,714)
At 30 September 2018	**2,336**	**(2,386)**	**(50)**

The capital reserve includes £6,747,000 of investment holding losses.The Company does not distribute or pay dividends out of capital reserves.

19. Net Asset Value per Ordinary share

The Net Asset Value per Ordinary share 98.26p is based on the net assets attributable to the equity shareholders of £91,473,000 and on 93,093,000 Ordinary shares, being the number of Ordinary shares in issue at the period end.

20. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	2018 £'000
Net return before finance costs and taxation	4,738
Loss on investments	1,830
Realised gain on foreign currency	(340)
Foreign exchange gain on loans	(81)
Increase in prepayments and accrued income	(391)
Increase in other creditors and accruals	362
Net cash inflow from operating activities before interest and taxation	**6,118**

21. Reconciliation of financing liabilities

	2018 £'000
Financing liabilities at beginning of period	–
Drawdown of bank loan	(11,584)
Foreign exchange movement	81
Financing liabilities at the end of period	**(11,503)**

Accounts continued

Notes to the Accounts for the period from 15 May 2017 to 30 September 2018 continued

22. Related parties

Jupiter Unit Trust Managers Limited ('JUTM'), the Alternative Investment Fund Manager, is a company within the same group as Jupiter Asset Management Limited, the Investment Adviser. JUTM receives an investment management fee as set out below.

JUTM is contracted to provide investment management services to the Company (subject to termination by not less than twelve months' notice by either party) for an annual fee of 0.75% of the total assets of the Company after deduction of the value of any Jupiter managed investments, payable quarterly in arrears.

The Management fee payable to JUTM for the period 15 May 2017 to 30 September 2018 was £1,011,000 with £172,000 outstanding at period end.

No investment management fee is payable by the Company to Jupiter Asset Management Limited in respect of the Company's holdings in investment trusts, open-ended funds and investment companies in respect of which Jupiter Investment Management Group Limited, or any subsidiary undertaking of Jupiter Investment Management Group Limited, receives fees as investment manager or investment adviser.

There are no transactions with the Directors other than aggregated remuneration for services as Directors as disclosed in the Directors' Remuneration Report on page 23 and as set out in Note 5 to the Accounts on page 37 and the beneficial interests of the Directors in the Ordinary Shares of the Company as disclosed on page 24.

23. Contingent assets, liabilities and capital commitments

The Company holds an outstanding commitment to purchase shares in Saudi Telecom, Huayu Automotive Systems, and Vietnam Dairy Products through warrants (for further detail see List of Investments on pages 9 and 10).

24. Post balance sheet event

Since the period end no additional Ordinary shares have been issued.

Company Information

Directors	John Scott, Chairman Mark Dampier Audrey McNair (Audit Committee Chair) Nicholas Moakes
Registered office	The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Alternative Investment Fund Manager	Jupiter Unit Trust Managers Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Telephone	**020 3817 1000**
Facsimile	**020 3817 1820**
Website	**www.jupiteram.com/JEFI**
Email	**investmentcompanies@jupiteram.com**
	Authorised and regulated by the Financial Conduct Authority
Investment Adviser & Secretary	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street London SW1E 6SQ
Telephone	**020 3817 1000**
Facsimile	**020 3817 1820**
	Authorised and regulated by the Financial Conduct Authority
Custodian	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP
	Authorised and regulated by the Financial Conduct Authority
Depositary	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
Registrars	Link Asset Services (formerly Capita Asset Services) The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Telephone	**0871 664 0300** (Lines are open from 9.00am to 5.30pm Monday to Friday. Calls cost 12p per minute plus network extras)
Telephone (international)	**+44 (0)371 664 0300**
Website	**www.linkassetservices.com**
Email	**enquiries@linkgroup.co.uk**
Independent Auditor	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

Company Information continued

Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET Authorised and regulated by the Financial Conduct Authority
Company Registration Number	10708991 Registered in England & Wales An investment company under s.833 of the Companies Act 2006
Investor Codes The Ordinary shares of the Company are traded on the London Stock Exchange.	
Sedol Number Ordinary shares	BDR0575
ISIN Ordinary shares	GB00BDR05757
Ticker Ordinary shares	JEFI
LEI	213800RLXLM87N026530

THE COMPANY IS A MEMBER OF THE

aic
The Association of Investment Companies

London Stock Exchange
LISTED
PREMIUM

Investor Information

Changes to our Data Privacy Notice

We have updated our Privacy Notice to align with the new data privacy law in the European Union, known as the General Data Protection Regulation (**GDPR**) to which we are subject. Data protection and the security of your information always has been and remains of paramount importance to us.

Any information concerning Shareholders and other related natural persons (together the **Data Subjects**) provided to, or collected by or on behalf of, Jupiter Unit Trust Managers Limited (the management company) and/or Jupiter Emerging & Frontier Income Trust Plc (the **Controllers**) (directly from Data Subjects or from publicly available sources) may be processed by the Controllers as joint controllers, in compliance with the GDPR.

You are not required to take any action in respect of this notice, but we encourage you to read our Privacy Notice. Our Privacy Notice can be found on our website, **www.jupiteram.com/Shared-Content/Legal-content-pages/Privacy/Investment-trusts**. In the event that you hold your shares as a nominee, we request that you promptly pass on the details of where to find our Privacy Notice to the underlying investors and/or the beneficial owners.

Performance Updates

Your Company publishes a monthly factsheet which contains key information about its performance, investment portfolio and pricing. The factsheets together with electronic copies of the most recent full and interim reports and accounts are available for download from **www.jupiteram.com/JEFI**. Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to **investmentcompanies@jupiteram.com**. For investors who do not have access to the internet, these documents are also available on request from Jupiter's Customer Services Team on 0800 561 4000.

Dividend reinvestment plan and managing your account online

Shareholders may elect for the Company's registrar, Link Asset Services, to reinvest dividends automatically on their behalf.

Dividend Reinvestment Plan Terms and Conditions are available upon request via the Link Shareholder Helpline on 0371 664 0381* (Overseas +44 (0) 371 664 0381*), by email to **shares@linkgroup.co.uk** or through **www.signalshares.com**.

Signal shares also allows you to manage your shareholding online. If you are a direct investor you can view your shareholding, change the way the registrar communicates with you or the way you receive your dividends, and buy and sell shares. If you have not used this service before, all you need to do is enter the name of the Company and register your account. You will need your Investor code (IVC) printed on your share certificate in order to register.

Dividend Tax Allowance

With effect from 6 April 2016 the dividend tax credit was replaced by an annual tax-free dividend allowance. Dividend income in excess of this allowance will be taxed according to your personal income tax bracket. The Company's Registrar will continue to provide shareholders with confirmation of dividends paid; Shareholders should retain such confirmations to enable them to calculate and report total dividend income received. Shareholders should note that it is their sole responsibility to report any dividend income in excess of their annual tax-free allowance to HMRC.

Further information on changes to dividend tax allowance can be obtained from the HMRC website at:
https://www.gov.uk/government/publications/income-tax-changes-to-dividend-taxation

** Calls to this number are charged at the standard geographical rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. Lines are open from 09.00 – 17.30 Monday to Friday.*

Glossary of Terms including alternative performance measures

Benchmark total return index

A price return index is a type of equity performance index that tracks the capital gains of a group of stocks over time and takes account of any cash distributions, such as dividends.

Discount*

The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Gearing*

Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment company gears, the higher the risk.

Mid-market price

The mid-market price is the mid-point between the buy and the sell prices.

NAV per share

The net asset value ('NAV') is the value of the investment company's asset less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price is known as the discount or premium.

Ongoing charges*

Ongoing charges are the total expenses including both the investment management fee and other costs but excluding finance costs (interest on loan facility) fees, expressed as a percentage of NAV.

Premium*

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

* Alternative performance measure.

The European Securities and Markets Authority published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs.

Annual General Meeting

Notice of Annual General Meeting

This Notice of Meeting is an important document. If you are in any doubt as to what action to take, you should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of Jupiter Emerging & Frontier Income Trust PLC will be held at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ on Wednesday, 27 February 2019 at 11:30 a.m. for the following purposes:

ORDINARY BUSINESS
To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. That the Report of the Directors and the audited Accounts of the Company for the year ended 30 September 2018 be received and adopted.
2. That the Directors' Remuneration Report for the year ended 30 September 2018 be approved.
3. That the Directors' Remuneration Policy be approved.
4. That Mr J Scott be elected a Director of the Company.
5. That Mr M Dampier be elected a Director of the Company.
6. That Mrs A McNair be elected a Director of the Company.
7. That Mr M Moakes be elected a Director of the Company.
8. That Ernst & Young LLP be appointed as Auditor of the Company.
9. That the Directors be authorised to agree the remuneration of the Auditor.

SPECIAL BUSINESS
To consider, and if thought fit, to pass Resolution 10 as an Ordinary Resolution and Resolutions 11, 12 and 13 as Special Resolutions:

Ordinary Resolution:

10. That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 ('the Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the Directors under Section 551 of the Act, to allot shares in the capital of the Company ('shares') up to a maximum aggregate nominal amount of £93,090 (being 10% of the Company's issued share capital) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

Special Resolutions:

11. That the Directors of the Company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 10 or by way of a sale of treasury shares, as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities up to an aggregate nominal amount of £93,090 (being 10% of the Company's issued share capital); and

    (b) in addition to the authority referred to in (a) above, in connection with an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter, and provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

12. That the Company be and is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of Section 693 of the Act) of Ordinary shares provided that:

    (a) the maximum number of shares that may be purchased is 13,954,191 Ordinary shares, being 14.99% of the issued number of shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of shares at the date of passing the resolution;

    (b) the minimum price which may be paid shall be each of their respective nominal values;

    (c) the maximum price (excluding the expenses of such purchase) which may be paid for each Ordinary share is the higher of:

        (i) 105% of the average middle market quotations for such Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation EC 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2273/2003); and

    (d) unless renewed, this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2020 save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

13. That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By Order of the Board
Jupiter Asset Management Limited
Company Secretary
11 January 2019

Annual General Meeting continued

Notes for the Annual General Meeting

1. A Member entitled to attend and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed which, if used, must be lodged at the Company's Registrars, Link Asset Services, PSX1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than forty-eight hours before the Meeting. Alternatively you can appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy or contained within the email sent to you. To appoint more than one proxy you may photocopy this form. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the shareholders AGM (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 by close of business on 25 February 2019. If the meetings are adjourned then, to be so entitled, Members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned meetings or, if the Company gives notice of the adjourned meetings, at the time specified in that notice.

3. As at 8 January 2019 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital and total voting rights was 93,093,000 Ordinary Shares.

4. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

5. The completion and return of this form will not preclude a Member from attending the meeting and voting in person.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 27 February 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

   Any corporation which is a Member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Member provided that, if it is appointing more than one corporate representative, it does 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. If you have disposed of your holding in the Company this document should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

9. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

10. A copy of the Notices of Meetings and other information required by section 311A of the Companies Act 2006, can be found at **www.jupiteram.com/JEFI**.

11. 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.

12. 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

Annual General Meeting continued

Notes for the Annual General Meeting continued

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.

13. Under Section 527 of the Act, shareholders meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with the auditors of the Company ceasing to hold office since the previous AGM at which the annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to cover any costs incurred in complying with Section 527 or 528 and is required to forward any statement placed on a website to the Company's auditors not later than the time when it makes the statement on the website. The business which may be dealt with at the meeting includes any statements that the Company has been required under Section 527 of the Act to publish on a website.

14. Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy, or Annual Report should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the Company's AGM).

Form of Proxy

For use by Registered Shareholders

I/We .....

.....

of (address) .....

.....

being a member of JUPITER EMERGING & FRONTIER INCOME TRUST PLC hereby appoint the Chairman of the Meeting or failing him:

.....

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 27 February 2019 at 11:30 a.m. and at any adjournment thereof. I/We direct my/our proxy to vote on the resolutions as set out in the Notice convening the Annual General Meeting as follows:

	FOR	AGAINST	WITHHELD
1. To receive and adopt the Directors' Report and the audited Accounts	☐	☐	☐
2. To approve the Directors' Remuneration Report	☐	☐	☐
3. To approve the Directors' Remuneration Policy	☐	☐	☐
4. To elect Mr J Scott	☐	☐	☐
5. To elect Mr M Dampier	☐	☐	☐
6. To elect Mrs A McNair	☐	☐	☐
7. To elect Mr N Moakes	☐	☐	☐
8. To appoint the Auditor	☐	☐	☐
9. To authorise the Auditors' remuneration	☐	☐	☐
10. To authorise the Directors to allot shares in the Company	☐	☐	☐
11. To authorise the Directors to dis-apply pre-emption rights	☐	☐	☐
12. To grant authority to buy back shares	☐	☐	☐
13. To approve notice of General Meeting period	☐	☐	☐

Dated .....

Signature ..... Print Name .....

Notes:

1. Please indicate how you wish your votes to be cast on a poll in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. If you prefer to appoint some other person or persons as your proxy, strike out the words 'the Chairman of the Meeting, or' and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.
3. In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.
4. If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointer or his agent, duly authorised in writing.
5. This form of proxy has been sent to you by post. It may be returned by post to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF or courier or by hand to the Company's Registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to Note 6 in the Notes to the Notice of Meeting on page 54 in relation to the submission of a proxy appointment via CREST.
6. *In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together* (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.

Notes