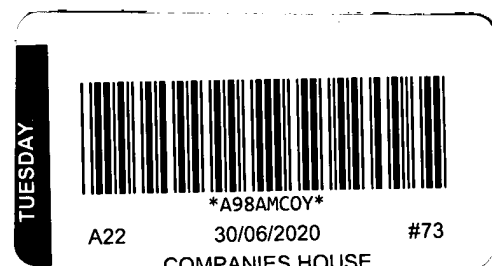


**JUPITER EMERGING &  
FRONTIER INCOME TRUST PLC**  
Half Yearly Financial Report  
for the six months ended 31 March 2020



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

### Objective of the Company

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.

**"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.

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 constituent countries of the Benchmark are Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

### **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.

## Financial Highlights

for the six months ended 31 March 2020

### Capital Performance

	31 March 2020	30 September 2019	% change
Total assets less current liabilities (£'000)	67,757	93,868	-27.8

### Ordinary Share Performance

	31 March 2020	30 September 2019	% change
Net asset value (pence)	75.22	104.21	-27.8
Net asset value total return with dividends added back (pence)*	77.62	104.21	-25.5
Middle market price (pence)	69.80	98.60	-29.2
Price return with dividends added back (pence)			-26.8
MSCI Emerging Markets Index (Net Total Return) in Sterling	485.57	571.82	-15.1
Discount to net asset value (%)*	(7.2)	(5.4)	–
Total dividends declared during the period (pence)	2.4	4.4	–
Ongoing charges figure (%) excluding finance costs*	1.16	1.36	-14.7

\* Alternative performance measure.

For definitions of the above terms please refer to the Glossary of Terms on page 26.

## Chairman's Statement

I am pleased to present the Half Yearly Financial Report for Jupiter Emerging & Frontier Income Trust PLC ("JEFIT", or the "Company") for the six months ended 31 March 2020.

It has been an extraordinarily challenging period in investment markets, as the emergence of the COVID-19 pandemic in the early months of 2020 sent large parts of the world into lockdown while governments battled to limit the spread of the virus. The economic impact has been unprecedented, shining a spotlight on issues such as the preponderance of highly levered balance sheets and the reliance by international companies on cross border, just-in-time, supply chains.

The impact on investment markets has been severe, with few precedents in peacetime. For a period in March markets were in freefall, until strong intervention from central banks and governments restored some calm to the system and saw markets stabilise, then claw back a portion of those losses.

Perhaps somewhat counter-intuitively, given it was the first country to be hit by the virus, the Chinese market has held up better than most. Being the first to enter lockdown also allowed it to be the first to re-open again, and some of the macroeconomic data coming out of China for the first quarter of 2020 is not as bad as many observers had feared. Yet it is still early days; the potential for a second wave of infections is strong, and China's key customers in the West are only now emerging from their own lockdowns.

Most European nations are taking their first tentative steps in this direction, and that is a source of fragile hope, but other Asian nations (notably Japan) that appeared to have coped better are now seeing a surge in cases. All that any of us can do is carry on as best we can until the situation improves, as it one day surely will. In the meantime, the Company's Directors and Investment Adviser remain focused on our key task: delivering attractive long-term returns for the Company's shareholders.

### Our investment performance

During the period under review, the Company's share price and Net Asset Value ('NAV') with dividends

added back returned (26.8%) and (25.5%), respectively. This compares with a total return of (15.1%) for our benchmark, the MSCI Emerging Markets Net Total Return Index.

After strong outperformance in the previous annual reporting period, recent months have not been kind to the Company's investments. On a macro level, the main drivers of this were the relative outperformance of China (to which the Company is underweight), and the relative underperformance of smaller companies and Frontier Markets (to which the Company has significant exposure).

The Company's recent investment performance is considered in more detail in the Investment Adviser's Review on pages 7 and 8.

### Gearing

Gearing is defined as the ratio of a company's long-term debt less cash held, compared to its equity capital, expressed as a percentage. The effect of gearing is that, in rising markets, the Company should benefit from any growth of our investment portfolio above the cost of debt. Conversely, in falling markets the Company suffers more if its investment portfolio underperforms.

The ability to borrow is seen as a clear advantage enjoyed by investment trusts as compared with open ended investment vehicles such as unit trusts. This is especially the case in an era of historically low interest rates. The Company currently has access to a flexible loan facility with Scotiabank Europe plc for amounts up to £28 million. As at 31 March 2020 the Company's net gearing level, based on the amount of drawn down bank debt, less the cash held on the balance sheet, was 17.5%.

The Board reviews the Company's gearing on a regular basis. The current maximum has been set at 20% of the Company's total assets 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

As mentioned in the latest Annual Report, the Company has now moved to a system of four

## Chairman's Statement *(continued)*

dividends annually, to be paid in April, July, October and January. The first of these, an interim dividend of 1.2p, went ex-dividend on 26 March 2020 and was paid on 17 April 2020. On 3 June 2020 the Board declared a further interim dividend of 1.2p which will be paid on 3 July 2020 to those shareholders on the register as at 12 June 2020. The ex-dividend date is 11 June 2020. Both distributions are fully covered by earnings. The Board recognises the importance of income to its shareholders and on 13 May 2020, the Board confirmed its intention to maintain the level of dividends for the current financial year at least at the same level of pay-out as for the previous financial year. Net of the dividend to be paid on 3 July 2020 the Company has revenue reserves of £1,634,000 and the Board intends to utilise the Company's available revenue reserves in the event of any shortfall between the Company's distributions and portfolio income in the second half of this financial year.

### 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 and, since its formation in 2017, we have issued 4 million additional shares at a premium to NAV. Our shares have traded for most of the period at a small discount to NAV, which currently precludes the issue of any additional shares.

There is the annual redemption policy, when shareholders have the right to offer shares back to the Company for redemption. The next date for redemption is 30 June 2020 and the Company has received requests to redeem 4,607,803 ordinary shares, representing 5.1% of the current issued share capital.

### Non Material Change to the Investment Policy

In respect of its Emerging Market investments, the Company may invest in companies which have their registered offices or principal places of business in, or which exercise a material part of their economic activities in, any constituent country of the

Benchmark (the MSCI Emerging Markets Index) from time to time. As the constituent countries included in the Benchmark change periodically, the Board has approved a non material administrative change to the investment policy to remove the detailed list of constituent countries previously set out in the investment policy. The amended investment policy can be found on page 2 of this Half Yearly Financial Report. The full list of current constituent countries of the MSCI Emerging Markets Index is included on page 3 and will be included in each Annual and Half Yearly Financial Report henceforth. This list can also be obtained from MSCI at [www.msci.com/emerging-markets](http://www.msci.com/emerging-markets).

### Fund Managers

Following the announcement of the proposed acquisition by Jupiter Fund Management PLC of Merian Global Investors Limited and the planned integration of the two investment teams, Charles Sunnocks, one of JEFIT's two Fund Managers, will be leaving Jupiter at the end of the month. The Board takes this opportunity to thank Charles for his role in the 2017 launch of JEFIT and for his valued contributions thereafter. We wish him well in his future endeavours.

### Outlook

The Investment Adviser's approach is well understood: concentrate on identifying well-managed companies in less established markets which are often under-appreciated by international investors, as distinct from being driven by macro-economic considerations. There is, however, no disguising the fact that when the world economy takes an unplanned sabbatical on account of a pandemic, macro-economics can soon overwhelm the fortunes of even the best managed companies operating in the fastest growing regions.

Certainly, recent market movements have been extreme, and the headlines alarming. Nonetheless, your Board has confidence in the Investment Adviser's ability to face the current challenges presented by Emerging and Frontier Markets. Recent events have shown more clearly than ever that the markets into which JEFIT invests are both complex

and volatile, and can experience significant valuation reductions on account of external influences.

While there have been no wholesale changes, some adjustments have been made to the portfolio; the Investment Adviser constantly assesses the ongoing investment case for stocks held by the Company, staying in contact with the management of investee companies and continuing to apply its investment style with an emphasis on the long-term benefits of under-appreciated positive change.

This Half Yearly Financial Report deals with the position of your Company as at 31 March 2020 and, in the wake of the severe market sell-offs in March, many of the numbers do not make happy reading. I am relieved to say that during the weeks that have passed since what may have been a low point for our fortunes in late March, our Net Asset Value has recovered by some 15.2% and our discount has narrowed to (6.9%), having at one point touched (12.0%). Equity markets in the developed world have strengthened significantly and the early indications are that countries can with reasonable safety emerge from lockdown much faster than was initially feared. I am not suggesting that we are out of the woods, but I detect a mood of cautious optimism that the COVID-19 tunnel is neither as dark nor as long as was initially predicted. I do believe that, as and when the markets which we address start to recover from the pandemic, the companies into which JEFIT invests will be well placed to benefit from the economic recovery that will follow.

This is a time for strong nerves, but I ask our shareholders to remember what JEFIT has set out to achieve from inception - long term capital growth from markets which are recognised as being volatile in the short term, while providing an attractive yield from the earnings which are available from the businesses in which we invest. At today's closing share price, our yield is in excess of 5.5%. Current difficulties notwithstanding, this remains a compelling investment proposition.

**John Scott**

Chairman

22 June 2020



## Investment Adviser's Review

### Market review

Over the period, the Company's benchmark, the MSCI Emerging Markets Index, declined by (15.1%). MSCI country benchmark returns for key markets were as follows: China 2.6%; Taiwan (6.4%); India (26.6%); Brazil (42.9%); Russia (25.8%); and Mexico (32.0%).

While the fourth quarter of 2019 was a period of relative calm, with Emerging Market equities ending the year in positive territory for the year, the first quarter of 2020 saw the outbreak of COVID-19 bring a high degree of uncertainty and volatility to markets. Despite originating in China and having a material negative impact on Chinese economic activity in the first quarter of 2020, markets other than China bore the brunt of the pandemic in terms of equity market impact. Smaller emerging and frontier economies, where there is less scope for fiscal and monetary stimulus, as well as larger informal sectors, have been more affected by lockdowns and social distancing measures in the short term. However, in many cases, younger populations and lower levels of indebtedness should mean that these economies are also well positioned to recover once the impact of COVID-19 subsides.

In terms of sector performance, the energy sector was the weakest sector within Emerging Markets, declining by 34.6% over the period, as crude oil prices were driven down by a perfect storm of rising Saudi supply and rapidly declining demand, due to COVID-19 lockdowns and restrictions coming into effect around the world. The only sector within Emerging Markets to post positive returns over the period was the healthcare sector, which returned 4.0%. However, the technology sector also proved more resilient than in past periods of heightened volatility, declining by only (3.1%), as higher demand for semiconductors, servers and online services, driven by the working from home phenomenon, helped to offset weaker consumer demand for other products.

### Performance

Over the period, the portfolio delivered a NAV return (including the 2.4p) of (25.5%), underperforming its MSCI Emerging Markets benchmark return of (15.1%), while the Company's total price return was (26.8%).

During the period the Company continued to face style headwinds. Most notably, Emerging Market small cap stocks continued to underperform their large cap peers. Country allocation also detracted from performance. As a product of our fundamental stock picking process, we have consistently had a lower weighting than the benchmark in China, favouring higher conviction ideas in other markets, including Taiwan, Mexico, Russia and several frontier economies. Though the COVID-19 outbreak originated in China, the Chinese market has surprisingly held up significantly better than these other markets.

Positive contributors to performance over the period included Chinese online game developer, Netease, and Russian miner, Norilsk Nickel.

Netease's business has not been materially affected by COVID-19, as consumers have maintained, or even increased, their time spent online. As such, the stock has benefited as a relative safe haven in a time of heightened uncertainty.

Norilsk Nickel performed strongly on rising prices for palladium, one of the company's largest revenue contributors, as global supply of the metal, which is used in auto catalysts, began to lag production. While the price of palladium and Norilsk Nickel's other key commodities (namely nickel and copper) declined towards the end of the period, mitigating factors for Norilsk Nickel included a weaker Russian ruble – the company has a ruble cost base but sells commodities in US dollars, as well as Norilsk Nickel's industry-leading cost competitiveness.

Detractors to performance included Dubai real estate company, Emaar Malls and Brazilian port operator, Wilson Sons.

Emaar Malls owns and operates what we consider to be one of the best retail and leisure assets globally – Dubai Mall, situated adjacent to the Burj Khalifa in downtown Dubai. Clearly, COVID-19 will have a material impact on the mall's performance this year, as tourist footfall dramatically declines and local visitor numbers are curbed by social distancing measures. However, as with other holdings impacted by COVID-19, we believe that the company is well

positioned to weather this period and emerge from the other side in a strong position, as Dubai Mall will remain a key location for global retail brands and the company has a relatively low level of debt on the balance sheet.

Wilson Sons was not immune to the weakness in Brazilian assets in the first quarter of 2020, and reduced economic activity has impacted volumes at its ports. However, the company continues to be in a strong position to capture long-term growth in Brazilian trade volumes with minimal incremental capex. This longer-term potential does not appear to be reflected in the stock's valuation and our investment thesis remains unchanged.

### Activity

During the period, significant activity included the sale of the portfolio's position in Turkish life insurer, Anadolu Hayat, and the purchase of Moldovan wine firm, Purcari Wineries, as well as Chinese telecom operator, China Unicom.

The sale of Anadolu Hayat was not due to any concerns regarding the company's fundamentals or outlook; the company remains well-positioned to benefit from a structural increase in insurance penetration in Turkey. We did, however, identify higher conviction ideas elsewhere, including Purcari Wineries.

Purcari currently serves the Romanian and Moldovan wine market and is extending into Poland and China. The business operates mostly in the 'affordable luxury' segment and is positioned to benefit from rising disposable incomes across much of Eastern Europe, the formalisation of wine production in Moldova and the shift from spirits to wine consumption in Poland. In addition to the positive structural changes, at a company level there is an emphasis on long-term, performance-linked compensation, and the chairman has expressed a commitment to lift the dividend payout ratio to 50%.

China Unicom, one of China's three mobile and fixed-line operators, trades at a low valuation relative to telecom companies in other markets. In our view, this depressed valuation fails to reflect the company's improving cash flow, low financial leverage and the

potential revenue uplift from recently launched 5G services, and an increased contribution from the firm's industrial internet division.

### Outlook

While the current environment presents significant challenges to many Emerging and Frontier Market companies, we believe it is also important to recognise that valuations are very low relative to history for many companies and sectors within the asset class. These low valuation levels at which many of the portfolio holdings currently trade only ever tend to be reached during periods of heightened uncertainty, but it is also the case that they have typically created compelling long-term buying opportunities in Emerging and Frontier Market equities.

As one would expect, the uncertainty created by COVID-19 has led to us reducing our expectations for dividend income compared to the start of the year. This is largely due to some of the Company's bank holdings having been asked by their regulators to suspend dividends as a precautionary measure, but also due to some other companies taking a more conservative stance until economic activity begins to pick up. However, for the majority of portfolio holdings the dividend outlook remains unchanged, which is due in part to the relative balance sheet strength of many Emerging and Frontier Market businesses compared to their developed market peers.

We see opportunities being created in companies that offer a combination of low valuations and strong balance sheets - around a third of the portfolio is in companies with net cash on their balance sheets. We see these qualities in companies across a diverse range of sectors and markets, including our holdings within Taiwanese tech, Chinese pharma, Indonesian property and Pakistani autos. The original investment theses that led us to purchase portfolio holdings remain intact and we believe that they remain well positioned to benefit from the compelling long-term opportunities that exist within Emerging and Frontier Markets.

### Ross Teverson and Charles Sunnucks

Fund Managers

Jupiter Asset Management

22 June 2020

## Investment Portfolio

as at 31 March 2020

Company	Country of Listing	Market value £'000	Percentage of Portfolio
Samsung Electronics Preference	South Korea	3,336	4.3
NetEase, ADR	Cayman Islands	3,247	4.2
Corp. Inmobiliaria Vesta	Mexico	3,172	4.1
Taiwan Semiconductor Manufacturing	Taiwan	3,167	4.1
KCB Group	Kenya	3,044	3.9
Hindustan Petroleum	India	2,724	3.5
Chroma ATE	Taiwan	2,693	3.5
SK Hynix	South Korea	2,634	3.4
MMC Norilsk Nickel, ADR	Russia	2,521	3.2
MediaTek	Taiwan	2,407	3.1
Wilson Sons, BDR	Bermuda	2,359	3.0
NWS Holdings	Bermuda	2,335	3.0
Grit Real Estate Income Group	Mauritius	2,252	2.9
Bizlink Holding	Cayman Islands	2,083	2.7
Guaranty Trust Bank	Nigeria	2,064	2.6
Emaar Malls	United Arab Emirates	2,006	2.6
Ginko International	Cayman Islands	2,002	2.6
Air Arabia	United Arab Emirates	1,969	2.5
Hon Hai Precision Industry	Taiwan	1,948	2.5
LSR Group, GDR	Russia	1,901	2.4
Sberbank of Russia Preference	Russia	1,810	2.3
Bank of Georgia Group	United Kingdom	1,738	2.2
Coca-Cola Icecek	Turkey	1,419	1.8
United Bank	Pakistan	1,378	1.8
Porto Seguro	Brazil	1,361	1.7
Salmones Camanchaca	Chile	1,359	1.7
Jaya Real Property	Indonesia	1,340	1.7
Grupo Financiero Banorte	Mexico	1,315	1.7
China Unicom Hong Kong	Hong Kong	1,308	1.7
Integrated Diagnostics Holdings	Jersey	1,246	1.6
Sands China	Cayman Islands	1,241	1.6
Orbia Advance	Mexico	1,163	1.5
Vietnam Dairy Products (HSBC Bank) Warrant 20/11/2020	Vietnam	1,129	1.5
Halyk Savings Bank of Kazakhstan, GDR	Kazakhstan	1,111	1.4
Purcari Wineries	Cyprus	1,090	1.4
Consun Pharmaceutical Group	Cayman Islands	1,072	1.4
Indus Motor	Pakistan	1,070	1.4
John Keells Holdings	Sri Lanka	990	1.3
Bestway Global Holding	Cayman Islands	942	1.2
SEPLAT Petroleum Development	Nigeria	932	1.2
Novolipetsk Steel	Russia	895	1.2
Pico Far East Holdings	Cayman Islands	685	0.9
Embassy Office Parks REIT	India	654	0.8
Sphera Franchise Group	Romania	641	0.8
Ascendis Health	South Africa	72	0.1
<b>Total Investments</b>		<b>77,825</b>	<b>100.0</b>

## Cross Holding in other Investment Companies

As at 31 March 2020, none of the Company's total assets was 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 exceed 10% of total assets.

## Interim Management Report

### Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company. Details of related party transactions are disclosed in Note 13 and on page 21 of this report.

### Principal Risks and Uncertainties

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. Investments in Emerging Markets and Frontier Markets may include a higher element of risk compared to more developed markets due to greater political and economic instability which could adversely affect the economies of such countries or the value of the Company's investments in those countries. The Company may have significant exposure to portfolio companies from certain sectors, or based or operating in certain geographical areas, from time to time. Greater concentration of investments in any one sector or geographical area may result in greater volatility in the value of the Company's investments and may materially and adversely affect the performance of the Company. Other key risks faced by the Company relate to foreign currency movements, interest rates, liquidity risk, gearing risk, the discount to Net Asset Value, regulatory risk, loss of key personnel, operational and financial risks.

### COVID-19

The outbreak of the COVID-19 pandemic poses additional risks to the Company beyond the risks described above. They include liquidity risks to markets, risks associated with the maintenance of the current dividend policy and business continuity risks for the Investment Adviser. Each of these risks is being assessed on a day to day basis by the Investment Adviser.

### Going Concern

The Half-Yearly Financial Report has 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 (see page 2), 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.

### Directors' Responsibility Statement

We, the Directors of Jupiter Emerging & Frontier Income Trust PLC, confirm to the best of our knowledge that:

- (a) The set of financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and give a true and fair view of the assets, liabilities, financial position and profit/(loss) of the Company for the period ended 31 March 2020;
- (b) The Chairman's Statement, the Investment Adviser's Review and the Interim Management Report include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R; and
- (c) The Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R on related party transactions.

By Order of the Board

**John Scott**

22 June 2020

## Statement of Comprehensive Income

For the six months to 31 March 2020 (unaudited)

	Six months to 31 March 2020			Six months to 31 March 2019		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
(Loss)/gain on investments held at fair value through profit or loss (Note 3)	–	(25,276)	(25,276)	–	1,741	1,741
Foreign exchange gain/(loss) on loan	–	75	75	–	(9)	(9)
Other exchange loss	–	(54)	(54)	–	(101)	(101)
Income	2,129	–	2,129	1,688	–	1,688
<b>Total income/(loss)</b>	<b>2,129</b>	<b>(25,255)</b>	<b>(23,126)</b>	<b>1,688</b>	<b>1,631</b>	<b>3,319</b>
Investment management fee	(75)	(227)	(302)	(82)	(245)	(327)
Other expenses	(234)	(8)	(242)	(213)	(26)	(239)
<b>Total expenses</b>	<b>(309)</b>	<b>(235)</b>	<b>(544)</b>	<b>(295)</b>	<b>(271)</b>	<b>(566)</b>
<b>Net return/(loss) before finance costs and taxation</b>	<b>1,820</b>	<b>(25,490)</b>	<b>(23,670)</b>	<b>1,393</b>	<b>1,360</b>	<b>2,753</b>
Finance costs	(46)	(137)	(183)	(52)	(157)	(209)
<b>Return/(loss) before taxation</b>	<b>1,774</b>	<b>(25,627)</b>	<b>(23,853)</b>	<b>1,341</b>	<b>1,203</b>	<b>2,544</b>
Taxation	(173)	77	(96)	(115)	(35)	(150)
<b>Net return/(loss) after taxation</b>	<b>1,601</b>	<b>(25,550)</b>	<b>(23,949)</b>	<b>1,226</b>	<b>1,168</b>	<b>2,394</b>
<b>Return/(loss) per ordinary share (Note 4)</b>	<b>1.78p</b>	<b>(28.37)p</b>	<b>(26.59)p</b>	<b>1.31p</b>	<b>1.25p</b>	<b>2.56p</b>

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.

No operations were acquired or discontinued during the period.

All income is attributable to the equity holders of the Company. There are no minority interests.

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

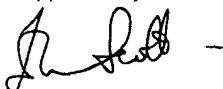
The Notes on pages 17 to 21 form part of these accounts.

## Statement of Financial Position

as at 31 March 2020

	31 March 2020 (unaudited) £'000	30 September 2019 (audited) £'000
<b>Non current assets</b>		
Investments held at fair value through profit or loss	77,825	105,591
<b>Current assets</b>		
Other receivables	2,236	430
Cash and cash equivalents	259	544
	2,495	974
<b>Total assets</b>	<b>80,320</b>	<b>106,565</b>
<b>Current liabilities</b>		
Other payables	(12,563)	(12,697)
<b>Total assets less current liabilities</b>	<b>67,757</b>	<b>93,868</b>
<b>Capital and reserves</b>		
Called up share capital	901	901
Share premium	4,019	4,019
Special reserve	85,704	85,704
Capital redemption reserve	40	40
Retained earnings (Note 7)	(22,907)	3,204
<b>Total equity shareholders' funds</b>	<b>67,757</b>	<b>93,868</b>
<b>Net asset value per ordinary share (Note 8)</b>	<b>75.22p</b>	<b>104.21p</b>

Approved by the Board of Directors and authorised for issue on 22 June 2020 and signed on its behalf by:



**John Scott**  
Chairman

Company registration number 10708991

The Notes on pages 17 to 21 form part of these accounts.

## Statement of Changes in Equity

### For the six months to 31 March 2020

For the six months to 31 March 2020 (unaudited)	Share Capital £'000	Share Premium £'000	Special Reserve* £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 30 September 2019	901	4,019	85,704	40	3,204	93,868
Net loss for the period	–	–	–	–	(23,949)	(23,949)
Dividends declared and paid**	–	–	–	–	(2,162)	(2,162)
<b>Balance at 31 March 2020</b>	<b>901</b>	<b>4,019</b>	<b>85,704</b>	<b>40</b>	<b>(22,907)</b>	<b>67,757</b>

For the six months to 31 March 2019 (unaudited)	Share Capital £'000	Share Premium £'000	Special Reserve* £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 30 September 2018	931	3,107	87,485	–	(50)	91,473
Net profit for the period	–	–	–	–	2,394	2,394
Ordinary share issue	10	912	–	–	–	922
Dividends declared and paid**	–	–	–	–	(2,048)	(2,048)
<b>Balance at 31 March 2019</b>	<b>941</b>	<b>4,019</b>	<b>87,485</b>	<b>–</b>	<b>296</b>	<b>92,741</b>

\* 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 17 to 21 form part of these accounts.



## Cash Flow Statement

For the six months to 31 March 2020 (unaudited)

	Six months to 31 March 2020 £'000	Six months to 31 March 2019 £'000
<b>Cash flows from operating activities</b>		
Dividends received (gross)	1,742	1,383
Deposit interest received	3	1
Investment management fee paid	(358)	(333)
Other cash expenses	(294)	(330)
<b>Net cash inflow from operating activities before taxation and interest (Note 10)</b>	<b>1,093</b>	<b>721</b>
Interest paid	(177)	(211)
Overseas tax incurred	(173)	(115)
<b>Net cash inflow from operating activities</b>	<b>743</b>	<b>395</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(15,680)	(16,950)
Sales of investments	16,868	17,163
<b>Net cash inflow from investing activities</b>	<b>1,188</b>	<b>213</b>
<b>Cash flows from financing activities</b>		
Ordinary shares issued	–	922
Equity dividends paid	(2,162)	(2,048)
<b>Net cash outflow from financing activities</b>	<b>(2,162)</b>	<b>(1,126)</b>
<b>Decrease in cash</b>	<b>(231)</b>	<b>(518)</b>
Cash and cash equivalents at start of period	544	1,465
Realised loss on foreign currency	(54)	(101)
<b>Cash and cash equivalents at end of period</b>	<b>259</b>	<b>846</b>

The Notes on pages 17 to 21 form part of these accounts.

## Notes to the Accounts

### 1. Accounting Policies

The accounts comprise the unaudited financial results of the Company for the period to 31 March 2020. The accounts are presented in pounds sterling, as this is the functional currency of the Company. 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 continues to adopt 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 7. 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.

## Notes to the Accounts *(continued)*

### 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.

### 3. (Losses)/gains on investments

	Six months to 31 March 2020 £'000	Six months to 31 March 2019 £'000
Net gains realised on sale of investments	2,475	676
Movement in unrealised (losses)/gains	(27,751)	1,065
<b>(Losses)/gains on investments</b>	<b>(25,276)</b>	<b>1,741</b>

### 4. (Loss)/earnings per ordinary share

	Six months to 31 March 2020 £'000	Six months to 31 March 2019 £'000
Net revenue profit	1,601	1,226
Net capital (loss)/return	(25,550)	1,168
<b>Net total (loss)/return</b>	<b>(23,949)</b>	<b>2,394</b>
Weighted average number of ordinary shares in issue during the period	90,072,974	93,385,689
Revenue return per ordinary share	1.78p	1.31p
Capital (loss)/return per ordinary share	(28.37)p	1.25p
<b>Total (loss)/return per ordinary share</b>	<b>(26.59)p</b>	<b>2.56p</b>

### 5. Transaction costs

The following transaction costs were incurred during the period:

	Six months to 31 March 2020 £'000	Six months to 31 March 2019 £'000
Purchases	31	53
Sales	33	35
<b>Total</b>	<b>64</b>	<b>88</b>

## 6. Comparative information

The financial information contained in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the year ended 30 September 2019 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 30 September 2019 have been filed with the Companies House. The report of the auditors on those accounts contained no qualification or statement under section 498(2) of the Companies Act 2006.

## 7. Retained earnings

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

	Revenue £'000	Capital £'000	Total £'000
At 30 September 2019	4,355	(1,151)	3,204
Net return/(loss) for the period	1,601	(25,550)	(23,949)
Dividends paid	(2,162)	–	(2,162)
<b>At 31 March 2020</b>	<b>3,794</b>	<b>(26,701)</b>	<b>(22,907)</b>

The capital reserve includes £28,125,000 of investment holding losses. The Company does not distribute or pay dividends out of capital reserves.

## 8. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shareholders of £67,757,000 (31 March 2019: £92,741,000) and on 90,072,974 (31 March 2019: 94,044,240) ordinary shares, being the number of ordinary shares in issue at the period end.

## 9. Fair valuation of investments

IFRS 13 'Financial Instruments: Disclosures' requires 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 includes only data from observable markets.

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.

## Notes to the Accounts (continued)

### 9. Fair valuation of investments (continued)

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

	31 March 2020				30 September 2019			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	76,696	1,129	–	77,825	103,961	1,630	–	105,591

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

	31 March 2020 £'000	30 September 2019 £'000
Net (loss)/return before finance costs and taxation	(23,670)	10,546
Loss/(gain) on investments	25,276	(6,982)
Realised loss on foreign currency	54	131
Foreign exchange (gain)/loss on loans	(75)	669
(Increase)/decrease in prepayments and accrued income	(389)	82
Decrease in accruals and other creditors	(103)	(32)
<b>Net cash inflow from operating activities before interest and taxation</b>	<b>1,093</b>	<b>4,414</b>

### 11. Reconciliation of financing liabilities

	31 March 2020 £'000	30 September 2019 £'000
Financing liabilities at beginning of period	(12,172)	(11,503)
Foreign exchange movement	75	(669)
<b>Financing liabilities at the end of period</b>	<b>(12,097)</b>	<b>(12,172)</b>

### 12. Principal risk profile

The principal risks which the Company faces include exposure to:

- (i) market price risk, including currency risk, interest rate risk and other price risk;
- (ii) liquidity risk;
- (iii) credit and counterparty risk.

Market price risk – Is the risk that the fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk.

Liquidity risk – This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Credit and counterparty risk – This is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or to repay deposits.

Further details of the Company's management of these risks can be found in Note 15 of the Company's annual report and accounts for the year ended 30 September 2019.

COVID-19 – The outbreak of the COVID-19 pandemic poses additional risks to the Company beyond the principal risks described above. They include liquidity risks to markets, risks associated with the maintenance of the current dividend policy and business continuity risks for the Investment Adviser.

There have been no changes to the management of or the exposure to these risks since that date.

### 13. 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 ended 31 March 2020 was £302,000 (30 September 2019: £691,000) with £122,000 (30 September 2019: £178,000) 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 24 and as set out in Note 5 to the Accounts on page 38 of the 2019 Annual Report and Accounts.

As at 31 March 2020, Directors' interests in the Ordinary shares of the Company were as follows:

John Scott	76,819
Mark Dampier	85,466
Audrey McNair	59,358
Nicholas Moakes	86,942

As at 22 June 2020, being the latest practicable date prior to the publication of the Half Yearly Financial Report, the following change has been notified:

Nicholas Moakes	88,278
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## Company Information

<b>Directors</b>	John Scott, Chairman Mark Dampier Audrey McNair (Audit Committee Chair) Nicholas Moakes
<b>Registered Office</b>	The Zig Zag Building 70 Victoria Street, London SW1E 6SQ
<b>Alternative Investment Fund Manager</b>	Jupiter Unit Trust Managers Limited
<b>Telephone</b>	The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ <b>020 3817 1000</b>
<b>Website</b>	<b><a href="http://www.jupiteram.com/JEFI">www.jupiteram.com/JEFI</a></b>
<b>Email</b>	<b><a href="mailto:investmentcompanies@jupiteram.com">investmentcompanies@jupiteram.com</a></b> Authorised and regulated by the Financial Conduct Authority
<b>Investment Adviser &amp; Company Secretary</b>	Jupiter Asset Management Limited The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ <b>020 3817 1000</b> Authorised and regulated by the Financial Conduct Authority
<b>Custodian</b>	J.P. Morgan Chase Bank N.A. 25 Bank Street, Canary Wharf, London E14 5JP Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	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
<b>Registrars</b>	Link Asset Services The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
<b>Telephone</b>	<b>0371 664 0300</b> Lines are open from 9.00am to 5.30pm Monday to Friday. Calls are charged at the standard geographical rate and will vary by provider.
<b>Telephone (international)</b>	<b>+ 44 (0)371 664 0300</b> Calls outside of the United Kingdom will be charged at the applicable international rate.
<b>Website</b>	<b><a href="http://www.linkassetsservices.com">www.linkassetsservices.com</a></b>
<b>Email</b>	<b><a href="mailto:shareholderenquiries@linkgroup.co.uk">shareholderenquiries@linkgroup.co.uk</a></b>
<b>Independent Auditors</b>	Ernst & Young LLP Atria One, 144 Morrison Street Edinburgh EH3 8EX
<b>Broker</b>	Peel Hunt LLP Moor House, 120 London Wall, London EC2Y 5ET Authorised and regulated by the Financial Conduct Authority
<b>Company Registration Number</b>	10708991 Registered in England & Wales An investment company under s.833 of the Companies Act 2006

<b>Investor Codes</b>	The Ordinary shares of the Company are traded on the London Stock Exchange.
<b>Sedol Number</b>	
Ordinary shares	BDR0575
<b>ISIN</b>	
Ordinary shares	GB00BDR05757
<b>Ticker</b>	
Ordinary shares	JEFI
<b>LEI</b>	213800RLXLM87N026530

The Company is a member of





## Investor Information

### Retail distribution of non-mainstream products

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's Ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are Ordinary shares in an investment trust.

### 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](http://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](mailto: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.

The Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's Ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are Ordinary shares in an investment trust.

Further information about the Company is also available from third party websites such as [www.morningstar.co.uk](http://www.morningstar.co.uk) and [www.theaic.co.uk](http://www.theaic.co.uk)

### 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](mailto:shares@linkgroup.co.uk) or through [www.signalshares.com](http://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.

\* 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.

## 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>

## 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](http://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.

## Important Risk Warnings

### Advice to shareholders

In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our shareholders to be cautious so that they can protect themselves and spot the warning signs.

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it

You can avoid investment scams by:

- **Rejecting unexpected offers** – Scammers usually cold call but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Checking the FCA Warning List** – Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.
- **Getting impartial advice** – Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it

- You can report the firm or scam to the FCA by contacting their Consumer Helpline on **0800 111 6768** or using their online reporting form.
- If you have lost money in a scam, contact **Action Fraud** on **0300 123 2040** or **[www.actionfraud.police.uk](http://www.actionfraud.police.uk)**

For further helpful information about investment scams and how to avoid them please visit **[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)**

## Glossary of Terms including Alternative Performance Measures

### Alternative Performance Measures

The European Securities and Markets Authority ('ESMA') 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. The following APMs are used throughout the annual report, financial statements and notes to the financial statements.

### Benchmark total return index

A total return index is a type of equity performance index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

### Discount\*

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

As at 31 March 2020 the share price was 69.80p and the NAV was 75.22p, the discount therefore being (7.2%).

### Discount management

Discount management is the process of the buy-back and issue of Company shares by the Company, to and from its own holding or 'treasury' with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the Company's shares will not materially vary from its NAV per share. The authority to repurchase the Company's shares is voted upon by the shareholders at each annual general meeting.

### 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.

Gearing is the ratio of the Company's net borrowings (£12,097,000) being gross borrowings (£79,854,000) less cash (£259,000) to its net assets (£67,757,000) expressed as a percentage (17.5%).

### Mid market price

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

As at 31 March 2020, mid-market price was 69.80p.

### NAV per share

The net asset value ('NAV') is the value of the investment company's assets 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.

As at 31 March 2020, the NAV per share was 75.22p.

### NAV total return (with dividends added back) per share\*

The NAV total return with dividends added back is the NAV including dividends paid per share during the financial year divided by the number of shares in issue.

Total dividends paid for the six months ended 31 March 2020 amounted to 2.40p per share.

As at 31 March 2020, the NAV total return (with dividends added back) per share was 77.62p.

## Glossary of Terms including Alternative Performance Measures

*(continued)*

### **Ongoing charges\***

Ongoing charges are the total expenses including both the investment management fee and other costs, but excluding finance costs and performance fees, 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.

### **Treasury shares**

Treasury shares are the part of the issued share capital that is held by the company. They do not rank for dividend income and do not have voting rights. The Company may use treasury shares for discount management purposes.

*\* Alternative Performance Measure.*