

The background of the cover is a photograph of a city skyline, likely Istanbul, featuring a large mosque with multiple minarets and several construction cranes in the foreground. The image is slightly hazy, suggesting a distant or elevated viewpoint.

FIDELITY EMERGING MARKETS LIMITED

Annual Report for the year ended 30 June 2025

We speak the language of opportunity – wherever it emerges



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Elingavinjelwe



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उभरते बाज़ारों
में निवेश

FIDELITY EMERGING MARKETS LIMITED

Whether it's in South African mining, Indian financial services or Chinese infrastructure, we know where to find opportunities hidden within emerging markets.

Fidelity Emerging Markets Limited uncovers great companies through our experienced global team, backed by what we believe are unrivalled on-the-ground research capabilities. Meaning you can make the most of our extensive expertise, without learning a whole new language.

The value of investments can go down as well as up, so you may get back less than you invest. Overseas investments are subject to currency fluctuations.

Investments in emerging markets can be more volatile than other more developed markets. The Company uses financial derivative instruments for investment purposes, which may expose it to a higher degree of risk and can cause investments to experience larger than average price fluctuations.



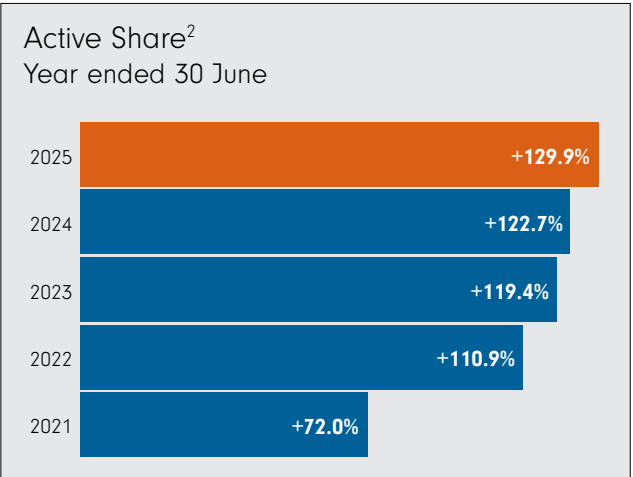
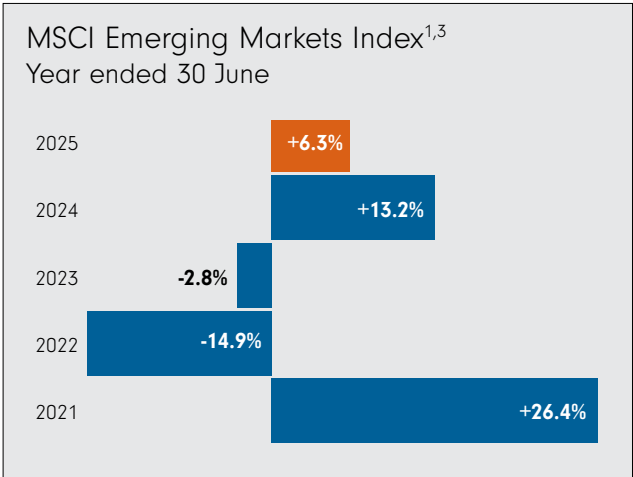
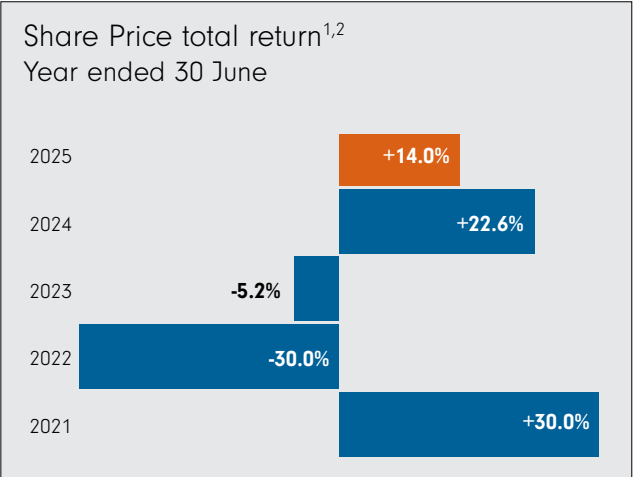
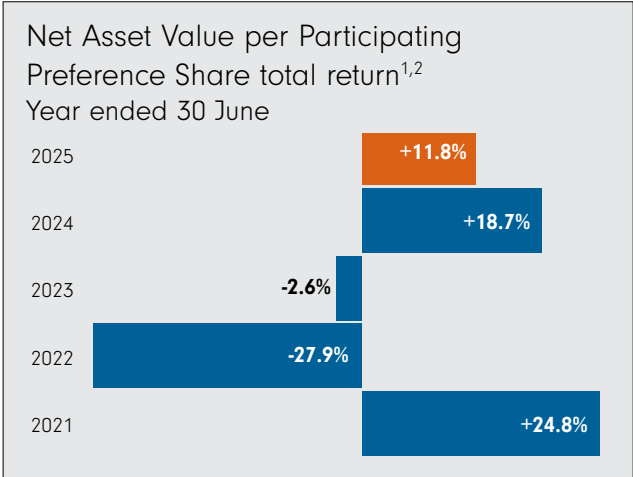
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The Year at a Glance

In the reporting year, the Company's Net Asset Value per Participating Preference Share increased by 11.8% and the Share Price increased by 14.0%, whilst the Benchmark Index return increased by 6.3% (all performance data on a total return basis).



Source: JPMorgan and Datastream.
1 Includes reinvested income.
2 Alternative Performance Measure – refer to Glossary of Terms on pages 89 to 91.
3 The Company's Benchmark Index.

As at 30 June 2025

Equity Shareholders' Funds

£563.1m

Market Capitalisation

£503.8m

Capital Structure

Number of Participating Preference Shares held outside Treasury

64,342,245

Summary of the key aspects of the Investment Policy

The Company aims to achieve long term growth by primarily investing in securities and financial instruments providing exposure to emerging markets companies.

The Investment Manager invests at least 80% in companies with head offices, listings, assets, operations, income, or revenues predominantly in or derived from emerging markets.

A diversified portfolio of at least 75 holdings in companies listed or operating in at least 15 countries is maintained.

The Company may also invest into other transferable securities, investment companies, money market instruments, unlisted shares, cash and deposits within the limits of the investment policy restrictions as detailed on page 21. It is able to use derivatives for efficient portfolio management, to gain additional market exposure (gearing), to seek a positive return from falling asset prices, and for other investment purposes.

Financial Highlights

	30 June 2025	30 June 2024
Assets as at 30 June		
USD		
Gross Asset Exposure ¹	\$1,235.3m	\$1,177.3m
Equity Shareholders' Funds	\$771.6m	\$753.4m
NAV per Participating Preference Share ²	\$11.99	\$10.09
Dividend per Participating Preference Share	\$0.26	\$0.20
Dividend Yield	2.4%	2.3%
Gross Gearing ^{2,3}	60.1%	56.3%
Net Gearing ^{2,4}	5.5%	4.3%
Exchange Rate (USD to GBP)	1.37	1.25
GBP		
Gross Asset Exposure ^{1,5}	£901.4m	£940.7m
Equity Shareholders' Funds ⁵	£563.1m	£596.0m
NAV per Participating Preference Share ^{2,5}	£8.75	£7.98
Share Price and Discount as at 30 June		
Participating Preference Share Price	£7.83	£7.03
Discount to NAV per Participating Preference Share	10.51%	11.90%
Number of Participating Preference Shares held outside Treasury	64,342,245	74,646,287
Earnings for the year ended 30 June		
Revenue Earnings per Participating Preference Share ⁶	\$0.31	\$0.16
Capital Earnings per Participating Preference Share ⁶	\$1.52	\$1.29
Total Earnings per Participating Preference Share ⁶	\$1.83	\$1.45
Ongoing charges ratio ²	0.83%	0.81%

1 The value of the portfolio exposed to market price movements.

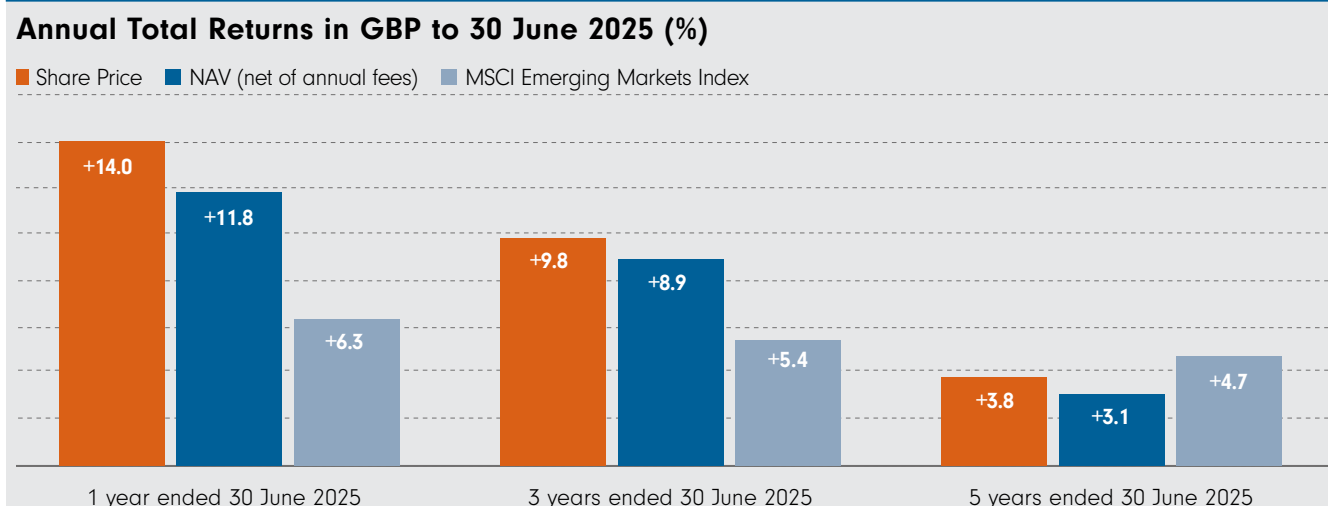
2 Alternative Performance Measure – refer to page 81 and Glossary of Terms on pages 89 to 91.

3 Gross Asset Exposure less Equity Shareholders' Funds expressed as a percentage of Equity Shareholders' Funds.

4 Net Market Exposure less Equity Shareholders' Funds expressed as a percentage of Equity Shareholders' Funds.

5 The conversion from USD to GBP is based on exchange rates prevailing at the reporting dates.

6 Calculated based on weighted average number of participating preference shares in issue during the year.



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Chairman's Statement

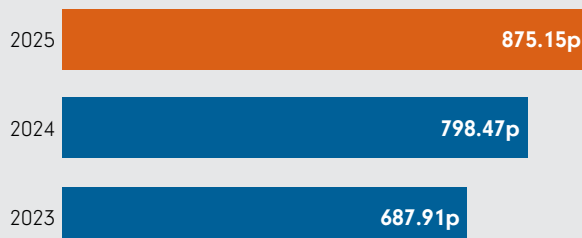
Read more on pages 2 to 5



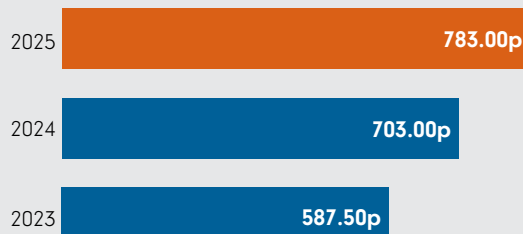
Portfolio Managers' Review

Read more on pages 6 to 9

Net Asset Value per Share as at 30 June



Share Price as at 30 June



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Chairman's Statement



It has been another year of good performance for your Company, with share price and NAV total returns once again well ahead of the Index.

Heather Manners, Chairman

I am pleased to present your Company's 36th annual report, marking more than three full years under Fidelity's management and a third successive year in which Fidelity Emerging Markets Limited ('the Company')'s NAV total returns (the best measure of a fund manager's performance) have beaten the Company's benchmark, the MSCI Emerging Markets Total Return Index ('the Index'). In spite of a fractious geopolitical backdrop, your Company has produced two consecutive years of double-digit NAV and share price total returns. And while investor focus has remained on the US market, which has continued to reach record highs in recent months, both the Company's NAV and share price total returns (and the Index, to a lesser extent) have in fact outperformed the S&P 500 Index in the review period, in US dollar terms. I discuss below the factors supporting emerging market ('EM') performance in general, but the fact that the Company's NAV total return performance has now beaten that of the Index by 5.5 percentage points for two years running is testament both to the skill of your Portfolio Managers – Nick Price, Chris Tennant and their team – and to the extended investment toolkit they employ. Meanwhile, the share price total return outperformance of 7.7 percentage points in the year under review and 9.4 percentage points in the previous year speaks partly to your Board's and Fidelity's efforts to raise the profile of the Company and narrow the discount between the share price and NAV.

Overview

During the 12-month period to 30 June 2025, the Company's NAV increased by 11.8% in GBP terms, compared with a gain of 6.3% in the Index. The share price total return advanced by 14.0%, with the discount to NAV narrowing from 11.9% at the beginning of the period to 10.5% at the end, spending a significant period in single digits in the second half of the financial year (all performance figures stated in GBP on a total return basis). As in FY24, it was again a year of two halves, with little progress made in the first six months of the period (NAV, share price and Index total returns of -0.3%, +1.2% and +1.0% respectively). It is notable that the second half saw such good gains, given tariff induced market volatility and ongoing war in the Middle East and Ukraine. Your Board, Portfolio Managers and I see this as further evidence that a long period of broadly negative sentiment towards emerging markets may have come to an end.

Readers may be surprised to learn, as mentioned above, that emerging markets have quietly been outperforming the US: over 12 months to 30 June 2025, measured in US dollars, the S&P 500 returned 15.2%, while the MSCI Emerging Markets Total Return Index advanced by 15.3%. Your Company's USD dollar total returns were significantly higher than this, at 21.2% for the NAV and 23.5% for the share price. Yet in the 12 months to end-June 2025, outflows from UK retail open-ended funds investing in global emerging markets slightly outweighed inflows (a net withdrawal of £0.2m), while funds investing in North America pulled in net new investments of almost £3bn (source: The Investment Association, based on monthly net retail sales figures). Furthermore, while US equity market valuations are well above long-term averages, the EM universe is trading at a record valuation discount to the US (based on 12-month forward price/earnings ratios), a large discount versus the rest of the world, and well below its own long-term average valuation.

+11.8%

Net Asset Value per Participating Preference Share total return

(Year ended 30 June 2025)

+14.0%

Share Price total return

(Year ended 30 June 2025)

+6.3%

MSCI Emerging Markets Index

(Year ended 30 June 2025)

Arguably one of the principal drivers behind the US market dominance of recent years has been momentum: money flooding into a market drives up share prices as more investors compete to participate. It is therefore all the more remarkable that emerging markets have managed to outperform while all the attention has been focused in the other direction. This is also why your Board and Fidelity are continuing to work tirelessly to raise the profile of EM in general and your Company specifically, with new initiatives including digital marketing as well as ongoing consumer and trade media engagement. Alongside favourable fundamentals and attractive valuations, increased investor demand could be a potent addition to the long-term outlook for EM.

The Portfolio Managers' Review on the following pages contains a wealth of detail on the contributors to absolute and relative performance in the period under review. However, your Board is pleased to note that the extended investment toolkit available to Nick, Chris and the team is continuing to generate good results, both through the use of short positions in companies that the managers see as structurally challenged, and in the exposure to smaller and mid-cap stocks, which is made possible through the research efforts of Fidelity's large team of locally based emerging markets analysts. These are among the key differentiating features of your Company versus other emerging markets funds, along with its global diversification and the long-term investment horizon afforded by the investment trust structure. The mid-cap and small-cap book has added significant value this year, with the managers taking advantage of the closed-end structure to invest with greater flexibility further down the market cap spectrum.

Outlook

Amid a challenging global geopolitical outlook, emerging markets offer some key benefits to investors. US tariffs on global trade may raise revenues for the government, but are also likely to increase prices for hard-pressed US consumers, leading to further pressure on an economy that is already groaning under the burden of a historically high debt-to-GDP ratio, which will only be exacerbated by spending on tax cuts for the wealthy. This is leading to a weakening in the US dollar, a factor that in the past has tended to be very positive for most emerging markets. A weaker dollar strengthens domestic currencies and reduces imported inflation, boosting local purchasing power and creating further room for cuts in interest rates, which have largely remained higher than those in developed markets as a result of fewer Covid-era stimulus measures. EMs also benefit from lower debt servicing costs for any dollar-denominated debt, while the tailwind for commodity prices (which typically display an inverse correlation to the dollar) can benefit exporting EMs.

Meanwhile, although US tariffs remain a prominent headline issue, a rise in intra-EM trade has lessened the importance of exports to the US for most emerging markets. From a peak of almost 80% of EM exports flowing into developed markets in the early 1990s, the balance is now close to 50:50 between emerging and developed markets, with the US accounting for less than 20%. In China, where a tit-for-tat tariff spat in the spring saw levies exceeding 140% before settling back to 30% in July, the economy remains overwhelmingly domestic, with more than 85% of listed companies' revenues (based on the MSCI China Index) derived at home, while only 2.9% arise from the US (source: FactSet, Morgan Stanley Research, based on last 12 months, as at 16 May 2025).

Away from the tariff tribulations, there are many other factors to commend emerging markets: positive demographic trends, with (in most cases) young and increasingly educated populations, under-penetrated markets for goods and services, and a degree of fiscal rectitude largely lacking in the larger developed economies. Coupled with low valuations and signs of greater investor attention, your Board and Portfolio Managers believe the outperformance of the past two years could potentially extend well into the future.

This is of particular note given the Company's performance-conditional tender offer in 2026, which would give investors the facility to redeem up to 25% of their shares at close to NAV should the NAV total return fail to exceed the Index total return over the five years ending on 30 September 2026. At the time of writing, the five-year NAV total return (to end August) is approximately 8 percentage points behind the index, although the three-year NAV total return is more than 21 percentage points ahead. It is important to remember that the five-year period – both currently and in September 2026 – includes the period before the Russian invasion of Ukraine in February 2022, which had a starkly negative impact on the Company's returns given its overweight positioning in Russia at the beginning of the war. The majority of these Russian assets are still in the portfolio but are currently valued at zero given the inability to trade; any potential resolution to the conflict and applicable sanctions could therefore provide a NAV uplift. Moreover, robust performance over the last three years mean the portfolio's return since Fidelity took on management of the Company has moved closer to that of the index. Even if the hurdle is not achieved, the tender offer may still be of benefit to shareholders, as redemption at NAV could provide some uplift on the share price, which has on average traded at an 11% discount to NAV over the past five years.

Chairman's Statement continued

Dividend

The Board is recommending a final dividend of \$0.26 per share for the year ended 31 July 2025 for approval by shareholders at the AGM to be held on 1 December 2025. I would highlight that the Board does not have a fixed dividend policy, because income is an output rather than an aim of the investment process, and therefore no guarantee can be offered as to the level of any future dividends.

Board composition

There have been no changes in the composition of your Company's Board in the period under review. All directors will stand for re-election at the AGM in December.

Discount management

As noted above, the discount to NAV began the year at 11.9% and ended at 10.5%. While this is only a slight narrowing, it masks a volatile period in which the discount widened to more than 16% in the immediate aftermath of the US election before narrowing to less than 9% in mid-March; in general, the trend was one of widening in the first half of the year and narrowing in the second, reaching a three-year narrowest point of 7.5% after the period-end in late July.

During the year, we repurchased 10,304,042 shares in the market (13.8% of the shares in issue at the start of the period), with an additional 391,856 shares bought back between 1 July and 1 August 2025 (0.6% of the shares in issue at 1 July 2025). At 1 August 2025, the discount to NAV stood at 9.8%, a little narrower than at the year-end. At the AGM in December 2025 we will seek to renew the existing annual authority to repurchase up to 14.99% of our Participating Preference Shares.

I would also remind readers, as outlined above in the Outlook section, that the Company has committed to undertake a tender offer for up to 25% of its then shares in issue (excluding any shares held in treasury) should its NAV total return fail to exceed the benchmark over the five years ending on 30 September 2026.

While buybacks are NAV-accretive for existing shareholders, share repurchases on their own do not narrow discounts, and as such we continue to work to ensure that potential and existing investors fully understand the Company's story and the enhanced investment toolkit available to the managers, which is now backed up by a three-year record of NAV total return outperformance versus the Index. Investment companies are increasingly on the front foot in terms of marketing, and our own initiatives helped to generate 39 pieces of positive media coverage throughout the year under review, with an impressive 16 more added in July 2025, the first month of the new financial year. The board is grateful to portfolio managers Nick and Chris – who are quoted in the majority these articles – for making the time to promote the company in the press. Alongside traditional media, digital marketing activity is also increasing the Company's visibility through social media platforms.

While this report was being prepared, we were delighted to hear that your Company has been shortlisted as a finalist in the Emerging Markets category of Investment Week magazine's prestigious Investment Company of the Year Awards, in association with the Association of Investment Companies. These awards recognise excellence in the closed-end fund sector, judged not just on strong investment performance (although this is a key element of the shortlisting process), but also using qualitative factors.

Share repurchase and Extraordinary General Meeting

In early September, after the end of the review period covered by this report, we announced that the Company had agreed a conditional share repurchase agreement with one of our larger shareholders, Strathclyde Pension Fund. Subject to shareholder approval at an Extraordinary General Meeting to be convened in the coming months, the Company will repurchase Strathclyde's entire shareholding of 16,441,177 Participating Preference Shares, which represented approximately 25% of shares in issue at end-August 2025. The acquisition price has been agreed at a 14% discount to the cum-income NAV at the close of business two days prior to the transaction, which is expected to take place in early November. The shares will then be cancelled. While the repurchase will obviously have a material impact on the size of the Company's asset base, on a per-share basis it will be value-accretive to continuing shareholders. Based on the end-August NAV, we estimate an uplift of approximately 4% in the NAV per share, after costs. This transaction will not affect the planned performance-conditional tender offer outlined above.

Articles of Incorporation

The Board is proposing to increase the aggregate cap on Directors' fees to provide greater flexibility for any future changes. The proposed new cap is USD450,000 in aggregate per annum, which it is felt is in line with market practice, replacing the existing cap of USD400,000 per annum which was put in place in 2021.

The Board is also proposing to amend the provisions relating to the retirement of Directors to reflect the Company's current practice, and market practice, of all Directors offering themselves for election or re-election each year (other than any Director appointed by the Board after the date of the notice for the AGM).

We have also taken the opportunity to make other changes of a minor, clarificatory or technical nature. These include deleting a reference to the expired time period in which the Directors had authority to issue shares, permitting the share register to be kept in electronic form and clarifications regarding the appointment of proxies. A full tracked version of all the changes proposed to the Articles is available at <https://investment-trusts.fidelity.co.uk/fidelity-emerging-markets>. The principal changes proposed to the Articles are set out in more detail in the Directors' Report on page 34.

AGM

This year’s AGM will be held on 1 December 2025 at 8 a.m. at the registered office of the Company, Level 3, Mill Court La Charroterie, St Peter Port, Guernsey GY1 1EJ. Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out on page 83 of this report. Your attention is also drawn to the Corporate Governance section of the Directors’ Report on page 32 where resolutions relating to special business are explained.

Electronic proxy voting is now available and shareholders are encouraged to submit voting instructions using the web-based voting facility at www.eproxyappointment.com and for institutional shareholders via the CREST system, CREST messages must be received by the issuer’s agent (ID number 3RA50) not later than 8 a.m. on 29 November 2025. In order to use electronic proxy voting, shareholders will require their shareholder registration number, control number and PIN. If you do not have access to these details please contact the Company’s Registrar, Computershare; their contact details can be found on page 85 of this report.

Heather Manners
Chairman
3 October 2025

Portfolio Managers' Review



Nick Price was appointed as Portfolio Manager of Fidelity Emerging Markets Limited on 4 October 2021. He has 26 years of investment experience.



Chris Tennant was appointed as Portfolio Manager of Fidelity Emerging Markets Limited on 4 October 2021. He has 13 years of investment experience.

Question

How has Fidelity Emerging Markets Limited performed in the financial year to 30 June 2025?

Answer

It was a period of strong performance for the investment company, which delivered NAV returns of 11.8%, vs the index which returned 6.3%. The investment company's extensive 'toolkit' added significant value over the year. When managing the portfolio, we draw on a broad range of 'tools', namely the ability to increase gross exposure, to invest in smaller-cap companies, take out short positions, and use options. In addition to the long book contributing to relative returns, it is pleasing to see that many of these tools, including the small and mid-cap exposure, the short book, and yield enhancement, have also added substantial value over the past year.

Question

What drove performance over the year?

Answer

At the sector level, stock picking in materials was the largest contributor to performance, with a positive contribution from consumer discretionary too, among other sectors. Stock picking in financials detracted the most, although the overweight exposure contributed. At the country level, stock picking in South Africa, India, and Taiwan were among some of the larger contributors to performance. Stock picking and positioning in China/Hong Kong and Kazakhstan detracted the most.

At the stock level, the top contributor overall was the position in Naspers, the South African holding company with a stake in China's Tencent. Naspers significantly outperformed Tencent, supported by its ongoing share buyback and indications its other investments are starting to turn a profit.

Many of the other top performers were mid-caps, including gold miner Lundin Gold, Taiwan's Elite Material, and Georgia's TBC Bank. The disposal of Russia's Headhunter also contributed after a liquidity opportunity emerged which allowed us to dispose of a holding previously written down to zero.

One of the main headwinds to performance was Kazakhstan's ecommerce and payments platform' Kaspi, which came under pressure from a weak local currency and high interest rates. Positioning in China also detracted, most notably the lack of exposure to consumer electronics/EV maker Xiaomi after it rallied on the back of a strong product cycle, as well as the position in Hong Kong luggage maker Samsonite.

Question

What were some of the major changes you made to the portfolio during the year and what drove those?

Answer

We actively adjusted the China exposure, with a new position in Bosideng, a down jackets maker that has doubled its market share over the past decade and offers a ~6% dividend yield. We also bought Tencent Music, the 'Spotify of China' that operates in a more consolidated market structure than Developed Markets and trades at a third of the multiple of Spotify. We reduced exposure to internet companies like PDD and Meituan, where competition is intensifying.

The exposure to gold miners has also been scaled up. For years, the gold price correlated with the TIPS yield, but this broke down after the confiscation of Russia's FX reserves and the explosion of fiscal largesse in the US, which reduced the appeal of US treasuries vs gold. Mining stocks continue to offer good value despite the recent rally, and several of our recent additions in the space generate a ~15% free-cash flow yield at current spot prices.

We also added exposure to Taiwan, where heavy retail ownership prompted an indiscriminate sell-off following Liberation Day, offering an opportunity to add names we had liked for some time, but had previously been too expensive – for example E Ink, a digital ink business with a >95% market share and a monopoly, IP-protected position, which derated from 30x to 20x earnings in April despite having no exposure to tariffs.

India remains expensive but we do see opportunities among financials. We added a position in HDFC Asset Management, an operationally lean business with a dominant market share, and reduced exposure to IT services businesses, which face headwinds from weaker US demand and the structural threat posed by AI to coding jobs.

Question

The Company is unique in its peer group given its ability to use both long and short positions. How did you exploit that flexibility over the past year?

Answer

We have several short positions in indebted Korean battery makers that are losing market share to Chinese peers such as CATL, in which we have a long position. CATL trades at only at 16x earnings and has close to 45% share of new vehicle launches, offering great visibility of future market share gains.

We have short exposure to the Indian paints industry, which used to be an oligopoly, but a new entrant has resulted in huge oversupply as volume growth is slowing. Although the economics for the incumbents are being destroyed, many stocks still trade on ~50x earnings. This is a theme we see in many Indian sectors as oligopolies become fragmented, pricing power breaks down, and capital floods the market.

Question

China has been another dominant topic and it appears that sentiment is slowly turning. Has China turned a corner and where do you see the most interesting opportunities?

Answer

The backdrop for the Chinese consumer has been tough, and consumption as a proportion of GDP remains very low vs developed markets. This is down to an elevated savings rate and the fact that the ratio of house prices to incomes remains elevated even with the decline in property prices.

While the high relative cost of housing means there will likely continue to be a period of adjustment, overall, it seems we are through the nadir of property prices declines, with signs of stabilisation in tier one cities, if not outright recovery. While the government does not want to drive another bubble in construction volumes, policy measures are aimed at putting a floor in prices. A mix of lower interest rates and stabilising but structurally lower house prices point to a better backdrop for the Chinese consumer.

Other parts of the market are tough. The savings rate is high, but there are limited places to put this money to work, pushing up high-yielding stocks like banks, which are structurally challenged. Rate cuts are negative for net interest margins, and there is a divergence between the rise in reported corporate losses and bank provisioning, which is the lowest in a decade. Heavy industrials are also challenged given excess capacity in many industries.

China will likely manage its way through higher tariffs, given there is often little alternative to Chinese product at the price point available. There is a question over whether we will see a revaluation of the renminbi, with the current dollar peg increasingly out of sync with the rest of the world.

We are most positive on the consumer space, where many stocks are cheap, returning capital to shareholders, and should benefit from consumer deleveraging and government stimulus. However, reporting quality remains poor, and government intervention persists. There are pockets of opportunity, though, as consumers shifts from international to domestic brands, and in underpenetrated 'experiences' categories like music streaming or travel.

¹ Fidelity investment, trading and operational teams actively monitor developments, which can result in the identification of liquidity opportunities. Importantly, any pre-trade assessment ensures that activities do not contravene international sanctions. Prudent assessment of counterparties and all aspects of trade settlement arrangements are scrutinised and carefully managed in the best interests of clients. The decision to trade TCS was based on our assessment that a fair exit multiple was achievable.

Portfolio Managers' Review continued

Top 5 Positions

As at 30 June 2025	Sector	Portfolio (%)	Index Weight (%)	Relative (%)
Taiwan Semiconductor Manufacturing	Information Technology	10.6	10.2	0.4
Naspers	Consumer Discretionary	9.0	0.6	8.4
Samsung Electronics	Information Technology	4.0	2.7	1.3
TBC Bank Group	Financials	3.9	0.0	3.9
HDFC Bank	Financials	3.9	1.5	2.4

Question

Beyond China, what opportunities are you particularly excited about – are there any stand-out markets, sectors or themes you'd highlight?

Answer

We are constructive on Indonesia, which has excellent demographics but trades at a fraction of the multiple of countries with similar tailwinds. We particularly like noodle maker Indofood, which benefits from a great domestic market structure, and has presence in the underpenetrated Middle East market. Indofood trades at ~6x earnings, around a tenth of the multiple of peers in India.

The de-rating in Mexico has created opportunities to buy cheap, high-quality compounders, for example tortilla maker Gruma. Two-thirds of Gruma's profits come from the US and it would trade at a significant premium to its current multiple were it listed in that market, while localised production bases also protect it from any potential increase in tariffs.

Electrification is another area of focus. The shift in the generation mix requires a reengineering of the grid, which along with EVs, is the largest demand driver for copper. We hold several copper miners, for example Peru's Buenaventura. We also have direct exposure to the theme through Sieyuan Electric, a Chinese electrical equipment maker that is the only private company competing with a group of inefficient SOEs.

Question

An aspect of the Company's broad toolkit is the ability to invest in smaller companies and in "off-the-beaten-track" markets. Can you outline one of the opportunities you are seeing in those areas?

Answer

One mid-cap company we are particularly excited about is Georgia's TBC Bank. Georgia has a population of just under 4m people and TBC is one of two dominant banks in the country, which together have about 80% market share. TBC Bank earns returns on equity of more than 25% but trades on only ~5x earnings, a very cheap multiple for such a dominant, profitable bank. It has just launched a digital bank in Uzbekistan, a market with a population 10x the size of Georgia's, offering huge scope for expansion. With an experienced CEO that has an excellent track record of running fintech companies, this expansion into Uzbekistan offers great optionality.

Question

How important is in-depth company research and on-the-ground presence in addressing the complexities and evolving dynamics of Emerging Markets (EM)?

Answer

Fidelity's extensive EM research team and our frequent research trips play a vital role in helping us make sense of this diverse universe. We have about 50 analysts dedicated solely to EM, helping us develop a deep view of industry and company dynamics. Travel is an important part of the process, and we have visited the Gulf Corporation Council ('GCC'), Turkey, and Taiwan, among other places, over the past year. Seeing dynamics play out firsthand, and speaking to competitors and consumers directly, really helps us substantiate and corroborate a company's narrative.

This approach is particularly important when investing in EM, where there is greater information asymmetry and much less comprehensive coverage by the sell-side, especially of smaller-cap companies, an area where we see a lot of value today. Varying corporate governance standards across EM also make it vital to engage directly with companies to ensure the best outcomes for minority shareholders.

Question

What are some of the reasons investors might want to consider an allocation to EM today?

Answer

The fiscal backdrop and state of sovereign balance sheets is one of the defining issues of today. The US has an elevated fiscal deficit that has little chance of being reined in, and for the first time, people are questioning the sustainability of its debt.

Against this backdrop, the relative fiscal position of EM looks very strong. There are some exceptions to this, Brazil being a notable outlier, but broadly we have seen much more fiscal constraint among EMs during this cycle. While the US drew on the fiscal toolbox during Covid, we saw the opposite in most EMs, particularly China, which tightened policy to deflate the property bubble.

Today we are starting to see this dynamic shift, as the fiscal backdrop and policy unpredictability weigh on appetite for US assets, while China has shifted to reflating the economy, having achieved what it set out to do in the property sector. Much of the weak sentiment towards EM in recent years has been driven by the drawdown in its largest constituent, China, and it now appears that much of what drove EM's derating is reversing.

Today's world of fiscal largesse is also resulting in a weaker US dollar. If that continues to persist, it's a very good backdrop for EM, supporting local currencies and resulting in less imported inflation, with more money in the pocket of consumers. A weaker dollar is also supportive for commodity exporting economies like Brazil and South Africa.

The valuation backdrop is decent for many, if not all, EMs, with markets like Mexico and Indonesia trading at very low multiples, and China, despite the rerating, also looking cheap overall. Taiwan remains relatively expensive, but some of this premium is warranted given its position as home to the AI supply chain.

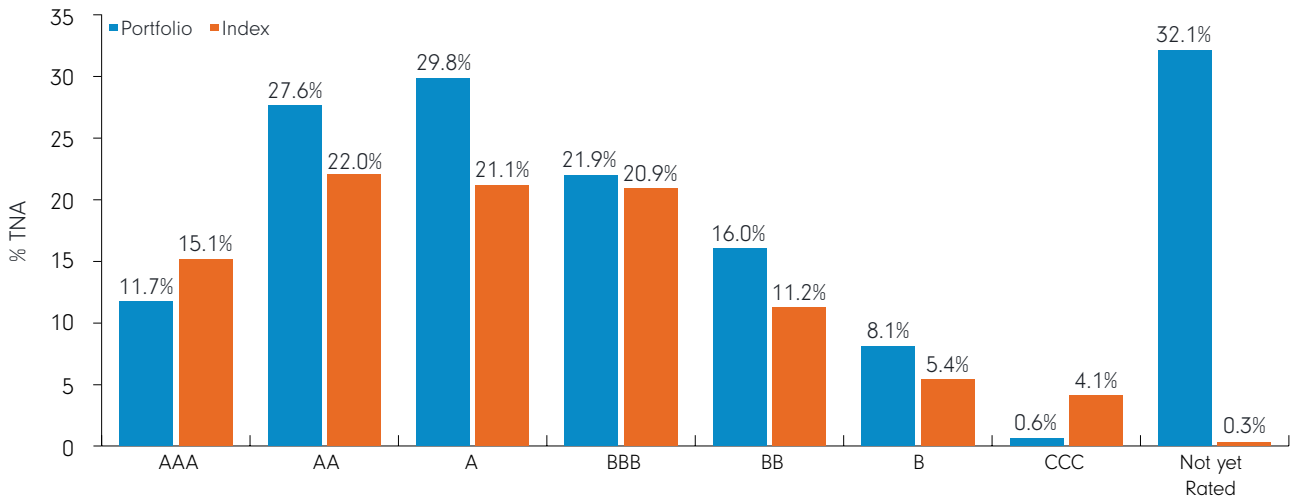
EM as an asset class is far from perfect, with continued risks around populism, geopolitics and trade tensions, although these are also issues that we face in the developed world. But with the tailwind of a weaker dollar, a relatively robust fiscal position, and signs of recovery of China, we think that EM looks well positioned today and is certainly an asset class that deserves scrutiny at this point in time.

Nick Price
Chris Tennant
Portfolio Managers
3 October 2025

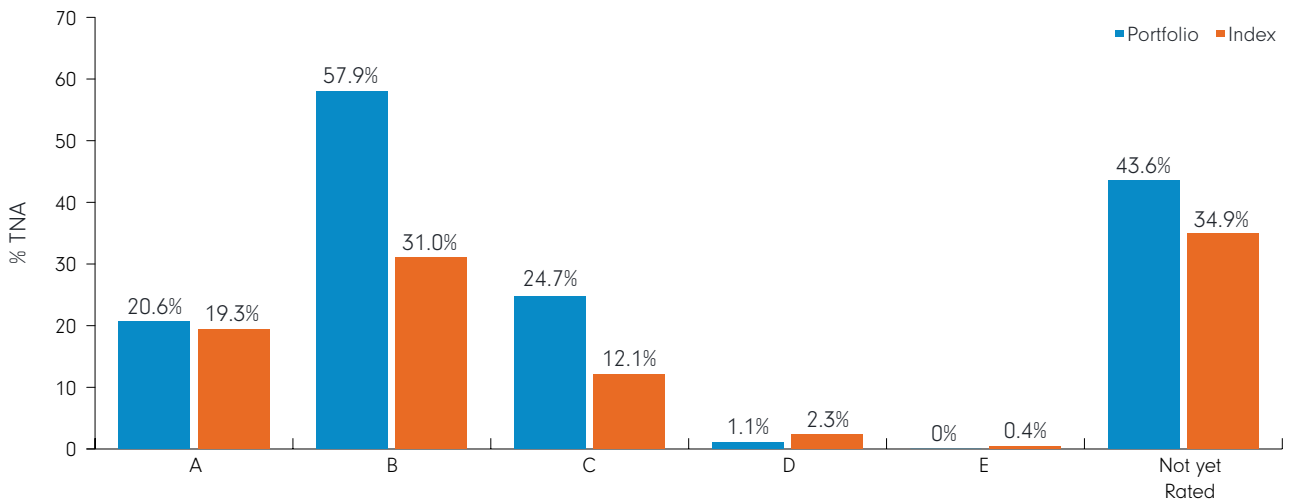
ESG Ratings

The charts below show a breakdown of the underlying stocks in the Company’s portfolio using MSCI and Fidelity’s own ESG ratings. It is encouraging that Fidelity’s ratings, which are more forward-looking in nature, show a greater proportion of the portfolio in higher rated stocks than those rated by MSCI, which is more backward-looking and disclosure driven.

MSCI ESG ratings



FIL proprietary ESG ratings



Source: Fidelity International, MSCI. Data for Fidelity Emerging Markets Limited as of 30 June 2025. Comparative Index: MSCI Emerging Markets Index. Actual Fund weight % vs Index weight % for different investment grades have been plotted. For illustrative purposes only. The Fidelity ESG Ratings were launched in June 2019. As of 31 March 2025, Fidelity ESG Ratings cover a universe of c. 4,000 issuers in equity and fixed income. Fidelity has a five-scale rating of A (best) to E (worst) reflecting the views of the fundamental analyst team. When assessing ESG scores, Fidelity ESG ratings are used when available. MSCI ESG ratings are used if no Fidelity ESG rating is available. Issuers with no ESG coverage are excluded from analysis (portfolio weights are rebased to 100% for covered instruments). Excluded issuers are assigned an ESG score of 0 given they are not investible based on ESG concerns. The ESG ratings distribution is based on Net Asset Value of holdings excluding cash, liquidity funds and ETFs which are grouped under ‘Cash & Others’. The charts above show long book positions, including call options rebased to 100%. Short positions are excluded.

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Fidelity International’s proprietary sustainability ratings system leverages its internal research and interactions with issuers. The ratings are designed to generate a forward-looking and holistic assessment of ESG risks and opportunities based on sector specific performance indicators. Analysts quantify the direction of change of companies’ ESG performance (positive, neutral or negative trajectory) and rate the companies using a scale of A (best) to E (worst).

Investment Toolkit

Fidelity Emerging Markets Limited is an all-cap Global Emerging Markets strategy with enhanced investment powers which seeks to exploit a broad range of opportunities. As opposed to more traditional long-only funds, the Company adopts an active 'extension' investment style with the strategy benefitting from an expanded toolset which allows the portfolio managers to employ long and short extensions using derivatives as and when high conviction ideas are identified:

- **Equities:** The Company predominantly invests in equity securities that offer a significant degree of absolute upside from prevailing market prices. The portfolio managers will seek opportunities across the market cap spectrum, geographies, and consider listed companies, initial public offerings and unlisted investments
- **Long extensions:** Derivatives are used to provide additional exposure to stocks with the greatest upside potential and to offset the reduction in equity exposure introduced by the Company's short positions. Most of the long and short derivative exposure is currently achieved through Contracts for Difference ("CFDs").
- **Short extensions:** Derivatives are used to achieve the economic effect of a short position in a security which the portfolio managers believe is overvalued. Short positions are implemented on an opportunistic basis for up to approximately 30% of total Net Assets under normal market conditions.
- **Other instruments:** The Portfolio Managers can opportunistically access other derivative instruments such as options to enhance the Company's returns or manage its risk profile. An example of return enhancement would be the sale of call options against holdings in the fund in high volatility environments, to capture the option premium, whilst also providing an efficient exit from the position at a strike price equivalent to the stock's target price. An example of risk control would be the purchase of appropriate index put options in lower volatility environments to protect the Company against negative movements in equity markets, where such portfolio insurance can be purchased at an attractively low premium.

How this fits with our investment philosophy

We believe that many emerging market companies can sustain high levels of economic growth for years to come, driven by attractive demographic profiles, immature markets, an abundance of untapped natural resources, and generally low levels of indebtedness. However, whilst these positive attributes provide a fertile environment for companies to grow their earnings, it is critical to ensure that each company we invest in can generate superior and sustainable returns on assets that permit them to fund the growth of their business, withstand competitive pressures and achieve attractive returns for minority shareholders.

With this in mind, we define high quality companies as those that exhibit:

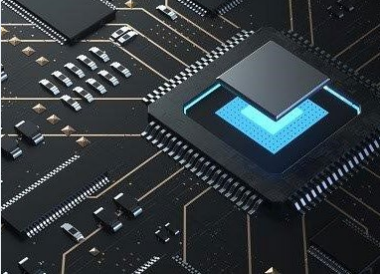
- **Quality** – high quality, well capitalised companies capable of achieving superior returns on assets, and where strong free cash flow generation can be used to either self-fund future growth or pay dividends to shareholders.
- **Consistency of returns** – dominant companies that can maintain superior levels of growth and profitability resulting from a sustainable competitive advantage, such as market share, technology, or cost leadership; companies which exhibit a solid track record of delivering attractive total shareholder returns over time.
- **Reasonable price** – attractive valuations that understate the intrinsic value of a company. Target prices are determined for every stock considered for the portfolio, reflecting each company's sustainable level of earnings power across the economic cycle and an appropriate valuation multiple.

Conversely, it is those weaker peers who are unable to compete with the strongest franchises that are likely to fall by the wayside. Using short positions, these weaker businesses form some of the additional investment opportunities that we can take advantage of, as an additional source of performance.

Spotlight on Top 10 holdings

as at 30 June 2025

Based on Asset Exposure expressed as a percentage of Net Assets. Asset Exposure comprises the value of direct equity investments plus market exposure to derivative instruments.

Industry Information Technology 	Taiwan Semiconductor Manufacturing ("TSMC") % of Net Assets10.6% TSMC is a pre-eminent Taiwanese semiconductor foundry with leading-edge technology that reinforces the company's competitive position and ability to generate incremental return on invested capital.
Industry Consumer Discretionary 	Naspers % of Net Assets9.0% Naspers is a South African holding company specialising in internet investments, including classifieds, payments/fintech and food delivery. It has a diverse portfolio of investments, including a significant stake in Chinese technology major Tencent.
Industry Information Technology 	Samsung Electronics % of Net Assets4.0% Samsung Electronics is a diversified Korean technology company, with one of the largest memory businesses globally, and a significant presence in mobiles, display and consumer electronics.
Industry Financials 	TBC Bank % of Net Assets3.9% TBC is the leading banking group in Georgia. It is well-capitalised with a high return on equity, strong loan growth and the ability to deploy capital into fast-growing loan markets, with recent expansion into the Uzbek market also offering scope for growth.
Industry Financials 	HDFC Bank % of Net Assets3.9% HDFC Bank is one of the leading banks in India with a focus on non-mortgage retail lending. It has an excellent history of balancing growth and shareholder returns, and its conservative capital management practices enable it to continually invest across the cycle.

Spotlight on Top 10 holdings continued

as at 30 June 2025

Industry Financials



Nu Holdings

% of Net Assets

3.6%

Nu Holdings is a Brazilian digital challenger bank offering services in savings, payments, and personal loan products. The company has consistently reported strong profitability and significant growth in its customer base, demonstrating exceptional execution on customer acquisitions.

Industry Financials



ICICI Bank

% of Net Assets

3.3%

ICICI is one of the largest private sector banks in India, with a significant presence in retail, corporate, and international banking. Its established market position offers stability and the company's consistently improving asset quality bodes well for strong earnings growth going forwards.

Industry Financials



Kaspi.KZ

% of Net Assets

3.1%

Kaspi is the dominant consumer finance, e-commerce, and payments platform in Kazakhstan. Its super app offers a range of services across merchant and consumer banking, payments, and marketplace.

Industry Financials



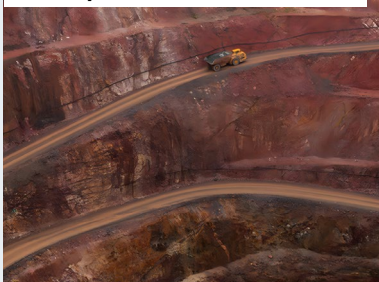
Piraeus Financial Holdings

% of Net Assets

3.1%

Piraeus is a leading Greek retail and commercial bank, which has enjoyed strong returns driven by fee and loan growth. Asset quality has also improved in recent years, leading to more resilient financials and supporting dividend growth going forwards.

Industry Materials



Endeavour Mining

% of Net Assets

3.0%

Endeavour Mining is a prominent gold producer based primarily in West Africa, with an established presence in key gold producing regions. The company has substantial gold reserves and resources, which support long-term production and potential exploration upside, as well as a low-cost base and strong free cash flow.

Forty Largest Holdings

as at 30 June 2025

The Asset Exposures shown below measure exposure to market price movements as a result of owning shares and derivative instruments. The Fair Value is the realisable value of the portfolio as reported in the Statement of Financial Position. Where the Company holds shares, the Asset Exposure and Fair Value will be the same. For derivative instruments, Asset Exposure is the market value of the underlying asset to which the Company is exposed, while the Fair Value reflects the profit or loss on the contract since it was opened, and is based on how much the share price of the underlying asset has moved.

	Asset Exposure \$'000	% ¹	Fair value \$'000
Long Exposures – shares unless otherwise stated			
Taiwan Semiconductor Manufacturing (shares, options and long CFD)			
Information Technology	81,697	10.6	73,083
Naspers (shares, options and long CFD)			
Consumer Discretionary	68,511	9.0	8,222
Samsung Electronics (shares, options and long CFDs)			
Information Technology	30,984	4.0	683
TBC Bank Group (long CFDs)			
Financials	29,723	3.9	785
HDFC Bank (shares and long CFD)			
Financials	29,644	3.9	26,636
NU Holdings (long CFDs)			
Financials	27,265	3.6	2,976
ICICI Bank (long CFD)			
Financials	25,805	3.3	422
Kaspi.KZ			
Financials	24,075	3.1	24,075
Piraeus Financial Holdings (shares and options)			
Financials	23,957	3.1	26,436
Endeavour Mining (shares and CFDs)			
Materials	23,112	3.0	(1,147)
Elite Material (long CFD)			
Information Technology	20,025	2.5	808
Pan African Resources			
Materials	19,266	2.4	19,266
OTP Bank			
Financials	18,757	2.3	18,757
Tencent Music Entertainment Group (shares, options and long CFDs)			
Communication Services	17,974	2.3	5,390
Five-Star Business Finance			
Financials	16,749	2.2	16,749
Auto Partner			
Consumer Discretionary	16,704	2.2	16,704
ANTA Sports Products (long CFDs)			
Consumer Discretionary	16,338	2.1	26
Cia de Minas Buenaventura (shares and long CFD)			
Materials	15,829	2.1	725
Anglogold Ashanti (shares, option and long CFD)			
Materials	15,757	2.0	11,907
Trip.com Group (long CFDs)			
Consumer Discretionary	15,576	2.0	(788)
Bank Central Asia			
Financials	15,303	2.0	15,303

Forty Largest Holdings continued

as at 30 June 2025

	Asset Exposure \$'000	% ¹	Fair value \$'000
Full Truck Alliance (long CFDs)			
Industrials	15,050	2.0	(114)
Grupo Mexico (long CFDs)			
Materials	14,636	1.9	470
Inter			
Financials	14,209	1.8	14,209
Techtronic Industries (shares and long CFD)			
Industrials	14,075	1.8	5,447
Banco BTG Pactual			
Financials	13,878	1.8	13,878
Banca Transilvania			
Financials	11,310	1.5	11,310
Guaranty Trust Holding			
Financials	10,775	1.4	10,775
Standard Bank Group (shares and long CFDs)			
Financials	10,753	1.4	397
Chroma ATE			
Information Technology	10,497	1.4	10,497
Dodla Dairy			
Consumer Staples	10,471	1.4	10,471
Ivanhoe Mines (shares and option)			
Materials	10,270	1.3	4,886
Torex Gold Resources			
Materials	10,206	1.3	10,206
Eicher Motors			
Consumer Discretionary	9,693	1.3	9,693
PPC			
Materials	9,624	1.2	9,624
HDFC Asset Management			
Financials	9,531	1.2	9,531
OUTsurance Group			
Financials	9,296	1.2	9,296
TAV Havalimanlari Holding			
Industrials	9,226	1.2	9,226
Galaxy Entertainment Group (long CFD)			
Consumer Discretionary	9,163	1.2	210
MakeMyTrip (long CFD and option)			
Consumer Discretionary	8,981	1.2	(173)
Forty largest long exposures	764,695	99.1	406,857
Other long exposures	404,161	52.4	309,474
Total long exposures before long futures and hedges (126 companies)	1,168,856	151.5	716,331

Forty Largest Holdings continued

as at 30 June 2025

	Asset Exposure \$'000	% ¹	Fair value \$'000
Add: long future contracts			
Hang Sang China Enterprises Index	10,381	1.3	(78)
Hang Seng Index	3,375	0.5	(3)
FTSE Taiwan Index	3,209	0.4	36
Total long future contracts	16,965	2.2	(45)
Less: hedging exposures			
MSCI Emerging Markets Index (future)	(160,910)	(20.9)	(2,808)
Total hedging exposures	(160,910)	(20.9)	(2,808)
Total long exposures after the netting of hedges	1,024,911	132.8	713,478
Add: short exposures			
Short CFDs (62 holdings)	180,705	23.4	(603)
Short futures (10 holdings)	28,958	3.8	(942)
Short options (3 holdings)	680	0.1	79
Total short exposures	210,343	27.3	(1,466)
Gross Asset Exposure²	1,235,254	160.1	
Forward currency contracts			71
Portfolio Fair Value³			712,083
Net current assets (excluding derivative assets and liabilities)			59,545
Total Net Assets			771,628

1 Asset Exposure (as defined in the Glossary of Terms on page 89) expressed as a percentage of Net Assets.

2 Gross Asset (as defined in the Glossary of Terms on page 90) Exposure comprises market exposure to investments of \$712,861,000 (per Note 10 on page 61) plus market exposure to derivative instruments of \$522,393,000. (per Note 11 on page 63).

3 Portfolio Fair Value comprises investments of \$712,861,000 plus derivative assets of \$15,006,000 less derivative liabilities of \$15,784,000. (per the Statement of Financial Position on page 51).

Distribution of the Portfolio

as at 30 June 2025

Sector	% of Net Assets % ¹	Benchmark Index %
Financials	48.0	24.5
Consumer Discretionary	31.0	12.8
Information Technology	29.9	24.1
Materials	26.9	5.8
Industrials	17.1	6.9
Consumer Staples	7.0	4.5
Communication Services	6.6	9.8
Energy	3.9	4.3
Real Estate	3.8	1.6
Health Care	2.1	3.2
Utilities	1.9	2.6
Investment Funds	0.6	-
Others	2.2	-
Total excluding hedging	181.0	100.0
Hedging	(20.9)	0.0
Total including hedging	160.1	100.0

¹ Asset Exposure expressed as a percentage of Net Assets.

Distribution of the Portfolio continued

as at 30 June 2025

Country	% of Net Assets % ¹	Benchmark Index %
Taiwan	25.2	18.9
China	21.1	28.4
India	21.0	18.1
South Africa	18.0	3.2
Brazil	9.8	4.4
South Korea	9.6	10.7
Mexico	7.0	2.0
United States of America	5.8	0.0
Kazakhstan	4.9	0.0
Indonesia	4.3	1.2
Hong Kong	4.1	0.0
Poland	4.1	1.1
Georgia	3.9	-
Greece	3.4	0.6
Canada	3.2	0.0
Peru	3.2	0.3
United Kingdom	3.1	0.0
Ivory Coast	3.0	0.0
Hungary	2.5	0.3
United Arab Emirates	2.5	1.6
Vietnam	2.2	0.0
Saudi Arabia	2.0	3.5
Japan	1.8	0.0
Nigeria	1.6	0.0
Thailand	1.5	1.0
Romania	1.5	0.0
Congo	1.3	-
Turkey	1.2	0.5
Macau	1.2	-
Panama	1.1	0.0
Germany	1.0	0.0
Argentina	0.6	0.0
France	0.5	0.0
Zambia	0.5	-
Cameroon	0.3	-
Finland	0.2	0.0
Czech Republic	0.2	0.2
Norway	0.1	0.0
Netherlands	0.1	0.0
Australia	0.1	0.0
Russia	0.1	0.0
Others	2.2	3.9
Total excluding hedging	181.0	100.0
Hedging	(20.9)	0.0
Total including hedging	160.1	100.0

¹ Asset Exposure expressed as a percentage of Net Assets.

Attribution Analysis

as at 30 June 2025

Ten Highest Contributors to NAV relative return	%
Naspers	+2.7
Piraeus Financial Holdings	+2.2
Lundin Gold	+1.6
TBC Bank	+1.5
Elite Material	+1.3
Headhunter Group	+1.3
Pan African Resources	+1.1
Guaranty Trust Holding	+0.7
Chroma ATE	+0.7
Taiwan Semiconductor MFG	+0.7

Ten Highest Detractors from NAV relative return	%
Kaspi	-2.7
Xiaomi	-1.1
Alkhorayef Water & PWR Tech	-0.8
ASML Holding	-0.8
Meren Energy	-0.7
Samsonite Group	-0.7
Axis Bank	-0.7
Ivanhoe Mines	-0.7
Short Position	-0.7
Tencent Holdings	-0.7

Note: Derivative positions are included in the above investment positions.
Source: Fidelity International.

Five Year Record

For the year ended 30 June	2025	2024	2023	2022	2021
Investment Performance					
Net asset value per Participating Preference share total return (%) ¹	+11.8%	+18.7	-2.6	-27.9	+24.8
Share price total return (%) ¹	+14.0%	+22.6	-5.2	-30.0	+30.0
MSCI Emerging Markets Index total return (%)	+6.3	+13.2	-2.8	-14.9	+26.4
Assets					
Gross asset exposure (\$m) ¹	1,235.3	1,177.3	1,185.0	1,120.1	1,679.9
Net assets (\$m)	771.6	753.4	796.7	796.8	1,699.1
Gross gearing (%) ¹	60.1	56.3	48.7	40.6	n/a
Net gearing (%) ¹	5.5	4.3	(3.9)	(7.6)	n/a
Net asset value per Participating Preference Share (\$)¹	11.99	10.09	8.75	8.75	13.99
Net asset value per Participating Preference Share (£)¹	8.75	7.98	6.88	7.20	10.13
Share Price data at year end					
Share price (£)	7.83	7.03	5.88	6.34	9.19
Discount (%)¹	10.51	11.90	14.61	12.00	9.28
Earnings and Dividends paid					
Revenue earnings per Participating Preference Share (\$)²	0.31	0.16	0.22	0.15	0.17
Capital earnings/(Loss) per Participating Preference Share (\$)²	1.52	1.29	(0.06)	(5.11)	3.81
Total earnings/(Loss) per Participating Preference Share (\$)²	1.83	1.45	0.16	(4.96)	3.98
Dividend per Participating Preference Share	\$0.26	\$0.20	\$0.19	\$0.16	\$0.18
Ongoing Charges (%)¹	0.83	0.81	0.81	0.60	1.03

1 Alternative Performance Measures. Please see page 81 and the Glossary of Terms on pages 89 to 91 for further details.

2 Calculated based on weighted average number of participating preference shares in issue during the year.

Sources: JPMorgan and Datastream

Past performance is not a guide to future returns.

Strategic Report

The Directors have pleasure in presenting the Strategic Report of the Company. The Chairman's Statement and Portfolio Managers' Review on pages 2 to 9 form part of the Strategic Report.

Business and Status

The Company is a closed-ended investment scheme authorised by the Guernsey Financial Services Commission and is listed on the London Stock Exchange.

The Company was incorporated in Guernsey on 7 June 1989 and commenced business as an investment company on 19 September 1989.

Manager and Investment Manager

The Alternative Investment Fund Manager (FIL Investment Services (UK) Limited/ the "Manager") has delegated the role of Investment Manager to FIL Investments International ('Fidelity International', the 'Investment Manager'). Both the Manager and Investment Manager are part of the FIL Group of companies, collectively 'Fidelity'.

Conditional Tender Offer

If the NAV total return for the five years ending 30 September 2026 does not exceed the Benchmark Index, the Company will make a tender offer for up to 25% of the shares in issue (excluding shares held in treasury) at that time. As at 30 June 2025, the NAV total return for the five years ending 30 June 2025 was 16.2%. The Benchmark Index returned 25.9% over the same period.

Life of the Company

The Company has committed to hold a continuation vote in 2026 and every five years thereafter. The Company will propose the continuation vote at its annual general meeting in the relevant year and, if the continuation vote is not passed, will thereafter present proposals to shareholders in respect of the future of the Company. The Viability statement on page 27 also has relevant commentary on the life of the company.

Management

The Company has no employees or premises and the Board is comprised of non-executive Directors. During the year under review, the majority of day-to-day operations and functions of the Company were delegated to Fidelity, and to third party service providers who are subject to the oversight of the Board. There are therefore no disclosures to be made in respect of employees.

During the year under review Fidelity, provided investment and risk management services, JP Morgan Chase Bank was the Custodian and JP Morgan Administration Services (Guernsey) Limited was the Administrator. Company Secretarial services are provided by FIL Investments International. The Board regularly reviews the performance and risks of its primary service providers and checks that they have appropriate frameworks in place for the oversight of their internal controls, monitoring and reporting.

INVESTMENT OBJECTIVE

The Company's investment objective is to achieve long-term capital growth from an actively managed portfolio made up primarily of securities and financial instruments providing exposure to emerging market companies, both listed and unlisted. The objective was last updated on 1 October 2021.

INVESTMENT POLICY

The Company seeks to meet its investment objective through investment in a diversified portfolio of equity or equity-linked securities and derivative instruments providing exposure to emerging market companies.

The Manager integrates sustainability analysis into its investment process and promotes environmental and social characteristics in respect of the companies in which it invests.

Modification of Investment Objective or Investment Policy

In accordance with the Listing Rules of the Financial Conduct Authority, any material change to the Company's published Investment Objective or Investment Policy will require the prior approval of both the Financial Conduct Authority and the shareholders of the Company (by way of an ordinary resolution).

Investment minimum constraints

At least 80% of the Company's total assets (measured at the time of investment) will be exposed to companies that have their head office in, are listed in or with assets, operations, income or revenues that are predominantly in or derived from emerging markets.

The Company is not subject to any geographical or sector limits, although the Manager will maintain a diversified portfolio of a minimum of 75 holdings (comprised of a mixture of long and short exposures) in companies listed in or operating across at least 15 countries.

Fidelity is not required to seek to ensure that the Company's cash resources are fully invested at all times. Accordingly, there may be times when the Company holds cash or money market instruments pending investment. The Company's net market exposure will not fall below 90% of the Company's net assets save to the extent that the Manager is required to realise cash to fund a tender offer or other return of capital.

Permitted instruments

The Company may invest through equities, index linked securities, contracts for difference ("CFDs"), equity linked and other debt securities, cash deposits, money market instruments, equity related securities, foreign currency exchange forward transactions and other interests including derivative instruments. The Company may invest directly in China A and B Shares and invest in Non-Voting Depositary Receipts, American Depositary Receipts, Global Depositary Receipts and Equity Linked Notes. References to "companies" in this investment policy may include operating businesses that are not in corporate form.

Strategic Report continued

Forward transactions and derivatives, including futures, options, swaps and contracts for difference, may be used to enhance portfolio performance as well as for efficient portfolio management and hedging.

The Company may invest in unlisted securities and in other investment funds, subject to the investment restrictions set out below.

Investment Restrictions

The Company will invest and manage its assets with an objective of spreading risk with the following investment restrictions:

- no single or aggregate interest in any one company shall represent more than 15% of total assets (measured at the time of investment);
- no more than 15% of total assets (measured at the time of investment) may be invested in unlisted securities;
- up to 15% of total assets (measured at the time of investment) may be invested in other listed or unlisted investment funds where such funds offer the only practicable means of gaining exposure to a particular emerging market, including other funds managed or advised by the Manager or its associates;
- up to 20% of total assets (measured at the time of investment) may be invested in securities and instruments which provide exposure to companies which do not have their head office in, are not listed in or whose assets or operations are not predominantly in emerging markets, provided that a material proportion of the income or revenues of each such company derives from emerging markets.

Although the Company has no present intention to make any such investments, for so long as required by the Listing Rules, no more than 10% of the Company's total assets (measured at the time of investment) may be invested in other London-listed closed ended funds that do not have stated policies to invest no more than 15% of their total assets in other London-listed closed ended funds.

Leverage and derivatives

The Company may be geared through (i) borrowing of up to 10% of its net asset value and/or (ii) by entering into derivative positions (both long and short) which have the effect of gearing the Company's portfolio, to enhance performance.

Derivatives usage will focus on, but will not be limited to the following investment strategies:

- as an alternative form of gearing to bank loans, for instance by the use of long CFDs;
- to enhance the investment returns by taking short positions in stocks or markets that the Manager considers to be over-valued or impaired;
- to enhance positions, manage position sizes and control risk through the use of options;

- to hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost; and
- to gain or hedge currency exposure, both long and short, using foreign currency exchange forward transactions.

The Company is subject to the following limits in respect of its use of derivatives:

- Net Market Exposure will not exceed 120% of the net asset value of the Company.
- Gross Asset Exposure will not exceed 165% of the net asset value of the Company.
- In normal market circumstances, the Company expects that the Manager will maintain a Net Market Exposure in the range of 100% to 110%.

Exposure Definitions

- Long Exposure is the value of the Company's direct and indirect investments in long positions (including the economic value of the exposure to the reference asset of any derivative instrument).
- Short Exposure is the value of the Company's direct and indirect investments in short positions (including the economic value of the exposure to the reference asset of any derivative instrument), excluding Hedges.
- Hedges are short positions that demonstrate risk-reduction qualities by offsetting long positions held by the Company which have regional congruence and a correlation of at least 80% to the Long Exposure of the Company.
- Net Market Exposure is the net positive market exposure of the Company's portfolio, whether through direct or indirect investment, with short and hedge positions subtracted from long positions. It is calculated as (Long Exposure – Hedges) – Short Exposure.
- Gross Asset Exposure is the total market exposure of the Company's portfolio, whether through direct or indirect investment. It is calculated as: (Long Exposure + Short Exposure) – Hedges.

Benchmark Index

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

Strategic Report continued

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES, RISK MANAGEMENT

In accordance with the AIC Code, the Board has a robust ongoing process for identifying, evaluating and managing the principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity. The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties that the Company faces. The Audit and Risk Committee continues to identify any new emerging risks and take any action feasible to mitigate their potential impact. The risks identified are placed on the Company's risk matrix and graded appropriately. This process, together with the policies and procedures for the mitigation of existing and emerging risks, is updated and reviewed regularly in the form of comprehensive reports considered by the Audit and Risk Committee. The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

The Manager also has responsibility for risk management for the Company. It works with the Board to identify and manage the principal and emerging risks and uncertainties and to ensure that the Board can continue to meet its corporate governance obligations.

Key emerging issues that the Board has identified include;

The Board considers the following as the principal risks and uncertainties faced by the Company.

- Continued rising geopolitical tensions, including escalation of the Russia-Ukraine war, Middle East and a deteriorating US-China relationship, with Taiwan as a potential flashpoint.
- Risks posed by international trade wars and protectionism on economic growth, the inflationary environment and monetary policies.
- Artificial Intelligence as a differentiator capability and as a multiplier of existing risks, together with increasing cyber threats.
- The risk of the erratic nature of political decisions leading to disorderly market behaviour and negatively impacting on investor sentiment. Change in leadership across the globe towards far right elevates the risks of change in the status-quo, exacerbates deglobalisation trends.
- Climate change, which remains one of the most critical emerging issues confronting asset managers and their investors.

The Board notes that the Manager monitors these issues, and has integrated macro and ESG considerations, including climate change, into the Company's investment process. The Board will continue to monitor how this may impact the Company as a risk, the main risk being the impact on investment valuations.

Principal Risks	Risk Description and Impact	Risk Mitigation
Geopolitical Risks, Volatility of Emerging Markets and Market Risks	• The economies, currencies and financial markets of a number of developing countries in which the Company invests may be extremely volatile. • Further risks on emerging markets from high inflation, and challenging financial conditions exacerbated by the war in Ukraine and Middle East. • Market volatility from worsening Chinese/Taiwanese relations that could prompt the US to intervene amplified by ongoing uncertainty of the foreign policy changes By Trump's Administration and reciprocal measures globally. • Emerging markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, illiquid security, legal, custody, valuation, and currency risks, and are more likely to experience risks that in developed markets are associated with unusual market conditions. • The Company is exposed to several geopolitical risks. The geopolitical landscape continues to change globally and is largely shaped by the ongoing effects of war conflicts, tariff wars, deglobalisation trends and significant supply disruption. The Middle East and Russia are significant net exporters of oil, natural gas and a variety of soft commodities and supply limitations have fuelled global inflation and economic instability, specifically within Western nations. Macro-economic uncertainty continues to impact Western investment appetite.	• The Company's investments are geographically diversified in order to manage risks from adverse price fluctuations. • Russian securities already held at nil value. • The exposure to any one company is unlikely to exceed 5% of the Company's net assets at the time the investment is made. • Review of material economic or market changes and major market contingency plans for extreme events. • China's integration into the global financial system and into global supply chains. • Companies that were solely listed in the US are listing on the HK or mainland markets. • Robust risk governance in place supports risk profile assessment.

Strategic Report continued

Principal Risks	Risk Description and Impact	Risk Mitigation
	- US imposed Executive Orders prohibiting US investments in certain Chinese companies and the passing of the Holding Foreign Companies Accountable Act (HFCAA). - Rising geopolitical tensions, including contagion of the Ukraine and Middle East crisis or tensions between China and Taiwan into the wider region. - Regulatory measures impacting sectors such as IT sector or biotech sector and a lingering weakness in the real estate sector. The ongoing trade tensions between the United States and trading partners and escalation of these tensions, or the escalation of similar tensions between the United States and other countries in which Portfolio companies operate, could adversely affect the performance of the securities in which the Company invests and the value of the Portfolio. In particular, such tensions could result in: (i) further trade tariffs being imposed; (ii) further reciprocal trade tariffs being imposed by the impacted countries; and (iii) escalation to a trade war or (iv) change in foreign policies as reciprocation by the impacted countries. These circumstances could also lead to the imposition of non-tariff barriers to trade including, in particular, unexpected regulation, economic sanctions, fines, taxes, licence requirements or other measures (including enforcement actions) in relation to Emerging Markets generally and particularly China, targeted investee companies within the Company's Portfolio and/or persons operating in the markets. Any such measures or escalation in trade tensions are likely to have an adverse effect on the operations and supply chains of investee companies within the Portfolio; the value of the Portfolio; and the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.	
Investment Performance & Gearing	- The Portfolio Manager may fail to outperform the Benchmark Index over the longer-term. - The Portfolio Manager may fail to use gearing adequately, resulting in a failure to outperform in a rising market or to underperform in a falling market.	- An investment strategy overseen by the Board to optimise returns. - A well-resourced team of experienced analysts covering the market. - Board scrutiny of the Manager and the ability in extreme circumstances to change the Manager. - The Board sets a limit on gearing and provides oversight of the Manager's use of gearing.
Competition Risks, Marketplace Threats Impacting Business Growth	Risks that external pressures affect the Company's ability to maintain and grow the business due to the Company operating within an increased consolidation environment across the marketplace, which increases competition. In 2024 marketplace threat emerged related to activists' strategies targeting Investment Companies whilst the industry is consolidating through M&A activities.	- Ongoing review by the Board, Broker and Manager of peer group and industry activity. - Annual review of strategy by the Board, and review by the Board of the strategic direction of the Company on an ongoing basis to ensure it offers a relevant product to shareholders. - Regular review by the board of marketing, public relations and sales activity, and shareholder register.

Strategic Report continued

Principal Risks	Risk Description and Impact	Risk Mitigation
Changes in legislation, taxation or regulation risks	- There is increased activity around mergers and acquisitions across the investment company marketplace and alternative investment offerings (including passive vehicles) which could influence the demand for the Company's shares. - There is a risk of costly shareholder activism in the investment company sector, pursuing goals that may not be in the interests of most shareholders. There is a risk of the Company not complying with the regulatory requirements of the Guernsey Financial Services Commission, UK listing rules, corporate governance requirements or local tax requirements that could result in loss of status as an Authorised Closed Ended Investment Scheme, becoming subject to additional tax charges or to exclusion from trading in particular markets. - Asset Managers are preparing for the 2025 rollout of the CCI (Consumer Composite Investments) framework which will bring investment companies into scope. In additions, upcoming changes in the updated UK Corporate Governance code changes and the reforms in the public spending, which may impact the Company.	- The Board monitors tax and regulatory changes at each Board meeting and through active engagement with regulators and trade bodies by the Manager. - The Manager regularly attends regular briefings from key industry bodies. - Regulatory developments are monitored and managed by Fidelity through active lobbying and negotiations as well as a robust change management process.
Business Continuity & Event Management Risks	- Business process disruption risk from continued threats of cyberattacks, geopolitical events, outages, fire events and natural disasters, resulting in financial and/or reputational impact to the Company affecting the functioning of the business. - The Company relies on a number of third-party service providers, principally the Registrar, Custodian and Depositary who may be subject to cybercrime.	- Fidelity has Business Continuity and Crisis Management Frameworks in place to deal with business disruption and assure operational resilience. - All third-party service providers are subject to a risk-based programme of risk oversight and internal audits by the Manager and their own internal controls reports are received an annual basis and any concerns are investigated.
Operational Risk	Financial losses or reputational damage from inadequate or failed internal processes, people and systems or from external parties and events.	- Fidelity's Operational Risk Management Framework is designed to pro-actively prevent, identify and manage operational risks inherent in most activities. - Fidelity uses robust systems and procedures dedicated to its operational processes. Its risk management structure is designed according to the FCA's three lines of defence model.

Strategic Report continued

Principal Risks	Risk Description and Impact	Risk Mitigation
Cybercrime and Information Security Risks	- Cybersecurity risk from cyberattacks or threats to the functioning of global markets and to the Manager's own business model, including its and the Company's outsourced suppliers. - Risk of cybercrime such as phishing, remote access threats, extortion, and denial-of-service attacks from highly organised criminal networks and sophisticated ransomware operators, including threats such as service disruption / extortion attacks (DDoS, ransomware), financial theft and data breaches, Regulatory non-compliance, reputational damage/loss of customer trust. The threat environment continuing to evolve rapidly, including the heightened potential threat from nation state backed threat actor due to geo-political tensions from the current wars in Ukraine and Gaza. Ransomware continues to increase globally and is also becoming a supply chain risk. - Additional risks from the increased use of artificial intelligence (AI).	- The risk is monitored by the Board with the help of the Manager's global cybersecurity team and their extensive Strategic Cyber and Information Security programme and assurances from outsourced suppliers. - The Manager has established a comprehensive framework of information security policies and standards which provide a structured approach to identify, prevent, and respond to information security threats. The framework ensures consistency in our security measures, enhances FIL ability to adapt to evolving/ emerging threats, & compliance with changing regulatory requirements. The Company's other service providers also have similar measures in place. - Key performance indicators and metrics have been developed by the Manager to monitor the overall efficacy of cybersecurity processes and controls and to further enhance the Manager's cybersecurity strategy and operational resilience.
Level of Discount to Net Asset Value ("NAV") Risk	- Due to the nature of investment companies, the price of the Company's shares and its discount to NAV are factors which are not completely within the Company's control. - In considering the risk that the discount to NAV poses to shareholder value and returns, both the absolute level of the discount and the amount relative to the Company's peer group and the wider market are considered.	- The Board reviews the discount on a regular basis and has the authority to repurchase shares so shares can trade at a level close to the NAV. - If the NAV total return for the five years ending 30 September 2026 does not exceed the Benchmark Index, the Company will make a tender offer for up to 25% of the shares in issues (excluding shares held in treasury) at that time. - The Board and manager proactively try to raise the Company's profile through events, presentations, and meetings with stakeholders, combined with regular advertising and content placement on many of the UK's leading investment websites and in key printed media to reach the broadest possible audience.
Key Person Risk	Loss of the Portfolio Manager or other key individuals could lead to potential performance and/or operational issues.	- Succession planning for key dependencies. - Depth of the team within Fidelity. - Experience of the analysts covering the Company's investments.
Lack of Market Liquidity Risk	- Low trading volumes on stock exchanges of less developed markets. - Lack of liquidity from temporary capital controls in certain markets. - Exaggerated fluctuations in the value of investments from low levels of liquidity.	Restrictions on concentration and diversification of the assets in the Company's portfolio to protect the overall value of the investments and lower risks of lack of liquidity.

Strategic Report continued

Other risks facing the Company include:

Tax and Regulatory Risks

There is a risk of the Company not complying with the regulatory requirements of the Guernsey Financial Services Commission, UK listing rules, corporate governance requirements or local tax requirements that could result in loss of status as an Authorised Closed Ended Investment Scheme, becoming subject to additional tax charges or to exclusion from trading in particular markets.

The Board monitors tax and regulatory changes at each Board meeting and through active engagement with regulators and trade bodies by the Manager.

VIABILITY STATEMENT

In accordance with provision 35 of the 2019 AIC Code of Corporate Governance the Directors have assessed the prospects of the Company over a longer period than the twelve month period required by the “Going Concern” basis. The Company is an investment fund with the objective of achieving long-term capital growth from an actively managed portfolio made up primarily of securities and financial instruments providing exposure to emerging market companies, both listed and unlisted. The Board considers long-term to be at least five years, and accordingly, the Directors believe that five years is an appropriate investment horizon to assess the viability of the Company, although the life of the Company is not intended to be limited to this or any other period. In making an assessment on the viability of the Company, the Board has considered the following:

- The ongoing relevance of the investment objective in prevailing market conditions;
- The Company’s NAV and share price performance;
- The principal and emerging risks and uncertainties facing the Company as set out above and their potential impact;
- The future demand for the Company’s shares;
- The Company’s share price discount to its NAV;
- The liquidity of the Company’s portfolio;
- Consideration of the continuation vote in 2026;
- The level of income generated by the Company; and
- Future income and expenditure forecasts.

The Company has assumed for the purposes of the viability statement that the continuation vote in 2026 would be passed. This assumption is based on the Company’s performance to 30 June 2025 (in absolute terms and versus the benchmark), the level of discount and informal conversations with shareholders. Formal feedback from shareholders on the continuation vote will be sought as part of the preparation of the 2026 financial statements. At this early stage, the Directors have not been informed by any shareholder that they would vote against continuation.

The Company’s performance for the five year reporting period to 30 June 2025 lagged the Benchmark Index, with a NAV total return of +16.2%, and a share price total return of +20.6% compared to the Benchmark Index total return of +25.9%.

The Board regularly reviews the investment policy and considers whether it remains appropriate. 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 five years based on the following considerations:

- The Investment Manager’s compliance with the Company’s investment objective and policy, its investment strategy and asset allocation;
- The fact that the portfolio comprises sufficient readily realisable securities which can be sold to meet funding requirements if necessary; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company’s total assets.

When considering the risk of under-performance, a series of stress tests were carried out including in particular the effects of any substantial future falls in investment value on the ability to maintain dividend payments and repay obligations as and when they arise.

In preparing the Financial Statements, the Board has considered the impact of regulatory changes and significant market events and how this may affect the Company. In addition, the Directors’ assessment of the Company’s ability to operate in the foreseeable future is included in the Going Concern Statement which is included in the Directors’ Report on page 39.

Strategic Report continued

Promoting the Success of the Company

The Company is not required to comply with the provisions of the UK Companies Act 2006, but it is a requirement of the AIC Code of Corporate Governance to report upon Section 172 of this statute irrespective of domicile. Section 172 recognises that Directors of a company must act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long-term; the need to foster relationships with the Company's suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

As an externally managed Investment Company, the Company has no employees or physical assets, and a number of the Company's functions are outsourced to third parties. The key outsourced function is the provision of investment management services by the Manager, but other professional service providers support the Company by providing administration, custodian, banking and audit services. The Board considers the Company's key stakeholders to be the existing and potential shareholders, the external appointed Manager and other third-party professional service providers. The Board considers that the interest of these stakeholders is aligned with the Company's objective of delivering long-term capital growth to investors, in line with the Company's stated objective and strategy, while providing the highest standards of legal, regulatory and commercial conduct.

The Board, with the Portfolio Manager, sets the overall investment strategy and reviews this regularly. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, whether in the maximum size of individual holdings, the use of derivatives, the level of gearing and others. These limits and guidelines are regularly monitored and reviewed and are set out in the Annual Report.

The Board places great importance on communication with shareholders and is committed to listening to their views. The primary medium through which the Company communicates with shareholders is through its Annual and Half Year Financial Reports. Monthly factsheets are also produced. Company related announcements are released via the Regulatory News Service ('RNS') to the London Stock Exchange. All of the aforementioned information is available on the Company's website www.fidelity.co.uk/emergingmarkets. Shareholders may also communicate with Board members at any time by writing to the Company Secretary at FIL Investments International, Beech

Gate, Millfield Lane, Tadworth, Surrey KT20 6RP or by email at investmenttrusts@fil.com. The Portfolio Managers meet with major shareholders, potential investors, stock market analysts, journalists and other commentators throughout the year. These communication opportunities help inform the Board in considering how best to promote the success of the Company over the long-term.

The Board seeks to engage with the Manager and other service providers and advisers in a constructive and collaborative way, promoting a culture of strong governance, while encouraging open and constructive debate, in order to ensure appropriate and regular challenge and evaluation. This aims to enhance service levels and strengthen relationships with service providers, with a view to ensuring shareholders' interests are best served, by maintaining the highest standards of commercial conduct while keeping cost levels competitive.

Whilst the Company's direct operations are limited, the Board recognises the importance of considering the impact of the Company's investment strategy on the wider community and environment. The Board believes that a proper consideration of ESG issues aligns with the Company's investment objective to deliver long-term growth in both capital and income, and the Board's review of the Manager includes an assessment of their ESG approach.

In addition to ensuring that the Company's investment objective was being pursued, key decisions and actions taken by the Directors during the reporting year, and up to the date of this report, have included:

- **Marketing & PR**

The Board has continued to be proactive in its efforts to promote the success of the Company. It has worked closely with the Manager, utilising the Manager's extensive marketing capabilities, in combination with the Company's appointed stockbrokers, and public relations firm to continue to execute a comprehensive promotional programme for the Company.

- **Discount Control – Share Buybacks**

The Company continued a share buyback programme to address the discount to NAV at which the Company's shares trade with the ambition that it may ultimately be maintained in single digits in normal market conditions on a sustainable basis.

- **Dividend**

The decision to recommend a dividend of \$0.26 per Participating Preference Share in respect of the year ended 30 June 2025 (2024: \$0.20). Shareholders approved the dividend at the 2025 AGM.

Strategic Report continued

Board Diversity

The Board's overriding intention is to ensure that it is made up of the best combination of people in order to achieve long-term capital growth for the Company's shareholders from an actively managed portfolio of investments. To this effect, the Board, as part of its succession plan, will continue to appoint individuals who, together as a Board, will aim to ensure the continued optimal promotion of the Company in the marketplace.

The table below reports the gender diversity of the Board as at 30 June 2025.

Gender Reporting

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Senior Independent Director and Committee Chair)
Men	3	60%	2
Women	2	40%	1

The Board's composition has met the target of 40% of women on FTSE 350 company boards ahead of the 2025 deadline as set by the FTSE Women Leaders Review. The Board also meets the FCA target that one of the senior Board positions is held by a woman. This senior position is held by Heather Manners as the Chairman of the Board and the Nomination Committee.

The Board meets the recommendations of the Parker Review Committee that each FTSE 250 company should have at least one director from an ethnic minority background by 2024 so as to improve the ethnic and cultural diversity of UK company boards as can be seen from the table below. The Board also meets the FCA targets that at least one Director is from an ethnic minority background.

Ethnic Background Reporting

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Senior Independent Director and Committee Chair)
White British or other White (including minority white groups)	4	80%	2
Asian/Asian British	1	20%	0

CORPORATE AND SOCIAL RESPONSIBILITY

Environmental, Social and Governance ("ESG") in the Investment Process

The Board has contracted with the Manager to provide the Company with investment management services. The Board believes that ESG considerations are an important input into the assessment of the value of its investments. The investment universe is undergoing significant structural change and is likely to be impacted by increasing regulation as a result of climate change and other social and governance factors. The Board is committed to reviewing how the Manager applies ESG factors in the investment process. The Fidelity group of companies (including the Manager and Investment Manager) sets out its commitment to responsible investing and provides a copy of its detailed Responsible Investing at www.fidelity.co.uk/responsible-investing.

Socially Responsible Investment

The Manager's primary objective is to produce superior financial returns for the Company's shareholders. It believes that high standards of corporate social responsibility (CSR) make good business sense and have the potential to protect and enhance investment returns.

Corporate Engagement

The Board believes that the Company should, where appropriate, take an active interest in the affairs of the companies in which it invests and that it should exercise its voting rights at their general meetings. It delegates the responsibility for corporate engagement and shareholder voting to the Investment Manager who updates the Board on any issues and activities. These activities are reviewed regularly by the Manager's corporate governance team.

Streamlined Energy and Carbon Reporting (SECR)

As an investment company with all its activities outsourced to third parties, the Company's own direct environmental impact is minimal. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. The Company is categorised as a low energy user (less than 40MWH) under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose any energy and carbon information in this Annual Report.

Task Force on Climate-Related Financial Disclosures (TCFD)

Product reports of Task Force on Climate-related Financial Disclosures (TCFD) can be obtained via the Additional Information section on the Company's website at www.fidelity.co.uk/emergingmarkets.

Strategic Report continued

Future Developments

Some trends likely to affect the Company in the future are common to many investment companies together with the impact of regulatory change and emerging risks. The factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Portfolio Managers' Review on pages 2 to 9.

By Order of the Board

FIL Investments International

Secretary

3 October 2025

Board of Directors



Heather Manners

Chairman of the Board and Nomination Committee

Appointed 5 May 2022

Appointed Chairman of the Board on 8 December 2022.



Heather Manners (British) is an award-winning market professional with some 34 years' experience of investment in Asia, most recently, and for the past 15 years as the co-founder, CEO and CIO of Prusik Investment Management. Heather is also a non-executive director of Montanaro Asset Management and Collidr Asset Management respectively and previously was a non-Executive Director of Aberdeen New Dawn. Heather began her career at Henderson Global Investors Limited where, latterly, she was Head of Asia and Emerging Markets. Ms Manners resides in the UK.



Torsten Koster

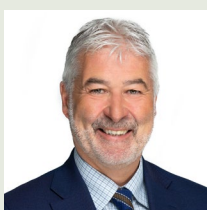
Senior Independent Director

Appointed 1 July 2020



Torsten Koster (Swiss) has over 30 years' experience working for large multi-national companies. He spent two periods at Nestle SA (1991-1997 and 2003-2016). During his second term Torsten held the positions of Chief Financial Officer Nestle Russia & Eurasia between 2007-2011 and Chief Financial Officer Nestle Nespresso SA from 2011-2016. He also held the positions of Chief Financial Officer at Lukoil SA for three years from 1998-2000 and subsequently at Elca Informatique SA between 2000-2003. In 2016 Torsten founded his own consultancy business, Baussan Concept SA which specialized in providing due diligence and portfolio services to European and US based private equity firms.

Torsten has held a number of Board member roles. Director of SodaStream International from 2016-2018 (NASDAQ:SODA), Vice Chairman of Natra SA, Spain from 2019-2022. He is Chairman of the Board of Banque Heritage SA and Director of ECOM Agroindustrial SA (both of which are unlisted entities). He holds a Masters degree from HEC Lausanne. Mr Koster resides in Switzerland.



Mark Little

Audit and Risk Committee Chairman

Appointed 17 January 2024

Appointed Chairman of Audit and Risk Committee 17 January 2024



Mark Little (British) is a Chartered Accountant with extensive financial services experience in fund management, research, and private banking, and has a strong understanding of compliance and regulation in the modern financial services world.

He is a non-executive Director and Chairman of the audit committees of BlackRock Smaller Companies Trust plc, Majedie Investments Plc and Abrdn Equity Income Trust plc. Previously Mr Little was a non-executive Director and Chair of the Audit and Risk Committee of STS Global Income & Growth Trust plc, Managing Director, Scotland & Northern Ireland at Barclays Wealth (formerly Gerrard) and Global Head of Automotive Research at Deutsche Bank. Mr Little has a wealth of experience in the financial services sector and began his career as a fund manager with Scottish Widows Investment Management after qualifying as a chartered accountant with Price Waterhouse in 1991. He subsequently worked as Global Head of Automotive Research for Deutsche Bank and joined Barclays Wealth in 2005, where he became Managing Director of Barclays Wealth (Scotland and Northern Ireland).

Mr Little is an Accountancy and Economics graduate from Aberdeen University.

Committee membership key

Audit and Risk Nomination Committee Chair

Board of Directors continued



Katherine Tsang

Director

Appointed 19 July 2017



Katherine Tsang (Canadian) spent 22 years with Standard Chartered Bank, latterly in the role of Chairperson of Greater China, before retiring in 2014. Following her retirement, Ms Tsang founded Max Giant that trades in different markets as well as making direct investments in Asia. Ms Tsang is currently an independent Non Executive Director on the Board of China CITIC Bank International Limited, Budweiser Brewing Company APAC Limited and Fosun International Limited.

She also serves as a member of the Advisory Council for China of the City of London, and is an honorary Board member of Shanghai Jiao Tong University. She has previously served as an independent Non-Executive Director of Gap Inc., Baoshan Iron & Steel Co. Limited, a member of the World Economic Forum's Global Agenda Council on China, and a member of Sotheby's Advisory Board. Ms. Tsang is based in Hong Kong.



Dr Simon Colson

Director

Appointed 1 July 2019



Dr Simon Colson (British) has over 30 years' experience in financial markets, working in investment banking, investment management and financial consulting. From 1995-2001 he was Managing Director, Deutsche Bank AG London, in charge of closed-end fund origination and distribution, and in previous roles was responsible for the launch, restructuring and repurposing of a significant number of investment companies. From 2002-2005 he was a non-executive director of The Association of Investment Companies. In 2002 he founded his own FCA regulated consulting and distribution business which raised assets for emerging managers across a range of traditional and alternative asset classes (including closed-end funds). In 2017 he relinquished his FCA license to concentrate on unregulated advisory and non-executive work.

He is a qualified Medical Doctor and holds an MBA in Finance & Investment from Bayes Business School (City St George's, University of London). Dr Colson resides in the UK.

Committee membership key

Audit and Risk Nomination Committee Chair

Directors' Report

The Directors present their thirty-sixth Annual Financial Report of the Company, covering the year ended 30 June 2025.

FINANCIAL PERFORMANCE

The results and reserve movements for the year are set out in the Statement of Comprehensive Income and Statement of Financial Position Income on pages 49 and 51 and the Notes to the Financial Statements on pages 53 to 80.

Results and Dividends

The profit for the year for the Company amounted to \$126,986,000, this compared to a profit of \$126,065,000 in the previous year. Refer to the Portfolio Manager's Review on pages 6 to 9 for an explanation of the Company's performance.

Corporate Governance

The Corporate Governance Statement forms part of this report and can be found on pages 6 to 9.

SHAREHOLDERS

Notifiable Interests in the Company's Voting Right

During the financial year, the following shareholders declared a notifiable interest in the Company's voting rights:

Shareholders	Participating Preference Shares Held	% Shares held in Issue	Date of Notification
City of London Investment Management Company Limited	18,814,451	29.03	18 June 2025
Allspring Global Investments Holdings	6,794,773	9.95	18 February 2025

There were no notifiable interests in the Company's voting rights declared post the financial year-end.

As at 30 June 2025, the Board is aware of the following significant holdings in the Company:

Shareholder	Participating Preference Shares Held	% Shares in Issue
City of London Investment Management	18,814,451	29.2
Strathclyde Pension Fund	16,441,177	25.6
Lazard Asset Management	6,548,903	10.2
Allspring Global Investments	5,366,705	8.3

Notes: All of the above % Shares in Issue are calculated based on the number of shares in issue with voting rights as at 30 June 2025, being 64,342,245 Participating Preference Shares.

On 2 September 2025, the Company announced that it had entered into a conditional share purchase agreement with Strathclyde Pension Fund. Subject to shareholder approval, the Company intends to repurchase Strathclyde's entire shareholding in November 2025. This transaction is described in more detail in the Chairman's Statement on page 4.

THE TAKEOVER CODE

The Takeover Code (the "Code") applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is

The Directors propose a dividend of \$0.26 per Participating Preference Share in respect of the year ended 30 June 2025 (2024: \$0.20). If approved by shareholders at the AGM on 1 December 2025, the dividend will be payable on 9 December 2025 to shareholders on the register at close of business on 14 November 2025. The ex-dividend date is 13 November 2025.

Capital Values

At 30 June 2025, the value of Equity Shareholders' Funds was \$771,628,000 (2024: \$753,446,000) an increase of \$18,182,000 compared to 30 June 2024. The Net Asset Value per Participating Preference Share was \$11.99 (2024: \$10.09).

Key Performance Indicators

The Financial Highlights and Performance section pages inside the front cover show the Company's Key Performance Indicators including its performance and discount to its NAV over the last five years.

Directors' Report continued

Under Rule 37.1 of the Code, when a company repurchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person is interested is treated as an acquisition for the purpose of Rule 9. However, Note 1 on Rule 37.1 also provides that a person who comes to exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors.

The Company notes that as at 1 October 2025, City of London Investment Management Company ("CoL") (the Company's largest shareholder) held 18,653,177 participating preference shares (being 29.2 per cent. of the Company's aggregate voting share capital as at 1 October 2025). As announced previously, the Board is proposing that the Company repurchases all shares held by Strathclyde Pension Fund in the Company (the "Repurchase"). Assuming this repurchase is effected, on the basis of its current shareholding, CoL would come to hold 39.3 per cent. of the Company's aggregate voting share capital following the Repurchase. Accordingly, the completion of the Repurchase would, on the basis of current shareholdings, result in CoL coming to have an interest in shares in the Company carrying 30 per cent. or more of the voting rights of the Company.

On the basis that CoL does not have a representative on the board of the Company and is not acting in concert with any of the directors, The Panel on Takeovers and Mergers (the "Panel") has confirmed that the repurchase will not trigger an obligation for CoL under Rule 9 of the Code. On completion of the Repurchase, CoL will hold more than 30 per cent. but less than 50 per cent. of the voting share capital of the Company and therefore may not acquire further shares in the Company without incurring an obligation under Rule 9 of the Code to make a general offer to the Company's other shareholders.

The Panel has also confirmed:

- I. that the Company's repurchase of its own shares pursuant to its general share buyback authority granted at the most recent AGM will not trigger an obligation for CoL under Rule 9 of the Code to make a general offer to the Company's other shareholders; and
- II. that the Company's repurchase of its own shares pursuant to its general share buyback authority if renewed at the upcoming AGM will not trigger an obligation for CoL under Rule 9 of the Code to make a general offer to the Company's other shareholders.

PROPOSED CHANGES TO THE COMPANY'S ARTICLES OF INCORPORATION

Resolution 14 is a special resolution regarding the adoption of the New Articles of Incorporation ("**New Articles**") by the Company.

Summarised below are the principal changes proposed to be introduced through the adoption of the New Articles by the Company. A copy of the proposed New Articles showing all the changes as against the current Articles of Association is available for inspection at <https://investment-trusts.fidelity.co.uk/fidelity-asian-values/>, together with a copy of the current Articles of Incorporation and a 'clean' copy of the New Articles (which do not highlight the amendments), from the date of this report until the end of the AGM (and at the AGM itself for the duration of the meeting and for at least 15 minutes prior to the meeting). The documents are also available for inspection at Simmons & Simmons LLP, Citypoint, 1 Ropemaker Street, London, EC2Y 9SS until the close of the AGM.

Directors' fees

The Board considers it is appropriate to increase the limit on Directors' fees ("**Fee Cap**"), which was set at the Company's Annual General Meeting in 2021 at an aggregate amount of USD400,000 per annum. The proposed new Fee Cap is USD450,000 in aggregate per annum. The Board considers that the increase will provide sufficient head-room to enable the Board to execute any succession plans for the future. The Board is satisfied that this new Fee Cap is in-keeping with current market practice.

Directors' retirement

The Board is also proposing to amend the provisions relating to the retirement of Directors. The Company's current practice, in line with market practice, is for every Director (other than any Director appointed by the Board after the date of the notice for the AGM) to retire every year at the AGM and offer themselves for election or re-election. However, the relevant provisions in the current Articles of Incorporation still just require the two longest serving Directors to retire from office at each AGM. The New Articles align the provisions with current and market practice to require all Directors (other than any Director appointed by the Board after the date of the notice for the AGM) to retire at each AGM, and allow them to offer themselves for election or re-election as applicable. The Board considers that this new approach reflects the evolved position in terms of standard practice.

Clarificatory, administrative and technical changes

Various changes of a minor, clarificatory or technical nature are not commented on separately. These include deleting a reference to the expired time period in which the Directors had authority to issue shares, permitting the share register to be kept in electronic form and clarifications regarding the appointment of proxies.

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report. The Company is committed to maintaining high standards of corporate governance. Accordingly, the Board has put in place a framework for corporate governance which it believes is appropriate for an investment company.

The Board is accountable to shareholders for the governance of the Company's affairs. The Directors use this Report to detail the Company's corporate governance statement.

The Company is a member of the Association of Investment Companies ('AIC') and the Board has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance ('AIC Code'). The AIC Code addresses the Principles and Provisions set out in the 2018 UK Corporate Governance Code ('UK Code'), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission provides more relevant information to shareholders.

The Company is an Authorised Closed Ended Investment Scheme regulated by the Guernsey Financial Services Commission ('GFSC'). The GFSC requires compliance with the principles set out in the Finance Sector Code of Corporate Governance ('Guernsey Code'), or alternative codes accepted by the GFSC, in the context of the nature, scale and complexity of the business.

As a Guernsey incorporated company, with a listing of equity shares in the equity shares (commercial companies) category on the London Stock Exchange within the FTSE 250, the Company is required to comply with Listing Rule 6.6.18 (for overseas companies). This requires the Company to state how it has applied the main principles set out in the UK Code and whether it has complied with these provisions throughout the accounting period. The AIC Code can be found on the AIC's website at www.theaic.co.uk and the UK Code on the FRC's website at www.frc.org.uk.

Statement of Compliance

The Board confirms that during the year under review, the Company has complied with the provisions of the AIC Code and therefore, insofar as they apply to the Company, with the provisions of the 2018 UK Code and Guernsey Code except as noted below.

- The role of Chief Executive
Since all Directors are non-executive and day-to-day management responsibilities were delegated to the Manager, Investment Manager, and other third party service providers, the Company does not have a Chief Executive.

- Executive Directors' remuneration

As the Board has no executive Directors, it is not required to comply with the principles of the UK Code in respect of executive Directors' remuneration and does not have a Remuneration Committee.

- Nomination Committee

All Directors are members of the Nomination Committee. Given the size of the Board, the Board believes that it is important that all Directors are involved in the evaluation and appointment of new Directors from an early stage.

- Internal audit function

As the Company has no employees and delegates its day-to-day operations to the Manager, Investment Manager, and other third party service providers, the Board has determined that there is no requirement for an internal audit function. The Directors annually review whether a function equivalent to internal audit is needed and will continue to monitor the Company's systems of internal controls in order to provide assurance that they operate as intended.

- Workforce policies and practices

As the Company has no employees and delegates its day-to-day operations to the Manager, Investment Manager, and other third party service providers, it is not required to comply with this provision.

The Board is committed to the continuing compliance with the AIC Code.

REGULATORY DISCLOSURES

The Alternative Investment Fund Managers Directive ('AIFMD')

FIL Investment Services (UK) Limited is organised under the laws of England and Wales and qualifies as an EU alternative investment fund manager ('AIFM'). Article 22 of AIFMD requires certain qualitative and quantitative disclosures on remuneration to assist the understanding of the risk profile of the Company. Details of Fidelity International's Remuneration Policy during the year under review and amounts attributable to the Company are available on page 88.

UK Listing Authority Listing Rules ('LR') – compliance with rule 6.6.1

None of the disclosures required under UKLR 6.6.1 are applicable to the Company.

Corporate Governance Statement continued

ANNUAL GENERAL MEETING

This year's AGM will be held on Monday, 1 December 2025 at 8 a.m. at the registered office of the Company, Level 3, Mill Court La Charroterie, St Peter Port, Guernsey GY1 1EJ. In addition to the ordinary business to be conducted at the meeting, the following special business will be proposed:

Authority to purchase own shares

Special Resolutions – requiring 75% of votes in favour Resolution 12

The Directors are seeking to renew the authority to purchase shares in the market of up to 21,301,095 Participating Preference Shares (respectively equivalent to 14.99 per cent. of the shares of the issued number of Participating Preference Shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of Participating Preference Shares at the date of passing the resolution).

The maximum price which may be paid for a Participating Preference Share is an amount equal to 105% of the average of the middle market quotations for a Participating Preference Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Participating Preference Share is purchased.

The authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 unless such authority is renewed prior to such time.

The Company may make a contract to purchase Participating Preference Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Participating Preference Shares pursuant to any such contract.

Resolution 13

Resolution 13 disapplies the pre-emption rights contained in the Articles so that the Board has authority to allot and issue (or sell from treasury) shares for cash on a non-pre-emptive basis in respect of 6,391,067 Participating Preference Shares (equivalent to 10 per cent. of the Participating Preference Shares in issue as at the latest practicable date prior to the date of publication of this document (excluding in each case shares held in treasury)).

The disapplication expires on the date falling fifteen months after the date of passing of Resolution 13 or the conclusion of the next annual general meeting of the Company, whichever is the earlier and permits the Board to allot and issue shares (or sell shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand. Shares issued (or sold from treasury) pursuant to the disapplication would not be issued at a price that is less than the prevailing net asset value per share of the relevant class.

The resolution to approve disapplication of pre-emption rights in respect of issues of shares for cash is set at 10 per cent. of the Participating Preference Shares in issue (excluding shares held in treasury). As the issue of such shares (or sale from treasury) by the Company on a non-pre-emptive basis is subject to the additional qualification that the relevant shares must be issued for a price at least equal to the prevailing net asset value for the relevant class of shares, the Board believes that the existing authority to issue new shares for cash equal to 10 per cent. of the Participating Preference Shares in issue (excluding shares held in treasury) is appropriate.

The Directors have no present intention to exercise the authority conferred by Resolution 13.

Resolution 14

Resolution 14 is a special resolution that relates to the adoption of new Articles of Incorporation by the Company to make changes in relation to the period for submitting proposals to members following a continuation vote and other clarificatory, administrative and technical changes, as described further in the Directors' Report on page 34.

Resolution 14 shall be proposed as a special resolution.

Recommendation

The Board considers that the passing of all resolutions being put to the Company's AGM would be in the best interest of the Company and its shareholders as a whole. It therefore recommends that shareholders vote in favour of resolutions 1 to 14, as set out in the Notice of Annual General Meeting.

Corporate Governance Statement continued

THE BOARD

Board Composition

As at the date of this report, the Board, chaired by Heather Manners, consists of five non-executive Directors. The Directors believe that, between them, they have good knowledge and wide experience of business in the emerging markets region, unlisted investments and their valuations, and of investment companies, and that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company and length of service to discharge its duties and provide effective strategic leadership and proper governance of the Company.

Torsten Koster is the Senior Independent Director and fulfils the role as a sounding board for the Chairman, intermediary for the other Directors as necessary and acts as a channel of communication for shareholders in the event that contact through the Chairman is inappropriate. Biographical details of all Directors are on pages 31 and 32.

Training, Development and Board Evaluation

On appointment, Directors receive a full, formal and tailored induction. Directors are also regularly provided with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training and industry seminars. Training and development needs are considered as part of the evaluation process and are agreed with the Chairman.

The Board evaluates its performance on an annual basis and considers the balance of skills, experience, length of service and the promotion of diversity and inclusion as part of this process. An evaluation of the Board, its Committees and the Manager was undertaken in the form of written questionnaires and discussions.

This process is considered to be constructive in terms of identifying areas for improving the functioning and performance of the Board and its Committees and action is taken on the basis of the results. It was concluded that the Chairman, each Director and the Manager had been effective and continues to demonstrate commitment to their roles.

In accordance with the AIC Code, consideration is given to the engagement of an external evaluator on a regular basis. An independent evaluation of the Board's performance was last conducted in June 2023 by Stephenson & Co. The next independent Board evaluation is due to be conducted in early 2026.

The Directors consider that since they do not have executive roles, it is not necessary to establish a separate Remuneration Committee. There is also no separate Management Engagement Committee as the Board, as a whole, regularly meets with the Manager, the Administrator and the Company Secretary to discuss their performance.

The Board regularly reviews both the performance of, and the contractual arrangements with FIL Investments International as Investment Manager. The Management Agreement sets out matters over which Fidelity International has authority and includes management of the Company's assets and the provision of administrative duties.

The Board reviews the performance of, and the contractual arrangements with the Administrator and the Custodian. The Board is satisfied that the continuing appointment of the Administrator and the Custodian is in the best interests of shareholders.

The Board meets at least four times during the year and between these meetings there is regular contact with the Company Secretary, FIL Investments International, who provides the Board with appropriate and timely information. Attendance at those meetings is shown on on page 38.

Corporate Governance Statement continued

Board Responsibilities

The Board has overall responsibility for the Company's affairs and for promoting the long-term success of the Company. All matters which are not delegated to the Company's Investment Manager under the Management Agreement are reserved for the Board's decision. Matters reserved for the Board and considered at meetings include decisions on strategy, management, structure, capital, share issues, share repurchases, gearing, financial reporting, risk management, investment performance, share price discount, corporate governance, Board appointments, and the appointment of the Investment Manager and Company Secretary. The Board also considers shareholder issues including communication and investor relations. All Directors are independent of the Investment Manager and considered to be free from any relationship which could materially interfere with the exercise of their independent judgement. The Board follows a procedure of notification of other interests that may arise as part of considering any potential conflicts and is satisfied that none has arisen in the year under review. All Directors are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively. Each Director is entitled to take independent professional advice, at the Company's expense, in the furtherance of their duties.

Directors' Insurance and Indemnification

Directors' and Officers' liability insurance cover is held by the Company to cover Directors against certain liabilities that may arise in the course of their duties.

Tenure Policy

Directors appointed to the Board are subject to election and subsequent annual re-election by shareholders at Annual General Meetings and normally serve a term of up to nine years from election.

Company Secretary and Administrator

FIL Investments International is appointed as Company Secretary and JP Morgan Administration Services (Guernsey) Limited is the Company's Administrator. Both have been in office for the whole year under review.

Board Meetings

The Board considers that it meets sufficiently regularly to discharge its duties effectively and the table below gives the attendance record for the meetings held during the reporting year. The Portfolio Manager and key representatives of the Investment Manager are in attendance at these meetings.

OTHER MATTERS

Voting Policy

The Board has authorised Fidelity to exercise the Company's voting rights in respect of resolutions proposed by investee companies.

Details of Fidelity's voting policy can be found at www.fidelity.co.uk/responsible-investing.

Borrowing Facilities

The Articles of Incorporation permit the Company to borrow up to 10% of the value of its Net Assets. No borrowing facility was used in either 2024 or 2025.

Discount/Premium to Net Asset Value

The Board reviews the level of the discount or premium between the middle market price of the Company's Participating Preference Shares and their net asset value on a regular basis.

European Union

The Company is a Guernsey based authorised closed-ended investment company listed in the UK and traded on the London Stock Exchange.

The European Securities and Markets Authority ('ESMA') has approved the co-operation arrangements between the FCA and GFSC.

Board's Attendance Record for the Reporting Year

	Regular Board Meetings	Audit and Risk Committee Meetings	Nomination Committee Meetings
Heather Manners	4/4	3/3 ⁽¹⁾	2/2
Dr Simon Colson	4/4	3/3	2/2
Torsten Koster	4/4	3/3	2/2
Mark Little	4/4	3/3	2/2
Katherine Tsang	4/4	3/3	2/2

(1) Attended the Audit and Risk Committee by invitation but is not a Committee member.

Corporate Governance Statement continued

Going Concern

The Financial Statements of the Company have been prepared on a going concern basis.

The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio and its expenditure and cash flow projections.

The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) stress testing performed and the projected income and expenditure, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and continue in operational existence for the foreseeable future. The Board has therefore concluded that the Company has adequate resources to continue to adopt the going concern basis for the period to 31 October 2026 which is at least twelve months from the date of approval of the Financial Statements.

The Company, in accordance with the provisions of its Articles of Incorporation, is subject to a continuation vote by shareholders at the Annual General Meeting to be held in December 2026. At this stage, the Directors believe that it is likely shareholders will vote in favour of continuation. As highlighted in the Chairman's statement, this conclusion is based on the Company's NAV total return performance beating the Index by 5.5 percentage points for two years running and the share price total return outperformance of 7.7 percentage points in the year under review and 9.4 percentage points in the previous year. The Board is encouraged by the growing interest in emerging markets as an asset class, the relative level of the Company's discount versus peers remains good, and the excellent performance of the Fidelity emerging market open ended fund which replicates the closed end fund, and has a longer track record, with the same portfolio management team is strong. Given we are 15 months away from the continuation vote, there is not yet indications from shareholders on their voting intentions in relation to the Continuation Vote. The voting intentions of larger shareholders are expected to be available in the second half of 2026. The Directors have concluded that despite the continuation vote the preparation of the Financial Statements on a going concern basis remains appropriate.

The prospects of the Company over a period longer than twelve months can be found in the Viability Statement on page 27.

Signed on behalf of the Board

Heather Manners

Chairman
3 October 2025

Directors' Remuneration Report

The Directors of the Company are non-executive and by way of remuneration are entitled to receive fees for their services which shall not exceed \$400,000, exclusive of relevant expenses, in aggregate per annum. This was approved by shareholders at the AGM on 8 December 2022 and can only be amended by shareholder approval at a general meeting.

Directors' Remuneration

The annual fee structure with effect from 1 July 2025 is as follows: Chairman – £60,000 (2024: £52,000); Senior Independent Director – £42,000 (2024: £39,500); Audit and Risk Committee Chairman – £45,000 (2024: £39,500); and Director – £40,000 (2024: £37,500). Directors' remuneration is reviewed on an annual basis to ensure that it remains competitive and sufficient to attract and retain the quality of directors needed to manage the Company successfully, and to reflect the increased workload of investment company directors.

Other than fees and reasonable out-of-pocket expenses incurred in attending to the affairs of the Company, the Directors are not eligible for any performance related pay or benefits, pension related benefits, share options, long-term incentive schemes or other taxable benefits.

The Directors are not entitled to exit payments and are not provided with any compensation for loss of office. Directors fees are paid quarterly in arrears. Directors would not serve a notice period if their appointment were to be terminated. An ordinary resolution to approve the Directors' Remuneration Report will be put to shareholders at the AGM on 1 December 2025.

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. The Board does not consider it appropriate that Directors should be appointed for a specific term. All Directors are subject to re-election by shareholders annually. A new Director appointed would be subject to election by shareholders at the next AGM following their appointment.

AGM Resolution

An ordinary resolution to approve this Remuneration Report will be put to shareholders at the forthcoming AGM.

Statement of voting at the last AGM

The following table sets out the votes received at the AGM of the shareholders of the Company, held on 10 December 2024 in respect of the approval of the Directors' Remuneration Report.

Votes cast for		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
39,799,079	99.98	6,077	0.02	39,805,156	2,924

For and on behalf of the Board

Heather Manners

Chairman
3 October 2025

Directors' Emoluments for the Year

The fees paid to each Director for the years ended 30 June 2025 and 2024 are shown in the table below with any year-on-year differences being explained:

	30 June 2025	30 June 2024
Heather Manners	£52,000	£50,000
Julian Healy ⁽¹⁾	–	£28,500
Torsten Koster	£39,500	£38,000
Dr Simon Colson	£37,500	£36,000
Katherine Tsang	£37,500	£36,000
Mark Little ⁽²⁾	£39,500	£17,329
	£206,000	£205,829

(1) Retired as a Director and Audit and Risk Committee Chairman on 17 January 2024.

(2) Appointed as a Director and Audit and Risk Committee Chairman on 17 January 2024.

No additional fees or expenses were paid to Directors in respect of the financial year ended 30 June 2025.

Directors' Interests

The following Directors had a beneficial interest (including family interests) in the share capital of the Company. The table shows the number of Participating Preference Shares held by each Director as at 30 June 2025 and 2024:

Director	30 June 2025	30 June 2024
Heather Manners	10,000	10,000
Torsten Koster	15,000	15,000
Dr Simon Colson	4,416	4,416
Julian Healy ⁽¹⁾	–	–
Katherine Tsang ⁽²⁾	8,000	0
Mark Little ⁽³⁾	2,850	0

(1) Retired as a Director and Audit and Risk Committee Chairman on 17 January 2024.

(2) Acquired 8 November 2024.

(3) Acquired 14 October 2024.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union to meet the requirements of applicable law and regulations.

Under company law the Directors must not approve the financial statements unless they are satisfied that taken as a whole, they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper 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 its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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 accounts when they are presented on the website.

The Directors who hold office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that each Director has taken all the steps he/she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Responsibility statement of the Directors in respect of the Annual Report

The Directors confirm that to the best of their knowledge:

- 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; and
- the Chairman's statement, Strategic Report and Portfolio Managers' Review includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks and uncertainties that the Company faces.

The Directors consider the Annual Report, 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.

There were no instances where the Company is required to make disclosures in respect of UK Listing Rule 6.6.1 during the financial period under review.

For and on behalf of the Board

Heather Manners

Chairman
3 October 2025

Report of the Audit and Risk Committee

I am pleased to present the formal report of the Audit and Risk Committee (the "Committee") to shareholders. The primary responsibilities of the Committee are to ensure the integrity of the Company's financial reporting, the appropriateness of the risk management and internal controls processes and the effectiveness of the independent audit process and how this has been assessed for the year ended 30 June 2025.

The Board established the Committee which consists of all Directors, with the exception of the Chairman, Heather Manners. The Committee is chaired by Mark Little.

The Committee has formally delegated duties and responsibilities with written Terms of Reference, which are available on the Company's website.

Role and Responsibilities of the Committee

The Committee's authority and duties are clearly defined in its terms of reference which are available on the Company's pages of the Manager's website at www.fidelity.co.uk/emergingmarkets. These duties include:

- To monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance;
- To review the Company's accounting policies and any significant financial reporting judgements;

- To monitor and review the adequacy and effectiveness of the internal financial control and risk management systems on which the Company is reliant;
- To review and approve statements to be included in the Annual Financial Report concerning controls and risk management;
- To report to the Board that they have carried out a robust assessment of the principal and emerging risks facing the Company;
- To provide advice to the Board on whether they consider the Annual Financial Report, taken as a whole, is fair, balanced and understandable;
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of external auditors;
- To monitor the independence and objectivity of external auditors; and
- To review the audit fees, terms of engagement and provision of non-audit services by the external auditor.

The Committee usually meets three times a year to review the Annual and Half Year Financial Reports, audit timetable and other risk management and governance matters. It may meet more often if deemed necessary, or if required by the Company's auditors.

Significant accounting matters

During the review of the Company's financial statements for the year ended 30 June 2025, the Audit and Risk Committee considered the following matters to be significant issues, both of which were satisfactorily addressed:

Issue considered	How the issue was addressed
Valuation, existence and ownership of investments (including derivatives and unlisted investments) The valuation of investments (including derivatives and unlisted investments) is in accordance with Accounting Policy Note 2(b) on pages 54 to 56.	The Committee took comfort from the Custodian's reports that investment related activities are conducted in accordance with the Company's investment policy. The Committee received reports from the Manager and the Administrator which concluded that controls around the valuation, existence and ownership of investments operate effectively. The valuation of the Company's unlisted, suspended, and illiquid investments which are subject to fair value oversight by the Manager's Fair Value Committee ("FVC") were reviewed by the Committee. It receives reporting from the FVC and reviews the proposed valuation methodology to be adopted. Specifically, there are a number of current factors impacting the Company's Russian investments, such as markets being closed or with restrictions on trading in certain instruments or with certain counterparties due to the imposition of sanctions: at the period-end appropriate fair value adjustments to these Russian investments have been made as proposed by the FVC.

Report of the Audit and Risk Committee continued

Auditor independence and assessment

The Committee monitors the European and U.K. legislation regarding mandatory audit firm rotation and tendering to ensure compliance and an external tender was conducted in 2023.

As part of its review of the continuing appointment of the Auditor, the Committee considered the independence of the Auditor along with the effectiveness of the audit. The Auditor was asked to attest that KPMG and the audit team members were independent of the Company. KPMG also confirmed that they had not been engaged in the provision of any non-audit services to the Company during the year. Audit effectiveness was assessed by means of the Auditors' direct engagement with the Board at Committee meetings and also by reference to feedback from the Manager and Administrator. The Committee reviewed the Auditor's risk assessment and audit approach at the planning stage and were briefed on the fulfilment of that plan at the completion stage. The Board confirmed, following the recommendation of the Committee, that the Auditors continued to be independent of the Company.

Auditors Appointment and Tenure

KPMG Audit Limited ("KPMG") was re-appointed as the Company's Auditor ("the Auditor") on 10 December 2024. From 1 October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited. The Committee has reviewed the Auditor's independence and the effectiveness of the audit process prior to recommending its reappointment for a further year. The Auditor is required to rotate audit partners every five years and this is the second year that the Audit Partner, Rachid Frihmat, has been in place. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service. There are no contractual obligations that restrict the Company's choice of auditor.

Audit Fees

The fees paid to KPMG in respect of audit services for the year ended 30 June 2025 were \$116,000 (2024: \$106,000). KPMG did not provide any non-audit services during the year (2024: None).

Internal Controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness.

As there is delegation of daily operational activity, described below, there is no requirement for a direct internal audit function. The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

The services provided to the Company by the Administrator, such as administration services, and accounting services reflect the system of financial and operating controls operating at the Administrator. The control regime for other services, such as the Manager, Investment Manager, Custodian and Registrar, reflect the internal controls operated by these respective service providers.

The Administrator provides semi-annual and annual financial statements based on the requirements of the Company. The financial statements are based on data from the Administrator's accounting system including the trial balance, net asset valuation, purchase and sales report and other investment schedules. All statements are reconciled and reviewed by the Administrator using pre-defined checklists and reviewed by the Manager prior to distribution.

In order for the Directors to review their effectiveness for the Company's business, an annual review of all outsourced functions has taken place. Their performance was monitored against obligations specified in the relevant contracts and was found to be in order.

Service providers report annually on the design and effectiveness of internal controls operating over the functions provided. Reports are reviewed by the Committee and any material findings are considered by the Board.

The Committee has carried out its annual assessment of the internal controls of the Company's service providers for the year ended 30 June 2025 and considered the internal control procedures to be adequate based on the findings of their respective ISAE 3402 SOC 1 Reports or AAF Reports.

For and on behalf of the Committee

Mark Little

Chairman of the Audit and Risk Committee
3 October 2025

Nomination Committee's Report

The Board has an established Nomination Committee which consists of all Directors, chaired by Heather Manners.

The Nomination Committee has formally delegated duties and responsibilities with written Terms of Reference, which are available on the Company's website www.fidelity.co.uk/emergingmarkets.

The responsibilities of the Nomination Committee are inter alia:

- To regularly review the structure, size and composition (including the length of service of the Board members, skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- To give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company, the skills and expertise needed on the Board in the future and the promotion of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- To be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise and for overseeing the development of a diverse pipeline for succession.

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.

Composition and independence

As at 30 June 2025 the Board comprised of three male and two female Directors. All Directors are non-executive and independent of both the Company and the Investment Manager. Each Director is required to disclose any potential conflicts of interest at each Board meeting.

Tenure and Succession Planning

The policy on Board refreshment is to ensure continuity and stability with no more than one Board member retiring and one successor recruited in each calendar year. In line with the AIC Code guidelines for independent Directors, individuals will generally serve on the Board for no more than nine years, although the Chairman's term of office may be extended by a maximum of three additional years to a total of twelve years.

In recruiting new Directors, the aim will always be to preserve or enhance the skill sets on the Board, taking account of the need to ensure age, gender and ethnic diversity.

Board re-election and appointments

The Nomination Committee makes recommendations to the Board for the continuation or cessation of service of Directors and reviews the tenure of Directors on a three year cycle. It also considers the election and re-election of Directors ahead of each AGM.

When appointing a new Director, the Board takes care to ensure that the new Director enhances the balance of skills, diversity and experience appropriate to the requirements of the Company and that a new Director has enough time available to properly fulfil their duties. All new Directors undertake a formal induction and onboarding process. The Directors also have access, where necessary in the furtherance of their duties, to independent professional advice at the Company's expense. Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Incorporation, it is required that they be elected by shareholders, as ratified by the Company's shareholders at the 2024 AGM.

When a Director was last appointed, during the 2024 financial year, the Board engaged external recruitment consultant, Stephenson & Co, which has no connection with the Company, to facilitate the search for a new independent non-executive Director to join the Board following Julian Healy's retirement from the Board due to personal reasons. As a result of this process, Mark Little was appointed to the Board on 17 January 2024 as a non-executive Director and a member of the Audit and Risk Committee, and the Nomination Committee, as ratified by the Company's shareholders at the 2024 AGM.

All the Directors are retiring in accordance with the AIC Code and will offer themselves for re-election. As each Director has maintained their effectiveness and commitment to the Company, the Board endorses them and recommends their re-election to the shareholders.

Heather Manners

Chairman of the Nomination Committee
3 October 2025

Independent Auditor’s Report to the Members of Fidelity Emerging Markets Limited

Our opinion is unmodified

We have audited the financial statements of Fidelity Emerging Markets Limited (the “Company”), which comprise the statement of financial position as at 30 June 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2025, and of the Company’s financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled

our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies’ Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2024):

Valuation of financial assets at fair value through profit or loss, and derivatives assets and liabilities	The risk	Our response
Financial assets at fair value through profit or loss: \$712,861,000; (2024: \$696,753,000)	Basis: The Company’s investments consist primarily of listed equity securities from emerging markets and derivative instrument assets and liabilities (“Investments”).	Our audit procedures included: Internal Controls: We evaluated the design and implementation of key controls over the valuation of Investments.
Derivative assets: \$15,006,000; (2024: \$25,399,000)	As at 30 June 2025, the Company had invested the equivalent of \$708,476,000 (2024: \$686,519,000) in listed equity securities, as well as \$15,006,000 (2024: \$25,399,000) in derivative assets and \$15,784,000 (2024: \$11,857,000) in derivative liabilities. These Investments, carried at fair value, are valued by the Company based on prices obtained from third party pricing providers.	Use of KPMG Valuation Specialists: We engaged our KPMG valuation specialist to independently price the Investments to third party pricing sources.
Derivative liabilities: \$15,784,000; (2024: \$11,857,000)		Assessing disclosures: We also considered the Company’s valuation policies adopted in note 2(b) and the Company’s disclosures (see note 2(q)) in relation to the use of estimates and judgements regarding the valuation of Investments and in addition the fair value disclosures in note 17 for compliance with IFRS as adopted by the EU.
Refer to the report of the Audit and Risk Committee on page 42, accounting policy note 2(b) and 2(q), and notes 10, 11 and 17.	Risk: The valuation of the Company’s Investments, given that it represents the majority of the Company’s net assets, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at \$15.4m (2024: \$16.0m), determined with reference to a benchmark of net assets of \$771.6m, of which it represents approximately 2% (2024: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an

acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to \$11.5m (2024: \$12.0m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Independent Auditor's Report to the Members of Fidelity Emerging Markets Limited

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding \$770k (2024: \$800k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was availability of capital to meet operating costs and other financial commitments.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2(a) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Independent Auditor's Report to the Members of Fidelity Emerging Markets Limited continued

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 27) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 27) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 27 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

Independent Auditor's Report to the Members of Fidelity Emerging Markets Limited continued

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 41, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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.

Rachid Frihmat

For and on behalf of KPMG Audit Limited

Chartered Accountants and Recognised Auditors
Guernsey

3 October 2025

Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	Year ended 30 June 2025			Year ended 30 June 2024		
		Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Revenue							
Investment income	3	22,941	-	22,941	19,284	-	19,284
Derivative income	3	26,855	-	26,855	19,711	-	19,711
Other income	3	631	-	631	1,252	-	1,252
Total income		50,427	-	50,427	40,247	-	40,247
Gains on investments at fair value through profit or loss	10	-	80,979	80,979	-	81,553	81,553
Net gains on derivative instruments	11	-	32,226	32,226	-	35,890	35,890
Foreign exchange losses		-	(1,475)	(1,475)	-	(1,569)	(1,569)
Total income and gains		50,427	111,730	162,157	40,247	115,874	156,121
Expenses							
Management fees	4	(863)	(3,451)	(4,314)	(935)	(3,741)	(4,676)
Other expenses	5	(1,644)	-	(1,644)	(1,631)	-	(1,631)
Profit before finance costs and taxation		47,920	108,279	156,199	37,681	112,133	149,814
Finance costs	6	(23,704)	-	(23,704)	(21,566)	-	(21,566)
Profit before taxation		24,216	108,279	132,495	16,115	112,133	128,248
Taxation	7	(2,347)	(3,162)	(5,509)	(2,060)	(123)	(2,183)
Profit after taxation for the year		21,869	105,117	126,986	14,055	112,010	126,065
Earnings per Participating Preference Share (basic and diluted)	8	\$0.31	\$1.52	\$1.83	\$0.16	\$1.29	\$1.45

The Company does not have any income or expenses that are not included in the profit after taxation for the year. Accordingly the profit after taxation for the year is also the total comprehensive income for the year and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Company's Statement of Comprehensive Income prepared in accordance with IFRS. The supplementary information on the allocation between the revenue account and the capital reserve is presented under guidance published by the AIC.

All the profit/(loss) and total comprehensive income is attributable to the equity shareholders of the Company. There are no minority interests.

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

Statement of Changes in Equity

for the year ended 30 June 2025

	Note	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Total equity at 30 June 2024		6,291	695,822	51,333	753,446
Profit after taxation for the year		-	105,117	21,869	126,986
Participating Preference Shares repurchased into Treasury	14	-	(94,701)	-	(94,701)
Dividend paid to shareholders	9	-	-	(14,103)	(14,103)
Total equity at 30 June 2025		6,291	706,238	59,099	771,628

	Note	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Total equity at 30 June 2023		6,291	735,860	54,583	796,734
Profit after taxation for the year		-	112,010	14,055	126,065
Participating Preference Shares repurchased for cancellation	14	-	(127,125)	-	(127,125)
Participating Preference Shares repurchased into Treasury	14	-	(24,923)	-	(24,923)
Dividend paid to shareholders	9	-	-	(17,305)	(17,305)
Total equity at 30 June 2024		6,291	695,822	51,333	753,446

Statement of Financial Position

as at 30 June 2025

	Note	30 June 2025 \$'000	30 June 2024 \$'000
Non-current assets			
Investments at fair value through profit or loss	10	712,861	696,753
Current assets			
Derivative assets	11	15,006	25,399
Amounts held at futures clearing houses and brokers		52,521	44,952
Other receivables	12	9,504	8,083
Cash and cash equivalents		9,551	8,794
		86,582	87,228
Current liabilities			
Derivative liabilities	11	15,784	11,857
Other payables	13	12,031	18,678
		27,815	30,535
Net current assets		58,767	56,693
Net assets		771,628	753,446
Equity			
Share premium account	15	6,291	6,291
Capital reserve	15	706,238	695,822
Revenue reserve	15	59,099	51,333
Total equity shareholders' funds		771,628	753,446
Net asset value per Participating Preference Share	16	\$11.99	\$10.09

The Financial Statements on pages 49 to 80 were approved by the Board of Directors of the Company on 3 October 2025 and signed on its behalf by:

Heather Manners
Chairman

Statement of Cash Flows

for the year ended 30 June 2025

	30 June 2025 \$'000	30 June 2024 \$'000
Operating activities		
Cash inflows from dividend income from investments	21,955	22,936
Cash inflows from interest income from investments, cash and collateral balances	633	1,232
Cash inflows from dividend income from derivatives	14,390	7,655
Cash inflows from interest income from derivatives	1,166	2,114
Cash inflow from other income	-	20
Cash outflow from taxation paid	(4,407)	(2,060)
Cash outflow from the purchase of investments	(746,980)	(695,450)
Cash inflow from the sale of investments	804,105	854,047
Cash inflow from net proceeds from settlement of derivatives	57,520	23,436
Cash outflow from amounts held at futures clearing houses and brokers	(7,569)	(26,742)
Cash outflow from operating expenses	(6,262)	(6,217)
Net cash inflow from operating activities	134,551	180,971
Financing activities		
Cash outflow from CFD interest paid	(19,611)	(18,527)
Cash outflow from short CFD dividends paid	(3,011)	(2,726)
Cash outflow from dividends paid to shareholders	(14,103)	(17,305)
Cash outflow from repurchase of Participating Preference Shares into Treasury	(95,594)	(22,982)
Cash outflow from repurchase and cancellation of Participating Preference Shares	-	(127,125)
Net cash outflow from financing activities	(132,319)	(188,665)
Net increase/(decrease) in cash at bank	2,232	(7,694)
Cash at bank at the start of the year	8,794	18,057
Effect of foreign exchange movements	(1,475)	(1,569)
Cash at bank at the end of the year	9,551	8,794

Notes to the Financial Statements

for the year ended 30 June 2025

1. Principal Activity

Fidelity Emerging Markets Limited (the "Company") was incorporated in Guernsey on 7 June 1989 and commenced activities on 19 September 1989. The Company is an Authorised Closed-Ended Investment Scheme as defined by The Authorised Closed-Ended Investment Schemes Rules and Guidance, 2021 (and, as such, is subject to ongoing supervision by the Guernsey Financial Services Commission). The Company is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

The Company's registered office is at Level 3, Mill Court La Charroterie, St Peter Port, Guernsey GY1 1EJ, Channel Islands.

The Company's investment objective is to achieve long-term capital growth from an actively managed portfolio made up primarily of securities and financial instruments providing exposure to emerging market companies, both listed and unlisted.

These Financial Statements were approved by the Board of Directors and authorised for issue on 3 October 2025.

2. Summary of Material Accounting Policies

(a) Basis of preparation

The principal accounting policies applied in the preparation of these Financial Statements on a going concern basis are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Company's Financial Statements, which give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the IFRS Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and the Companies (Guernsey) Law, 2008. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these Financial Statements. In making their assessment the Directors have reviewed the income and expense projections, the liquidity of the investment portfolio, stress testing performed and considered the Company's ability to meet liabilities as they fall due. The Directors have considered the forthcoming continuation vote, set to take place at the Annual General Meeting in 2026. This vote will decide whether the Company will continue its operations beyond that date. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements.

Significant accounting estimates, assumptions and judgements

The preparation of Financial Statements in conformity with IFRS may require management to make critical accounting judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from the estimates.

Valuations use observable data to the extent practicable. Changes in any assumptions could affect the reported fair value of the financial instruments. The determination of what constitutes observable requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Determination of fair value of unlisted investments

The key estimate in the Financial Statements is the determination of the fair value of unlisted investments. This process is overseen by the Manager's Fair Value Committee ("FVC"), supported by an external valuer and Fidelity's unlisted investments specialist, and is subject to detailed review and appropriate challenge by the Directors. The valuation of unlisted investments significantly impacts the financial statements at the Balance Sheet date. The valuation approach for the fund's unlisted investments is as follows:

- Investee Funds: These investments are primarily valued based on the official valuation statements from the Investee Funds.
- Russian securities: Due to the current market conditions and restrictions, these securities are valued at nil, reflecting their impaired status and lack of marketability.

Notes to the Financial Statements continued

2. Summary of Material Accounting Policies continued

For other potential unlisted securities, when no recent primary or secondary transaction in the company's shares has taken place, the fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). This generic valuation methodology may include the following estimates:

- (i) Selection of Appropriate Comparable Companies: Comparable companies are chosen based on their business characteristics and growth patterns.
- (ii) Selection of a Revenue Metric: Either historical or forecast revenue metrics may be used.
- (iii) Selection of an Illiquidity Discount Factor: This reflects the reduced liquidity of unlisted companies compared to their listed peers.
- (iv) Estimation of Future Exit Likelihood: This involves assessing the potential for an initial public offering ("IPO") or a company sale.
- (v) Selection of an Industry Benchmark Index: An appropriate index may be used to assist with the valuation.
- (vi) Valuation Adjustments from Milestone Analysis and Future Cash Flows: This involves incorporating operational success against the business's plans/forecasts into the valuation.

As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other Price Risk Sensitivity in Note 17 to illustrate the effect on the Financial Statements of an over or under estimation of fair value.

The risk of an over or under estimation of fair value is greater when methodologies are applied using more subjective inputs.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change as a result of applying IFRS 18.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's Statement of Comprehensive Income, the Statement of Cash Flows and the additional disclosures required for management-defined performance measures.

(b) Financial instruments

Classification

(i) Assets

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. All investments are measured at fair value through profit or loss. The Company's investments are included in the financial assets at fair value through profit and loss line in the Statement of Financial Position.

(ii) Liabilities

Derivative contracts that have a negative fair value are presented as derivative financial liabilities at fair value through profit or loss. As such, the Company classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss. The Company's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition/derecognition

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on their trade date, the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Notes to the Financial Statements continued

2. Summary of Material Accounting Policies continued

Measurement

Financial assets at fair value through profit and loss are measured initially at fair value being the transaction price. Transaction costs incurred to acquire financial assets at fair value through profit or loss are expensed in the Statement of Comprehensive Income. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the year in which they arise.

The Company includes transaction costs, incidental to the purchase or sale of investments within Net gains/(losses) on financial assets at fair value through profit or loss in the capital column of the Statement of Comprehensive Income and has disclosed them in Note 10.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Securities listed on active markets are valued based on their last bid price for valuation and financial statement purposes.

Equity linked notes are valued based on the available price of the underlying asset as at reporting date.

In the normal course of business, the Company may utilise Participatory notes ('P Notes') to gain access to markets that otherwise would not be allowable as a foreign investor. P Notes are issued by banks or broker-dealers and allow the Company to gain exposure to local shares in foreign markets. They are valued based on the last price of the underlying equity at the valuation date.

The Company's investment in other funds ('Investee Funds') are subject to the terms and conditions of the respective Investee Fund's offering documentation. The investments in Investee Funds are primarily valued based on the latest available redemption price for such units in each Investee Fund, as determined by the Investee Funds' administrators. The Company reviews the details of the reported information obtained for the Investee Funds and considers the liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, any restrictions on redemptions and the basis of the Investee Funds' accounting. If necessary, the Company makes adjustments to the net asset value of the Investee Funds to obtain the best estimate of fair value. The Company may make adjustments to the value of a security if it has been materially affected by events occurring before the Company's NAV calculation but after the close of the primary markets on which the security is traded. The Company may also make adjustment to the value of its investments if reliable market quotations are unavailable due to infrequent trading or if trading in a particular security was halted during the day and did not resume prior to the Company's NAV calculation.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as a principal and as an emerging risk as set out on pages 23 to 27, and have concluded that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with IFRS 13 - "Fair Value Measurement" investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the Statement of Financial Position date. Investments which are unlisted are priced using market-based valuation approaches. All investments therefore reflect the market participants view of climate change risk on the investments held by the Company.

Derivative instruments

When appropriate, permitted transactions in derivative instruments are used. Derivative transactions into which the Company may enter include long and short contracts for difference ("CFDs"), futures contracts and options.

Under IFRS 9 derivatives are classified at fair value through profit or loss - held for trading, and are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value as follows:

- Long and short CFDs - the difference between the strike price and the value of the underlying shares in the contract based on exchange traded prices in an active market;
- Futures contracts - the difference between the contract price and the quoted traded price in an active market;
- Exchange traded options - valued based on similar instruments or the quoted traded price in an active market for the contract; and
- Forward currency contracts - valued at the appropriate quoted forward foreign exchange rate ruling at the Statement of Financial Position date;
- Over the counter options - valued based on indicative quotes received from independent third party vendors.

Notes to the Financial Statements continued

2. Summary of Material Accounting Policies continued

Where transactions are used to protect or enhance income, if the circumstances support this, the income and expenses derived are included in derivative income in the revenue column of the Statement of Comprehensive Income. Where such transactions are used to protect or enhance capital, if the circumstances support this, the income and expenses derived are included in gains/(losses) on derivative instruments in the capital column of the Statement of Comprehensive Income. Any positions on such transactions open at the reporting date are reflected on the Statement of Financial Position at their fair value within current assets or current liabilities.

Amortised cost measurement

Cash at bank, amounts held at futures clearing houses and brokers and other receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

Capital gains tax payable and other payables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation of these liabilities.

(c) Foreign currency translation

Functional and Presentation Currency

The Company maintains its books and records in the currency of its primary economic environment, known as its functional currency. The Directors have carefully assessed this environment by considering several factors, including the currency in which the original capital was raised, the currency used for past distributions, and the currency in which capital would be returned in the event of a breakup. The Directors have considered the exposure of underlying investments to different currencies. These considerations ensure the Financial Statements accurately reflect the Company's economic circumstances and investment exposure.

The Directors believe that US dollars best represent the functional currency of the Company. The Financial Statements, results and the Statement of Financial Position of the Company are also expressed in US dollars which is the presentation currency of the Company and have been rounded to the nearest thousand unless otherwise stated.

Transactions and balances

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at rates prevailing at the end of the reporting period. Gains and losses arising on translation are included in the Statement of Comprehensive Income for the year. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Net foreign exchange gains or losses'. Foreign exchange gains and losses relating to financial assets at fair value through profit or loss and derivatives are presented in the Statement of Comprehensive Income within 'Net gains or losses on investments' and 'Net gains on derivative instruments' respectively.

(d) Recognition of dividend and interest income

Dividends arising on the Company's investments are accounted for on an ex-dividend basis, gross of applicable withholding taxes. Interest on cash at bank and collateral is accrued on a day-to-day basis using the effective interest method. Dividends and interest income are recognised in the Statement of Comprehensive Income.

(e) Income from derivatives

Derivative instrument income received from dividends on long (or payable from short) CFDs are accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. The amount net of withholding tax is credited (or charged) to the revenue column of the Statement of Comprehensive Income.

Interest received on CFDs is accounted for on an accruals basis and credited to the revenue column of the Statement of Comprehensive Income. Interest received on CFDs represent the finance costs calculated by reference to the notional value of the CFDs.

(f) Finance costs

Finance costs comprise bank charges and finance costs paid on CFDs, which are accounted for on an accruals basis, and dividends paid on short CFDs, which are accounted for on the date on which the obligation to incur the cost is established, normally the exdividend date. Finance costs are charged in full to the revenue column of the Statement of Comprehensive Income.

(g) Dividend distribution

Dividend distributions are at the discretion of the Board of Directors. A dividend is recognised as a liability in the period in which it is approved at the Annual General Meeting of the shareholders and is recognised in the Statement of Changes in Equity.

Notes to the Financial Statements continued

2. Summary of Material Accounting Policies continued

(h) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts are accounted for as short term liabilities on the Statement of Financial Position and the interest expense is recorded using the effective interest rate method. Bank overdrafts are classified as other financial liabilities

(i) Amounts held at/due to futures clearing houses and brokers

Cash deposits are held in segregated accounts on behalf of brokers as collateral against open derivative contracts. These are carried at amortised cost.

(j) Other receivables

Other receivables include amounts receivable on settlement of derivatives, securities sold pending settlement, accrued income, taxation recoverable and other debtors and prepayments incurred in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Other receivables are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method and as reduced by appropriate allowance for estimated irrecoverable amounts.

(k) Other payables

Other payables include amounts payable on settlement of derivatives, securities purchased pending settlement, investment management fees, amounts payable for repurchase of shares, finance costs payable and expenses accrued in the ordinary course of business. Other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

(l) Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker ('CODM'). The CODM, who is responsible for allocation of resources and assessing performance of the operating segments, has been identified as the Directors of the Company, as the Directors are ultimately responsible for investment decisions.

The Company is engaged in a single segment business and, therefore, no segmental reporting is provided.

(m) Management fees and other expenses

All expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income.

Expenses are allocated wholly to revenue with the following exceptions:

- Management fees are allocated 20% to revenue and 80% to the capital, in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio; and
- Expenses which are incidental to capital events are charged to capital.

(n) Taxation

The Company currently incurs withholding taxes imposed by certain countries on investment income and capital gains taxes upon realisation of its investments. Such income or gains are recorded gross of withholding taxes and capital gains taxes in the Statement of Comprehensive Income. Withholding taxes and capital gains taxes are shown as separate items in the Statement of Comprehensive Income.

In accordance with IAS 12, 'Income taxes', the Company is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Company's capital gains sourced from such foreign country, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities, using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Company. Therefore, when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time that could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

Notes to the Financial Statements continued

2. Summary of Material Accounting Policies continued

(o) Share capital

Participating Preference Shares are not redeemable and there is no obligation to pay cash or another financial asset to the holder but are entitled to receive dividends. They are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds net of tax.

(p) Purchase of own shares

The cost of purchases of the Company's own shares is shown as a reduction in Shareholders' Funds. The Company's net asset value and return per Participating Preference Share are calculated using the number of shares outstanding after adjusting for purchases.

(q) Critical accounting estimates and assumptions

As stated in Note 2(a) Basis of Preparation, the preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Company's accounting policies. For example, the Company may, from time to time, hold financial instruments that are not quoted in active markets, such as minority holdings in investment and private equity companies. Fair values of such instruments are determined using different valuation techniques validated and periodically reviewed by the Board of Directors.

(r) Capital reserve

The following are transferred to the capital reserve:

- Gains and losses on the disposal of financial assets at fair value through profit and loss and derivatives instruments;
- Changes in the fair value of financial assets at fair value through profit and loss and derivative instruments, held at the year end;
- Foreign exchange gains and losses of a capital nature;
- 80% of management fees;
- Dividends receivable which are capital in nature;
- Taxation charged or credited relating to items which are capital in nature; and
- Other expenses which are capital in nature.

The Company holds 13,225,940 Participating Preference Shares in Treasury which have been excluded from the net asset value and earnings per participating preference share calculations from the date of repurchase into treasury.

3. Income

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Investment income		
UK dividends	619	362
Overseas dividends	22,320	18,900
UK and overseas scrip dividends	-	15
Interest on securities	2	7
	22,941	19,284
Derivative income		
Dividends received on long CFDs	14,964	8,489
Interest received on CFDs	1,166	2,114
Option income	10,725	9,108
	26,855	19,711
Other income		
Interest received on cash and collateral	631	1,232
Fee rebate	-	20
	631	1,252
Total income	50,427	40,247

Notes to the Financial Statements continued

4. Management Fees

	Year ended 30 June 2025			Year ended 30 June 2024		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Management fees	863	3,451	4,314	935	3,741	4,676

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager (the "Manager") and has delegated investment management to FIL Investments International (FIL). Both companies are Fidelity group companies.

FIL charges a management fee of 0.60% per annum of the Net Asset Value of the Company. Fees are payable monthly in arrears and calculated on a daily basis. Management fees have been allocated 80% to capital reserve in accordance with the Company's accounting policies.

Management fees incurred by collective investment schemes or investment companies managed or advised by the Investment Manager are reimbursed.

Please see information on ongoing charges ratio as presented on page 81.

5. Other expenses

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Allocated to revenue:		
Custodian fees	251	415
Directors' fees	264	263
Directors' expenses	30	24
Administration fees	216	193
Audit fees	116	106
Legal and professional fees	83	120
Sundry expenses	684	510
	1,644	1,631

Administration fees

The Administrator is entitled to receive a fee, payable monthly, based on the Net Asset Value of the Company and time incurred.

Custodian fee

Under the Custodian Agreement, the Custodian to the Company is entitled to receive a fee payable monthly, based on the Net Asset Value of the Company. All custody services are performed by JP Morgan Chase Bank.

The Company also incurs charges and expenses of other organisations with whom securities are held. The total of all Custodian fees for the year represented approximately 0.04% (2024: 0.06%) per annum of the average Net Asset Value of the Company.

6. Finance costs

	Year ended 30 June 2025			Year ended 30 June 2024		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Dividends paid on short CFDs	3,506	-	3,506	3,081	-	3,081
Interest paid on CFDs	20,198	-	20,198	18,485	-	18,485
	23,704	-	23,704	21,566	-	21,566

Notes to the Financial Statements continued

7. Taxation

	Year ended 30 June 2025			Year ended 30 June 2024		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Capital gains tax	–	3,162	3,162	–	123	123
Overseas taxation	2,347	–	2,347	2,060	–	2,060
	2,347	3,162	5,509	2,060	123	2,183

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 2012. As such, the Company is only liable to pay a fixed annual fee, currently £1,600 (2024: £1,200).

Income due to the Company is subject to withholding taxes. The Manager undertakes regular reviews of the tax situation of the Company and believes that withholding taxes on dividend income and capital gains taxes on capital gains are currently the material transactions that generate the amounts of tax payable.

In accordance with IAS 12, 'Income taxes', where necessary the Company provides for deferred taxes on any capital gains/losses on the revaluation of securities in such jurisdictions where capital gains tax is levied.

The capital gains charge has been calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in the countries where the Company's investments generate taxable income on realisation. The Manager, on behalf of the Board, periodically evaluates which applicable tax regulations are subject to interpretation and establishes provisions when appropriate.

As at 30 June 2025, \$2,140,000 capital gains tax provision was recognised in the Statement of Financial Position (2024: \$1,038,000).

8. Earnings per Participating Preference Share

	Year ended 30 June 2025	Year ended 30 June 2024
Revenue earnings per Participating Preference Share	\$0.31	\$0.16
Capital earnings per Participating Preference Share	\$1.52	\$1.29
Total earnings per Participating Preference Share (basic and diluted)	\$1.83	\$1.45

The earnings per Participating Preference Share is based on the profit after taxation for the year divided by the weighted average number of Participating Preference Shares held outside of Treasury during the year, as shown below:

	\$'000	\$'000
Revenue profit after taxation for the year	21,869	14,055
Capital profit after taxation for the year	105,117	112,010
Total profit after taxation for the year	126,986	126,065

	Number	Number
Weighted average number of Participating Preference Shares held outside of Treasury	69,485,764	86,936,701

Notes to the Financial Statements continued

9. Dividends Paid to Shareholders

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Dividend paid		
2024 final dividend of 20.0¢ (2023: 19.0¢) per Participating Preference Share	14,103	17,305
Total dividend paid	14,103	17,305
Dividend proposed		
2025 final dividend of 26¢ (2024: 20.0¢) per Participating Preference Share	16,729	14,929
Total dividend proposed	16,729	14,929

The Directors have proposed the payment of a final dividend for the year ended 30 June 2025 of 26¢ per Participating Preference Share which is subject to approval by shareholders at the Annual General Meeting on 1 December 2025 and has not been included as a liability in these financial statements. The dividend will be paid on 9 December 2025 to shareholders on the register at the close of business on 14 November 2025 (ex-dividend date 13 November 2025).

10. Investments at Fair Value through Profit or Loss

	30 June 2025 \$'000	30 June 2024 \$'000
Investments		
Equity securities	708,476	687,025
Equity linked notes	–	4,555
Debt instruments	–	316
Investee funds	4,385	4,857
Total investments	712,861	696,753
Opening book cost	695,828	884,753
Opening unrealised gains/(losses)	925	(106,145)
Opening fair value of investments	696,753	778,608
Movements in the year		
Purchases at cost	740,453	692,013
Sales – proceeds	(805,324)	(855,428)
Gains on investments	80,979	81,553
Amortisation adjustment	–	7
Closing fair value	712,861	696,753
Closing book cost	654,401	695,828
Closing unrealised gains	58,460	925
Closing fair value of investments	712,861	696,753

Notes to the Financial Statements continued

10. Investments at Fair Value through Profit or Loss continued

Gains/(losses) on Investments at fair value through profit or loss

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Realised gains/(losses) on investments		
Realised gains	103,003	81,933
Realised losses	(79,559)	(107,443)
Net realised gains/(losses) on investments	23,444	(25,510)
Change in unrealised gains/(losses) on investments		
Change in unrealised gains on investments ¹	31,166	39,223
Change in unrealised losses on investments	26,369	67,840
Net change in unrealised gains/(losses) on investments	57,535	107,063
Net gains on investments	80,979	81,553

1. The change in unrealised gains/(losses) on investments is calculated as the difference between the total unrealised investments gains/(losses) recognised in the Statement of Financial Position at reporting date and the total unrealised investments gains/(losses) position recognised at the comparative date.

The Company received \$805,324,000 (2024: \$855,428,000) from investments at fair value sold in the year. The book cost of these investments at fair value when they were purchased was \$781,880,000 (2024: \$880,938,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments at fair value through profit or loss.

Investment transaction costs incurred in the acquisition and disposal of investments, which are included in the gains on investments at fair value through profit and loss were as follows:

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Purchases transaction costs	930	1,012
Sales transaction costs	1,081	1,116
	2,011	2,128

Notes to the Financial Statements continued

11. Derivative Instruments

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Realised gains/(losses) on derivative instruments		
Gains on CFDs	194,933	177,604
Gains on futures contracts	30,630	16,178
Gains on options	17,153	18,681
Gains on forward currency contracts	1,881	-
Losses on CFDs	(146,864)	(141,402)
Losses on futures contracts	(31,875)	(23,062)
Losses on options	(20,472)	(23,903)
Losses on forward currency contracts	(2,539)	-
Net realised gains on derivative instruments	42,847	24,096
Change in unrealised gains/(losses) on derivative instruments¹		
Change in unrealised gains on CFDs	(7,695)	9,979
Change in unrealised gains on futures contracts	74	(581)
Change in unrealised gains on options	(1,835)	4,746
Change in unrealised gains on forward currency contracts	(293)	364
Change in unrealised losses on CFDs	(2,452)	4,143
Change in unrealised losses on futures contracts	(2,248)	(1,889)
Change in unrealised losses on options	3,828	(4,968)
Net change in unrealised (losses)/gains on derivative instruments	(10,621)	11,794
Net gains on derivative instruments	32,226	35,890
	30 June 2025 Fair value \$'000	30 June 2024 Fair value \$'000
Fair value of derivative instruments recognised on the Statement of Financial Position²		
Derivative instrument assets	15,006	25,399
Derivative instrument liabilities	(15,784)	(11,857)
	(778)	13,542

1. The change in unrealised gains/(losses) on each type of derivative contract is calculated as the difference between the total unrealised gains/(losses) on the relevant derivative positions recognised in the Statement of Financial Position at reporting date and the total unrealised gains/(losses) on the relevant derivative positions recognised at the comparative date.

2. The fair value hierarchy of the derivative instruments is shown in Note 17.

Notes to the Financial Statements continued

11. Derivative Instruments continued

	30 June 2025		30 June 2024	
	Fair value \$'000	Asset exposure \$'000	Fair value \$'000	Asset exposure \$'000
At the year end the Company held the following derivative instruments				
Long CFDs	2,037	433,157	4,751	366,358
Short CFDs	(603)	180,705	6,830	170,814
Long futures contracts	(45)	16,965	(399)	22,348
Short futures contracts	(942)	28,958	(26)	22,831
Short futures contracts (hedging exposure)	(2,808)	(160,910)	(1,196)	(148,757)
Long call option contracts	3,865	21,474	5,508	49,080
Short put option contracts	79	680	915	2,269
Short call option contracts	-	-	(1)	37
Short call option contracts (hedging exposure)	(827)	(10,949)	(2,418)	(15,110)
Long put option contracts	(1,605)	12,313	(786)	10,698
Forward currency contracts	71	-	364	-
	(778)	522,393	13,542	480,568

12. Other Receivables

	30 June 2025 \$'000	30 June 2024 \$'000
CFD dividends receivable	2,235	1,661
Securities sold for future settlement	3,389	2,170
Amounts receivable on settlement of derivatives	1,632	3,054
Accrued income	2,166	1,182
Other receivables	82	16
	9,504	8,083

13. Other Payables

	30 June 2025 \$'000	30 June 2024 \$'000
CFD interest payable	1,018	431
CFD dividends payable	1,111	616
Securities purchased for future settlement	6,086	12,613
Amounts payable on settlement of derivatives	9	1,182
Management fees	365	335
Custodian fees	45	102
Directors' fees	66	65
Amounts payable for repurchase of shares held in Treasury	1,048	1,941
Capital gains tax payable	2,140	1,038
Accrued expenses	143	355
	12,031	18,678

Notes to the Financial Statements continued

14. Share Capital

	2025 Number of shares	2024 Number of shares
Authorised		
Founder shares of no par value	1,000	1,000
Issued		
Participating Preference Shares held outside of Treasury		
Beginning of the year	74,646,287	91,100,066
Participating Preference Shares repurchased for cancellation	–	(13,531,881)
Participating Preference Shares repurchased into Treasury	(10,304,042)	(2,921,898)
End of the year	64,342,245	74,646,287
Participating Preference Shares held in Treasury¹		
Beginning of the year	2,921,898	–
Participating Preference Shares repurchased into Treasury	10,304,042	2,921,898
End of the year	13,225,940	2,921,898
Total Participating Preference Shares	77,568,185	77,568,185

¹ The ordinary shares held in Treasury carry no rights to vote, to receive a dividend or to participate in a winding up of the Company.

The costs of the repurchase of shares held in Treasury of \$94,701,000 (2024: \$24,923,000) was charged to the capital reserve. There were no shares repurchased for cancellation during the year (2024: \$127,125,000).

The Company may issue an unlimited number of Unclassified Shares of no par value.

Founder Shares

The Founder Shares were issued at \$1 each par value, these shares are not redeemable. At the Extraordinary General Meeting of the Company on 30 October 2009 and in accordance with The Companies (Guernsey) Law, 2008 it was approved that each Founder Share be redesignated as no par value shares.

The Founder Shares confer no rights upon holders other than at general meetings, on a poll, every holder is entitled to one vote in respect of each Founder Share held.

Treasury Shares

As at 30 June 2025, the Company held 13,225,940 shares in Treasury (2024: 2,921,898).

Notes to the Financial Statements continued

14. Share Capital continued

Participating Preference Shares

At the Extraordinary General Meeting of the Company held on 30 October 2009 it was approved that each Participating Preference Share be divided into ten Participating Preference Shares. Under The Companies (Guernsey) Law, 2008 (as amended), the nominal values of the shares were also converted into sterling and redesignated as no par value shares.

The holders of Participating Preference Shares rank ahead of holders of any other class of share in issue in a winding up. They have the right to receive any surplus assets available for distribution. The Participating Preference Shares confer the right to discretionary dividends declared, and at general meetings, on a poll, confer the right to one vote in respect of each Participating Preference Share held. Participating Preference Shares are classed as equity as they have a residual interest in the assets of the Company.

All of the above classes of shares are considered as Equity under the definitions set out in IAS 32, 'Financial instruments: Disclosure and presentation', because the shares are not redeemable and there is no obligation to pay cash or another financial asset to the holder.

15. Capital and Reserves

	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
At 1 July 2024	6,291	695,822	51,333	753,446
Net gains on investments at fair value through profit or loss (see Note 10)	–	80,979	–	80,979
Net gains on derivative instruments (see Note 11)	–	32,226	–	32,226
Net foreign exchange losses	–	(1,475)	–	(1,475)
Management fees (see Note 4)	–	(3,451)	–	(3,451)
Capital gains tax (see Note 7)	–	(3,162)	–	(3,162)
Participating Preference Shares repurchased into Treasury (see Note 14)	–	(94,701)	–	(94,701)
Revenue profit after taxation for the year	–	–	21,869	21,869
Dividend paid to shareholders (see Note 9)	–	–	(14,103)	(14,103)
At 30 June 2025	6,291	706,238	59,099	771,628

Notes to the Financial Statements continued

15. Capital and Reserves continued

	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
At 1 July 2023	6,291	735,860	54,583	796,734
Net gains on investments at fair value through profit or loss (see Note 10)	-	81,553	-	81,553
Net gains on derivative instruments (see Note 11)	-	35,890	-	35,890
Net foreign exchange losses	-	(1,569)	-	(1,569)
Management fees (see Note 4)	-	(3,741)	-	(3,741)
Capital gains tax (see Note 7)	-	(123)	-	(123)
Participating Preference Shares repurchased for cancellation (see Note 14)	-	(127,125)	-	(127,125)
Participating Preference Shares repurchased into Treasury (see Note 14)	-	(24,923)	-	(24,923)
Revenue profit after taxation for the year	-	-	14,055	14,055
Dividend paid to shareholders (see Note 9)	-	-	(17,305)	(17,305)
At 30 June 2024	6,291	695,822	51,333	753,446

Share Premium

Share Premium is the amount by which the value of shares subscribed for exceeded their nominal value at the date of issue.

The capital reserve balance at 30 June 2025 includes investment holding gains of \$58,460,000 (2024: gains of \$925,000) as detailed in Note 10.

16. Net Asset Value per Participating Preference Share

The calculation of the net asset value per Participating Preference Share is based on the net assets divided by the number of Participating Preference Shares held outside of Treasury:

	30 June 2025	30 June 2024
Net assets	\$771,628,000	\$753,446,000
Participating Preference Shares held outside of Treasury	64,342,245	74,646,287
Net asset value per Participating Preference Share	\$11.99	\$10.09

17. Financial Instruments

Management of risk

The Company's investing activities in pursuit of its investment objective involve certain inherent risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Board, with the assistance of the Investment Manager, has developed a risk matrix which, as part of the internal control process, identifies the risks that the Company faces. Risks are identified and graded in this process, together with steps taken in mitigation, and are updated and reviewed on an ongoing basis. Risks identified are shown in the Strategic Report on pages 23 to 27.

This Note is incorporated in accordance with IFRS 7: Financial Instruments: Disclosures and refers to the identification, measurement and management of risks potentially affecting the value of financial instruments.

Notes to the Financial Statements continued

17. Financial Instruments continued

The Company's financial instruments may comprise:

- Equity shares (listed and unlisted), preference shares, equity linked notes, convertible bonds, rights issues, holdings in investment companies and private placements;
- Derivative instruments including CFDs, warrants, futures and options written or purchased on stocks and equity indices and forward currency contracts; and
- Cash, liquid resources and short-term receivables and payables that arise from its operation.

The risks identified by IFRS 7 arising from the Company's financial instruments are market price risk (which comprises interest rate risk, foreign currency risk and other price risk), liquidity risk, credit and counterparty risk and derivative instrument risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

The Company has the ability to borrow up to 10% of the Company's NAV in order to increase the amount of capital available for investment. The Company aims to keep its use of an overdraft facility for trading purposes to a minimum only using a facility to enable settlements. It may also hold interest bearing securities and cash.

The Company finances its operations through its capital and reserves. In addition, the Company has gearing through the use of derivative instruments. The Board imposes limits to ensure gearing levels are appropriate. The Company is exposed to a financial risk arising as a result of any increases in interest rates associated with the funding of the derivative instruments.

Interest rate risk exposure

The values of the Company's financial instruments that are exposed to movements in interest rates are shown below:

	30 June 2025 \$'000	30 June 2024 \$'000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	431,120	361,607
Exposure to financial instruments that earn interest		
Short CFDs – exposure plus fair value	180,102	177,644
Debt instrument	–	316
Amounts held at futures clearing houses and brokers	52,521	44,952
Cash at bank	9,551	8,794
	242,174	231,706
Net exposure to financial instruments that bear interest	(188,946)	(129,901)

Interest rate risk sensitivity analysis

Based on the financial instruments held and interest rates at the statement of financial position date, an increase of 1% in interest rates throughout the year, with all other variables held constant, would have decreased the profit after taxation for the year and decreased the net assets of the Company by \$1,889,000 (2024: decreased the profit after taxation for the year and decreased the net assets of the Company by \$1,299,000). A decrease of 1% in interest rates throughout the year would have had an equal but opposite effect.

Foreign currency risk

The Company invests in financial instruments and enters into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than US dollars (functional currency) or UK Sterling (the currency in which shares are traded on the London Stock Exchange).

Notes to the Financial Statements continued

17. Financial Instruments continued

Three principal areas have been identified where foreign currency risk could impact the Company:

- Movements in currency exchange rates affecting the value of investments and derivatives exposures;
- Movements in currency exchange rates affecting short-term timing differences, for example, between the date when an investment is bought or sold and the date when settlement of the transaction occurs; and
- Movements in currency exchange rates affecting income received.

Currency exposure of financial assets

The Company's financial assets comprise of investments, positions on derivative instruments, short-term debtors and cash equivalents.

Currency exposure of financial liabilities

The Company finances its investment activities through its ordinary share capital and reserves. The Company's financial liabilities comprise positions on derivative instruments and other payables.

The net currency exposure profile of these financial assets/(liabilities) is shown below:

Currency	Investments held at fair value through profit or loss \$'000	Asset/ (liabilities) exposure of derivative instruments ¹ \$'000	Cash, cash equivalents and other receivables/ (payables) ² \$'000	2025 Total foreign currency risk \$'000
Brazilian real	40,116	–	213	40,329
Canadian dollar	29,984	24,222	(22)	54,184
Chinese yuan renminbi	15,173	–	–	15,173
Euro	26,672	(7,301)	80	19,451
Hong Kong dollar	15,298	104,635	752	120,685
Hungarian forint	19,303	–	–	19,303
Indian rupee	108,157	(15,666)	27,173	119,664
Indonesian rupiah	33,375	–	–	33,375
Japanese yen	–	(13,964)	(197)	(14,161)
Korean won	20,415	(10,485)	5,011	14,941
Mexican peso	41,652	10,191	55	51,898
Nigerian naira	12,067	–	324	12,391
Poland złoty	16,704	(14,578)	13	2,139
Romanian Leu	11,310	–	(31)	11,279
Saudi riyal	4,402	–	385	4,787
Sol	8,557	–	1,024	9,581
South African rand	83,832	75,841	(52)	159,621
Sterling	–	34,563	861	35,424
Swedish krona	–	(10,825)	108	(10,717)
Taiwan dollar	127,956	–	478	128,434
Turkish lira	9,226	–	–	9,226
United Arab Emirates dirham	19,003	–	–	19,003
United States dollar	52,796	(73,794)	22,061	1,063
Vietnamese dong	16,863	–	1,304	18,167
Other currencies	–	(2,099)	5	(2,094)
	712,861	100,740	59,545	873,146

¹ The asset exposure of long and short derivative positions is after the netting of hedging exposures;

² Other receivables/(payables) include amounts held at futures clearing houses and brokers.

Notes to the Financial Statements continued

17. Financial Instruments continued

Currency	Investments held at fair value through profit or loss \$'000	Asset/ (liabilities) exposure of derivative instruments ¹ \$'000	Cash, cash equivalents and other receivables/ (payables) ² \$'000	2024 Total foreign currency risk \$'000
Australian dollar	3,594	(4,012)	(35)	(453)
Brazilian real	44,315	-	(275)	44,040
Canadian dollar	25,805	9,545	(17)	35,333
Euro	16,125	21,793	(28)	37,890
Hong Kong dollar	40,623	108,530	(1,395)	147,758
Hungarian forint	10,536	-	-	10,536
Indian rupee	77,447	(17,942)	25,903	85,408
Indonesian rupiah	28,009	-	-	28,009
Japanese yen	-	(25,855)	(97)	(25,952)
Korean won	20,102	(7,027)	1,325	14,400
Mexican peso	33,824	23,248	(49)	57,023
Poland zloty	13,899	(16,346)	(351)	(2,798)
Saudi riyal	36,888	-	385	37,273
South African rand	85,394	2,518	(9)	87,903
Sterling	4,465	16,082	(985)	19,562
Swedish krona	-	8,450	(12)	8,438
Taiwan dollar	115,039	-	395	115,434
United Arab Emirates dirham	16,671	-	-	16,671
United States dollar	65,389	(29,581)	18,432	54,240
Vietnamese dong	20,480	-	-	20,480
Other currencies	38,148	(374)	(36)	37,738
	696,753	89,029	43,151	828,933

¹ The asset exposure of long and short derivative positions is after the netting of hedging exposures;

² Cash at bank and other receivables/(payables) include amounts held at futures clearing houses and brokers.

Foreign currency risk management

The degree of sensitivity of the Company's assets to foreign currency risk depends on the net exposure of the Company to each specific currency and the volatility of that specific currency in the year. At 30 June 2025, had the average exchange rate of the US dollar weakened by a reasonable possible movement of 5% (2024: 5%) in relation to the basket of currencies in which the Company's net assets are denominated, weighted by the Company's exposure to each currency with all other variables held constant, the Company estimates the profit after taxation for the year would have increased and net assets would have increased by \$43,492,000 (2024: increased the profit after taxation for the year and increased the net assets of the Company by \$38,735,000).

A strengthening of the US dollar by 5% in relation to the basket of currencies in which the Company's net assets are denominated would have resulted in a decline in net assets by the same amount, under the assumption that all other factors remain constant.

The Investment Manager does not consider it realistic or useful to examine foreign currency risk in isolation. The Investment Manager considers the standard deviation of the Net Asset Value (which is struck in US dollars) as the appropriate risk measurement for the portfolio as a whole as it reflects market price risk generally. Please also see Market Price Risk section.

Market price risk

Market price risk is the risk that value of the instrument will experience unanticipated fluctuations as a result of changes in market prices (other than those arising from foreign currency risk and interest rate risk), whether caused by factors specific to an individual investment, its issuer, or all factors influencing all instruments traded in the market.

Notes to the Financial Statements continued

17. Financial Instruments continued

Market price risk management

Market price risk can be moderated in a number of ways by the Investment Manager through:

- (i) a disciplined stock selection and investment process; and
- (ii) limitation of exposure to a single investment through diversification and through amongst others, the implementation of investment restrictions.

The Board reviews the prices of the portfolio's holdings and investment performance at their meetings. Country and Sector Exposure of the Portfolio and Forty Largest Holdings illustrate the Company's portfolio at the end of reporting period reflects the diversified strategy.

The Investment Manager has identified the MSCI Emerging Markets Index as a relevant reference point for the markets in which it operates. However, the Investment Manager does not manage the Company's investment strategy to track the MSCI Emerging Markets Index or any other index or benchmark. The short-term performance of the Company and its correlation to the MSCI Emerging Markets Index is shown in the Financial Highlights section and is expected to change over time.

Market price risk – Investee Funds

The Company's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Investment Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager. All of the Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Funds for their services. Such compensation generally consists of an asset based fee and a performance based incentive fee and is reflected in the valuation of the Company's investment in each of the Investee Funds.

The exposure to investments in Investee Funds at fair value is disclosed as part of Note below. These investments are included in 'Investments at fair value through profit or loss' in the Statement of Financial Position. The Company's maximum exposure to loss from its interests in Investee Funds is equal to the total fair value of its investments in Investee Funds.

Total purchases in Investee Funds amounted \$nil (2024: \$nil). Total sales amounted to \$1,138,000 (2024: \$1,310,000). As at 30 June 2025 and 2024 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Other price risk

Other price risk arises mainly from uncertainty about future prices of financial instruments. It represents the potential loss the Company might suffer through price movements in its investment positions. The Board meets quarterly to consider the asset allocation of the portfolio and the risk associated with particular industry sectors within the parameters of the investment objective.

The Investment Manager is responsible for actively monitoring the portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet an acceptable risk/reward profile. Other price risks arising from derivative positions, mainly due to the underlying exposures, are assessed by the Investment Manager's specialist derivative instruments team.

Other price risk sensitivity

The following table illustrates the sensitivity of loss after taxation for the year and net assets to an increase or decrease of 10% (2024: 10%) in the fair value of investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on investments with all other variables held constant.

The other price sensitivity analysis is based on the valuation of investments directly held by the Company. For underlying investment funds this is based on the net assets of such underlying funds as included in the Company's portfolio of investments at reporting date.

The value of certain investments, in particular positions held in underlying funds may vary due to currency, interest rate and credit risks and such risks are not directly considered in the other price risk sensitivity analysis.

Notes to the Financial Statements continued

17. Financial Instruments continued

Effect of a 10% increase/(decrease) in fair value:

	2025		2024	
	10% increase in fair value \$'000	10% decrease in fair value \$'000	10% increase in fair value \$'000	10% decrease in fair value \$'000
Statement of Comprehensive Income – profit after taxation				
Total profit after taxation for the year	71,286	(71,286)	69,644	(69,644)
Net assets	71,286	(71,286)	69,644	(69,644)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's assets mainly comprise readily realisable securities and derivative instruments which can be sold easily to meet funding commitments if necessary. Short-term flexibility is achieved by the use of a bank overdraft, if required.

The liquidity risk profile of the Company was as follows:

	30 June 2025 \$'000	30 June 2024 \$'000
Amounts due within one month		
Securities purchased for future settlement	6,086	12,613
Amounts payable for repurchase of shares held in Treasury	1,048	1,941
Amounts payable on settlement of derivatives	9	1,182
Derivative liabilities	10,773	8,377
CFD interest payable	1,018	431
CFD dividends payable	1,111	616
Custodian fees	45	102
Management fees	365	335
Directors' fees	66	65
Accrued expenses	143	355
Amounts due within one year		
Derivative liabilities	5,011	3,480
Capital gains tax payable	2,140	1,038
Total liabilities	27,815	30,535

Liquidity risk management

The restrictions on concentration and the diversification requirements detailed above (see market price risk) also serve normally to protect the overall value of the Company from the risks created by the lower level of liquidity in the markets in which the Company operates.

The Company has no payables past their due dates as at 30 June 2025 (2024: nil).

Credit and counterparty risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the Company. Financial instruments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or other financial difficulties. All transactions are carried out with brokers that have been approved by the Investment Manager and are settled on a delivery versus payment basis. Limits are set on the amount that may be due from any one broker and are kept under review by the Investment Manager. Exposure to credit risk arises on outstanding security transactions and derivative instrument contracts and cash at bank. The Company only engages with approved counterparties that are rated investment grade or above.

The Company has no receivables past their due dates as at 30 June 2025 (2024: nil).

Notes to the Financial Statements continued

17. Financial Instruments continued

Credit risk management

Certain derivative instruments in which the Company may invest are not traded on an exchange but instead will be traded between counterparties based on contractual relationships, under the terms outlined in the International Swaps and Derivatives Association's ("ISDA") market standard derivative legal documentation. These are known as Over The Counter ("OTC") trades. As a result, the Company is subject to the risk that a counterparty may not perform its obligations under the related contract. In accordance with the risk management process which the Investment Manager employs, this risk is minimised by only entering into transactions with counterparties which are believed to have an adequate credit rating at the time the transaction is entered into, by ensuring that formal legal agreements covering the terms of the contract are entered into in advance, and through adopting a counterparty risk framework which measures, monitors and manages counterparty risk by the use of internal and external credit agency ratings and evaluates derivative instrument credit risk exposure.

The maximum exposure to credit risk as at 30 June is the carrying amount of the financial assets as set out below.

	30 June 2025 Amounts due within 1 year \$'000	30 June 2024 Amounts due within 1 year \$'000
Derivative assets	15,006	25,399
Debt instruments	-	316
Securities sold for future settlement	3,389	2,170
Amounts receivable on settlement of derivatives	1,632	3,054
Amounts held at futures clearing houses and brokers	52,521	44,952
Cash and cash equivalents	9,551	8,794
CFD dividends receivable	2,235	1,661
Accrued income	2,166	1,182
Other receivables	82	16
	86,582	87,544

None of these assets are impaired nor past due but not impaired.

The Company primarily engages with counterparties that have strong credit ratings and a proven track record of financial stability, thereby minimising the risk of default. The creditworthiness of its counterparties and investment positions are reviewed on a regular basis. On this basis the Company has assessed the credit risk associated with its financial assets and concluded that the likelihood of credit losses is minimal, and therefore, no provisions for expected credit losses have been made.

For OTC and exchange traded derivative transactions, collateral is used to reduce the risk of both parties to the contract. Collateral is managed on a daily basis for all relevant transactions and held in segregated collateral accounts. Collateral can be held by brokers on behalf of the Company to reduce the credit risk exposure of the Company or held by the Company on behalf of brokers to reduce the credit risk exposure of the brokers. All collateral received or pledged at reporting date is in form of cash. The value of collateral received from brokers and pledged to brokers is shown below:

	30 June 2025		30 June 2024	
	collateral received \$'000	collateral pledged \$'000	collateral received \$'000	collateral pledged \$'000
Bank of America Merrill Lynch International	-	410	-	-
Goldman Sachs International Ltd	4,890	-	6,440	-
J.P. Morgan Securities plc	-	970	5,290	-
Morgan Stanley & Co. International Ltd	-	640	-	530
HSBC Bank plc	380	-	790	-
UBS AG	430	50,501	2,300	44,422
	5,700	52,521	14,820	44,952

Notes to the Financial Statements continued

17. Financial Instruments continued

Derivative instrument risk

The risks and risk management processes which result from the use of derivative instruments, are set out in the Risk Management Process document. This document was approved by the Board and allows the use of derivative instruments for the following purposes:

- to gain exposure to equity markets, sectors or individual investments;
- to hedge equity market risk in the Company's investments with the intention of mitigating losses in the events market falls;
- to enhance portfolio returns by writing call and put options; and
- to take short positions in equity markets, sectors or individual investments which would benefit from a fall in the relevant market price, where the Investment Manager believes the investment is overvalued. These positions distinguish themselves from other short exposures held for hedging purposes since they are expected to add risk to the portfolio.

The risk and investment performance of these instruments are managed by an experienced, specialist derivative team of the Investment Manager using portfolio risk assessment tools for portfolio construction.

Derivative instruments exposure sensitivity analysis

The Company invests in derivative instruments to gain or reduce exposure to the equity market. An increase of 10% in the share prices of the investments underlying the derivative instruments at the reporting date would have increased the profit after taxation for the year and increased the net assets of the Company by \$10,074,000 (2024: increased the profit after taxation for the year and increased the net assets of the Company by \$8,903,000). A decrease of 10% in share prices of the investments underlying the derivative instruments would have had an equal but opposite effect.

Offsetting

To mitigate counterparty risk for OTC derivative transactions, the ISDA legal documentation is in the form of a master agreement between the Company and the brokers. This allows enforceable netting arrangements in the event of a default or termination event. Derivative instrument assets and liabilities that are subject to netting arrangements have not been offset in preparing the Statement of Financial Position.

The Company's derivative instrument financial assets and liabilities recognised in the Statement of Financial Position and amounts that could be subject to netting in the event of a default or termination are shown below and on the next page:

	Gross amount of recognised financial liabilities set off on the statement of financial position		Net amount of financial assets presented on the statement of financial position	Related amounts not set off on statement of financial position		2025
	Gross amount \$'000	of financial position \$'000		Financial instruments \$'000	Margin account received as collateral \$'000	Net amount \$'000
Financial assets						
CFDs	10,649	-	10,649	(8,072)	(810)	1,767
Options	3,944	-	3,944	(1,900)	-	2,044
Futures contracts	342	-	342	(342)	-	-
Forward currency contracts	15,188	(15,117)	71	-	-	71
	30,123	(15,117)	15,006	(10,314)	(810)	3,882

Notes to the Financial Statements continued

17. Financial Instruments continued

		Gross amount of recognised financial assets set off on the statement of financial position	Net amount of financial liabilities presented on the statement of financial position	Related amounts not set off on statement of financial position		2025
				Financial instruments	Margin account pledged as collateral	
Financial liabilities	Gross amount \$'000	\$'000	\$'000	\$'000	\$'000	Net amount \$'000
CFDs	(9,215)	-	(9,215)	8,072	640	(503)
Options	(2,432)	-	(2,432)	1,900	-	(532)
Futures contracts	(4,137)	-	(4,137)	342	3,795	-
Forward currency contracts	(15,117)	15,117	-	-	-	-
	(30,901)	15,117	(15,784)	10,314	4,435	(1,035)

		Gross amount of recognised financial liabilities set off on the statement of financial position	Net amount of financial assets presented on the statement of financial position	Related amounts not set off on statement of financial position		2024
				Financial instruments	Margin account received as collateral	
Financial assets	Gross amount \$'000	\$'000	\$'000	\$'000	\$'000	Net amount \$'000
CFDs	18,344	-	18,344	(6,763)	(9,169)	2,412
Options	6,423	-	6,423	(1,209)	-	5,214
Futures contracts	268	-	268	(268)	-	-
Forward currency contracts	11,801	(11,437)	364	-	-	364
	36,836	(11,437)	25,399	(8,240)	(9,169)	7,990

		Gross amount of recognised financial assets set off on the statement of financial position	Net amount of financial liabilities presented on the statement of financial position	Related amounts not set off on statement of financial position		2024
				Financial instruments	Margin account pledged as collateral	
Financial liabilities	Gross amount \$'000	\$'000	\$'000	\$'000	\$'000	Net amount \$'000
CFDs	(6,763)	-	(6,763)	6,763	-	-
Options	(3,205)	-	(3,205)	1,209	-	(1,996)
Futures contracts	(1,889)	-	(1,889)	268	1,621	-
Forward currency contracts	(11,437)	11,437	-	-	-	-
	(23,294)	11,437	(11,857)	8,240	1,621	(1,996)

Notes to the Financial Statements continued

17. Financial Instruments continued

Fair Value Hierarchy

The Company is required to disclose the fair value hierarchy that classifies its financial instruments measured at fair value at one of three levels, according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are explained in Note 2(b). The table below sets out the Company's fair value hierarchy.

				30 June 2025 Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss				
Investments in equity securities	708,476	-	-	708,476
Investee funds	-	-	4,385	4,385
Derivative instrument assets - Futures contracts	342	-	-	342
Derivative instrument assets - Options	3,846	98	-	3,944
Derivative instrument assets - CFDs	-	10,649	-	10,649
Derivative instrument assets - Forwards	-	71	-	71
	712,664	10,818	4,385	727,867
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities - Futures contracts	4,137	-	-	4,137
Derivative instrument liabilities - Options	1,802	630	-	2,432
Derivative instrument liabilities - CFDs	-	9,215	-	9,215
	5,939	9,845	-	15,784

Notes to the Financial Statements continued

17. Financial Instruments continued

Financial instruments classified under Level 2 are valued by reference to inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. The Level 2 instruments include equity linked notes, futures contracts, over the counter options and contracts for difference.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	30 June 2024 Total \$'000
Financial assets at fair value through profit or loss				
Investments in equity securities	686,519	-	506	687,025
Equity linked notes	-	4,555	-	4,555
Debt instruments	-	316	-	316
Investee funds	-	-	4,857	4,857
Derivative instrument assets – futures contracts	268	-	-	268
Derivative instrument assets – options	6,412	11	-	6,423
Derivative instrument assets – CFDs	-	18,344	-	18,344
Derivative instrument assets – forward currency contracts	-	364	-	364
	693,199	23,590	5,363	722,152
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities – futures contracts	1,889	-	-	1,889
Derivative instrument liabilities – options	1,198	2,007	-	3,205
Derivative instrument liabilities – CFDs	-	6,763	-	6,763
	3,087	8,770	-	11,857

	30 June 2025 \$'000	30 June 2024 \$'000
Valuation basis for Level 3 investments		
Net asset value	4,385	4,857
Most recently available published price adjusted	-	506
	4,385	5,363

As the key input into the valuation of Level 3 investments is official valuation statements from the investee funds and the adjusted most recently available published price, we do not consider it appropriate to put forward a sensitivity analysis on the basis that insufficient value is likely to be derived by the end users.

The following table summarises the change in value associated with Level 3 financial instruments carried at fair value during the year:

	30 June 2025 Level 3 \$'000	30 June 2024 Level 3 \$'000
Movements in level 3 investments during the year		
Opening balance	5,363	6,115
Sales	(1,138)	(8,384)
Transfers to Level 1	(1,466)	-
Realised gains	(7,589)	(19,431)
Net change in unrealised gains	9,215	27,063
Closing balance	4,385	5,363

During the year ended 30 June 2024, the Company participated in a tender offer which was being undertaken in Detsky Mir's restructuring from being a public listed company to a private company. The Company's application was successful and it received proceeds of RUB 300.5 million, (approx. \$3.1 million based on exchange rates at that time).

Notes to the Financial Statements continued

17. Financial Instruments continued

During the year ended 30 June 2024, the Company sold its position in TCS Group Holding Plc by means of a secondary market transaction. The Manager granted the attestations required to ensure the proceeds from the sale were available to the Company and it received proceeds of \$4 million.

The Company's holdings in Russian securities have been fair valued at \$nil as at 30 June 2025 (2024: \$nil) as a result of trading being suspended on international stock exchanges. These Russian securities have an acquisition cost of \$90,932,976 as at 30 June 2025 (2024: \$90,932,976).

The Company's policy is to recognise transfers in and transfers out of the fair value hierarchy level at the end of each accounting period. Financial assets or liabilities measured at fair value are reclassified between levels of the fair value hierarchy when changes in the valuation methodology justify a different classification.

Capital Risk Management

The capital of the Company is represented by the equity attributable to holders of Participating Preference Shares. The amount of equity attributable to holders of Participating Preference Shares is subject to change, at most, twice monthly as the Company is a closed-ended fund with the ability to issue additional shares only if certain conditions are met as set out in the Company's scheme particulars. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a strong capital base to support the development of the investment activities of the Company.

18. Capital Resources and Gearing

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital, reserves and gearing, which are disclosed on the Statement of Financial Position. The Company is managed in accordance with its investment policy and in pursuit of its investment objective, both of which are detailed in the Strategic Report. The principal risks and their management are disclosed in the Strategic Report on pages 23 to 27.

The Company's gearing at the year end is set out below:

	30 June 2025			
	Gross gearing		Net gearing	
	Exposure \$'000	% ¹	Exposure \$'000	% ¹
Investments	712,861	92.4	712,861	92.4
Long CFDs	433,157	56.1	433,157	56.1
Long futures contract	16,965	2.2	16,965	2.2
Long call options	21,474	2.8	21,474	2.8
Long put options	12,313	1.6	12,313	1.6
Total long exposures before hedges³	1,196,770	155.1	1,196,770	155.1
Less: Hedged futures contract exposures	(160,910)	(20.9)	(160,910)	(20.9)
Less: Hedged option exposures	(10,949)	(1.4)	(10,949)	(1.4)
Total long exposures after the netting of hedges	1,024,911	132.8	1,024,911	132.8
Short CFDs	180,705	23.4	(180,705)	(23.4)
Short futures contract	28,958	3.8	(28,958)	(3.8)
Short put options	680	0.1	(680)	(0.1)
Gross Asset Exposure/net exposure	1,235,254	160.1	814,568	105.5
Net Assets	771,628		771,628	
Gearing²		60.1%		5.5%

¹ Exposure to the market expressed as a percentage of Net Assets per the Statement of Financial Position.

² Gearing is the amount by which Gross Asset Exposure/net exposure exceeds Net Assets expressed as a percentage of Net Assets.

³ Hedges as defined within the Glossary on page 90.

Notes to the Financial Statements continued

18. Capital Resources and Gearing continued

	30 June 2024			
	Gross gearing		Net gearing	
	Exposure \$'000	% ¹	Exposure \$'000	% ¹
Investments	696,753	92.5	696,753	92.5
Long CFDs	366,358	48.6	366,358	48.6
Long futures contract	22,348	3.0	22,348	3.0
Long put options	10,698	1.4	10,698	1.4
Long call options	49,080	6.5	49,080	6.5
Total long exposures before hedges	1,145,237	152.0	1,145,237	152.0
Less: Hedged futures contract exposures	(148,757)	(19.7)	(148,757)	(19.7)
Less: Hedged option exposures	(15,110)	(2.0)	(15,110)	(2.0)
Total long exposures after the netting of hedges	981,370	130.3	981,370	130.3
Short CFDs	170,814	22.7	(170,814)	(22.7)
Short futures contract	22,831	3.0	(22,831)	(3.0)
Short put options	2,269	0.3	(2,269)	(0.3)
Short call options	37	-	(37)	-
Gross Asset Exposure/net exposure	1,177,321	156.3	785,419	104.3
Net Assets	753,446		753,446	
Gearing²		56.3%		4.3%

1 Exposure to the market expressed as a percentage of Net Assets per the Statement of Financial Position.

2 Gearing is the amount by which Gross Asset Exposure/net exposure exceeds Net Assets expressed as a percentage of Net Assets.

19. Transactions with the Managers and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investments International ("FIL"). Both companies are Fidelity group companies.

Details of the current fee arrangements are given in Note 4. During the year, the Company had the following transactions payable to FIL:

	30 June 2025 \$'000	30 June 2024 \$'000
Portfolio management services	4,314	4,676
Marketing services	334	269

At the year end, the following balances were accrued and outstanding to FIL. These balances are included within the other payables figure in Note 13.

	30 June 2025 \$'000	30 June 2024 \$'000
Portfolio management services	365	335
Marketing services	43	57

As at 30 June 2025, the Board consisted of five non-executive Directors (as shown on pages 31 and 32) all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company.

Notes to the Financial Statements continued

19. Transactions with the Managers and Related Parties continued

At the date of this report, the Board consisted of five non-executive Directors (as shown on pages 31 and 32) all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company.

The annual fee structure from 1 July 2024 is as follows:

Role	1 July 2024 £
Chairman	52,000
Senior Independent Director	39,500
Chair of the Audit Committee	39,500
Director	37,500

Directors' Shareholdings:

	30 June 2025
Heather Manners	10,000
Torsten Koster	15,000
Dr Simon Colson	4,416
Katherine Tsang	8,000
Mark Little	2,850

The Directors received for the financial year fees totalling \$263,694, (2024: \$262,641). The breakdown of the fees and related party interests is shown in the Directors' Remuneration Report on page 36. Directors' expenses for the year, as stated in Note 5, include travelling, hotel and other expenses which the Directors are entitled to when properly incurred by them in travelling to, attending and returning from meetings and while on other business of the Company.

20. Ultimate Controlling Party

In the opinion of the Directors on the basis of the shareholdings advised to them, the Company has no immediate or ultimate controlling party.

21. Segment Information

The Directors, after having considered the way in which internal reporting is provided to them, are of the opinion that the Company continues to be engaged in a single segment of business, being the provision of a diversified portfolio of investments in emerging markets.

All of the Company's activities are interrelated, and each activity is dependant on the others. Accordingly, all significant operating decisions are based upon analysis of the Company operating in one segment.

The financial positions and results from this segment are equivalent to those per the financial statements of the Company as a whole, as internal reports are prepared on a consistent basis in accordance with the measurement and recognition principles of IFRS.

A breakdown of the Company's financial assets at fair value through profit and loss is shown in the Country exposure of the Company's portfolio on page 18.

The Company is domiciled in Guernsey. All of the Company's income from investment is from entities in countries or jurisdictions other than Guernsey.

22. Subsequent events

On 2 September 2025, the Company announced a conditional share repurchase agreement with Strathclyde Pension Fund, subject to shareholder approval. The agreement involves the purchase of Strathclyde's entire holding of 16,441,177 Participating Preference Shares, representing 25.7% of the Company's voting share capital. The completion of this repurchase is expected in early November 2025, contingent upon approval at an Extraordinary General Meeting. Major shareholders have indicated their support for this transaction, which the Board believes will benefit ongoing shareholders.

No other significant events have occurred since the end of the reporting date which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 30 June 2025 or on the financial performance and cash flows of the Company for the year ended on that date.

Alternative Performance Measures

Active Share

Active Share is a measure of the percentage which stock holdings in the Company differ from the constituents of the benchmark, the MSCI Emerging Markets Index. Active share is calculated by taking the sum of the absolute difference between the weights of the holdings in the Company and those in the MSCI Emerging Markets Index and dividing the result by two. See The Year at a Glance inside the front cover of this report for further details.

Discount/Premium

The discount/premium is considered to be an Alternative Performance Measure. It is the difference between the NAV of the Company and the share price and is expressed as a percentage of the NAV. Details of the Company's discount are on the Financial Highlights page.

Gearing

Gearing is considered to be an Alternative Performance Measure. See Note 18 on pages 78 and 79 for details of the Company's gearing.

Net Asset Value ("NAV") per Participating Preference Share

The NAV per Participating Preference Share is considered to be an Alternative Performance Measure. See the Statement of Financial Position on page 51 and Note 16 on page 67 for further details.

Ongoing charges ratio

Ongoing charges ratio is considered to be an Alternative Performance Measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of management fees and other expenses expressed as a percentage of the average net assets throughout the year.

	30 June 2025	30 June 2024
Management fees (\$'000)	4,314	4,676
Other expenses (\$'000)	1,644	1,631
Ongoing charges (\$'000)	5,958	6,307
Average net assets (\$'000)	715,976	782,365
Ongoing charges ratio	0.83%	0.81%

Total Return Performance

Total return performance is considered to be an Alternative Performance Measure (as defined in the Glossary to the Annual Report on pages 89 to 91). NAV per share total return includes reinvestment of the dividend in the NAV of the Company on the ex-dividend date. Share price total return includes the reinvestment of the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAV per share and share prices of the Company, the impact of the dividend reinvestments and the total returns for the years ended 30 June 2025 and 30 June 2024.

	Net asset value per share	Share price
2025		
30 June 2024	798.47p	703.00p
30 June 2025	875.15p	783.00p
Change in the year	+9.6%	+11.4%
Impact of dividend reinvestment	2.0%	2.3%
Total return for the year	+11.8%	+14.0%

	Net asset value per share	Share price
2024		
30 June 2023	687.91p	587.50p
30 June 2024	798.47p	703.00p
Change in the year	+16.1%	+19.7%
Impact of dividend reinvestment	2.6%	2.9%
Total return for the year	+18.7%	+22.6%

Securities Financing Transactions Regulation ("SFTR")

Securities Financing Transactions (Unaudited)

The Company engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFT for the accounting year ended 30 June 2025 are detailed below

Global Data

Amount of securities on loan

During the year ended 30 June 2025, the Company was not engaged in securities lending. The total value of securities on loan as a proportion of the Company's total lendable assets, as at the statement of financial position date, is nil.

Amount of assets engaged in CFDs

The following disclosures relate to CFDs held by the Company which may be considered Total Return Swaps under the SFTR.

As at 30 June 2025, all CFDs were contracted bilaterally with open maturities:

Broker	Fair Value \$'000	Percentage of Net Assets	Collateral held by the broker \$'000	Collateral held by the Company \$'000
Goldman Sachs International (UK)	(279)	(0.04%)	4,890	–
HSBC Bank plc (UK)	779	0.10%	380	–
J.P. Morgan Securities plc (UK)	1,260	0.16%	–	970
Morgan Stanley & Co International (UK)	(864)	(0.11%)	–	640
UBS AG (UK)	538	0.07%	430	–

Collateral held by the broker was denominated in US dollars and held in a segregated account on behalf of the Company with a maturity of one day.

Settlement and clearing

OTC derivative transactions are entered into by the Fund under an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Company and a counterparty that governs OTC derivative transactions (including CFDs) entered into by the parties. All OTC derivative transactions entered under an ISDA Master agreement are netted together for collateral purposes.

Share of collateral received that is reused and reinvestment return

Collateral received for CFD positions is kept in segregated accounts with the brokers and is not reinvested by the Company. There are no returns from reinvestment of collateral received.

Return and cost

All returns from CFDs are earned by the Company. Information about returns and costs related to CFDs is disclosed in Note 3 Income, Note 6 Finance Costs and Note 11 Derivative Instruments.

Notice of Annual General Meeting

NOTICE is hereby given that the thirty-fifth Annual General Meeting of Fidelity Emerging Markets Limited (the "Company") will be held at the registered office of the Company, Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ, on Monday 1 December 2025 at 8 a.m. to consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions and special resolutions as set out below:

ORDINARY RESOLUTIONS

To be proposed as ordinary resolutions:

1. To receive the Report of the Directors and audited Financial Statements for the year ended 30 June 2025.
2. To approve the Directors' Remuneration Report for the year ended 30 June 2025.
3. To re-appoint KPMG Audit Limited as Independent Auditor to the Company.
4. To authorise the Directors to agree the remuneration of the Independent Auditor.
5. To declare a final dividend of \$0.26 per share designated as a Participating Redeemable Preference Share (the "Participating Preference Shares") to be paid in respect of the financial year ended 30 June 2025.
6. To re-elect Ms Heather Manners as a Director of the Company.
7. To re-elect Dr Simon Colson as a Director of the Company.
8. To re-elect Mr Torsten Koster as a Director of the Company.
9. To re-elect Mr Mark Little as a Director of the Company.
10. To re-elect Ms Katherine Tsang as a Director of the Company.
11. THAT the Directors be generally and unconditionally authorised to allot and issue, grant rights to subscribe for, or to convert securities into, up to 21,301,095 Participating Preference Shares (being 33.33 per cent. of the Company's shares of each class in issue as at the latest practicable date prior to the date of publication of this document (excluding shares held in treasury)) for the period expiring on the date falling fifteen months after the date of passing of this Resolution 13 or the conclusion of the next annual general meeting of the Company, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted and issued after such expiry and the Directors may allot and issue shares in pursuance of such an offer or agreement as if the authority had not expired.

SPECIAL RESOLUTIONS

To be proposed as special resolutions:

12. THAT, In substitution for the Company's existing authority to make market purchases of Participating Preference Shares, the Company is authorised to make market purchases of Participating Preference Shares, PROVIDED THAT:

- (a) the maximum number of Participating Preference Shares that may be purchased shall be 9,580,210 being 14.99% of the issued number of Participating Preference Shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of Participating Preference Shares at the date of passing the resolution;
- (b) the maximum price which may be paid for a Participating Preference Share is an amount equal to 105% of the average of the middle market quotations for a Participating Preference Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Participating Preference Share is purchased;
- (c) the authority hereby conferred shall expire at the conclusion of the last Annual General Meeting of the Company unless such authority is renewed prior to such time; and
- (d) the Company may make a contract to purchase Participating Preference Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Participating Preference Shares pursuant to any such contract.

13. THAT, in accordance with Article 9(4) of the articles of incorporation of the Company (the "Articles"), the Directors be empowered to allot and issue (or sell from treasury) 6,391,067 Participating Preference Shares (being 10 per cent. of the such Shares in issue of each class as at the latest practicable date prior to the date of this notice (excluding shares held in treasury)) for cash as if Article 9.4 of the Articles did not apply to the allotment and issue (or sale from treasury) for the period expiring on the date falling fifteen months after the date of passing of this Resolution 13 or the conclusion of the next annual general meeting of the Company, whichever is the earlier, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted and issued (or sold) after such expiry and the Directors may allot and issue (or sell) shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution 13 has expired.

14. THAT with effect from the passing of this resolution, the draft Articles of Incorporation produced to the meeting and, for the purpose of identification, initialled by the Chairman, be adopted as the Articles of Incorporation of the Company in substitution for, and to the exclusion of, the existing Articles of Incorporation of the Company.

Notice of Annual General Meeting continued

Notes to the Notice of Meeting

1. A member of the Company who is entitled to attend the AGM is entitled to appoint one or more proxies to attend speak and vote in his or her place. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A member may appoint more than one proxy to attend the meeting provided that each proxy is appointed to exercise rights attached to different shares.
2. To allow effective constitution of the AGM, if it is apparent to the Chairman that no members of the Company will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in his stead for any member, provided that such substitute proxy shall vote on the same basis as the Chairman.
3. A form of proxy is enclosed which should be completed in accordance with the instructions. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited with the Company's Registrar Computershare Investor Services (Guernsey) Limited, c/o the Pavilions, Bridgwater Road, Bristol BS99 6ZY by not less than 48 hours before the time for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote. Completion of the form of proxy will not preclude a member from attending and voting in person, your proxy appointment will automatically be terminated.
4. To change your proxy instructions simply submit a new proxy form using the methods set out above and in the notes to the proxy form. Note that the cut-off date and time for receipt of a proxy form (see above) also apply in relation to amended instructions; any amended proxy form received after the relevant cut-off date and time will be disregarded. If you submit more than one valid proxy form, the form received last before the latest time for the receipt of proxies will take precedence.
5. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrar. In the case of a member which is an individual the revocation notice must be under the hand of the appointer or of his attorney duly authorised in writing or in the case of a member which is a company, the revocation notice must be executed under its common seal or under the hand of an officer of the company or an attorney duly authorised. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by 8:00 a.m. on 29 November 2025. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
6. The Company gives notice that those Shareholders entered on the register of members of the Company at 8 a.m. on 29 November 2025 (or their duly appointed proxies) will be entitled to attend and vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the AGM.

Administration

Registered Office

Level 3, Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

Website

www.fidelity.co.uk/emergingmarkets

Alternative Investment Fund Manager

FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Investment Manager and Company Secretary

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Custodian

JP Morgan Chase Bank
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom
(Authorised and regulated by the United Kingdom's
Financial Conduct Authority)

Administrator

J.P. Morgan Administration Services (Guernsey) Limited
Level 3, Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ
(Authorised and regulated by the Guernsey Financial
Service Commission)

Registrar

Computershare Investor Services
(Guernsey) Limited
C/o 13 Castle Street
St. Helier
Jersey JE1 1ES
Channel Islands
Telephone: +44 (0) 370 707 4040
www.investorcentre.co.uk/je

Stockbrokers

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL
United Kingdom

Independent Auditor

KPMG Audit Limited
Gategny Court
Gategny Esplanade
St. Peter Port
Guernsey GY1 1WR

Data Protection

Data Protection

What personal data is collected and how it is used

The Company is an investment company with limited liability domiciled in Guernsey and has certain regulatory obligations such as the requirement to send documents to its shareholders, for example, the Annual Report and other documents that relate to meetings of the Company. The Company will therefore collect shareholders' personal data such as names, addresses and identification numbers or investor codes and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity's Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer at Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company's Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company's website at

<https://investment-trusts.fidelity.co.uk/privacy-policy/>

The Company's agreements with the third party service providers have been updated to be compliant with data protection requirements. The Company confirms to its shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders' personal data across national borders to Fidelity Group entities operating in the European Economic Area ("EEA"). Where this does occur, the European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity Group, but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

Retention Period

We will keep the personal data for as long as is necessary for these purposes and no longer than we are legally permitted to do so.

Requesting access, making changes to your personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity's UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all Shareholders of the same class of shares equally. In particular, the Directors have certain statutory duties under the Companies (Guernsey) Law, 2008 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Alternative Investment Fund Manager's Disclosure (unaudited)

In compliance with the Alternative Investment Fund Managers' Directive ("AIFMD"), the Board has appointed FIL Investment Services (UK) Limited ("FISL") as the Company's Alternative Investment Fund Manager ("AIFM"). FISL has delegated the investment management to FIL Investments International ("FIL") and the company secretarial function.

Details of the current Management Agreement can be found in the Strategic Report on pages 20 to 30.

The table below discloses information required by the Alternative Investment Fund Managers' Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment management	The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FIL Investments International ("FIL"). The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines.	Details of the Company's investment objective, strategy and investment policy, including limits, are on pages 21 and 22.
Risk management	The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management. The Company has a Risk Management Process Document which is agreed with the Board and demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing. The Board, as part of UK corporate governance, remains responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.	The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of risk management and internal controls and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 20 to 30 and in Note 17 to the Financial Statements on pages 67 to 78.
Valuation of illiquid assets	AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company.	As at the date of this report, none of the Company's assets is subject to special arrangements arising from its illiquid nature.

Alternative Investment Fund Manager's Disclosure (unaudited) continued

Function	AIFM Role and Responsibility	AIFMD Disclosure
Leverage	The Company may be geared through (i) borrowing of up to 10% of its net asset value and/or (ii) by entering into derivative positions (both long and short) which have the effect of gearing the Company's portfolio, to enhance performance. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times. There are two methods of calculating leverage – the Gross Method which does not reduce exposure for hedging; and the Commitment Method which does reduce exposure for hedging.	The maximum leverage limits are 2.50 for the Gross Method of calculating leverage and 2.00 for the Commitment Method. At 30 June 2025, actual leverage was 2.10 for the Gross Method and 1.72 for the Commitment Method.
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually.	The Company's assets mainly comprise readily realisable securities and derivative instruments which can be sold easily to meet funding commitments if necessary. Further details can be found in Note 17 on page 72.
Remuneration of the AIFM	The AIFM operates under the terms of Fidelity's Global Remuneration Policy Statement. This ensures that the AIFM complies with the requirements of the FCA's Remuneration Code (SYSC19A); the AIFM Remuneration Code (SYSC19B) and the BIPRU Remuneration Code (SYSC19C).	Details of Fidelity International's Global Remuneration Policy can be found at www.fidelityinternational.com/global/remuneration/default.page

Glossary to the Annual Report

ACTIVE SHARE

Active Share is a measure of the percentage by which stock holdings in the Company differ from the constituents of the benchmark, the MSCI Emerging Markets Index. Active share is calculated by taking the sum of the absolute difference between the weights of the holdings in the Company and those in the MSCI Emerging Markets Index and dividing the result by two.

ADR (AMERICAN DEPOSITARY RECEIPT)

A negotiable certificate issued by a US bank representing a specified number of shares in a foreign stock that is traded on a US Exchange.

AIC

The Association of Investment Companies ("AIC"). The Company is a member of the AIC.

AIF

Alternative Investment Fund ("AIF"). The Company is an AIF.

AIFM

Alternative Investment Fund Manager ("AIFM"). The Board has appointed FIL Investment Services (UK) Limited to act as the Company's AIFM.

AIFMD

The Alternative Investment Fund Managers Directive ("AIFMD") is a European Union Directive implemented on 22 July 2014.

ALTERNATIVE PERFORMANCE MEASURES

The Company uses the following Alternative Performance Measures which are all defined in this Glossary:

- Active Share
- Discount/Premium;
- Gearing (Gross and Net);
- Net Asset Value (NAV) per Participating Preference Share;
- Ongoing Charges ratio;
- Total Return Performance (Net Asset Value Total Return or Share Price Total Return)

ASSET EXPOSURE

The value of an underlying security or instrument to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of derivative).

AUDITOR

KPMG Audit Limited, or such other auditor, as the Company may appoint from time to time. KPMG Channel Islands Limited changed its name to KPMG Audit Limited from 1 October 2025.

BENCHMARK INDEX (THE INDEX)

The Company's benchmark index, the MSCI Emerging Markets Index.

COLLATERAL

Assets provided as security.

CONTRACT FOR DIFFERENCE (CFD)

A contract for difference is a derivative. It is a contract between the Company and an investment bank at the end of which the parties exchange the difference between the opening price and the closing price of the underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A contract for difference allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as margin. The Company may reason that the asset price will rise, by buying ("long" position) or fall, by selling ("short" position). If the Company holds long positions, dividends are received and interest is paid. If the Company holds short positions, dividends are paid and interest is received.

CUSTODIAN

An entity that holds (as intermediary) the Company's assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company's Custodian is JPMorgan Chase Bank.

DERIVATIVES

Financial instruments whose value is derived from the value of an underlying asset or other financial instruments. The main categories of derivatives are contracts for difference, warrants, futures and options.

DISCOUNT

If the share price of the Company is lower than the Net Asset Value per Participating Preference Share, the Company's shares are said to be trading at a discount. It is shown as a percentage of the Net Asset Value per Participating Preference Share.

EARNINGS

The earnings generated in a given period from investments:

- **Revenue Earnings** – reflects the dividends and interest from investments and other income, net of expenses, finance costs and taxation;
- **Capital Earnings** – reflects the return on capital, excluding any revenue earnings; and
- **Total Earnings** – reflects the aggregate of revenue and capital earnings.

Glossary to the Annual Report continued

EQUITY LINKED NOTES (ELNS)

Debt instruments whose return on investment is linked to specific equities or equity markets. The return on equity linked notes may be determined by an equity index, a basket of equities, or a single equity.

EQUITY SHAREHOLDERS' FUNDS

Also described as Net Asset Value, Shareholders' Funds represent the total value of the Company's assets less the total value of its liabilities as shown in the Statement of Financial Position.

FAIR VALUE

The fair value is the best estimate of the value of the investments, including derivatives, at a point in time and this is measured as:

- Listed investments – valued at bid prices or last market prices, where available, otherwise at published price quotations;
- Unlisted investments – valued using an appropriate valuation technique in the absence of an active market;
- Contracts for difference – valued as the difference between the settlement price of the contract and the value of the underlying shares in the contract (unrealised gains or losses);
- Futures contract and options – valued at the quoted trade price for the contract; and
- Forward currency contracts – valued at the appropriate quoted forward foreign exchange rate ruling at the Statement of Financial Position date.

FIDELITY

FIL Investments International.

FIL LIMITED

The ultimate parent company of the FIL Group of companies. Incorporated in Bermuda.

FIL

FIL Limited and each of its subsidiaries.

FORWARD CURRENCY CONTRACT

Agreement to buy or sell a currency at a specified future date and at a pre-agreed price.

FOUNDERS SHARES

Shares issued 6 June 1989 to GIML (Genesis Investment Management LLP) or its nominees.

On 7 October 2021, all of the Founder Shares were transferred from GIML to FIL.

FUTURE OR FUTURES CONTRACT

An agreement to buy or sell a stated amount of a security, currency or commodity at a specific future date and at a preagreed price.

GROSS ASSET EXPOSURE

The value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of the derivatives, but excluding forward currency contracts).

GEARING

The economic exposure of the portfolio to its underlying assets in excess of total net assets. It represents the additional exposure to the market above Equity Shareholders' Funds. The Company uses two measures of gearing:

- Gross gearing which is the amount by which Gross Asset Exposure exceeds Equity Shareholders' Funds expressed as a percentage of Equity Shareholders' Funds.
- Net gearing which is the amount by which Net Asset Exposure exceeds Equity Shareholders' Funds expressed as a percentage of Equity Shareholders' Funds.

HEDGES

Short positions that demonstrate risk-reduction qualities by offsetting long positions held by the Company which have regional congruence and a correlation of at least 80% to the Long Exposure of the Company.

INVESTMENT MANAGER

FIL Investments International.

LONG EXPOSURE

The value of the Company's direct and indirect investments in long positions (including the economic value of the exposure to the reference asset of any derivative instrument).

MANAGER

FIL Investment Services (UK) Limited is the appointed Manager under the Alternative Investment Fund Managers' Directive ("AIFMD") and has delegated the investment management of the Company to the Investment Manager.

MSCI EMERGING MARKETS INDEX

The Benchmark Index of the investment performance of the Company, in UK sterling terms.

NET ASSET VALUE PER PARTICIPATING PREFERENCE SHARE TOTAL RETURN

NAV per Participating Preference Share Total Return is a measure showing how the NAV per Participating Preference Share has performed over a period of time, taking into account dividends paid to shareholders. Total Return measures allow shareholders to compare performance between investment funds where the dividend paid may differ. To calculate Total Return, it is assumed that dividends are reinvested into the assets of the Company at the prevailing NAV on the last day of the month that the shares first trade ex-dividend.

NET ASSET VALUE PER PARTICIPATING PREFERENCE SHARE

Net Assets are the value of the Company's assets less its liabilities. Net Asset Value ('NAV') per Participating Preference Share is the Net Assets divided by the number of Participating Preference Shares in issue.

NET ASSETS

The value of the Company's assets minus its liabilities.

Glossary to the Annual Report continued

NET MARKET EXPOSURE

Net positive market exposure of the Company's portfolio, whether through direct or indirect investment, with short and hedge positions subtracted from long positions. It is calculated as (Long Exposure – Hedges) – Short Exposure.

ONGOING CHARGES RATIO

The ongoing charges ratio is a measure used to estimate the expenses likely to occur in the foreseeable future. It is calculated by dividing the annualised ongoing charges (total operating expenses excluding transaction costs and one-off charges) by the average month end net asset values of the Company for the year under review and has been prepared in accordance with the AIC's recommended methodology.

OPTIONS

An option is a contract which gives the right but not the obligation to buy or sell an underlying asset at an agreed price on or before an agreed date. Options may be call or put and are used to gain or reduce exposure to the underlying asset on a conditional basis.

PORTFOLIO

The Company's portfolio which may be made up of equities, index linked securities, equity linked notes and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions and other interests including derivatives (such as futures, options and contracts for difference).

PREMIUM

If the share price of the Company is higher than the net asset value per ordinary share, the Company's shares are said to be trading at a premium. The premium is shown as a percentage of the net asset value per ordinary share.

REGISTRAR

The entity that manages the Company's shareholder register. The Company's Registrar is Computershare Investor Services (Guernsey) Limited.

RESERVES

- **Share premium account** represents the amount by which the proceeds from the issue of ordinary shares has exceeded the cost of those ordinary shares. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Capital reserve** represents realised gains or losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Statement of Comprehensive Income. It can be used to fund share repurchases and it is distributable by way of dividend.
- **Revenue reserve** represents retained revenue surpluses recognised through the revenue column of the Statement of Comprehensive Income. It is distributable by way of dividend.

SECRETARY

FIL Investments International.

SHARE PRICE TOTAL RETURN

Share Price Total Return is a measure showing how the Share Price has performed over a period of time, taking into account dividends paid to shareholders. Total Return measures allow shareholders to compare performance between investment funds where the dividend paid may differ. To calculate Total Return, it is assumed that dividends are reinvested into the shares of the Company at the prevailing Share Price on the last day of the month that the shares first trade ex-dividend.

SHARE PRICE

The Share Price taken is the closing price. This is the price at which the Company's shares trade on the London Stock Exchange at the end of trading on a business day.

SHORT EXPOSURE

The position of the Company when it has sold a security or derivative that it does not own but is now committed to eventually purchase in order to satisfy its obligation to sell. It is a strategy used to capitalise on an expected decline in the security's or derivative's price.

SIZE OF COMPANY (MARKET CAP)

- Large – above \$50bn;
- Medium – between \$10bn – \$50bn;
- Small – below \$10bn

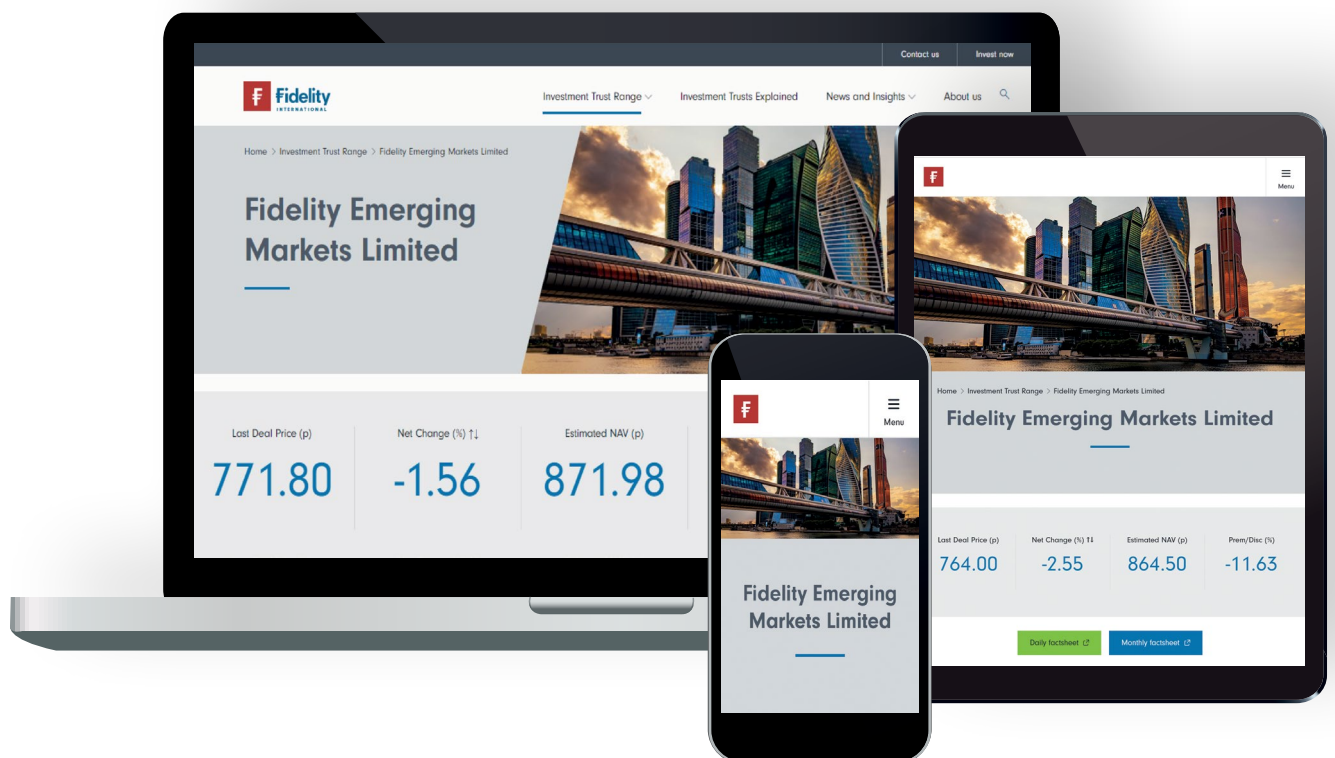
TOTAL ASSETS

Net Assets plus borrowings. The Company does not have any borrowings.

UNLISTED COMPANIES

Companies not listed on a regulated stock exchange. They are stated at best estimate of fair value, based on recognised valuation techniques which may take account of recent arm's length transactions in the investments.

For your notes



To find out more about Fidelity Emerging Markets Limited, visit our website at www.fidelity.co.uk/emergingmarkets where you can read articles and watch videos on the Company.



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