

# Fidelity Emerging Markets Limited

## Half Year Report for the six months ended 31 December 2024

Â

### Highlights

- During the six months ended 31 December 2024, Fidelity Emerging Markets Limited reported a share price total return of +1.2% and Net Asset Value Return (NAV) of -0.3%
- The benchmark index, the MSCI Emerging Markets Index, returned +1.0% over the same period
- Stock picking in India in aggregate was the most notable driver of performance over the six months
- The short book also contributed positively during the review period and full calendar year
- The portfolio remains overweight to the financials, consumer discretionary and consumer staples sectors

Â

### Financial Highlights

	31 December 2024	30 June 2024
Â		
<b>Assets</b>		
<b>USD</b>	Â	Â
Gross Asset Exposure <sup>1</sup>	1,073.5m	1,177.3m
Equity Shareholdersâ€™ Funds	677.7m	753.4m
NAV per Participating Preference Share <sup>2</sup>	9.77	10.09
Gross Gearing <sup>2,3</sup>	58.4%	56.3%
Net Gearing <sup>2,4</sup>	1.0%	4.3%
<b>GBP</b>	A	Â
Gross Asset Exposure <sup>1,5</sup>	Â£857.2m	Â£940.7m
Equity Shareholdersâ€™ Funds <sup>5</sup>	Â£541.1m	Â£596.0m
NAV per Participating Preference Share <sup>2,5</sup>	Â£7.80	Â£7.98
<b>Participating Preference Share Price and Discount Data</b>		
Participating Preference Share Price at the period end	Â£6.95	Â£7.03
Discount to NAV per Participating Preference Share at period end <sup>2</sup>	10.9%	11.9%
Number of Participating Preference Shares in issue	Â 69,334,702	Â 74,646,287
<b>Earning for the six months ended 31 December</b>	2024	2023
Revenue Earnings per Participating Preference Share <sup>6</sup>	0.17	0.06
Capital (Loss)/Earnings per Participating Preference Share <sup>6</sup>	( 0.37)	0.23
Total (Loss)/Earnings per Participating Preference Share <sup>6</sup>	( 0.20)	0.29
Ongoing charges ratio <sup>2</sup>	0.84%	0.82%

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

2ÂAlternative Performance Measure

3ÂGross Asset Exposure less Equity Shareholdersâ€™ Funds expressed as a percentage of Equity Shareholdersâ€™ Funds.

4ÂNet Market Exposure less Equity Shareholdersâ€™ Funds expressed as a percentage of Equity Shareholdersâ€™ Funds.

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

6ÂCalculated based on weighted average number of participating preference shares in issue during the period.

Â

### Contacts

#### For further information please contact:

George Bayer

Company Secretary

[george.bayer@fil.com](mailto:george.bayer@fil.com)

FIL Investments International

Â

### Chairmanâ€™s Statement

I am pleased to present your Companyâ€™s Half Year Report covering the six months ended 31Â December 2024.

### Overview

While a great deal has gone on in the world in the period under review, there were three principal events â€“ two of them emanating from the US â€“ that most affected investors in emerging markets during the period. The first was at the start of August, as concerns grew over the likelihood of a US recession. This caused a sharp sell-off in technology stocks globally, with effects felt across emerging as well as developed markets. While the recession fears ebbed with a larger-than-expected interest rate cut from the Federal Reserve in September, the announcement of a stimulus package by the Chinese government the same month had more impact for EM investors, given how long China had remained in the post-Covid doldrums.

November saw Donald Trump win the US presidential election, combined with a Republican sweep in both houses of Congress. Given the incoming presidentâ€™s â€“America firstâ€™ agenda, the result caused an immediate sell-off in EM stocks as market participants looked ahead to the spectre of renewed trade tariffs.

Against this backdrop, net asset value (â€“NAVâ€™) total return performance for the six months ended 31Â December 2024 was marginally negative, at -0.3%. While this was slightly behind the +1.0% sterling return of the Companyâ€™s benchmark, the MSCI Emerging Markets Total

Return Index (the Index™), the share price total return per Participating Preference Share again outperformed the Index, rising by 1.2%.

The Company now has a three-year track record under the management of the team at Fidelity (appointed with effect from 4 October 2021), although both NAV and share price returns over this period are behind the Index, largely owing to a legacy overweight position in Russia in the period leading up to the country's invasion of Ukraine in February 2022. As stated in previous reports, the value of Russian holdings in the portfolio at the time of suspension of international trading in such securities has been written down to zero. However, there was some good news during the period under review as a liquidity opportunity allowed for the disposal of one of the holdings. From 31 March 2022 (just after the invasion) to 31 December 2024, the Company's NAV total return was 7.4% versus an Index return of 6.6%, and we look forward to this outperformance being reflected in our three-year track record – an important yardstick for many investors – in the near future. Furthermore, while the last six months of 2024 saw broadly flat returns, the Company outperformed strongly for the full calendar year, with NAV and share price total returns of 14.7% and 15.4% respectively versus an Index total return of 9.4%.

These positive returns speak to the uniqueness of Fidelity's investment process, with its ability to hold short as well as long positions being a key differentiating factor. While the core of the approach is to invest in well financed, well managed businesses that can drive growth, the ability to make money from identifying those at risk of disruption is a great advantage against the current fractured geopolitical backdrop. Both the long and the short book contributed positively to relative performance in Q4 2024 and for the calendar year as a whole, although the impact was negative in the more volatile third quarter of the year.

## Outlook

While at the time of writing, the imposition or increase of US tariffs on cross-border trade is dominating the news agenda, there are reasons to believe that the year ahead may see a continuation of the recovery in emerging markets. As your Portfolio Managers, Nick Price and Chris Tennant, point out in their review of the period, valuations across their investment universe are at multi-decade lows relative to developed markets, and particularly relative to the US. Many EM economies remain robust, having avoided the fiscal excesses of the West in response to the Covid-19 pandemic, with monetary policy headroom and less dollar-denominated debt than has historically been the case, which will be beneficial if the domestic inflationary effects of President Trump's trade tariffs cause US interest rates to remain higher for longer. Meanwhile, there is considerable strength in EM companies' balance sheets, and many are returning capital to shareholders.

However, the ramifications of a trade war must not be ignored, particularly in China – by far the largest market in the EM universe – although the impact may be far-reaching across both developed and emerging markets. For this reason, and in a world where seven stocks now make up more than 20% of the entire world stock market, it is more important than ever for investors to be selective. The amount of investors' capital globally that is passively tracking indices has become very high, and as in the US, that leads to a handful of dominant companies and countries, as size becomes its own reward. Homogeneity is not the same as stability, and if investors want to build an "anti-fragile" portfolio, they need to own things that others don't. Emerging markets are a good way to diversify into some stocks that are less correlated with the US S&P 500 Index, which is increasingly prevalent in global investors' portfolios, but differentiation within emerging markets is also important. At 31 December 2024, your Company's 10 largest holdings made up 49% of the gross portfolio but only 16% of the index. Combining this active approach with Fidelity's deep research resources and full investment toolkit allowing short as well as long positions, your Board believes the Company remains well placed to achieve its objective of delivering long-term capital growth for shareholders.

## Discount management

During the period under consideration, the Company's discount to NAV narrowed slightly from 11.9% to 10.9%, which is not inconsiderable in an environment of generally widening investment trust discounts. Your Board continues to focus on building awareness of the strength and differentiation of Fidelity's approach, as well as keeping costs in check – at 0.84%, our ongoing charges are the second lowest in our AIC Global Emerging Markets peer group, well below the average of 1.0%. However, we also recognise the importance to investors of taking direct action to limit the discount, and as such we have continued the programme of share buybacks launched in November 2023, repurchasing 5,311,585 shares (c 7.1% of the total at the start of the Half Year) between 1 July and the end of December 2024. Since then, a further 654,576 shares have been bought back, and at the latest practicable date (6 March 2025), the discount to NAV stood at 9.9%. As well as having completed a tender offer for 14.99% of the shares in March 2024, I would remind shareholders of the performance conditional tender offer (for up to 25% of shares then in issue) that will take place should the Company's NAV total return fail to exceed the benchmark over the five years ending on 30 September 2026.

## 2024 AGM and final dividend

The Company held its Annual General Meeting (AGM™) on 10 December 2024. The other directors and I thank you for your approval of all resolutions presented at the meeting. We particularly appreciate the level of shareholder support and engagement evidenced by more than 39 million shares – a turnout approaching 60% – being voted. Recent news headlines have underlined the importance of shareholder enfranchisement as a key advantage of the investment trust structure, and it is gratifying to see such a high level of engagement even when there is no extraordinary business to be considered.

At the AGM, shareholders approved the final dividend of 0.20 (15.74p) per Participating Preference Share, a 5.3% increase on the 0.19 (15.27p) paid in respect of FY23. The dividend was paid on 13 December 2024.

Shareholders should note that the Board will review the final dividend payment for FY25 later in the year based on dividend receipts from the companies held in the portfolio.

## Heather Manners

Chairman

12 March 2025

Å

## Portfolio Managers' Half Year Review

### Macroeconomic Review

Emerging markets pulled back in the last six months of 2024 and underperformed developed markets. It was a mixed period for the asset class. Markets globally sold off in early August as concerns about a US recession emerged and the yen carry trade unwound. The backdrop was more supportive for emerging markets over September as the Fed started to ease policy and China announced stimulus measures. The underperformance of emerging markets was largely concentrated in the fourth quarter of the year. Emerging markets retreated in October in advance of the US election and remained under pressure in November and December, as concerns around higher tariffs and a stronger dollar weighed on sentiment, and investors rotated into US equities.

### Portfolio performance: Six months to 31 December 2024

Over the six months ending 31 December 2024, the net asset value (NAV™) total return of Fidelity Emerging Markets Limited was -0.3%, while the share price increased by 1.2%. This was relative to a 1.0% increase for the benchmark index (all figures are stated on a total return basis, in GBP terms). The portfolio's underperformance relative to the index followed a strong first half of the year, which meant the portfolio outperformed the index over the calendar year. While the long book detracted, the short book contributed to Å performance.

## Top five contributors and detractors, six months ending 31 December 2024

Order	Security	Country	Relative (%)	Actual CRR (bps)
<b>Top 5</b>	Ä	Ä	Ä	Ä
1	MakeMyTrip	India	5.06	154
2	Headhunter Group	Russia	0.00	111
3	Naspers	South Africa	6.63	86
4	PPC	South Africa	1.51	72
5	Lundin Gold	Canada	1.58	59
<b>Bottom 5</b>	Ä	Ä	Ä	Ä
1	Kaspi.KZ	Kazakhstan	4.77	(127)
2	Inter & Co	Brazil	2.10	(109)
3	Alkhorayef Water & Power Technologies	Saudi Arabia	2.21	(72)
4	Short Position "name withheld"	United States	(1.03)	(58)
5	Axis Bank	India	2.63	(58)

Source: Fidelity International, 31 December 2024.

### Underweight exposure to mainland China detracted following stimulus announcement

China was the largest driver of underperformance over the period. Positioning was a headwind as the underweight exposure to mainland China detracted after the September stimulus announcement prompted a stock market rally, although the position in Naspers, a holding company for China's Tencent, partly offset this (the portfolio's small overweight exposure to China is achieved through positions in mainland China, Hong Kong, and Naspers). Stock picking in China/Hong Kong was also a headwind as names not held detracted from performance. The lack of exposure to electric vehicle and smartphone maker Xiaomi hurt performance as it rallied after releasing a new electric vehicle, as did the underweight position in food delivery business Meituan after indications of traction in its revenue per delivery (we initiated a small position in the company towards the end of the year).

### Exposure to Brazil and Kazakhstan detracted

The exposure to Brazil detracted as concerns about the country's fiscal deficit and rising interest rates weighed on performance. Several of the portfolio's Brazilian financials positions derated, including Inter & Co, the holding company for digital bank Banco Inter. We think that higher rates will have a limited impact on Inter's fundamentals and expect net interest margins will keep expanding and the cost of risk to remain benign given a tight labour market. While the fiscal and interest rate backdrop has deteriorated, the broader macro picture is more positive, with unemployment at decade lows, GDP growth robust, and credit quality positive, creating a relatively strong backdrop for the financials we hold, although we did trim exposure to more rate sensitive names during the period.

Positioning in Kazakhstan also detracted. We have a pair trade in Kazakhstan financials, with a long position in Kazakhstan's ecommerce and payments platform Kaspi.KZ and a short position in a Kazakh bank, which plays an important role in reducing the portfolio's country risk. Kaspi.KZ initially sold off after the publication of a short report (to which the company issued a robust rebuttal) and was later impacted by local currency weakness. Fundamentals for Kaspi.KZ remain robust, and the company announced the acquisition of Turkish ecommerce business Hepsiburada later in the year, which should expand its addressable market. The bank that we have a short position in rallied despite continuing to exhibit weak fundamentals, a performance trajectory we expect to reverse over time.

Other notable detractors include Indian private bank Axis Bank, which underperformed peers. We shifted some funds from Axis Bank to higher quality peer HDFC Bank over the period. Also weak was Saudi water utility Alkhorayef Water & Power Technologies, which corrected following a period of strong performance after indications of weak execution, prompting us to reduce the position size.

### Stock picking in India was a key driver of performance

Stock picking in India in aggregate was the most notable driver of performance. The lead contributor was Indian online travel agent MakeMyTrip. The company has a dominant share of the Indian travel market, and with a market cap of only 13bn, we expect can be 2-3 times the size it is today as it catches up with international peers. MakeMyTrip has a significant growth runway ahead of it over the next decade as the penetration of online travel and hotel spending increases. While valuations are relatively high, they are more reasonable than that of consumer peers in India given its superior growth trajectory. Given the strong share price performance we took profit in the stock at year end. Several short positions in Indian businesses also contributed as overvalued small caps corrected at the end of the year.

Materials stocks also supported returns. South African cement producer PPC rallied as the outlook for local construction improved after the election outcome. The company is an attractive self-help story where a new management team with a track record of generating robust margins should drive better execution. The gold price was the driver for other strong performers, Lundin Gold and Pan African Resources, with Lundin continuing to execute exceptionally well and Pan African outperforming the sector given its depressed valuations.

### Short book contributed to performance

The short book contributed to performance. While short positions in China detracted during the rally in September, these stocks gave up almost all their gains in the subsequent months. The period exemplified how our disciplined approach to bet-sizing (where short positions are capped at 100bps) means we do not need to cover shorts at the most painful point. The most successful short was an Asian battery maker suffering from market oversupply that sold off with the local market. It has been pleasing to see a positive contribution from the short book in what has been a relatively challenging period for shorting given the consistent outperformance of crowded shorts.

The position in Russian online recruiter Headhunter Group contributed after the position was partly disposed of after the identification of a liquidity opportunity.

### Portfolio positioning as of 31 December 2024

In the portfolio's long book, we look for well capitalised businesses with underlevered balance sheets. Although the long book remains quality focused, a deliberate search for value remains central to our thinking. The ability to venture further down the market cap spectrum also provides exposure to companies benefiting from excellent structural growth drivers. In aggregate, the long book displays positive style tilts to growth, quality, and value characteristics, and is underweight size, given the midcap bias. When identifying ideas for the short book, we look for companies with a fundamentally negative outlook that also have several red flags around their balance sheets.

### Regional positioning

The exposure to China is highly active. The portfolio is overweight the consumer given this is where policy stimulus is being directed, whether it be trade in subsidies, rate cuts, or measures designed to stabilise house prices. Consumers also have significant excess savings, which will likely be spent when confidence returns. Positions here are centred around internet businesses such as Tencent (including through a position in Naspers), Alibaba, and PDD, sportswear business Anta Sports, white goods maker Haier Smart Home, and online travel company Trip.com. These companies trade at attractive valuations and most show positive momentum in returning capital to shareholders. Elsewhere in China, we are

underweight banks, where stimulus will have a negative effect, given rate cuts and measures that allow borrowers to refinance loans and encourage banks to lend to bankrupt developers.

Given the derating in China, the focus has been on increasing the quality of holdings, adding for example positions in companies like leading battery maker CATL, digital truck broker Full Truck Alliance, and auto glass maker Fuyao Glass, which benefit from strong moats in their respective industries. We also have several short positions in the market, for example in bankrupt property developers, or indebted producers of commodities in oversupply.

We see opportunities in the rest of Asia, too. Despite some recent cyclical headwinds, India remains a long-term structural growth story. Exposure to the Indian market is predominantly via financials, which trade on more attractive valuations than the broader market, and we hold leading private banks HDFC and ICICI, as well as SME lender Five Star Business Finance. We also have select exposure to the consumer through online travel business MakeMyTrip and motorcycle business Eicher Motors. We hold short positions in India, for example in businesses suffering from deteriorating market structures but trading at extended valuations.

Elsewhere in Asia, there is exposure to ASEAN through Indonesia, where we hold consumer and financials names, and frontier market Vietnam, where the main exposure is to IT services business FPT, which benefits from a higher skilled workforce and lower costs than peers.

While the portfolio has an underweight exposure to South Korea and Taiwan, we have core positions in semiconductor and memory names. The focus here has been diversifying the exposure beyond index heavyweight TSMC and adding smaller positions in Artificial Intelligence (AI) beneficiaries such as Elite Material, which has a dominant position in the copper-clad laminate used in the server industry, and ASIC design house Alchip, which should benefit from increased investment in custom silicon. We see ample opportunities to take out short positions in technology stocks that have rallied on excitement around AI despite having little tangible revenue exposure to the theme. We also hold short positions in Asian battery makers suffering from oversupply.

The exposure to Latin America has been carefully managed. A widening fiscal deficit and rising interest rates in Brazil are a headwind but we still see opportunities to generate alpha in the market. High conviction positions include fintechs like Nu Bank and Inter & Co and the bank BTG Pactual which is shifting its business from more volatile areas like sales and trading to wealth and asset management, and which we expect to generate robust returns on equity even in a weaker macro backdrop. In Mexico the market has also derated, largely down to political volatility both north and south of the border. Here we have limited exposure to domestic names that are at risk of a weaker currency and tariffs. Positions include Grupo Mexico, the holding company for high quality, low-cost copper producer Southern Copper, and tortilla maker Gruma, which is relatively insulated from any increase in tariffs given its localised production bases in the US.

In EMEA, South Africa is enjoying an improving economic backdrop and a market-friendly election outcome. The largest exposure is to Naspers, but we also hold financials like direct-to-consumer insurer Outsurance Group, which is replicating the success it has had locally in Australia, as well as FMCG business Tiger Brands, which is an attractive turnaround story. Turkey is a relatively new area of focus following its return to monetary orthodoxy, positions here include airport operator Tav and hard discount retailer Bim. Our work on scoping out the opportunity set in the Turkish market is ongoing and we carried out a successful research trip to the country earlier this year. Central and eastern Europe continues to offer up interest value opportunities in the financials space – here we hold Greece’s Piraeus Financial and Hungary’s OTP Bank. We continue to explore opportunities in the Middle East market while remaining cognisant of valuations and liquidity. Recent additions include Emaar Development, a UAE property developer benefiting from higher expat demand, and which offers an attractive dividend yield. Given high retail ownership and extended valuations there are ample opportunities for shorting in the market.

## **Sector positioning**

At a sector level, the portfolio’s largest overweight exposure is to consumer companies. The consumer discretionary exposure is predominantly through China names, including internet, sportswear, white goods, and online travel companies. Here the focus is on companies that will benefit from a recovery in consumer confidence, and which are returning capital to shareholders. Beyond China, our exposure includes staples businesses in South Africa and Mexico. There are also several short positions in companies across markets that are exposed to competitive threats or operate in deteriorating market structures, including retailers and electric vehicle makers.

Financials remains another significant overweight. The exposure is not overly geared to any one interest-rate scenario given uncertainty surrounding the inflation outlook. The financials exposure can broadly be broken into three buckets. The first is to fintechs in Kazakhstan and Brazil which are growing their customer bases and taking market share. The second is to structural growth stories such as Indian private banks, which benefit from the same demographic drivers as consumer companies, but without the lofty valuations. And finally, we see many value opportunities, particularly in central and eastern European markets such as Hungary, Georgia, and Greece.

Our positioning in the commodities space is selective. The majority of the exposure is to copper, where we see attractive supply-demand drivers over the medium term given the tailwind of electrification and a constrained supply backdrop. While the copper price has been weaker recently, this has largely been sentiment driven and fundamentals remain attractive. We also have exposure to gold, which should benefit as central banks shift their FX reserves into the precious metal. Again, there are ample opportunities to take short positions in this market, and the long positions in gold miners are paired with short positions in structurally challenged peers. We also have short positions in iron ore miners, which will continue to grapple with structurally weak demand from China. We have a bearish outlook for oil given the market is reasonably well supplied and demand remains weak, particularly in China, and there is limited exposure to oil in the portfolio.

## **Outlook**

### **Emerging markets are well placed**

The backdrop for global inflation and interest rates is fundamental to the outlook for emerging markets. There are signs of a very strong US economy which may well sustain the dollar strength we experienced in 2024. An increase in tariffs will likely be inflationary, although the response from China and others will be key, with an RMB devaluation an offsetting deflationary force, for example. There are other factors at play, too. Artificial intelligence may start playing a deflationary role, while any resolution of the Ukraine war could see energy prices fall. Emerging markets are in general far better placed to deal with these higher rates than Europe given the broadly better fiscal backdrop. Given that rates should remain more elevated than recent history, we continue to think that some form of value exposure (without compromising on quality) has a role to play in actively managed portfolios.

### **China is key**

China is an important part of the puzzle. The extent to which we will see a rebound in 2025 or further malaise is not clear. We are watching closely the enduring impact of a property bubble and signs of price stabilisation. Return of capital while patchy is improving, but we have lower visibility of cashflows than in developed markets. In addition, many industries in China have a deluge of overcapacity. Bond yields in China have collapsed as domestic investors put money in the bond market, and while this has yet to feed into negative performance for banks, this sector faces net-interest margin compression and, at some point, a very negative credit cycle. We have started to see developments around tariffs and are closely watching China’s reaction, including the potential for further stimulus or currency devaluation. An escalation of geopolitical tensions is also possible.

### **Real-world impact of AI is being closely monitored**

Elsewhere, dispersion is very broad, which offers the potential to unlock attractive shareholder returns. In Latin America, the market has derated significantly, obscuring the fact there are many attractive companies that are relatively insulated from higher interest rates and trade tensions, while the EMEA region is home to some interesting value opportunities among financials and consumer stocks. Looking to Asia, we expect that demand

for chip makers and memory plays in Taiwan and Korea will remain robust given the AI arms race is a battle no-one can afford to lose. We are closely watching too the potential real-world impact of AI, as technological progress drives innovation and creates opportunities for consumers of AI but also has the potential to render obsolete or severely impair existing business models.

### Utilise full toolkit to reduce risk

Although the emerging market universe is trading at multi-decade lows relative to developed markets, bouts of stronger performance can result in rapid re-rating, underlining the importance of active management and disciplined position sizing. Against an uncertain backdrop we take a prudent approach to managing country exposures and make use of the full toolkit in the investment company, using, for example, pair trades and index positions to reduce country risk. In the long book there is a continued emphasis on owning well capitalised businesses that are returning capital to shareholders – quality characteristics that should offer support in what will likely remain a more volatile backdrop.

**Nick Price**

**Chris Tennant**

Portfolio Managers

12 March 2025

Â

### Spotlight on the Top 5 Holdings

as at 31 December 2024

The top five holdings comprise 33.2% of the Company's Net Assets.

#### Taiwan Semiconductor Manufacturing

**Industry:** Information Technology

**Country:** Taiwan

**% of Net Assets** 10.8%

TSMC is a pre-eminent Taiwanese semiconductor foundry with leading-edge technology, which reinforces the company's competitive position and ability to generate incremental return on invested capital. The company has built a technological moat over the past three decades and occupies an especially dominant position at the forefront of the industry as competitors have dropped from the race due to technical hurdles and the barrier of high required capital expenditures. TSMC's ability to hire the best talent while continuously improving its know-how keeps it ahead of the competition and able to generate cashflow to feed back into investing in R&D and capacity.

#### Naspers

**Industry:** Financials

**Country:** India

**% of Net Assets** 7.8%

Naspers is a global internet and entertainment group and one of the world's largest technology investors. It is a South African holding company specialising in internet investments and operates in more than 120 countries and markets with long-term growth potential. It runs some of the world's leading internet, video entertainment, and media platforms. The company owns a sizeable stake in Tencent, the Chinese multinational technology and entertainment conglomerate. Naspers operates in various sectors, including online classifieds, food delivery, payments, travel, education, health, and social and internet platforms.

#### MakeMyTrip

**Industry:** Consumer Discretionary

**Country:** India

**% of Net Assets** 5.9%

MakeMyTrip is the largest online travel agency in India. The company has a leading share in air ticketing and dominant market share in bus ticketing. It also has a strong and growing presence in hotels. The company has a long growth runway given low penetration of airlines and hotels in India along with improving air connectivity and infrastructure. The company is benefiting from rising income levels and increasing internet penetration in the country. Trip.com's ownership and board presence are likely to give further impetus to international growth, improve strategic decision making and the competitive position of the company.

#### HDFC Bank

**Industry:** Financials

**Country:** India

**% of Net Assets** 4.5%

HDFC Bank is the best run bank in India with a focus on non-mortgage retail lending. It has an excellent history of balancing growth and shareholder returns. Its conservative capital management practices enable it to continually invest across the cycle. Its leading-edge technology reinforces its competitive position and ability to generate incremental returns on invested capital.

#### Kaspi.KZ

**Industry:** Financials

**Country:** Kazakhstan

**% of Net Assets** 4.2%

Kaspi.KZ is the dominant consumer finance, e-commerce, and payments platform in Kazakhstan. It provides interconnected technology and products and services that help people to pay, shop, and manage their finances. Its ecosystem connects consumers and merchants, enabling digital payments, e-commerce, and financial services. The company's gateway to its ecosystem is the mobile app, which is powered by the company's proprietary technology and enables users to navigate between interconnected products and services. Kaspi.KZ serves customers in Kazakhstan and Azerbaijan.

Â

### Twenty Largest Investments

as at 31 December 2024

The Asset Exposures shown below measure the exposure of the Company's portfolio to market price movements in the shares and equity linked notes owned or in the shares underlying the derivative instruments. The Fair Value is the value the portfolio could be sold for and is the value shown on the Statement of Financial Position. Where a contract for difference (a CFD) is held, 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 shares has moved (in effect, the unrealised gain or loss on the exposed positions). Where the Company only holds shares, the Fair Value and Asset Exposure will be the same.

Asset Exposure	Asset Exposure	Asset Exposure	Fair value
Long Exposures – shares unless otherwise stated	€'000	% <sup>1</sup>	€'000
<b>Taiwan Semiconductor Manufacturing (shares, options and long CFD)</b>	73,486	10.8	61,500
Information Technology	€	€	€
<b>Naspers (shares and long CFD)</b>	52,881	7.8	44,704
Consumer Discretionary	€	€	€
<b>MakeMyTrip (option and long CFD)</b>	40,145	5.9	(768)
Consumer Discretionary	€	€	€
<b>HDFC (shares and long CFD)</b>	30,760	4.5	24,421
Financials	€	€	€
<b>Kaspi.KZ</b>	28,608	4.2	28,608
Financials	€	€	€
<b>ICICI (shares and long CFD)</b>	25,821	3.8	2,826
Financials	€	€	€
<b>Grupo Mexico (long CFD)</b>	20,219	3.0	(446)
Materials	€	€	€
<b>Samsung Electronics (option and long CFD)</b>	20,161	3.0	(423)
Information Technology	€	€	€
<b>Piraeus Financial Holdings</b>	20,009	3.0	20,009
Financials	€	€	€
<b>Five-Star Business Finance</b>	18,663	2.8	18,663
Financials	€	€	€
<b>Bank Central Asia</b>	18,202	2.7	18,202
Financials	€	€	€
<b>TBC Bank Group (long CFD)</b>	16,283	2.4	(8)
Financials	€	€	€
<b>FPT</b>	15,145	2.2	15,145
Information Technology	€	€	€
<b>ANTA Sports Products (option and long CFD)</b>	14,395	2.1	(977)
Consumer Discretionary	€	€	€
<b>Trip.com Group</b>	14,375	2.1	(683)
Consumer Discretionary	€	€	€
<b>Inter</b>	14,168	2.1	14,168
Financials	€	€	€
<b>Nu Holdings (option and long CFD)</b>	13,897	2.1	(687)
Financials	€	€	€
<b>PPC</b>	13,863	2.0	13,863
Materials	€	€	€
<b>Tencent (option and long CFD)</b>	13,548	2.0	(106)
Communication Services	€	€	€
<b>Auto Partner</b>	13,298	2.0	13,298
Consumer Discretionary	€	€	€
<b>Twenty largest long exposures</b>	<b>477,927</b>	<b>70.5</b>	<b>271,309</b>
Other long exposures	517,508	76.4	350,823
<b>Total long exposures before long futures and hedges</b>	<b>995,435</b>	<b>146.9</b>	<b>622,132</b>
<b>Add: long future contracts</b>	€	€	€
Hang Seng China Enterprises Index	23,611	3.5	209
<b>Total long futures contracts</b>	<b>23,611</b>	<b>3.5</b>	<b>209</b>
<b>Less: hedging exposures</b>	€	€	€
MSCI Emerging Markets Index (future)	(140,077)	(20.7)	5,233
<b>Total hedging exposures</b>	<b>(140,077)</b>	<b>(20.7)</b>	<b>5,233</b>
<b>Total long exposures after the netting of hedges</b>	<b>878,969</b>	<b>129.7</b>	<b>627,574</b>
<b>Add: short exposures</b>	€	€	€
Short CFDs (58 holdings)	159,307	23.5	1,954
Short futures (12 holdings)	31,800	4.7	1,465
Short options (2 holdings)	3,447	0.5	713
<b>Total short exposures</b>	<b>194,554</b>	<b>28.7</b>	<b>4,132</b>
<b>Gross Asset Exposure<sup>2</sup></b>	<b>1,073,523</b>	<b>158.4</b>	<b>€</b>
Forward currency contracts	€	€	629
<b>Portfolio Fair Value<sup>3</sup></b>	<b>€</b>	<b>€</b>	<b>632,335</b>
Net current assets (excluding derivative assets and liability ies)	€	€	45,331
<b>Total Net Assets</b>	<b>€</b>	<b>€</b>	<b>677,666</b>

<sup>1</sup>Asset Exposure expressed as a percentage of Net Assets.

<sup>2</sup>Gross Asset Exposure comprises market exposure to investments of 632,011,000 plus market exposure to derivative instruments of 441,512,000.

<sup>3</sup>Portfolio Fair Value comprises investments of 632,011,000 plus derivative assets of 13,984,000 less derivative liabilities of 13,660,000 (per the Statement of Financial Position below).

€

## Interim Management Report

### Principal and Emerging Risks and Uncertainties, Risk Management

In accordance with the AIC Code, the Board has in place a robust process for identifying, evaluating and managing the principal risks and

[illegible]

Investment income	4	Â 10,127	â€“(10,127)	Â 19,284	â€“(19,284)	Â 9,449	â€“(9,449)			
Derivative income	4	Â 15,830	â€“(15,830)	Â 19,711	â€“(19,711)	Â 7,656	â€“(7,656)			
Other income	4	Â 361	â€“(361)	Â 1,252	â€“(1,252)	Â 596	â€“(596)			
<b>Total Income</b>	Â	<b>Â 26,318</b>	<b>â€“(26,318)</b>	<b>Â 40,247</b>	<b>â€“(40,247)</b>	<b>Â 17,701</b>	<b>â€“(17,701)</b>			
Net (losses)/gains on investments at fair value through profit or loss	Â	â€“(9,533)	(9,533)	â€“(81,553)	Â 81,553	â€“(39,483)	Â 39,483			
Net (losses)/gains on derivative instruments	Â	â€“(14,304)	(14,304)	â€“(35,890)	Â 35,890	â€“(15,667)	(15,667)			
Net foreign exchange losses	Â	â€“(1,108)	(1,108)	â€“(1,569)	(1,569)	â€“(522)	(522)			
<b>Total income and gains/(losses)</b>	Â	<b>Â 26,318</b>	<b>(24,945)</b>	<b>Â 1,373</b>	<b>Â 40,247</b>	<b>Â 115,874</b>	<b>Â 156,121</b>	<b>Â 17,701</b>	<b>Â 23,294</b>	<b>Â 40,995</b>
<b>Expenses</b>	Â	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>	<b>Â</b>
Management fees	5	(447)	(1,789)	(2,236)	(935)	(3,741)	(4,676)	(469)	(1,875)	(2,344)
Other expenses	Â	(828)	â€“(828)	(1,631)	â€“(1,631)	(860)	â€“(860)			
<b>Profit/(loss) before finance costs and taxation</b>	Â	<b>Â 25,043</b>	<b>(26,734)</b>	<b>(1,691)</b>	<b>Â 37,681</b>	<b>Â 112,133</b>	<b>Â 149,814</b>	<b>Â 16,372</b>	<b>Â 21,419</b>	<b>Â 37,791</b>
Finance costs	6	(11,672)	â€“(11,672)	(21,566)	â€“(21,566)	(10,201)	â€“(10,201)			
<b>Profit/(loss) before taxation</b>	Â	<b>Â 13,371</b>	<b>(26,734)</b>	<b>(13,363)</b>	<b>Â 16,115</b>	<b>Â 112,133</b>	<b>Â 128,248</b>	<b>Â 6,171</b>	<b>Â 21,419</b>	<b>Â 27,590</b>
Taxation	Â	(1,095)	Â 289	(806)	(2,060)	(123)	(2,183)	(1,022)	(270)	(1,292)
<b>Profit/(loss) after taxation for the period attributable to Participating Preference Shares</b>	Â	<b>Â 12,276</b>	<b>(26,445)</b>	<b>(14,169)</b>	<b>Â 14,055</b>	<b>Â 112,010</b>	<b>Â 126,065</b>	<b>Â 5,149</b>	<b>Â 21,149</b>	<b>Â 26,298</b>
<b>Earnings/(loss) per Participating Preference Share (basic and diluted)</b>	7	<b>0.17</b>	<b>(0.37)</b>	<b>(0.20)</b>	<b>0.16</b>	<b>1.29</b>	<b>1.45</b>	<b>0.06</b>	<b>0.23</b>	<b>0.29</b>

The total column of this statement represents the Company's Statement of Other 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.

The Company does not have any other comprehensive income. Accordingly the profit/(loss) after taxation for the period is also the total comprehensive income for the period.

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 period and all items in the above statement derive from continuing operations.

#### Statement of Changes in Equity

for the six months ended 31 December 2024

	Note	Share premium account â€“000	Â Capital reserve â€“000	Revenue reserve â€“000	Total equity â€“000
<b>Six months ended 31 December 2024 (unaudited)</b>	Â	Â	Â	Â	Â
<b>Total equity at 30 June 2024</b>	Â	<b>6,291</b>	<b>695,822</b>	<b>51,333</b>	<b>753,446</b>
(Loss)/profit after taxation for the period	Â	Â â€“	(26,445)	12,276	(14,169)
Participating Preference Shares repurchased into Treasury	9	Â â€“	(47,508)	Â â€“	(47,508)
Dividend paid to shareholders	8	Â â€“	Â â€“	(14,103)	(14,103)
<b>Total equity at 31 December 2024</b>	Â	<b>6,291</b>	<b>621,869</b>	<b>49,506</b>	<b>677,666</b>
<b>Year ended 30 June 2024 (audited)</b>	Â	Â	Â	Â	Â
<b>Total equity at 30 June 2023</b>	Â	<b>6,291</b>	<b>735,860</b>	<b>54,583</b>	<b>796,734</b>
Profit after taxation for the year	Â	â€“	112,010	14,055	126,065
Repurchase and cancellation of the Company's own shares	9	â€“	(127,125)	â€“	(127,125)
Participating Preference Shares repurchased into Treasury	9	â€“	(24,923)	â€“	(24,923)
Dividend paid to shareholders	8	â€“	â€“	(17,305)	(17,305)
<b>Total equity at 30 June 2024</b>	Â	<b>6,291</b>	<b>695,822</b>	<b>51,333</b>	<b>753,446</b>
<b>Six months ended 31 December 2023 (unaudited)</b>	Â	Â	Â	Â	Â
<b>Total equity at 30 June 2023</b>	Â	<b>6,291</b>	<b>735,860</b>	<b>54,583</b>	<b>796,734</b>
Profit after taxation for the period	Â	â€“	21,149	5,149	26,298
Participating Preference Shares repurchased into Treasury	9	â€“	(4,827)	â€“	(4,827)
Dividend paid to shareholders	8	â€“	â€“	(17,305)	(17,305)
<b>Total equity at 31 December 2023</b>	Â	<b>6,291</b>	<b>752,182</b>	<b>42,427</b>	<b>800,900</b>

#### Statement of Financial Position

as at 31 December 2024

	Note	31 December 2024 unaudited â€“000	30 June 2024 audited â€“000	31 December 2023 unaudited â€“000
<b>Non-current assets</b>	Â	Â	Â	Â
Financial assets at fair value through profit and loss	10	<b>Â 632,011</b>	<b>Â 696,753</b>	<b>768,579</b>



<b>Current assets</b>	Â	Â	Â	Â
Derivative assets	10	Â 13,984	Â 25,399	Â 12,766
Amounts held at futures clearing houses and brokers	Â	Â 44,876	Â 44,952	Â 28,400
Other receivables	Â	Â 2,007	Â 8,083	Â 1,989
Cash at bank	Â	Â 1,751	Â 8,794	Â 16,435
<b>Current liabilities</b>	Â	Â	Â	Â
Derivative liabilities	10	Â 13,660	Â 11,857	Â 21,013
Other payables	Â	Â 3,303	Â 18,678	Â 6,256
<b>Net current assets</b>	Â	Â 45,655	Â 56,693	Â 32,321
<b>Net assets</b>	Â	Â 677,666	Â 753,446	Â 800,900
<b>Equity</b>	Â	Â	Â	Â
Share premium account	Â	Â 6,291	Â 6,291	Â 6,291
Capital reserve	Â	Â 621,869	Â 695,822	Â 752,182
Revenue reserve	Â	Â 49,506	Â 51,333	Â 42,427
<b>Total Equity Shareholders' Funds</b>	Â	Â 677,666	Â 753,446	Â 800,900
<b>Net asset value per Participating Preference Share</b>	11	9.77	10.09	8.85

## Statement of Cash Flows

for the six months ended 31 December 2024

	Six months ended 31 December 2024 unaudited â€™000	Year ended 30 June 2024 audited â€™000	Six months ended 31 December 2023 unaudited â€™000
<b>Operating activities</b>	Â	Â	Â
Cash inflow from investment income	11,060	24,168	13,179
Cash inflow from derivative income	11,719	9,769	3,890
Cash inflow from other income	â€“	20	20
Cash outflow from taxation paid	(1,096)	(2,060)	(1,022)
Cash outflow from the purchase of investments	(372,144)	(695,450)	(242,310)
Cash inflow from the sale of investments	417,342	854,047	276,557
Cash outflow from net proceeds from settlement of derivatives	5,809	23,436	(5,742)
Cash outflow from amounts held at futures clearing houses and brokers	76	(26,742)	(10,190)
Cash outflow from operating expenses	(3,194)	(6,217)	(3,231)
<b>Net cash inflow from operating activities</b>	69,572	180,971	31,151
<b>Financing activities</b>	Â	Â	Â
Cash outflow from CFD interest paid	(10,675)	(18,527)	(8,599)
Cash outflow from short CFD dividends paid	(1,280)	(2,726)	(1,539)
Cash outflow from dividends paid to shareholders	(14,103)	(17,305)	(17,305)
Cash outflow from repurchase of participating preference shares into treasury	(49,449)	(22,982)	(4,808)
Cash outflow from repurchase and cancellation of Participating Preference Shares	â€“	(127,125)	â€“
<b>Net cash outflow from financing activities</b>	(75,507)	(188,665)	(32,251)
<b>Net decrease in cash at bank</b>	(5,935)	(7,694)	(1,100)
Cash at bank at the start of the period	8,794	18,057	18,057
Effect of foreign exchange movements	(1,108)	(1,569)	(522)
<b>Cash at bank at the end of the period</b>	1,751	8,794	16,435

## Notes to the Financial Statements

for the six months ended 31 December 2024

### 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.

### 2. Publication of Non-statutory Accounts

The financial statements in this Half Year Report have not been audited by the Company's Independent Auditor. The financial information for the year ended 30 June 2024 is extracted from the latest published annual report of the Company which was delivered to the Guernsey Financial Services Commission.

### 3. Accounting Policies

#### (i) Basis of Preparation

The interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which 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.

#### (ii) 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. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

### 4. Income

	Six months ended 31 December 2024 unaudited â€™000	Year ended 30 June 2024 audited â€™000	Six months ended 31 December 2023 unaudited â€™000
<b>Investment income</b>	Â	Â	Â
UK dividends	Â 367	Â 362	Â 325
Overseas dividends	Â 9,758	Â 18,900	Â 9,109
UK and overseas scrip dividends	Â â€"	Â 15	Â 15
Interest on bonds	Â 2	Â 7	Â â€"
	Â 10,127	Â 19,284	Â 9,449
<b>Derivative income</b>	Â	Â	Â
Dividends received on long CFDs	Â 9,504	Â 8,489	Â 2,325
Interest received on CFDs	Â 740	Â 2,114	Â 1,014
Option Income	Â 5,586	Â 9,108	Â 4,317
	Â 15,830	Â 19,711	Â 7,656
<b>Other income</b>	Â	Â	Â
Interest income from cash and cash equivalents and collateral	Â 361	Â 1,232	Â 576
Fee rebate	Â â€"	Â 20	Â 20
	Â 361	Â 1,252	Â 596
<b>Total income</b>	Â 26,318	Â 40,247	Â 17,701

### 5. Management Fees

	Revenue â€™000	Capital â€™000	Total â€™000
<b>Six months ended 31 December 2024 (unaudited)</b>	Â	Â	Â
Management fees	447	1,789	2,236
<b>Year ended 30 June 2024 (audited)</b>	Â	Â	Â
Management fees	935	3,741	4,676
<b>Six months ended 31 December 2023 (unaudited)</b>	Â	Â	Â
Management fees	469	1,875	2,344

Under the Investment Management Agreement ("IMA"), Fidelity International is entitled to receive a Management Fee of 0.60% per annum of the Net Asset Value of the Company. Fees will be payable monthly in arrears and calculated on a daily basis.

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

### 6. Finance Costs

	Revenue â€™000	Capital â€™000	Total â€™000
<b>Six months ended 31 December 2024 (unaudited)</b>	Â	Â	Â
Dividends paid on short CFDs	975	Â â€"	975
Interest paid on CFDs	10,697	Â â€"	10,697
	11,672	Â â€"	11,672
<b>Year ended 30 June 2024 (audited)</b>	Â	Â	Â
Dividends paid on short CFDs	3,081	Â â€"	3,081
Interest paid on CFDs	18,485	Â â€"	18,485
	21,566	Â â€"	21,566
<b>Six months ended 31 December 2023 (unaudited)</b>	Â	Â	Â
Dividends paid on short CFDs	1,517	Â â€"	1,517
Interest paid on CFDs	8,684	Â â€"	8,684
	10,201	Â â€"	10,201

## 7. Earnings/(Loss) per Participating Preference Share

	Six months ended 31 December 2024 unaudited	Year ended 30 June 2024 audited	Six months ended 31 December 2023 unaudited
Revenue earnings per Participating Preference Share	0.17	0.16	0.06
Capital (loss)/earnings per Participating Preference Share	( 0.37)	1.29	0.23
<b>Total (loss)/earnings per Participating Preference Share â€” basic and diluted</b>	<b>( 0.20)</b>	<b>1.45</b>	<b>0.29</b>

The earnings/(loss) per Participating Preference Share is based on the profit/(loss) after taxation for the period divided by the weighted average number of Participating Preference Shares in issue during the period, as shown below:

	Six months ended 31 December 2024 unaudited â‚¬'000	Year ended 30 June 2024 audited â‚¬'000	Six months ended 31 December 2023 unaudited â‚¬'000
Revenue profit after taxation for the period	Â 12,276	Â 14,055	Â 5,149
Capital (loss)/profit after taxation for the period	(26,445)	112,010	21,149
<b>Total (loss)/profit after taxation for the period attributable to Participating Preference Shares</b>	<b>(14,169)</b>	<b>126,065</b>	<b>26,298</b>
	Number	Number	Number
Weighted average number of Participating Preference Shares in issue	71,877,832	Â 86,936,701	Â 90,985,735

## 8. Dividend Paid to Shareholders

	Six months ended 31 December 2024 Unaudited â‚¬'000	Year ended 30 June 2024 audited â‚¬'000	Six months ended 31 December 2023 unaudited â‚¬'000
<b>Dividend Paid</b>	Â	Â	Â
Dividend of 20 cents pence per ordinary share paid for the year ended 30 June 2024	Â 14,103	Â â‚¬	Â â‚¬
Dividend of 19 cents pence per ordinary share paid for the year ended 30 June 2023	Â â‚¬	Â 17,305	Â 17,305

No dividend has been declared in respect of the six months ended 31 December 2024 (six months ended 31 December 2023: none).

## 9. Share Capital

	31 December 2024 Number of shares	30 June 2024 Number of shares	31 December 2023 Number of shares
<b>Authorised</b>	Â	Â	Â
Founder shares of no par value	Â 1,000	Â 1,000	Â 1,000
<b>Issued</b>	Â	Â	Â
<b>Participating Preference Shares held outside Treasury</b>	Â	Â	Â
<b>Beginning of the year</b>	<b>Â 74,646,287</b>	<b>Â 91,100,066</b>	<b>Â 91,100,066</b>
Repurchase and cancellation of the Company's own Participating Preference Shares	Â â‚¬ (13,531,881)		Â â‚¬
Participating Preference Shares repurchased into Treasury	(5,311,585)	(2,921,898)	(637,175)
<b>End of the period</b>	<b>Â 69,334,702</b>	<b>Â 74,646,287</b>	<b>Â 90,462,891</b>
<b>Participating Preference Shares held in Treasury*</b>	Â	Â	Â
<b>Beginning of the period</b>	<b>Â 2,921,898</b>	Â â‚¬	Â â‚¬
Participating Preference Shares repurchased into Treasury	Â 5,311,585	Â 2,921,898	Â 637,175
<b>End of the period</b>	<b>Â 8,233,483</b>	<b>Â 2,921,898</b>	<b>Â 637,175</b>
<b>Total Participating Preference Shares</b>	<b>Â 77,568,185</b>	<b>Â 77,568,185</b>	<b>Â 91,100,066</b>

\*Â 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 Board of Directors is mindful that the Company's shares have traded at a discount to NAV for some time, and frequently deliberates appropriate discount control mechanisms to address the imbalance between the demand and supply of the Company's shares. The Board intends to continue using its buyback programme to address the discount to NAV with the ambition that it may ultimately be maintained in single digits in normal market conditions on a sustainable basis.

The costs associated with the repurchase of the shares of 47,508,000 were charged to the capital reserve for the year ended 31 December 2024.

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

## Founder Shares

All of the Founder Shares were issued on 6 June 1989. The Founder Shares were issued at 1 each par value.

The Founder Shares are not redeemable. At the Extraordinary General Meeting of the Company on 30<sup>th</sup> 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.

## 10. 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 table below sets out the Company's fair value hierarchy:

31 December 2024 (unaudited)	Level 1 â€™000	Level 2 â€™000	Level 3 â€™000	Total â€™000
<b>Financial assets at fair value through profit or loss</b>	Â	Â	Â	Â
Investments in equity securities	Â 621,157	Â â€™	Â â€™	Â 621,157
Equity linked notes	Â â€™	Â 6,377	Â â€™	Â 6,377
Investee funds	Â â€™	Â â€™	Â 4,477	Â 4,477
Derivative instrument assets â€™ Futures contracts	Â 7,257	Â â€™	Â â€™	Â 7,257
Derivative instrument assets â€™ Options	Â 1,178	Â 90	Â â€™	Â 1,268
Derivative instrument assets â€™ CFDs	Â â€™	Â 4,830	Â â€™	Â 4,830
Derivative instrument assets â€™ forward currency contract	Â â€™	Â 629	Â â€™	Â 629
Â	Â 629,592	Â 11,926	Â 4,477	Â 645,995

<b>Financial liabilities at fair value through profit or loss</b>	Â	Â	Â	Â
Derivative instrument liabilities â€™ Futures contracts	Â 351	Â â€™	Â â€™	Â 351
Derivative instrument liabilities â€™ Options	Â 1,262	Â 448	Â â€™	Â 1,710
Derivative instrument liabilities â€™ CFDs	Â â€™	Â 11,599	Â â€™	Â 11,599
Â	Â 1,613	Â 12,047	Â â€™	Â 13,660

30 June 2024 (audited)	Level 1 â€™000	Level 2 â€™000	Level 3 â€™000	Total â€™000
<b>Financial assets at fair value through profit or loss</b>	Â	Â	Â	Â
Investments in equity securities	Â 686,519	Â â€™	Â 506	Â 687,025
Equity linked notes	Â â€™	Â 4,555	Â â€™	Â 4,555
Debt instruments	Â â€™	Â 316	Â â€™	Â 316
Investee funds	Â â€™	Â â€™	Â 4,857	Â 4,857
Derivative instrument assets â€™ Futures contracts	Â 268	Â â€™	Â â€™	Â 268
Derivative instrument assets â€™ Options	Â 6,412	Â 11	Â â€™	Â 6,423
Derivative instrument assets â€™ CFDs	Â â€™	Â 18,344	Â â€™	Â 18,344
Derivative instrument assets â€™ forward currency contracts	Â â€™	Â 364	Â â€™	Â 364
Â	Â 693,199	Â 23,590	Â 5,363	Â 722,152

<b>Financial liabilities at fair value through profit or loss</b>	Â	Â	Â	Â
Derivative instrument liabilities â€™ Futures contracts	1,889	Â â€™	Â â€™	1,889
Derivative instrument liabilities â€™ Options	1,198	2,007	Â â€™	3,205
Derivative instrument liabilities â€™ CFDs	Â â€™	6,763	Â â€™	6,763
Â	3,087	8,770	Â â€™	11,857

31 December 2023 (unaudited)	Level 1 â€™000	Level 2 â€™000	Level 3 â€™000	Total â€™000
<b>Financial assets at fair value through profit or loss</b>	Â	Â	Â	Â
Investments in equity securities	Â 760,349	Â â€™	Â 810	Â 761,159
Equity linked notes	Â â€™	Â 2,334	Â â€™	Â 2,334
Investee funds	Â â€™	Â â€™	Â 5,086	Â 5,086
Derivative instrument assets â€™ Futures contracts	Â 429	Â â€™	Â â€™	Â 429
Derivative instrument assets â€™ CFDs	Â â€™	Â 12,337	Â â€™	Â 12,337
Â	Â 760,778	Â 14,671	Â 5,896	Â 781,345

<b>Financial liabilities at fair value through profit or loss</b>	Â	Â	Â	Â
-------------------------------------------------------------------	---	---	---	---

Derivative instrument liabilities â€" Options	6,290	Â€	6,291	6,291
Derivative instrument liabilities â€" CFDs	Â€	13,980	Â€	13,980
Â	6,991	14,022	Â€	21,013

As the key input into the valuation of Level 3 investments is official valuation statements from the Investee Fund, 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 of this report.

The following table summarises the change in value associated with Level 3 financial instruments carried at fair value for the six months ended 31 December 2024, year ended 30 June 2024 and for the six months ended 31 December 2023:

	31Â December 2024 â€™000	30Â June 2024 â€™000	31Â December 2023 â€™000
Opening balance	5,363	6,115	6,115
Sales	(1,057)	Â (8,384)	Â (4,178)
Realised losses	(9,105)	Â (19,431)	Â (8,900)
Net change in unrealised gains	9,276	Â 27,063	Â 12,859
<b>Closing balance</b>	<b>4,477</b>	<b>5,363</b>	<b>5,896</b>

The Companyâ€™s holdings in Russian securities have been fair valued at nil as at 31 December 2024 (year ended 30 June 2024: nil, six month ended 31 December 2023: nil) as a result of trading being suspended on international stock exchanges. These Russian securities have a carrying cost of 90,932,976 as at 30 June 2024 (year ended 30 June 2024: 90,932,976, six month ended 31Â December 2023: 90,932,976).

The Companyâ€™s policy is to recognise transfers in and transfers out at the end of each accounting year.

#### 11. Net Asset Value per Participating Preference Share

	31Â December 2024 unaudited	30Â June 2024 audited	31Â December 2023 unaudited
Net assets	677,666,000	753,446,000	800,900,000
Participating Preference Shares in issue	69,334,702	Â 74,646,287	90,462,891
Net Asset Value per Participating Preference Share	9.77	10.09	8.85

#### 12. Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Companyâ€™s Alternative Investment Fund Manager and has delegated portfolio management to FIL Investment Management International. Both companies are Fidelity group companies.

Details of the current fee arrangements are given in Note 5 above. During the period, management fees of 2,236,000 (year ended 30 June 2024: 4,676,000 and six months ended 31 December 2023: 2,344,000) were payable to the Manager. Amounts payable at the reporting date are included in other payables.

At the date of this report, the Board consisted of five non-executive Directors all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company.

From 1 July 2024, the Chairman receives an annual fee of Â£52,000 (until 30 June 2024: Â£50,000), the Chairman of the Audit Committee and Senior Independent Director receive an annual fee of Â£39,500 (until 30 June 2024: Â£38,000) and the other Directors receive an annual fee of Â£37,500 (until 30 June 2024: Â£36,000). The Directors received for the last financial years fees totalling Â£205,829 (2023: Â£221,115).

The following members of the Board hold Participating Preference Shares in the Company at the date of this report: Heather Manners 10,000 shares, Torsten Koster 15,000 shares, Dr Simon Colson 4,416 shares, Katherine Tsang 8,000 shares and Mark Little 2,850 shares.

The financial information contained in this Half-Yearly Results Announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 31 December 2024 and 31 December 2023 has not been audited or reviewed by the Companyâ€™s Independent Auditor.

Â

The information for the year ended 30 June 2024 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the Auditor on those financial statements contained no qualification or statement under sections 498(2) or (3) of the Companies Act 2006.

Â

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

A copy of the Half-Yearly Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)

The Half-Yearly Report will also be available on the Company's website at [www.fidelity.co.uk/emergingmarkets](http://www.fidelity.co.uk/emergingmarkets) where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.

**END**

Â