



FidelityTM
INTERNATIONAL

FIDELITY EMERGING MARKETS LIMITED

Annual Report for the year ended 30 June 2026

We speak the language of opportunity – wherever it emerges



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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.



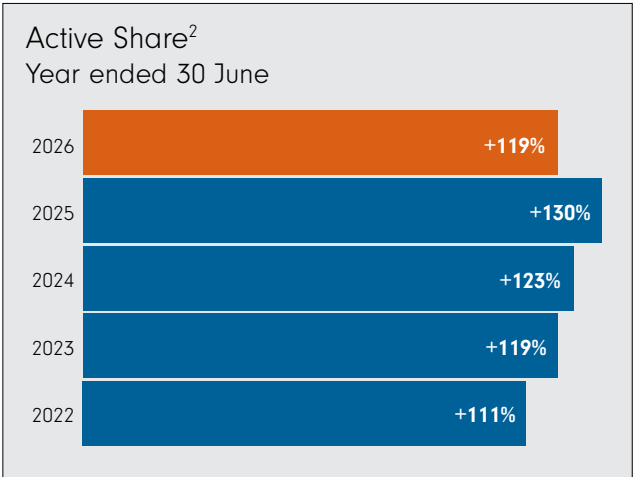
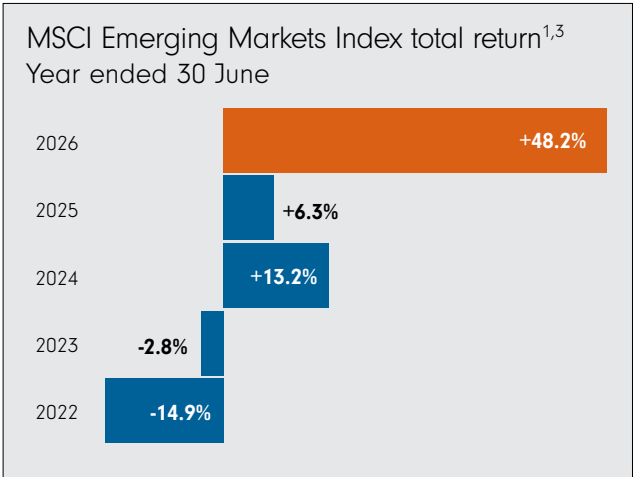
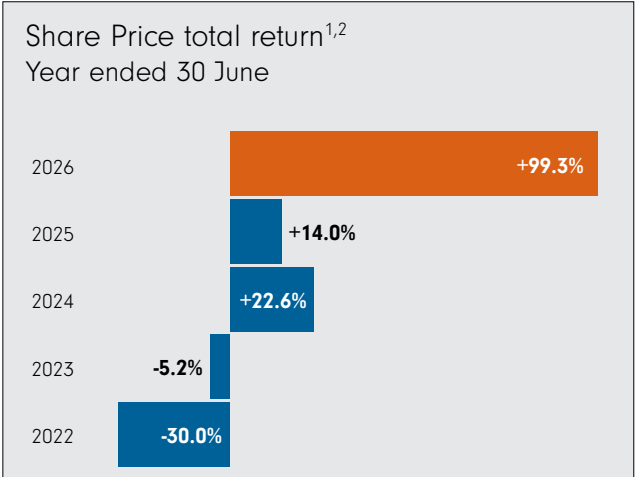
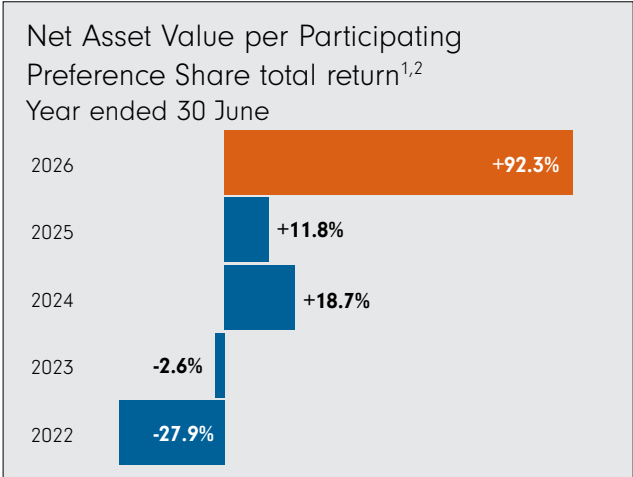
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The Year at a Glance

In the reporting year, the Company's Net Asset Value per Participating Preference Share increased by 92.3% and the Share Price increased by 99.3%, whilst the Benchmark Index return increased by 48.2% (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 87 to 89.
3 The Company's Benchmark Index.

As at 30 June 2026

Equity Shareholders' Funds

£651.0m / \$864.0m

Market Capitalisation

£602.4m / \$799.5m

Total Voting Rights

Number of Participating Preference Shares held outside of Treasury and voting rights of Founder Shares.

39,373,155

Summary of the key aspects of the Investment Policy

The Company aims to achieve long term capital growth by investing in a diversified portfolio of equity or equity-linked securities and derivative instruments providing exposure to emerging market 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 pages 20 and 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 2026	30 June 2025
Assets as at 30 June		
USD		
Gross Asset Exposure ¹	\$1,386.1m	\$1,235.3m
Equity Shareholders' Funds	\$864.0m	\$771.6m
NAV per Participating Preference Share ²	\$21.94	\$11.99
Dividend per Participating Preference Share	\$0.33	\$0.26
Dividend Yield	1.6%	2.4%
Gross Gearing ^{2,3}	60.4%	60.1%
Net Gearing ^{2,4}	8.8%	5.5%
Exchange Rate (USD to GBP)	1.33	1.37
GBP		
Gross Asset Exposure ^{1,5}	£1,044.3m	£901.4m
Equity Shareholders' Funds ⁵	£651.0m	£563.1m
NAV per Participating Preference Share ^{2,5}	£16.53	£8.75
Share Price and Discount as at 30 June		
Participating Preference Share Price	£15.30	£7.83
Discount to NAV per Participating Preference Share	7.4%	10.5%
Number of Participating Preference Shares held outside Treasury	39,373,154	64,342,245
Earnings for the year ended 30 June		
Revenue Earnings per Participating Preference Share ⁶	\$0.32	\$0.31
Capital Earnings per Participating Preference Share ⁶	\$8.23	\$1.52
Total Earnings per Participating Preference Share ⁶	\$8.55	\$1.83
Ongoing charges ratio ²	0.87%	0.83%

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

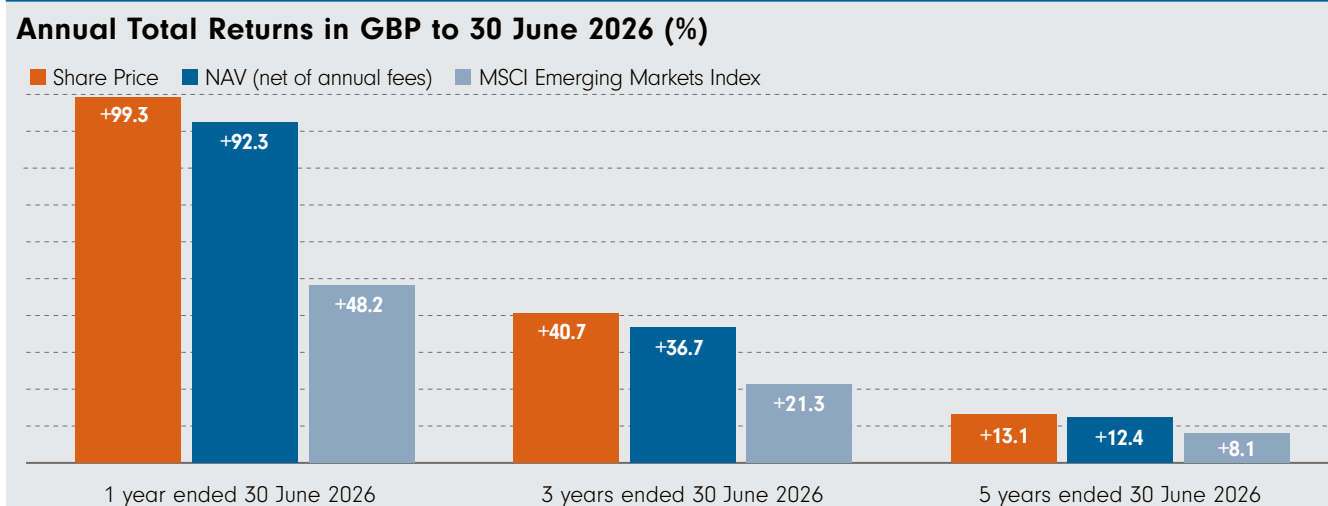
2 Alternative Performance Measure – refer to page 79 and Glossary of Terms on pages 87 to 89.

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.



Contents



Chairman's Statement

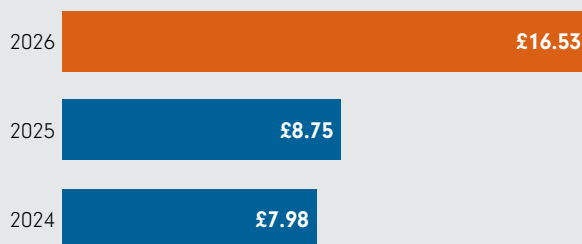
Read more on pages 2 to 4



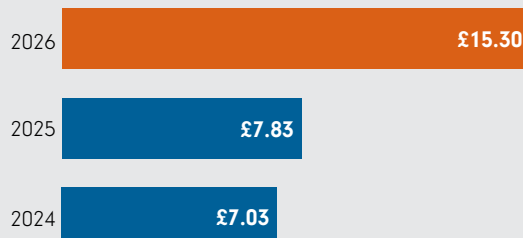
Portfolio Managers' Review

Read more on pages 5 to 8

Net Asset Value per Share as at 30 June



Share Price as at 30 June



Strategy

Chairman's Statement	2
Portfolio Managers' Review	5
Investment Toolkit	9
Spotlight on Top 10 holdings	10
Forty Largest Holdings	12
Distribution of the Portfolio	15
Attribution Analysis	17
Five Year Record	18
Strategic Report	19
Investment strategy and policies	20
Principal and Emerging Risks and Uncertainties, Risk Management	22
Viability statement	26

Governance

Board of Directors	29
Directors' Report	31
Corporate Governance Statement	33
Directors' Remuneration Report	38
Statement of Directors' Responsibilities	39
Report of the Audit and Risk Committee	40
Nomination Committee's Report	42

Financial

Independent Auditor's Report	43
Statement of Comprehensive Income	47
Statement of Changes in Equity	48
Statement of Financial Position	49
Statement of Cash Flows	50
Notes to the Financial Statements	51
Alternative Performance Measures	79
Securities Financing Transactions Regulation ("SFT")	80

Information for Shareholders

Notice of Annual General Meeting	81
Administration	83
Data Protection	84
Alternative Investment Fund Manager's Disclosure	85
Glossary to the Annual Report	87

Chairman's Statement



"During the 12-month period to 30 June 2026, the Company's NAV total return was 92.3% in GBP terms, compared with 48.2% for the Index. The share price total return was 99.3% – effectively doubling investors' money."

Heather Manners, Chairman

+92.3%

Net Asset Value per Participating Preference Share total return

(Year ended 30 June 2026)

+99.3%

Share Price total return

(Year ended 30 June 2026)

+48.2%

MSCI Emerging Markets Index total return

(Year ended 30 June 2026)

I am pleased to present your Company's 37th annual report. As we reach the fifth anniversary of Fidelity's appointment as manager, it is gratifying to be able to report a fourth successive year in which Fidelity Emerging Markets Limited ('the Company')s net asset value ('NAV') total returns have beaten the Company's benchmark, the MSCI Emerging Markets Total Return Index ('the Index'), and a third year of strong absolute returns in both the NAV and the share price. While NAV performance can be seen as the best measure of a fund manager's skill, the share price arguably represents investors' recognition of that skill. Your Board and I are delighted that the Company's share price total return has outperformed its NAV total return for a third year in a row, with both outperforming the Index. This is a resounding vindication of your Portfolio Managers, Nick Price and Chris Tennant, and their broad and flexible investment approach, not just an output of an increasingly positive period for emerging markets as a whole. Over the 12 months under review the performance has been truly stellar, and the Board and I would like to congratulate the Portfolio Managers and their team on these results and thank them for their efforts. In fact, performance has been so strong that your Company ranked in the top 10 of all investment trusts (over 200 of them) for NAV and share price total return performance over both one and three years to 30 June 2026, ahead of all peers in the Association of Investment Companies' (AIC) Global Emerging Markets sector.

Overview

During the 12-month period to 30 June 2026, the Company's NAV total return was 92.3% in GBP terms, compared with 48.2% for the Index. The share price total return was 99.3% – effectively doubling investors' money – while the discount to NAV narrowed from 10.5% at the beginning of the period to 7.4% at the end, spending most of the year in single figures. Performance was strong across the whole period, despite continued geopolitical tensions, including the war in Iran, which has put considerable upward pressure on energy prices – and inflation more broadly – throughout much of the world.

I noted in my Chairman's Statement in last year's annual report that sentiment towards emerging markets appeared to have turned a corner after a long period in which US equities had been preeminent. The return from the Index in the period under review is further evidence of this; indeed, it is roughly double the 25.8% total return of the S&P 500 index (Net Total Return, GBP), the main US benchmark. However, I firmly believe that it would be wrong for investors to conclude that such strong relative and absolute performance mean further upside is limited. After 18 years in a consolidation pattern, emerging markets are only just stepping into the spotlight on the world stage, having played second fiddle ever since the global financial crisis.

The magnitude of your Company's outperformance in the year under review is testament both to the Portfolio Managers' skill in stock picking and their full deployment of the broad investment toolkit available to them. (For a full explanation of the toolkit, please see page 9 of this report.) It is particularly notable that in a strongly positive year for the market as a whole, the short positions in the portfolio still added value, accounting for around a quarter of the excess return versus the Index. Yield enhancement strategies (selling Options to generate income) and the allocation to small- and mid-sized companies – a notable differentiating factor versus peers – also contributed. The ability to take such positions is a key advantage of the closed-end structure, while the execution of the strategy is greatly facilitated by the research efforts of Fidelity's large team of locally based emerging markets analysts, as well as derivatives and risk management specialists.

The portfolio continues to include Russian assets which are currently valued at zero given the inability to trade them. Any future resolution of the conflict and relaxation of applicable sanctions could therefore provide an uplift to NAV if those assets were able to recover realisable value. Further details can be found on page 76.

The Portfolio Managers' report on the following pages contains a wealth of detail on the contributors to absolute and relative performance in the period under review. However, I would draw attention particularly to the very high active share (a measure of how much the portfolio differs from the Index) and the skill with which the team has managed volatility in semiconductors. With the rapid development of artificial intelligence ('AI') technologies continuing to dominate the headlines, having appropriate exposure to large index constituents such as Korea's SK Hynix and Taiwan Semiconductor Manufacturing Company has been essential. Yet AI, with its associated need for large-volume data storage and power, is not just a technology story; it is also a resources story, and your Portfolio Managers' stock picking within the materials and industrials sectors has also contributed steadily to returns while the majority of investors have been more narrowly focused on IT.

Due diligence trip

In April 2026, your Board was fortunate to have the opportunity to visit Hong Kong and China with Fidelity's team. In September 2025, Nick Price relocated from London to Hong Kong, which is a hub for Fidelity International's activity in Asia. With Asia representing around 80% of the emerging markets universe by market capitalisation, it is an important part of the opportunity set, and it was good to see Nick in his new home and meet the large team of locally based analysts. During the trip, we were able to see the investment team working together, and to hear from them and some of the Company's key holdings about their confidence in the future. We also had an extensive meeting with the risk management team – the largest outside the UK – and were both encouraged and reassured by the robustness and highly detailed nature of their processes.

Dividend

The Board is recommending a final dividend of \$0.33 per Participating Preference Share for the year ended 30 June 2026 (2025: \$0.26) for approval by shareholders at the Annual General Meeting ('AGM') to be held on 1 December 2026. As ever, 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

As noted in the half-year report, Katherine Tsang completed nine years' service (the recommended maximum under the AIC Code of Corporate Governance) in July 2026, and as such she intends to stand down at the 2026 AGM. A search has been completed to find a suitably qualified individual to succeed her, the Board is pleased to announce the appointment of Dr Shefaly Yogendra and a separate announcement in relation to this appointment will be made shortly. There have been no other changes to the Board of Directors in the period under review.

Discount management

The discount to NAV narrowed during the year, beginning at 10.5% and ending at 7.4%, as noted above. After narrowing steadily between July and October 2025 to around 6%, the discount remained broadly between 5% and 10% for the remainder of the period.

The Board remains committed to using share repurchases to help reduce the volatility of discount to NAV. Any share repurchases are completed at prices, which are accretive to NAV for ongoing shareholders. During the year under review, we bought back 8,527,914 shares in the market (excluding the c.25% of shares in issue repurchased from Strathclyde Pension Fund in November 2025), representing 13.2% of shares in issue at the start of the period. At the AGM on 1 December 2026, we will seek to renew the existing annual authority to repurchase up to 14.99% of our Participating Preference Shares.

It is gratifying that although the pace of regular buybacks has remained virtually unchanged compared with the previous year, strong performance has meant that total assets and market capitalisation have both risen substantially. This greater scale supports liquidity and helps maintain the Company's relevance to wealth managers and other investors for whom market liquidity is an important consideration. Fidelity has also seen increased engagement from wealth managers during the year.

We are pleased to be a popular choice among retail investors. Retail investors represented 18.2% of the shareholder base on 30 June 2026, compared with 4.1% on 30 June 2025, and the Company featured on several investment trust best-selling lists during the period. The Board welcomes this broadening of the shareholder base and the increased participation of retail investors. Fidelity has continued to raise the Company's profile through its marketing, media, social media and distribution activity. The Board will continue to support activity aimed at attracting new investors, broadening demand for the Company's shares and, over time, supporting a narrower discount.

Extraordinary General Meetings

The Company held two Extraordinary General Meetings during the financial year. The first, in October 2025, approved the Strathclyde Repurchase, which was covered in detail in last year's Chairman's Statement. The repurchase increased NAV per share by approximately 4.5%.

The second EGM was held in May 2026 after 63% of the share buyback authority granted at the 2025 AGM had been used. Shareholders approved a renewed authority to repurchase up to 6,201,500 shares, representing 14.99% of the shares in issue at the latest practicable date. The resolution was approved by 100% of votes cast, on a turnout of 71%.

Chairman's Statement continued

Annual General Meeting

This year's AGM will be held on 1 December 2026 at 8:30 a.m. at the registered office of the Company, Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ. The Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out on page 81 of this report. Your attention is also drawn to the Corporate Governance section of the Directors' Report on page 34 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 8:30 a.m. on 29 November 2026. 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 83 of this report.

Articles of Incorporation

The Board is proposing to replace article 17 of the articles of incorporation relating to the determination of net asset value and the definition of the "Valuation Day". These changes simplify these provisions and will allow the Directors to make amendments to the timing and methodology of determining the net asset value without updating the articles. They will allow the timing to be regularised with the UK time zone to make the process of determining and reporting more efficient. However, it is intended to continue to release the net asset value on a daily basis and there is no current intention to change the methodology for the calculation.

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.

Outlook

One of the relative headwinds facing emerging markets in recent years has been investor appetite, which has been far more focused on developed markets, most particularly the US. While in the long-term stock market performance is driven mainly by corporate earnings, in the short term it may be driven by momentum, as the weight of money pushes share prices up (or down). However, to anyone suspecting that they may have missed the boat after such a stellar year for your Company and its investment universe, I would point out two things. First, UK investors have in fact continued to pull money out of emerging markets funds in aggregate during the year under review: figures from the Investment Association (the industry body for UK investment managers) show that a net £882m was withdrawn from global emerging markets funds between July 2025 and

June 2026, despite six months of positive net flows between October and March. Meanwhile, the North America sector (which is overwhelmingly US rather than Canada) saw net inflows of over £500m. Despite the net outflows from emerging markets, your Board remains confident that emerging markets are at the foothills of what can be achieved over the coming years. The second thing is that emerging markets as a group are on a far sounder economic footing than most large developed markets, which are beset by geopolitical tensions, groaning under the weight of enormous government debt and battling food and energy price inflation, all of this while struggling to generate meaningful economic growth or productivity gains. While developed markets are still reaping the whirlwind of Covid-era stimulus, emerging markets have gone through the economic pain of the pandemic and are leaner, fitter and more self-sufficient as a result. So even after a standout year in the markets, I would venture that the best is yet to come from the huge and diverse opportunity set in which your Company invests.

It is, however, an inescapable truth that markets can go down as well as up. This is one of the reasons why Nick, Chris and the team deploy such a broad set of tools, including the ability to take short positions, as well as ensuring that the Company's holdings are well diversified across countries, themes and sectors. The resulting portfolio looks genuinely different from the majority of peers and is arguably better positioned to offer a degree of downside protection should a period of market consolidation or retrenchment occur.

Following the five-year performance conditional tender offer calculation date on 30 September 2026, I can confirm that the Company's NAV total return outperformed the Index over the relevant five-year period and, as a result, the 25% tender offer will not proceed. It is pleasing to see this result and the sustained performance, discipline and rigour of the investment process over a longer performance period. Your Board plans to renew the conditional tender offer on the same terms. The new five year review period will be 1 July 2026 to 30 June 2031, this period has been adjusted slightly to align with the Company's financial year end.

The Company has committed to hold a continuation vote every five years. This allows shareholders the opportunity to decide on the long-term future of the Company. The next continuation vote will take place at this year's AGM on Tuesday, 1 December 2026. Given the strong performance of the Company your Board unanimously recommends that shareholders vote in favour of continuation.

Heather Manners

Chairman
5 October 2026

Portfolio Managers' Review



Question

How did the Company perform over the year to 30 June 2026, and how should shareholders assess performance over the full period since Fidelity's appointment?

Answer

The investment company delivered strong results over the year, generating a NAV total return of 92.3% vs the Index which returned 48.2%. It has been pleasing to see the Company's enhanced 'toolkit' add significant value over the period, with positive contributions from the long and short books. The latter contributed c.9% to active return, a notable outcome given the strength of emerging markets over the period. Furthermore, yield enhancement (selling options to generate income) and the exposure to smaller companies added value. In addition to robust investment performance, there was an uplift to the NAV per share of approximately 4.5% following the repurchase of Strathclyde Pension Fund's holding in Q4 2025.

Over the full period since Fidelity's appointment on 4 October 2021, similar trends can be seen – the investment company has generated 14.8% NAV returns on an annualised basis, outperforming the Index which returned 10.2%, supported by strong stock picking and the portfolio's enhanced investment powers (including short positions, yield enhancement, and the smaller cap exposure).

Question

What were the principal drivers of performance over the year?

Answer

At the sector level, Information Technology (IT) was a significant contributor, reflecting both strong stock selection and portfolio positioning during a period when optimism around the beneficiaries of artificial intelligence (AI) investment was an important driver of emerging market equities. Stock selection in materials and industrials also contributed positively, while exposure to financials detracted.

At the country level, Taiwan contributed positively through a combination of stock selection and positioning, while lower exposure to mainland China also added value, during a period when the market lagged the wider index. Stock selection in Korea was another positive contributor. Stock selection in South Africa and exposure to Indonesia were the main detractors.

Portfolio Managers' Review continued

At the stock level, the top contributor overall was the position in SK Square, the holding company for Korean memory chip producer SK Hynix, which rallied on strong earnings expectations and as demand for memory chips continued to exceed available supply. Taiwan's Elite Material, a producer of copper clad laminate, a specialist material used in printed circuit boards, also contributed positively, supported by continued AI server-driven demand. Elsewhere, several gold miners featured among top contributors, including South African mid-cap Pan African Resources and Brazil's Aura Minerals, underpinned by strength in gold as strong retail demand and a shift in central bank reserves away from US Treasuries lifted prices in the latter half of 2025.

Key detractors included Naspers, the South African holding company with a stake in China's Tencent, which declined over concerns that Tencent is falling behind peers in AI, although this position was partly offset by the underweight exposure to Tencent itself. Several positions in financials also featured among top detractors, including Georgia's TBC Bank, which suffered from weakness in the Uzbekistan segment of the business, and Indian SME lender Five Star Business Finance, which declined due to concerns over weaker asset quality.

Question

What were the most significant portfolio changes during the year, and what drove those decisions?

Answer

Over the year, we increased exposure to technology. Here, exposure has been focused on technology hardware companies in Taiwan, such as Wiyynn, designer and manufacturer of servers, and memory chip producers in Korea, where strong demand is supporting rapid earnings growth. Notably, exposure was added to high-conviction names in both markets following the outbreak of the conflict in the Middle East in March, when we looked to take advantage of the indiscriminate sell-off to build positions at more attractive valuations.

Conversely, whilst we remain positive on the outlook for copper and gold, we reduced our overweight to materials over the latter half of the period as we looked to take profits in strong performers. For example, the position in South African gold miner AngloGold Ashanti was sold to reinvest the proceeds in companies with a more attractive balance of potential return and risk.

We have also actively adjusted the portfolio's China exposure over the period. With weakness in the property sector continuing to weigh on consumer confidence, we exited several consumer holdings, such as sportswear brand Anta Sports, and reallocated capital to industrial companies in areas such as batteries and power equipment, where innovation is strong and many companies are seeing rapid growth in export markets. One example is Sinotruk, a leading manufacturer of heavy-duty trucks with around 26% domestic market share, which is experiencing strong export growth in Africa.

Question

The Company has access to a broader investment toolkit than its peers. How did that flexibility help you capture opportunities and manage risk during the year?

Answer

It has been a strong year for the short book, which contributed ~9% to relative performance (excluding short index positions) over the period. One area in which we have used short positions is the materials sector, where we looked to capitalise on precious metal miners whose valuations had risen sharply despite weak operating performance or low-quality mining assets. This also allowed us to manage the portfolio's overall bet size within precious metals, where the portfolio holds several high conviction long positions.

The Company's additional flexibility also helped us to manage risk during the year. For example, we bought call options (which benefit from share prices increasing) on select oil and gas producers following the outbreak of the conflict in the Middle East, which allowed us to react nimbly to a changing market environment and manage the portfolio's underweight exposure to oil.

Question

Fidelity's global research capability is an important part of the investment proposition. Can you give examples of how inputs from Fidelity's research analysts have helped build conviction?

Answer

The breadth and depth of Fidelity's extensive research platform play a critical role in helping us understand the wide range of emerging market companies in which we can invest. We can draw on specialist research across both emerging and developed markets, as well as the expertise of our team of shorting analysts.

A key benefit of this platform is the ability to combine detailed emerging market company research with insights into the developed markets that influence demand. Within technology, for example, we complement the work of our dedicated emerging market analysts with inputs from Fidelity's US technology analysts, helping us assess the sustainability of AI investment – a critical driver of our outlook on emerging market tech companies. The same can be said for our view on key commodities. While our emerging market mining analysts assess the prospects for individual copper producers, for example, analysts covering EV, power grid and technology companies help us build a broader view of long-term copper demand.

Fidelity's extensive research resource also enables us to uncover smaller companies 'off the beaten track', where limited research coverage from brokers and investment banks can create greater potential for mispricing, broadening the opportunity set. One example is Orizon, a Brazilian waste management business which operates in local monopolies with scope to benefit as the use of formal landfill services increases.

Question

Travelling to meet companies across Emerging Markets is a key part of the investment process. How have insights gleaned from travel influenced portfolio positioning during the year?

Answer

We believe there is no substitute for meeting companies at their headquarters, where we often gain additional insights not only from meeting senior management but also from speaking with different division heads or seeing a company's assets first-hand. Travel is therefore an important part of our investment process, and we have made several trips across emerging market countries this year, including to China, Taiwan, Korea and South Africa among other markets. Each of these trips has influenced the portfolio in some way or another.

Our trip to South Africa, for example, resulted in a new position in Capitec, a digital bank with robust earnings growth and scope to further increase revenue from its large, growing user base. Our meeting with the firm's Head of Technology highlighted its continued investment in fraud prevention and the strength of its technology platform. Visiting individual branches also helped build conviction in Capitec's branch expansion strategy, with biometric verification helping it operate branches more efficiently.

Similarly, our trip to Taiwan resulted in a new position in Unimicron, the world's largest manufacturer of ABF substrate, a specialist material used in electronics. Our one-to-one meeting with management gave us greater conviction in the AI-driven substrate upcycle, supported by insights into the differentiated nature of the current growth cycle, driven primarily by AI and high-performance computing infrastructure, relative to less durable cycles we have seen in the past, which have historically been driven by broad consumer electronics demand.

Question

How have you positioned the portfolio to benefit from the global investment cycle in artificial intelligence?

Answer

AI is one of the key investment themes in the emerging market opportunity set at the moment, and we have positioned the portfolio to gain exposure to AI investment via several direct beneficiaries, including hardware and memory chip producers. Within memory chip producers, the portfolio has exposure to Korean producers SK Hynix and Samsung Electronics (as well as their holding companies SK Square and Samsung C&T) - investment in AI and rising use of AI applications are driving strong memory chip demand, which continues to outpace supply, whilst barriers to entry remain high. Although today's exceptionally high earnings are unlikely to be sustained indefinitely, the commoditisation of memory and the shift towards longer term contracts with pricing floors and ceilings means the sector is becoming less cyclical than we have seen historically, with significant visibility over pricing for the next few years.

The portfolio also has exposure to Taiwanese hardware companies in the AI supply chain, where there are many high-quality businesses operating in monopolistic market positions and delivering strong revenue growth at more attractive valuations than their US peers. One example is Accton, a manufacturer of switches used to direct data traffic between chips in datacentre racks, which benefits from stronger returns on assets and margins than its US-listed counterpart Celestica, but trades at a significant discount.

The portfolio is also well-positioned to benefit as AI adoption broadens beyond the initial infrastructure buildout, with exposure to potential beneficiaries such as Chinese internet platform Tencent, whose broad distribution network should support the rollout of AI tools to customers at relatively low cost. Conversely, we are cognisant of the potential 'AI losers' within the market, with scope to benefit from these companies via short positions. For example, the Company is short several Asian IT services companies, whose business models rely on lower labour costs and could face disruption from AI.

Portfolio Managers' Review continued

Question

In which countries or sectors do you see the most compelling opportunities that are not yet fully appreciated by the market?

Answer

There are several markets which offer significant value in EM. Indonesia is one example – political uncertainty and the threat of an MSCI Indices downgrade from emerging market to frontier-market status have driven a broad fall in valuations, leaving high-quality consumer businesses trading on historically low valuations. One name we hold is Alfamart, a mid-cap grocery retailer operating in a duopoly, with a long runway for growth given Indonesia's low level of formal retail penetration.

We also see opportunity in Brazil. Political uncertainty and weak fiscal discipline have driven a reduction in valuations, leaving attractive stock picking opportunities among high-quality, well-managed businesses, particularly within the mid-cap space. With elections in October, the balance of potential risk and reward looks attractive, with limited downside given low valuations.

At the sector level, there is value to be found in financials, especially in smaller emerging market and frontier markets, which are often too small to attract meaningful competition. An example is mid-cap TBC Bank, a well-capitalised Georgian bank operating in a duopoly, which trades on a mid-single digit earnings multiple despite consistently attractive levels of profitability.

Question

What has been the most important lesson from the year, and how has it strengthened the portfolio?

Answer

Market volatility over the year has reinforced our long-standing conviction in the importance of a disciplined approach to portfolio construction. We assign a target price to every stock in the portfolio, with the potential return to that target helping us assess risk-reward and inform position sizing, among other inputs. This framework guided portfolio decisions throughout the year. We added to high-conviction Korean and Taiwanese technology holdings during periods of indiscriminate weakness, where the potential return to our target prices increased, while trimming select materials and technology names after strong performance brought them closer to our assessment of fair value. This discipline supported portfolio performance, allowing us to use a particularly volatile period opportunistically and ensure capital was continually reallocated towards the most attractive ideas.

We have also made continued thoughtful use of index hedging to manage overall portfolio risk. While the opportunity set among individual stocks remains rich, we have been mindful of the residual market, country and sector exposures created by our stock selection. As a result, while shareholders may see meaningful gross positions in areas such as technology, index hedges can materially reduce the portfolio's effective exposure and associated risk. Alongside active profit-taking as positions perform, this means the underlying risk can be lower than headline long-book exposures might suggest.

Question

Why should investors consider allocating to emerging markets today?

Answer

There are several fundamental reasons why emerging markets look well-placed today. Emerging markets sit at the centre of several powerful structural trends: Taiwan and Korea are critical to the global AI hardware supply chain; high tech Chinese industrial companies are driving innovation in areas such as batteries and power equipment; and the commodity backdrop remains constructive, with higher metal prices supporting commodity exporting countries across Latin America and Africa. The macroeconomic backdrop also looks robust, with many emerging market countries benefitting from stronger fiscal positions relative to developed markets. Despite these tailwinds, valuations remain compelling – much of the recent rally in markets has reflected higher company earnings expectations rather than rising valuation multiples, leaving the market still trading at approximately a 40% discount to developed markets.

In addition, the market is highly bifurcated – we have seen valuations decrease in the cheapest markets, such as Brazil and Indonesia, whilst tech-heavy markets such as Taiwan have become more expensive. Similarly, whilst many pockets of the market stand to benefit from structural and cyclical trends, there are also several more challenged areas, from Asian IT services to Chinese banks. This dispersion creates a fertile ground for stock picking, with significant scope to add value through both long and short positions.

That said, emerging markets are not without their risks, as illustrated by the recent geopolitical tensions in the Middle East. However, with a supportive macroeconomic backdrop and several key drivers supporting earnings growth, we think the case for investing in emerging markets today is particularly compelling.

Nick Price

Chris Tennant

Portfolio Managers
5 October 2026

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:

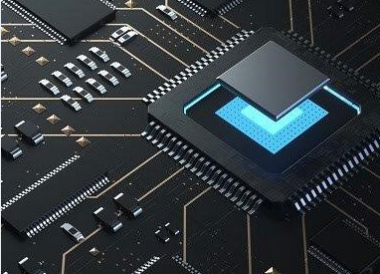
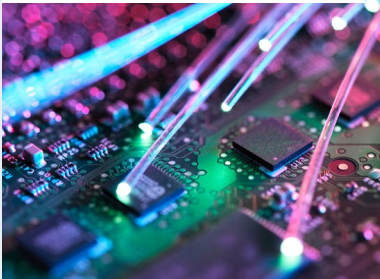
- **Quality** – high quality, well capitalised companies capable of achieving superior returns on assets, and where strong free cash flow generation can be used to either self-fund future growth or pay dividends to shareholders.
- **Consistency of returns** – dominant companies that can maintain superior 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

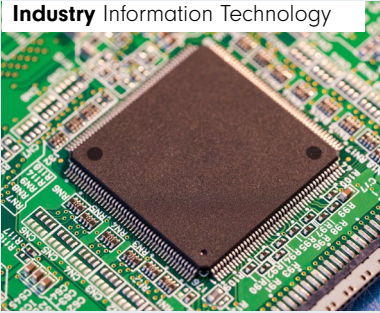
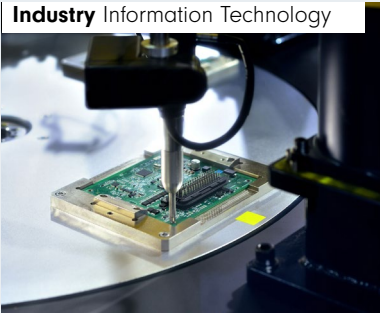
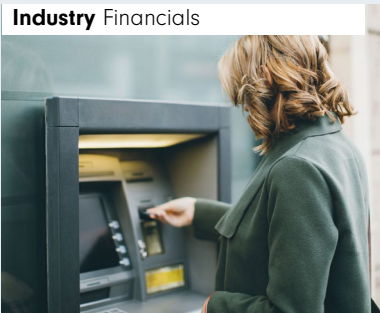
as at 30 June 2026

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 Assets 14.9% TSMC is a leading Taiwanese semiconductor manufacturer. Its advanced technology and manufacturing capabilities support a strong competitive position and attractive returns on capital.
Industry Information Technology 	Samsung Electronics % of Net Assets 10.6% Samsung Electronics is a diversified Korean technology company. It is one of the world's largest manufacturers of memory chips and also has significant presence in mobile phones, displays and consumer electronics.
Industry Information Technology 	SK Hynix % of Net Assets 7.5% SK Hynix is a leading Korean manufacturer of memory chips used in computers, smartphones and data centres, with a strong position in the advanced memory products required for artificial intelligence applications.
Industry Industrials 	SK Square % of Net Assets 4.9% SK Square is a Korean holding company, whose principal investment is a significant stake in SK Hynix, alongside interests in a range of other digital and technology companies.
Industry Consumer Discretionary 	Naspers % of Net Assets 2.9% Naspers is a South African holding company specialising in internet investments, including online classifieds, payments and financial technology, and food delivery. Its portfolio includes a significant investment in Chinese technology company Tencent.

Spotlight on Top 10 holdings continued

as at 30 June 2026

Industry Information Technology 	Elite Material % of Net Assets 2.9% Elite Material is a Taiwanese manufacturer of copper clad laminate, a specialist material used to make printed circuit boards. Its products are increasingly used for high performance computing and artificial intelligence servers.
Industry Information Technology 	Advanced Micro-Fabrication Equipment (AMEC) % of Net Assets 2.9% AMEC is a Chinese manufacturer of equipment used in the production of semiconductors. The company is positioned to benefit from increased investment in domestic semiconductor manufacturing in China.
Industry Industrials 	Contemporary Amperex Technology (CATL) % of Net Assets 2.8% CATL is a Chinese manufacturer of batteries for electric vehicles and energy storage systems. Its scale and leading-edge innovation have helped it establish a strong position in the global battery market.
Industry Financials 	OTP Bank % of Net Assets 2.6% OTP Bank is Hungary's largest bank and a major banking group across Central and Eastern Europe, providing a broad range of retail and corporate banking services.
Industry Financials 	Nu Holdings % of Net Assets 2.6% Nu Holdings is a Brazilian digital bank offering services including savings, payments, credit cards and personal loans. The company has grown its customer base rapidly while establishing a strong record of profitability.

Forty Largest Holdings

as at 30 June 2026

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
Exposures – shares unless otherwise stated			
Taiwan Semiconductor Manufacturing (shares, options and long CFDs)			
Information Technology	128,777	14.9	113,131
Samsung Electronics (shares and long CFDs)			
Information Technology	91,638	10.6	9,790
SK Hynix (shares and options)			
Information Technology	64,582	7.5	66,012
SK Square			
Industrials	42,702	4.9	42,702
Naspers (long CFDs)			
Consumer Discretionary	25,456	2.9	5
Elite Material (long CFDs)			
Information Technology	25,187	2.9	1,187
Advanced Micro-Fabrication Equipment (shares and long CFDs)			
Information Technology	24,947	2.9	14,977
Contemporary Amperex Technology			
Industrials	24,195	2.8	24,195
OTP Bank			
Financials	22,221	2.6	22,221
Nu Holdings (options and long CFDs)			
Financials	22,029	2.6	1,231
TBC Bank Group (long CFDs)			
Financials	21,254	2.5	472
Sieyuan Electric			
Industrials	21,131	2.5	21,131
Samsung C&T			
Industrials	20,038	2.3	20,038
Wiwynn (shares and long CFDs)			
Information Technology	19,911	2.3	5,656
Accton Technology (long CFDs)			
Information Technology	19,658	2.3	1,601
Lotes (long CFDs)			
Information Technology	19,142	2.2	(482)
Orizon Valorizacao de Residuos			
Industrials	18,651	2.2	18,651
Kaspi.kz (options and long CFDs)			
Financials	18,251	2.1	1,117
Torex Gold Resources (long CFDs)			
Materials	17,663	2.0	(307)
Unimicron Technology			
Information Technology	17,567	2.0	17,567
Aura Minerals (shares and long CFDs)			
Materials	17,404	2.0	2,177

Forty Largest Holdings continued

as at 30 June 2026

	Asset Exposure \$'000	% ¹	Fair value \$'000
Tencent Holdings (long CFDs) Communication Services	17,198	2.0	40
MediaTek Information Technology	16,790	2.0	16,790
Astor Transformator Enerji Turizm Insaat ve Petrol Sanayi Ticaret Industrials	16,728	1.9	16,728
Aris Mining (long CFDs) Materials	16,574	1.9	(1,158)
Asia Vital Components (long CFDs) Information Technology	16,216	1.9	650
Auto Partner Consumer Discretionary	14,974	1.7	14,974
Guaranty Trust Holding Financials	14,096	1.6	14,096
Montage Technology (shares and long CFDs) Information Technology	13,717	1.6	5,519
Banco BTG Pactual Financials	13,439	1.6	13,439
Itausa Financials	12,851	1.5	12,851
ASPEED Technology (long CFDs) Information Technology	12,408	1.4	(949)
Techtronic Industries (long CFDs) Industrials	12,300	1.4	761
Grand Process Technology (long CFDs) Information Technology	11,720	1.4	964
Grupo Mexico (long CFDs) Materials	11,290	1.3	(456)
First Quantum Minerals (shares and long CFDs) Materials	11,282	1.3	1,218
ASML Holding (options) Information Technology	10,974	1.3	2,674
ASE Technology Holding (shares and long CFDs) Information Technology	10,651	1.2	2,058
Minsur Materials	10,648	1.2	10,648
Global Standard Technology Information Technology	10,119	1.2	10,119
Forty largest exposures	936,379	108.4	504,038
Other exposures	648,451	75.0	277,977
Total exposures before index positions and index hedging	1,584,830	183.4	782,015

Forty Largest Holdings continued

as at 30 June 2026

	Asset Exposure \$'000	% ¹	Fair value \$'000
Add: index positions			
FTSE Taiwan Index (future)	6,954	0.8	67
Less: index hedging			
MSCI Emerging Markets Index (future)	(205,692)	(23.8)	4,182
Total exposure after the netting of index positions and index hedging	1,386,092	160.4	786,264
Forward currency contracts			188
Gross Asset Exposure²	1,386,092	160.4	
Portfolio Fair Value³			786,452
Net current assets (excluding derivative assets and liabilities)			77,551
Total Net Assets			864,003

1 Asset Exposure (as defined in the Glossary of Terms on page 87) expressed as a percentage of Net Assets.

2 Gross Asset Exposure (as defined in the Glossary on page 88) comprises market exposure to investments of \$767,445,000 (per Note 10 on page 60) plus market exposure to derivatives instruments of \$618,647,000 (as per Note 11 on page 62).

3 Portfolio Fair Value comprises investments of \$767,445,000 plus derivative assets of \$41,149,000 less derivative liabilities of \$22,142,000. (per the Statement of Financial Position on page 49).

Distribution of the Portfolio

as at 30 June 2026

Sector	Asset Exposure % ¹	Benchmark Index %
Information Technology	71.3	45.3
Industrials	28.3	6.7
Materials	27.0	5.4
Financials	26.9	18.4
Consumer Discretionary	14.2	7.2
Consumer Staples	5.9	2.6
Communication Services	3.2	6.0
Energy	2.3	3.1
Health Care	1.5	2.4
Real Estate	1.2	1.0
Investment Funds	0.9	-
Utilities	0.7	1.9
Others (index positions)	0.8	-
Total excluding index hedging	184.2	100.0
Index hedging	(23.8)	-
Total including index hedging	160.4	100.0

1 Asset Exposure expressed as a percentage of Net Assets.

Distribution of the Portfolio continued

as at 30 June 2026

Country	Asset Exposure % ¹	Benchmark Index %
Taiwan	44.4	27.3
South Korea	34.5	23.7
China	22.0	19.0
Brazil	12.3	3.8
India	9.4	11.1
South Africa	7.3	2.9
United States of America	7.3	-
Canada	5.1	-
Kazakhstan	3.8	-
Turkiye	3.2	0.4
Peru	3.0	0.4
Poland	2.9	1.0
Mexico	2.9	1.7
Indonesia	2.6	0.4
Hungary	2.6	0.3
Hong Kong	2.5	-
Georgia	2.5	-
Colombia	1.9	0.1
Nigeria	1.6	-
Netherlands	1.5	-
Zambia	1.3	-
Vietnam	1.3	-
Panama	1.0	-
Greece	0.9	0.5
Austria	0.9	-
Thailand	0.8	1.0
Ivory Coast	0.6	-
Cyprus	0.6	-
Virgin Islands, British	0.5	-
Argentina	0.5	-
Germany	0.5	-
Saudi Arabia	0.4	2.4
Chile	0.3	0.4
Cameroon	0.2	-
Congo, the Democratic Republic of the	0.2	-
Philippines	0.2	0.3
Romania	0.2	-
Australia	0.2	-
United Kingdom	0.2	-
Norway	0.1	-
Russia	-	-
Others	-	3.3
Total excluding index hedging	184.2	100.0
Index hedging	(23.8)	-
Total including index hedging	160.4	100.0

¹ Asset Exposure expressed as a percentage of Net Assets.

Attribution Analysis

as at 30 June 2026

Ten Highest Contributors to NAV relative return	%
SK Square	+7.4
Elite Material	+6.4
Pan African Resources	+4.4
Sieyuan Electric	+2.1
Tencent Holdings	+2.1
Aura Minerals	+2.0
Advanced Micro-Fabrication Equipment	+2.0
Accton Technology	+1.8
Alibaba Group	+1.7
Endeavour Mining	+1.6

Ten Highest Detractors from NAV relative return	%
Naspers	(6.0)
Short Position	(2.2)
Five Star Business Finance	(2.1)
TBC Bank Group	(1.9)
Tencent Music Entertainment	(1.5)
Short Position	(1.4)
Full Truck Alliance	(1.4)
Kaspi	(1.4)
APT Medical	(1.2)
Short Position	(1.1)

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

Five Year Record

For the year ended 30 June	2026	2025	2024	2023	2022
Investment Performance					
Net asset value per Participating Preference Share total return ¹	+92.3%	+11.8%	+18.7%	-2.6%	-27.9%
Share Price total return ¹	+99.3%	+14.0%	+22.6%	-5.2%	-30.0%
MSCI Emerging Markets Index total return	+48.2%	+6.3%	+13.2%	-2.8%	-14.9%
Assets					
Gross asset exposure (\$m) ¹	1,386.1	1,235.3	1,177.3	1,185.0	1,120.1
Net assets (\$m)	864.0	771.6	753.4	796.7	796.8
Gross gearing (%) ¹	60.4	60.1	56.3	48.7	40.6
Net gearing (%) ¹	8.8	5.5	4.3	(3.9)	(7.6)
Net asset value per Participating Preference Share (\$)¹	21.94	11.99	10.09	8.75	8.75
Net asset value per Participating Preference Share (£)¹	16.53	8.75	7.98	6.88	7.20
Share Price data at year end					
Share price (£)	15.30	7.83	7.03	5.88	6.34
Discount (%)¹	7.4	10.5	11.9	14.6	12.0
Earnings and Dividends paid					
Revenue earnings per Participating Preference Share (\$)²	0.32	0.31	0.16	0.22	0.15
Capital earnings/(losses) per Participating Preference Share (\$)²	8.23	1.52	1.29	(0.06)	(5.11)
Total earnings/(losses) per Participating Preference Share (\$)²	8.55	1.83	1.45	0.16	(4.96)
Dividend per Participating Preference Share	\$0.33	\$0.26	\$0.20	\$0.19	\$0.16
Ongoing Charges (%)¹	0.87	0.83	0.81	0.81	0.60

1 Alternative Performance Measures. Please see page 79 and the Glossary of Terms on pages 87 to 89 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 8 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 ended 30 September 2026 had not exceeded the Benchmark Index, the Company would have been required to make a tender offer for up to 25% of the shares in issue (excluding shares held in treasury). As at 30 September 2026, the NAV total return for the five years ending 30 September 2026 was 82.7%. The Benchmark Index returned 55.7% over the same period. Therefore, the tender offer will not proceed.

A similar conditional tender offer will be put in place for the five years ending 30 June 2031 such that if the NAV total return for that period 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.

Life of the Company

The Company has committed to hold a continuation vote every five years. This allows shareholders the opportunity to decide on the long-term future of the Company. The next continuation vote will take place at this year's AGM on Tuesday, 1 December 2026 and the Board unanimously recommends that shareholders vote in favour of continuation. Please refer to the Notice of AGM on page 81 for further details.

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.

Strategic Report continued

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.

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.

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 Depository Receipts, American Depository Receipts, Global Depository Receipts and Equity Linked Notes. References to "companies" in this investment policy may include operating businesses that are not in corporate form.

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.

Strategic Report continued

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 (the 'Index').

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).

Strategic Report continued

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES, RISK MANAGEMENT

In accordance with provisions 33 and 34 of the AIC (Association of Investment Companies) 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 will implement the new requirement, under provision 34 of the AIC Code applicable for reporting periods from 1 January 2026, of a Board declaration on the effectiveness of material risk management and internal controls in the Company's next reporting year.

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 Manager also has responsibility for the day-to-day 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 UK corporate governance obligations.

EMERGING RISKS

The Audit and Risk Committee continues to identify emerging risks and will take any feasible action 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 reviewed by the Audit and Risk Committee.

Key emerging issues that the Audit and Risk Committee has identified include:

Climate Change – Globally, climate change (large scale shift in the planet's weather patterns and average temperatures) effects are already being experienced in the form of changing weather patterns. Extreme weather events can potentially impact the operations of investee and potential investee companies, their supply chains and their customers. Climate change continues to be an emerging risk. The Board notes that the Manager includes 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 to investment valuations and potentially affect shareholder returns.

Artificial Intelligence ("AI") – The Board, together with the Manager, is also monitoring the emerging risks posed by the rapid advancement of AI and how it may threaten the Company's activities and its potential impact on the portfolio and investee companies. AI can provide asset managers powerful tools, such as enhancing data analysis risk management, trading strategies, operational efficiency and client servicing, all of which can lead to better investment outcomes and more efficient operations. However, with these advances in computing power that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

Other emerging risks may continue to evolve from unforeseen geopolitical and economic events. There are currently several geopolitical factors including ongoing wars, international trade battles and protectionism that could mean greater stock market risks and heightened macro-economic changes such as inflation, interest rates, currency fluctuations, energy costs and an increased regulatory environment.

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.

Strategic Report continued

PRINCIPAL RISKS

The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives. The risks listed below and on pages 22 to 25 are considered by the Board to be the principal risks and uncertainties faced by the Company.

Principal Risks	Description and Impact	Mitigation
1. Geopolitical Risk Trend (from previous year): Increased	Political, socio-economic and cultural events, trends and developments may have an adverse effect on the value of the Company's investments and the Manager's ability to access markets freely. 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 economies, currencies and financial markets of a number of developing countries in which the Company invests may be extremely volatile. Emerging markets are less established, and tend to be more volatile, than developed markets. They are therefore more likely to experience risks that in developed markets are associated with unusual market conditions.	- The Board has oversight of the portfolio and regularly reviews the impact any material economic or market changes and has comfort that the portfolio is also sufficiently diversified by sector and number of holdings. - To manage the risks posed by adverse price fluctuations the Company's investments are geographically diversified and will continue to be so. Active concentrations (for example by country) are being closely monitored. - The exposure to any one company or group (other than an investment company, unit trust or mutual fund) is unlikely to exceed 5% of the Company's net assets at the time the investment is made. - According to the Investment Policy, "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".
2. Investment Performance and Gearing Trend (from previous year): Decreased	Risk of underperformance for a sustained period by the Portfolio Manager and lack of enough outperformance to offset the longer-term record. The Portfolio Manager may fail to use gearing effectively, 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. - The Portfolio Managers are supported by 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. - Under normal market conditions, the Company's Net Market Exposure is not expected to exceed the NAV by more than 10%, however in all other scenarios the Company's Net Market Exposure may not exceed the NAV by more than 20% whilst the Company's Gross Asset Exposure will not exceed the NAV by more than 65%
3. Competition Risks, Marketplace Threats Impacting Business Growth Trend (from previous year): Increased	Risks that external pressures impact the Company's ability to maintain and grow the business due to the rise of passive vehicles and ETFs, increasing demand for integrated digital/wealth solutions, and the gradual transition of an ageing shareholder base. Industry consolidation and structural change continue, driven by cost pressures and the need for scale. This trend has been reinforced by heightened shareholder activism, particularly in the UK.	- 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 the shareholder register.

Strategic Report continued

Principal Risks	Description and Impact	Mitigation
4. Changes in Legislation, Taxation or Regulation Trend (from previous year): Stable	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. Investment companies remain in scope of the FCA's Consumer Composite Investments (CCI) regime, which will replace PRIIPs. While this introduces changes to disclosure frameworks, the final rules emphasise flexibility, simplified communication and comparability of key metrics, allowing firms to tailor investor communications more effectively and reduce unnecessary complexity.	• 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.
5. Business Continuity & Crisis Management Trend (from previous year): Increased	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. In addition to the Manager, the Company relies on other third-party service providers, principally the Registrar, Custodian and Depositary who may be subject to business continuity and crisis management issues.	• 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 oversight by the Manager. Third-party service provider internal controls reports are received on an annual basis, and any concerns are investigated.
6. Operational Risk Trend (from previous year): Stable	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.
7. Cybercrime and Information Security Risks Trend (from previous year): Increased	Cybersecurity risk increased use of artificial intelligence (AI) and 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. The external threat environment has intensified, driven by AI enhanced ransomware, identity centric attacks, rapidly expanding supply chain compromise vectors, and rising nation state activity.	• 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 Fidelity's security measures, enhances its ability to adapt to evolving/emerging threats, and compliance with changing regulatory requirements. • The Company's other service providers also have cybersecurity 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.

Strategic Report continued

Principal Risks	Description and Impact	Mitigation
8. Level of Discount to Net Asset Value ("NAV") Trend (from previous year): Stable	The risk that the share price performance lags NAV performance. A discount in the price at which the Company's shares trade to NAV would mean that shareholders would be unable to realise the true underlying value of their investment. 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 investment strategy, investment performance and the marketing approach, given the influence of all these factors on the discount. 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. - The Company's share price, NAV and discount volatility are monitored daily by the Manager and the Company's Broker and considered by the Board on a regular basis. The demand for shares can be influenced through good performance and an active investor relations programme. - Discretionary repurchases of ordinary shares are made within guidelines set by the Board considering prevailing market conditions.
9. Key Person Risk Trend (from previous year): Stable	Loss of a Portfolio Manager or other key individuals could lead to potential performance and/or operational issues. There is also a risk that the Manager has inadequate succession plans for other key operational individuals.	- Fidelity has successions plans in place for Portfolio Managers with a designated PM and a Co-PM identified for the Company. - Depth of the team within Fidelity. - Experience of the analysts covering the Company's investments.
10. Lack of Market Liquidity Risk Trend (from previous year): Stable	Trading volumes on the stock exchanges of developing countries can be substantially lower than in the leading stock markets of the developed world and trading may even be temporarily suspended during certain periods. Liquidity can also be negatively impacted by temporary capital controls in certain markets. A lower level of liquidity can exaggerate the fluctuations in the value of investments. Country allocations may add liquidity challenges. Whilst country active exposures are a residual of stock picking approach used by the Portfolio Manager; country risk is heightened amid elevated geopolitical uncertainties which may impact liquidity risk profile of the Company.	- The Company is required to disclose its own Liquidity Risk Policy in the Annual Report. - At a Fidelity corporate level, the Manager as the AIFM manages liquidity for each fund in accordance with the Fund Investment Risk Policy, which incorporates Fund Liquidity Risk Management Framework. - The restrictions on concentration and the diversification requirements protect the overall value of the Company from the risks created by the lower level of liquidity in the markets in which the Company operate.

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 the 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.

Strategic Report continued

VIABILITY STATEMENT

In accordance with the 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 company 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 at the next AGM;
- 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 2026 (in absolute terms and versus the benchmark), the level of discount and informal conversations with shareholders. Formal feedback from shareholders on the continuation vote has been sought as part of the preparation of the 2026 financial statements. The Directors have not been informed by any shareholder that they will vote against continuation.

The Company's performance for the five year reporting period to 30 June 2026 outperformed the Benchmark Index, with a NAV total return of +79.2%, and a share price total return of +84.9% compared to the Benchmark Index total return of +47.5%.

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 37.

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.

Strategic Report continued

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 a regulatory information 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.
- **Dividend**
The decision to recommend a dividend of \$0.33 per Participating Preference Share in respect of the year ended 30 June 2026 (2025: \$0.26).

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 2026.

Gender Reporting

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions
Men	3	60%	2
Women	2	40%	1

Strategic Report continued

The Board's composition met the target of 40% of women on FTSE 350 company boards by the 2025 deadline 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, as can be seen from the table below.

Ethnic Background Reporting

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions
White British or other White (including minority white groups)	4	80%	3
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.

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 8.

On behalf of the Board

Heather Manners

Chairman

5 October 2026

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 Scottish Mortgage Investment Trust and Montanaro Asset Management and previously was a non-Executive Director of Aberdeen New Dawn and Collidr Asset Management. Heather began her career at Henderson Global Investors Limited where, latterly, she was Head of Asia and Emerging Markets.



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.

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 and director of ECOM Agroindustrial SA from 2024 till June 2026. He is Chairman of the Board of Banque Heritage SA in Geneva which specialises in Wealth Management and Family Office Services. 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 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 1989.

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., and 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. She 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 Annual Financial Report of the Company, covering the year ended 30 June 2026.

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 47 and 49 and the Notes to the Financial Statements on pages 51 to 78.

Results and Dividends

The profit for the year for the Company amounted to \$431,803,000, this compared to a profit of \$126,986,000 in the previous year. An explanation of the Company's performance is provided in the Portfolio Managers' Review on pages 5 to 8.

Corporate Governance

The Corporate Governance Statement forms part of this report and can be found on pages 33 to 37.

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	15,146,999	36.95%	18 May 2026
Lazard Asset Management LLC	4,189,137	10.01%	30 March 2026
Allspring Global Investment Holdings, LLC	4,099,940	9.93%	7 May 2026

On 21 October 2025 Saba Capital Management, L.P. notified the Company that it no longer had a notifiable interest in the Company's voting rights.

The following updates to notifiable interests in the Company's voting rights have been declared post the financial year-end:

Shareholder	Participating Preference Shares Held	% Shares held in Issue	Date of Notification
City of London Investment Management Company Limited	13,730,217	36.04	29 September 2026

As at 30 June 2026, the Board is aware of the following significant holdings in the Company:

Shareholders	Participating Preference Shares Held	% Shares in Issue
City of London Investment Management Company Limited	14,207,949	36.09
Lazard Asset Management LLC	4,833,904	12.28
Allspring Global Investment Holdings, LLC	3,694,175	9.38
Interactive Investor	2,322,006	5.90

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 2026, being 39,373,155.

In November 2025, the Company completed the repurchase of a large shareholding (16.4 million shares) from the Strathclyde Pension Fund, equivalent to roughly 25% of the shares in issue.

The Directors propose a dividend of \$0.33 per Participating Preference Share in respect of the year ended 30 June 2026 (2025: \$0.26). If approved by shareholders at the AGM on 1 December 2026, the dividend will be payable on 8 December 2026 to shareholders on the register at close of business on 13 November 2026. The ex-dividend date is 12 November 2026.

Capital Values

At 30 June 2026, the value of the Total equity was \$864,003,000 (2025: \$771,628,000) an increase of \$92,375,000 compared to 30 June 2025. The Net Asset Value per Participating Preference Share was \$21.94 (2025: \$11.99).

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

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 subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested. An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

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 29 September 2026, City of London Investment Management Company ("CoL") (the Company's largest shareholder) held 13,730,217 participating preference shares (being 36 per cent. of the Company's aggregate voting share capital as at 30 September 2026).

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 of shares pursuant to the general share buyback authority will not trigger an obligation for CoL under Rule 9 of the Code. If the Company utilised the entire general share buyback authority proposed to be renewed at the AGM, CoL will continue to 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.

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 AIC Code of Corporate Governance ('AIC Code'). The AIC Code addresses the Principles and Provisions set out in the 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 UK 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 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.

- 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.

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 a UK 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 86.

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 Tuesday, 1 December 2026 at 8:30 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:

Special Business – ordinary resolutions – requiring 50% of votes in favour

Continuation Vote – Resolution 11

The resolution deals with the continuation of the Company as an investment company for the period expiring at the end of the AGM of the Company to be held in 2031.

Authority for the Allotment of New Shares – Resolution 12

The resolution provides the Directors with a general authority to allot securities in the Company up to a maximum of 12,698,994 Participating Preference Shares which represents approximately 33.33% of the issued share capital of the Company (excluding Treasury Shares) at the latest practicable date of this report, and to impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury Shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. The Directors would not intend to use this power unless they considered that it was in the interests of shareholders to do so. Any shares issued would be at NAV per share or at a premium to NAV per share.

Special Business – special resolutions – requiring 75% of votes in favour

Authority to purchase own shares – Resolution 13

The Directors are seeking to renew the authority to purchase shares in the market of up to 38,100,793 Participating Preference Shares (respectively equivalent to 14.99 per cent. of the issued number of Participating Preference Shares (excluding shares held in treasury) 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 (excluding shares held in treasury) 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 2027 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.

Authority to Disapply Pre-emption Rights – Resolution 14

Resolution 14 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 3,810,079 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 14 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 14.

Changes to Articles of Association – Resolution 15

Resolution 15 is a special resolution regarding amendments to the Articles of Incorporation ("the Articles") by the Company.

Article 17 – Calculation of net asset value

The Board is proposing to amend article 17 relating to calculation of net asset values. The current articles include the full methodology for the calculation of the net asset value, and the Board is proposing to align with market practice and simplify the content. The updated article 17 confirms that the net asset value will be calculated in accordance with such valuation policies, methodologies and procedures as are approved by the Directors from time to time and where applicable the methodology shall be in accordance with applicable accounting standards and regulatory requirements. However, there is no current intention of changing the methodology for the calculation. The revised wording also allows use of the UK time zone for calculations (rather than being required to calculate the value as at close of business in Guernsey) for greater efficiency in calculating and releasing the net asset value to the market, and confirms the ability for the Directors to rely on a third-party appointed to perform the calculation.

Corporate Governance Statement continued

Definition – Valuation Day

The Board is also proposing to update the definition of “Valuation Day” to mean such day or days as the Directors may determine from time to time for the purpose of calculating the net asset value of the Company. In practice the Board has no plans to change its approach of announcing the net asset value daily.

A copy of the proposed amended Articles showing all the changes as against the current Articles of Association is available for inspection at <https://investment-trusts.fidelity.co.uk/fidelity-emerging-markets-limited/>, together with a copy of the current Articles of Incorporation and a ‘clean’ copy of the 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.

Authority to call General Meetings on 14 clear days’ notice – Resolution 16

Resolution 16 is a special resolution to provide the Company with authority to call general meetings (other than annual general meetings) on 14 clear days’ notice. The Directors believe that the flexibility provided by this resolution is beneficial to the Company when dealing with any matters that require the prompt consideration by shareholders

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 16, as set out in the Notice of Annual General Meeting.

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 29 and 30.

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.

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 review of the Board’s performance was conducted in February 2026 by Stephenson Executive Search Ltd. The next independent Board review is due to be conducted in 2029.

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 page 36.

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 2025 or 2026.

Discount/Premium to Net Asset Value

The Board reviews the level of the discount or premium between the 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	5/5	3/3 ⁽¹⁾	2/2
Dr Simon Colson	5/5	3/3	2/2
Torsten Koster	5/5	3/3	2/2
Mark Little	5/5	3/3	2/2
Katherine Tsang	5/5	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 2027 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 on 1 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 +44.1 percentage points this year and by 5.5 percentage points in both of the two preceding years. The share price outperformance versus the Index was 51.3 percentage points in year under review and share price outperformed the Index by 7.7 and 9.4 percentage points in the two preceding years. 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. There is a continuation vote scheduled to take place at the AGM, there are no indications from shareholders that they will vote against the continuation of the Company. 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 26.

Signed on behalf of the Board

Heather Manners

Chairman
5 October 2026

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 \$450,000 in the aggregate, exclusive of relevant expenses, in aggregate per annum. This was approved by shareholders at the AGM on 1 December 2025 and can only be amended by shareholder approval at a general meeting.

Directors' Remuneration

The annual fee structure with effect from 1 July 2026 is as follows: Chairman – £65,000 (2025: £60,000); Senior Independent Director – £45,000 (2025: £42,000); Audit and Risk Committee Chairman – £50,000 (2025: £45,000); and Director – £42,500 (2025: £40,000). 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 2026.

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.

Directors' Emoluments for the Year

The fees paid to each Director for the years ended 30 June 2026 and 2025 are shown in the table below with any year-on-year differences being explained:

	30 June 2026	30 June 2025
Heather Manners	£60,000	£52,000
Torsten Koster	£42,000	£39,500
Mark Little	£45,000	£39,500
Dr Simon Colson	£40,000	£37,500
Katherine Tsang	£40,000	£37,500
	£227,000	£206,000
US\$ equivalent	\$302,000	\$274,000

No additional fees or expenses were paid to Directors in respect of the financial year ended 30 June 2026.

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 2026 and 2025:

Director	30 June 2026	30 June 2025
Heather Manners	10,000	10,000
Torsten Koster	15,000	15,000
Mark Little ⁽¹⁾	4,009	2,850
Dr Simon Colson	4,416	4,416
Katherine Tsang ⁽²⁾	58,000	8,000

(1) 1,019 shares acquired on 8 October 2025. 140 shares acquired via the DRIP on 14 December 2025.

(2) 16,000 shares acquired on 16 March 2026, 16,000 shares acquired on 18 March 2026 and 18,000 shares acquired on 19 March 2026.

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 1 December 2025 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	%		
35,991,790	99.98	8,834	0.02	36,000,624	338

For and on behalf of the Board

Heather Manners

Chairman
5 October 2026

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 issued by the International Accounting Standards Board and adopted in the United Kingdom.

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 the 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 that 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
5 October 2026

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 2026.

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 2026, 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 52 to 54.	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 FIL Investment Services (UK) Limited the appointed Alternative Investment Fund Manager ("Manager") and J.P. Morgan Administration Services (Guernsey) Limited the appointed administrator ("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 Audit Limited ("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.

The Audit Quality Review Team of the FRC performed a review of the audit of the Company for the year ended 30 June 2025 for which there were no significant findings. In the opinion of the Committee, the outcome was satisfactory, which provides further comfort regarding KPMG's audit process.

Auditors Appointment and Tenure

KPMG was re-appointed as the Company's Auditor ("the Auditor") on 1 December 2025. 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 fourth 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 2026 were \$116,000 (2025: \$116,000). KPMG did not provide any non-audit services during the year (2025: 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 2026 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
5 October 2026

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 2026 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.

All the Directors, save for Katherine Tsang, are retiring in accordance with the AIC Code and will offer themselves for re-election. Katherine Tsang has indicated her intention to retire, and will not stand for re-election at the 2026 AGM. As each Director has maintained their effectiveness and commitment to the Company, the Board endorses them and recommends their re-election to shareholders.

Heather Manners

Chairman of the Nomination Committee
5 October 2026

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 2026, 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 2026, 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 2025):

Valuation of Investments at fair value through profit or loss, and derivatives assets and liabilities	The risk	Our response
Investments at fair value through profit or loss (excluding Investee funds): \$759,695,000; (2025: \$708,476,000)	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:
Derivative assets: \$41,149,000; (2025: \$15,006,000)	As at 30 June 2026, the Company had invested the equivalent of \$759,695,000 (2025: \$708,476,000) in listed equity securities, as well as \$41,149,000 (2025: \$15,006,000) in derivative assets and \$22,142,000 (2025: \$15,784,000) in derivative liabilities. These Investments, carried at fair value, are valued by the Company based on prices obtained from third party pricing providers.	Internal Controls: We evaluated the design and implementation of key controls over the valuation of Investments.
Derivative liabilities: \$22,142,000; (2025: \$15,784,000)		Use of KPMG Valuation Specialists: We engaged our KPMG valuation specialist to independently price the Investments to third party pricing sources.
Refer to the report of the Audit and Risk Committee on page 40, accounting policy note 2(b) and 2(r), 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.	Assessing disclosures: We also considered the Company's valuation policies adopted in note 2(b) and the Company's disclosures (see note 2(r)) 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.

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

Materiality for the financial statements as a whole was set at \$17.3m (2025: \$15.4m), determined with reference to a benchmark of net assets of \$864.0m, of which it represents approximately 2% (2025: 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% (2025: 75%) of materiality for the financial statements as a whole, which equates to \$12.9m (2025: \$11.5m). 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 continued

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding \$864k (2025: \$770k), 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 risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments; and
- The likelihood of the 2026 continuation vote passing.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk individually and collectively against the level of available financial resources indicated by the Company's financial forecasts. We also considered the risk that the outcome of the continuation vote due to take place at the Annual General Meeting in 2026 could affect the Company over the going concern period, by considering outcomes of previous continuation votes and considering key financial metrics including the Company's share price relative to its reported net asset value per share over the past 12 months.

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.

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

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.

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 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 26) 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 26) 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 26 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;

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

- 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.

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 39, 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

5 October 2026

Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	Year ended 30 June 2026			Year ended 30 June 2025		
		Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Revenue							
Investment income	3	18,866	-	18,866	22,941	-	22,941
Derivative income	3	25,347	-	25,347	26,855	-	26,855
Other income	3	963	-	963	631	-	631
Total income		45,176	-	45,176	50,427	-	50,427
Net gains on investments at fair value through profit or loss	10	-	381,517	381,517	-	80,979	80,979
Net gains on derivative instruments	11	-	41,644	41,644	-	32,226	32,226
Net foreign exchange losses		-	(3,242)	(3,242)	-	(1,475)	(1,475)
Total income and gains		45,176	419,919	465,095	50,427	111,730	162,157
Expenses							
Investment management fees	4	(934)	(3,734)	(4,668)	(863)	(3,451)	(4,314)
Other expenses	5	(2,206)	-	(2,206)	(1,644)	-	(1,644)
Profit before finance costs and taxation		42,036	416,185	458,221	47,920	108,279	156,199
Finance costs	6	(23,523)	-	(23,523)	(23,704)	-	(23,704)
Profit before taxation		18,513	416,185	434,698	24,216	108,279	132,495
Taxation	7	(2,110)	(785)	(2,895)	(2,347)	(3,162)	(5,509)
Profit after taxation for the year		16,403	415,400	431,803	21,869	105,117	126,986
Basic and diluted earnings per Participating Preference Share	8	\$0.32	\$8.23	\$8.55	\$0.31	\$1.52	\$1.83

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 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 2026

	Note	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Total equity at 30 June 2025		6,291	706,238	59,099	771,628
Profit after taxation for the year		-	415,400	16,403	431,803
Participating Preference Shares repurchased and cancelled	14	-	(132,253)	-	(132,253)
Participating Preference Shares repurchased and cancelled for Strathclyde Pension Fund	14	-	(193,927)	-	(193,927)
Buyback expenses	15	-	(910)	-	(910)
Dividend paid to shareholders	9	-	-	(12,338)	(12,338)
Total equity at 30 June 2026		6,291	794,548	63,164	864,003

	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

Statement of Financial Position

as at 30 June 2026

	Note	30 June 2026 \$'000	30 June 2025 \$'000
Non-current assets			
Investments at fair value through profit or loss	10	767,445	712,861
Current assets			
Derivative assets	11	41,149	15,006
Amounts held at futures clearing houses and brokers		42,884	52,521
Other receivables	12	14,333	9,504
Cash and cash equivalents		32,829	9,551
		131,195	86,582
Current liabilities			
Derivative liabilities	11	22,142	15,784
Other payables	13	12,488	12,031
Bank overdraft		7	-
		34,637	27,815
Net current assets		96,558	58,767
Net assets		864,003	771,628
Equity			
Share premium account	15	6,291	6,291
Capital reserve	15	794,548	706,238
Revenue reserve	15	63,164	59,099
Total equity		864,003	771,628
Net asset value per Participating Preference Share	16	\$21.94	\$11.99

The Financial Statements on pages 47 to 78 were approved by the Board of Directors of the Company on 5 October 2026 and signed on its behalf by:

Heather Manners
Chairman

Statement of Cash Flows

for the year ended 30 June 2026

	30 June 2026 \$'000	30 June 2025 \$'000
Operating activities		
Cash inflow from dividend income from investments	20,364	21,955
Cash inflow from interest income from investments, cash and collateral balances	963	633
Cash inflow from dividend income from derivatives	11,625	14,390
Cash inflow from interest income from derivatives	667	1,166
Cash outflow from taxation paid	(6,317)	(4,407)
Cash outflow from the purchase of investments	(922,863)	(746,980)
Cash inflow from the sale of investments	1,242,768	804,105
Cash inflow from net proceeds from settlement of derivatives	38,025	57,520
Cash inflow/(outflow) from amounts held at futures clearing houses and brokers	9,637	(7,569)
Cash outflow from operating expenses	(6,608)	(6,262)
Net cash inflow from operating activities	388,261	134,551
Financing activities		
Cash outflow from CFD interest paid	(21,129)	(19,611)
Cash outflow from short CFD dividends paid	(2,463)	(3,011)
Cash outflow from dividends paid to shareholders	(12,338)	(14,103)
Cash outflow from the repurchase of Participating Preference Shares into Treasury	(1,048)	(95,594)
Cash outflow from the repurchase and cancellation of Participating Preference Shares	(323,860)	-
Cash outflow from cancellation buyback expenses	(910)	-
Net cash outflow from financing activities	(361,748)	(132,319)
Net increase in cash and cash equivalents	26,513	2,232
Cash and cash equivalents at the start of the year	9,551	8,794
Effect of foreign exchange movements	(3,242)	(1,475)
Cash and cash equivalents at the end of the year	32,822	9,551
Represented by:		
Cash at bank	15,121	9,551
Amount held in Fidelity Institutional Liquidity Fund	17,708	-
Bank overdraft	(7)	-
	32,822	9,551

Notes to the Financial Statements

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 5 October 2026.

2. 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 also considered the continuation vote to be held at the Annual General Meeting on 1 December 2026 and expect that the resolution will be passed. This assumption is based on the Company's performance to 30 June 2026 (in absolute terms and versus the benchmark), the level of discount and informal conversations with shareholders. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. The Financial Statements do not include any adjustments that would arise if the continuation resolution is not passed and such adjustments may be material.

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 Statement of Financial Position 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. Accounting Policies continued

Adoption of new and revised International Accounting Standards – the accounting policies adopted are consistent with those of the previous financial year.

At the date of authorisation of these Financial Statements, the following new and amended IFRS Accounting Standards, as adopted by the European Union, were in issue but not yet effective:

- (i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

The International Accounting Standards Board (IASB) issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- (ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of comprehensive income.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of comprehensive income with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of comprehensive income;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is currently still assessing the effect of the forthcoming standard and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Company.

(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.

Notes to the Financial Statements continued

2. Accounting Policies continued

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.

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 below.

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 page 22, 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.

Notes to the Financial Statements continued

2. Accounting Policies continued

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 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.

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.

Notes to the Financial Statements continued

2. Accounting Policies continued

(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.

(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) Due To and Due From Brokers

Amounts due from/to brokers are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(k) 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.

(l) 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.

(m) 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.

Notes to the Financial Statements continued

2. Accounting Policies continued

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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 9,025,940 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.

Notes to the Financial Statements continued

3. Income

	Year ended 30 June 2026 \$'000	Year ended 30 June 2025 \$'000
Investment income		
UK dividends	1,366	619
Overseas dividends	17,500	22,320
Interest on securities	-	2
	18,866	22,941
Derivative income		
Dividend income on long CFDs	10,676	14,964
Interest income on CFDs	699	1,166
Option income	13,972	10,725
	25,347	26,855
Other income		
Interest income on cash, collateral and money market funds	947	631
Interest on capital gains tax refund	16	-
	963	631
Total income	45,176	50,427

Special dividends of \$93,000 (2025: \$3,230,000) have been recognised in capital.

4. Investment Management Fees

	Year ended 30 June 2026			Year ended 30 June 2025		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Investment management fees	934	3,734	4,668	863	3,451	4,314

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 an investment 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. Investment management fees have been allocated 80% to the capital reserve in accordance with the Company's accounting policies.

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

Notes to the Financial Statements continued

5. Other Expenses

	Year ended 30 June 2026 \$'000	Year ended 30 June 2025 \$'000
Allocated to revenue:		
Custodian fees	316	251
Directors' fees	307	264
Directors' expenses	131	30
Administration fees	223	216
Audit fees	116	116
Legal and professional fees	396	83
Marketing expenses	468	334
Other expenses	249	350
	2,206	1,644

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% (2025: 0.04%) per annum of the average Net Assets of the Company.

6. Finance Costs

	Year ended 30 June 2026			Year ended 30 June 2025		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Dividends on short CFDs	2,352	–	2,352	3,506	–	3,506
Interest on CFDs	21,171	–	21,171	20,198	–	20,198
	23,523	–	23,523	23,704	–	23,704

7. Taxation

	Year ended 30 June 2026			Year ended 30 June 2025		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Capital gains tax	–	785	785	–	3,162	3,162
Overseas taxation	2,110	–	2,110	2,347	–	2,347
	2,110	785	2,895	2,347	3,162	5,509

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 liable to pay a fixed annual fee, currently £1,600 (2025: £1,600).

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 2026, \$1,282,000 capital gains tax refund was recognised in the Statement of Financial Position (2025: \$2,140,000 capital gains tax provision).

Notes to the Financial Statements continued

8. Basic and diluted earnings per Participating Preference Share

	Year ended 30 June 2026	Year ended 30 June 2025
Revenue earnings per Participating Preference Share	\$0.32	\$0.31
Capital earnings per Participating Preference Share	\$8.23	\$1.52
Total earnings per Participating Preference Share (basic and diluted)	\$8.55	\$1.83

The basic and diluted 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	16,403	21,869
Capital profit after taxation for the year	415,400	105,117
Total profit after taxation for the year	431,803	126,986

	Number	Number
Weighted average number of Participating Preference Shares held outside of Treasury	50,507,081	69,485,764

9. Dividends Paid to Shareholders

	Year ended 30 June 2026 \$'000	Year ended 30 June 2025 \$'000
Dividend paid		
2025 final dividend of 26.0¢ (2024: 20.0¢) per Participating Preference Share	12,338	14,103
Total dividend paid	12,338	14,103
Dividend proposed		
2026 final dividend of 33.0¢ (2025: 26.0¢) per Participating Preference Share	12,993	16,729
Total dividend proposed	12,993	16,729

The Directors have proposed the payment of a final dividend for the year ended 30 June 2026 of 33.0¢ per Participating Preference Share, which is subject to approval by shareholders at the Annual General Meeting on 1 December 2026 and has not been included as a liability in these financial statements. The dividend will be paid on 8 December 2026 to shareholders on the register at the close of business on 13 November 2026 (ex-dividend date 12 November 2026).

Notes to the Financial Statements continued

10. Investments at Fair Value through Profit or Loss

	30 June 2026 \$'000	30 June 2025 \$'000
Investments		
Equity securities	759,695	708,476
Investee funds	7,750	4,385
Total investments	767,445	712,861
Opening book cost	654,401	695,828
Opening unrealised gains	58,460	925
Opening fair value of investments	712,861	696,753
Movements in the year		
Purchases at cost	921,043	740,453
Sales – proceeds	(1,247,976)	(805,324)
Gains on investments	381,517	80,979
Closing fair value	767,445	712,861
Closing book cost	586,286	654,401
Closing unrealised gains	181,159	58,460
Closing fair value of investments	767,445	712,861

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

	Year ended 30 June 2026 \$'000	Year ended 30 June 2025 \$'000
Realised gains/(losses) on investments		
Realised gains	333,101	103,003
Realised losses	(74,283)	(79,559)
Net realised gains on investments	258,818	23,444
Change in unrealised gains/(losses) on investments¹		
Change in unrealised gains on investments	324,822	31,166
Change in unrealised losses on investments	(202,123)	26,369
Net change in unrealised gains on investments	122,699	57,535
Net gains on investments	381,517	80,979

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 \$1,247,976,000 (2025: \$805,324,000) from investments at fair value sold in the year. The book cost of these investments at fair value when they were purchased was \$989,158,000 (2025: \$781,880,000). 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 2026 \$'000	Year ended 30 June 2025 \$'000
Purchases transaction costs	955	930
Sales transaction costs	1,993	1,081
	2,948	2,011

Notes to the Financial Statements continued

11. Derivative Instruments

	Year ended 30 June 2026 \$'000	Year ended 30 June 2025 \$'000
Realised gains/(losses) on derivative instruments		
Gains on CFDs	484,341	194,933
Gains on futures contracts	14,121	30,630
Gains on options	15,135	17,153
Gains on forward currency contracts	2,315	1,881
Losses on CFDs	(376,594)	(146,864)
Losses on futures contracts	(95,233)	(31,875)
Losses on options	(20,564)	(20,472)
Losses on forward currency contracts	(403)	(2,539)
Net realised gains on derivative instruments	23,118	42,847
Change in unrealised gains/(losses) on derivative instruments¹		
Change in unrealised gains on CFDs	20,224	(7,695)
Change in unrealised gains on futures contracts	4,691	74
Change in unrealised gains on options	972	(1,835)
Change in unrealised gains on forward currency contracts	118	(293)
Change in unrealised losses on CFDs	(9,934)	(2,452)
Change in unrealised losses on futures contracts	4,137	(2,248)
Change in unrealised losses on options	(1,682)	3,828
Net change in unrealised gains/(losses) on derivative instruments	18,526	(10,621)
Net gains on derivative instruments	41,644	32,226
	30 June 2026 Fair value \$'000	30 June 2025 Fair value \$'000
Fair value of derivative instruments recognised on the Statement of Financial Position²		
Derivative instrument assets	41,149	15,006
Derivative instrument liabilities	(22,142)	(15,784)
	19,007	(778)

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 2026		30 June 2025	
	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	5,554	572,585	2,037	433,157
Short CFDs	6,170	199,865	(603)	180,705
Long future contracts	67	6,954	(45)	16,965
Short future contracts	785	23,282	(942)	28,958
Short futures contracts (hedging exposure)	4,182	(205,692)	(2,808)	(160,910)
Long call option contracts	5,054	19,404	3,865	21,474
Short put option contracts	-	-	79	680
Short call option contracts (hedging exposure)	(1,367)	(10,413)	(827)	(10,949)
Long put option contracts	(1,626)	12,662	(1,605)	12,313
Forward currency contracts	188	-	71	-
	19,007	618,647	(778)	522,393

12. Other Receivables

	30 June 2026 \$'000	30 June 2025 \$'000
CFD interest receivable	32	-
CFD dividends receivable	1,286	2,235
Securities sold for future settlement	8,597	3,389
Amounts receivable on settlement of derivatives	1,085	1,632
Accrued income	668	2,166
Taxation recoverable	2,626	-
Other receivables	39	82
	14,333	9,504

13. Other Payables

	30 June 2026 \$'000	30 June 2025 \$'000
CFD interest payable	1,060	1,018
CFD dividends payable	1,000	1,111
Securities purchased for future settlement	4,266	6,086
Amounts payable on settlement of derivatives	1,655	9
Investment management fees	444	365
Custodian fees	47	45
Directors' fees	76	66
Amounts payable for repurchase of shares held in Treasury	-	1,048
Amounts payable for repurchase of shares for cancellation	2,320	-
Capital gains tax payable	1,344	2,140
Accrued expenses	276	143
	12,488	12,031

Notes to the Financial Statements continued

14. Share Capital

	2026 Number of shares	2025 Number of shares
Authorised and Issued		
Founder shares of no par value	1,000	1,000
Issued		
Participating Preference Shares held outside of Treasury		
Beginning of the year	64,342,245	74,646,287
Participating Preference Shares repurchased and cancelled	(8,527,914)	-
Participating Preference Shares repurchased and cancelled for Strathclyde Pension Fund	(16,441,177)	-
Participating Preference Shares repurchased into Treasury	-	(10,304,042)
End of the year	39,373,154	64,342,245
Participating Preference Shares held in Treasury¹		
Beginning of the year	13,225,940	2,921,898
Participating Preference Shares repurchased into Treasury	-	10,304,042
Participating Preference Shares cancelled from Treasury	(4,200,000)	-
End of the year	9,025,940	13,225,940
Total Participating Preference Shares	48,399,094	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 total costs associated with the repurchase of the shares of \$327,090,000 were charged to the capital reserve for the year ended 30 June 2026. (30 June 2025: \$94,701,000).

In November 2025, the Company completed the repurchase of 16,441,177 Participating Preference Shares from the Strathclyde Pension Fund, representing approximately 25.7% of the Company's voting share capital. The shares were repurchased at an agreed discount of 14% to NAV and subsequently cancelled. As the Company's share price discount to NAV at the time of completion was less than 10%, the transaction resulted in an immediate uplift of more than 4.5% in NAV per share for continuing shareholders.

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

Founder Shares

The Founder Shares are non-redeemable and carry no rights other than the right to vote at general meetings of the Company. On a poll, each holder is entitled to one vote. The Founder Shares are no par value shares.

Treasury Shares

As at 30 June 2026, the Company held 9,025,940 shares in Treasury (2025: 13,225,940).

Notes to the Financial Statements continued

14. Share Capital continued

Participating Preference Shares

The holders of Participating Preference Shares rank ahead of holders of any other class of share in issue in the event of winding up and are entitled to participate in any surplus assets available for distribution. The Participating Preference Shares confer the right to receive discretionary dividends declared by the Company and, at general meetings, on a poll, confer one vote in respect of each Participating Preference Share held.

The Participating Preference Shares are classified as equity as they represent a residual interest in the net assets of the Company and do not give rise to a contractual obligation on the Company to deliver cash or another financial asset. All classes of share capital are classified as equity in accordance with IAS 32 'Financial Instruments: Presentation', as the shares are non-redeemable and do not impose any contractual obligation on the Company to deliver cash or another financial asset to the holders.

15. Capital and Reserves

	Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total equity \$'000
At 1 July 2025	6,291	706,238	59,099	771,628
Net gains on investments at fair value through profit or loss (see Note 10)	–	381,517	–	381,517
Net gains on derivative instruments (see Note 11)	–	41,644	–	41,644
Net foreign exchange losses	–	(3,242)	–	(3,242)
Management fees (see Note 4)	–	(3,734)	–	(3,734)
Capital gains tax (see Note 7)	–	(785)	–	(785)
Participating Preference Shares repurchased and cancelled (see Note 14)	–	(132,253)	–	(132,253)
Participating Preference Shares repurchased and cancelled for Strathclyde Pension Fund (see Note 14)*	–	(193,927)	–	(193,927)
Buyback expenses	–	(910)	–	(910)
Revenue profit after taxation for the year	–	–	16,403	16,403
Dividends paid to shareholders (see Note 9)	–	–	(12,338)	(12,338)
At 30 June 2026	6,291	794,548	63,164	864,003

* In November 2025, the Company completed the repurchase of a large shareholding (16.4 million shares) from the Strathclyde Pension Fund, equivalent to roughly 25% of the shares in issue. These shares were bought back at an agreed 14% discount to NAV and subsequently cancelled. Given the share price discount to NAV at the time of the repurchase was less than 10%, the transaction led to an immediate uplift of more than 4.5% in the NAV per share for continuing shareholders, underlining the Company's commitment to a fair outcome for all its investors.

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 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

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 2026 includes unrealised investment holding gains of \$181,159,000 (2025: gains of \$58,460,000) 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 2026	30 June 2025
Net assets	\$864,003,000	\$771,628,000
Participating Preference Shares held outside of Treasury	39,373,154	64,342,245
Net asset value per Participating Preference Share	\$21.94	\$11.99

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 22 to 25.

This note, prepared in accordance with IFRS 7: Financial Instruments – Disclosures, describes the Company's exposure to financial instrument risks at the reporting date and the Company's related risk management objectives, policies and processes.

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; and
- Bank borrowings.

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. These policies are consistent with those followed last year.

Interest rate risk

The Company finances its operations through its capital and reserves. In addition, the Company has gearing through the use of derivative instruments. The level of gearing is reviewed by the Board and the Investment Manager. 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 amounts of the Company's financial instruments that are exposed to movements in interest rates are shown below:

	30 June 2026 \$'000	30 June 2025 \$'000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	567,031	431,120
Bank overdraft	7	–
	567,038	431,120
Exposure to financial instruments that earn interest		
Short CFDs – exposure plus fair value	206,035	180,102
Amounts held at futures clearing houses and brokers	42,884	52,521
Cash and cash equivalents	32,829	9,551
	281,748	242,174
Net exposure to financial instruments that bear interest	(285,290)	(188,946)

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 net profit after taxation for the year and decreased the net assets of the Company by \$2,853,000 (2025: decreased the net profit after taxation for the year and decreased the net assets of the Company by \$1,889,000). 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 and liabilities

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

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	2026 Total foreign currency risk \$'000
Brazilian real	54,710	–	220	54,930
Canadian dollar	18,086	32,684	27	50,797
Chinese yuan renminbi	67,366	–	–	67,366
Euro	14,167	4,698	443	19,308
Sterling	4,590	22,689	3,403	30,682
Hong Kong dollar	1,146	43,142	1,275	45,563
Hungarian forint	22,221	–	1,382	23,603
Indian rupee	55,059	(23,251)	23,507	55,315
Indonesian rupiah	22,466	–	(210)	22,256
Japanese yen	–	(17,465)	–	(17,465)
Korean won	187,525	(31)	2,798	190,292
Mexican peso	16,841	8,895	(10)	25,726
Nigerian naira	11,972	–	360	12,332
Sol	10,648	–	–	10,648
Philippine peso	1,950	–	–	1,950
Polish zloty	14,974	(10,097)	3,020	7,897
Romanian leu	1,681	–	(520)	1,161
Turkish lira	23,070	–	–	23,070
Taiwan dollar	179,134	–	402	179,536
United States dollar	19,531	79,564	40,983	140,078
Vietnamese dong	11,215	–	–	11,215
South African rand	29,093	34,222	(151)	63,164
Other currencies	–	(2,509)	622	(1,887)
	767,445	172,541	77,551	1,017,537

1. The asset exposure of long and short derivative positions is after the netting of hedging exposures and forward currency contracts.

2. Includes 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	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 zloty	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 and forward currency contracts.

2. Includes amounts held at futures clearing houses and brokers.

Foreign currency risk management

The sensitivity analysis below illustrates the estimated impact on net assets of a 5% movement in the US dollar against the basket of currencies to which the Company is exposed, with all other variables held constant. A weakening of the US dollar would increase net assets, while a strengthening of the US dollar would decrease net assets. The estimated impacts are presented in the table below.

The Investment Manager does not consider it meaningful to assess foreign currency risk in isolation. As the Company's net asset value is denominated in US dollars, the Investment Manager considers net asset value to be the most appropriate measure of the overall risk of the portfolio.

Impact on net assets (\$'000)	2026	2025
US dollar weakened by 5%	46,374	46,116
US dollar strengthened by 5%	(41,968)	(41,731)

Notes to the Financial Statements continued

17. Financial Instruments continued

Market price risk

Market price risk is the risk that value of the instrument will fluctuate 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 affecting all instruments traded in the market.

Market price risk management

Market price risk is managed by the Investment Manager through:

- (i) a disciplined stock selection and investment process; and
- (ii) limiting exposure to individual investments through diversification and the application of investment restrictions.

The Board reviews the composition and performance of the investment portfolio at its regular meetings. Details of the portfolio's country and sector exposures, and the Company's largest holdings, are set in the report and demonstrate the diversified nature of the portfolio.

The Investment Manager has identified the MSCI Emerging Markets Index total return as a relevant reference point for the markets in which the Company invests. The Company is managed on an active basis and not to track the performance of the MSCI Emerging Markets Index total return, or any other index or benchmark. The Company's performance is relative to the MSCI Emerging Markets Index total return and is presented in the Financial Highlights section.

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 undertakes due diligence when selecting and monitoring Investee Funds. Investee Funds in the portfolio are managed by the Investment Manager who is compensated by the respective Investee Funds for their services. Such compensation 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 the note below and included in 'Financial assets 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 these investments.

Total purchases in Investee Funds amounted \$nil (2025: \$nil). Total sales amounted to \$740,000 (2025: \$1,138,000). As at 30 June 2026 and 2025 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 the profit after taxation for the year and net assets to a 10% (2025: 10%) increase or decrease 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 values 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:

	2026		2025	
	10% increase in fair value \$'000	10% decrease in fair value \$'000	10% increase in fair value \$'000	10% decrease in fair value \$'000
Total profit after taxation for the year	76,745	(76,745)	71,286	(71,286)
Net assets	76,745	(76,745)	71,286	(71,286)

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 2026 \$'000	30 June 2025 \$'000
Amounts due within one month		
Securities purchased for future settlement	4,266	6,086
Amounts payable for repurchase of shares held in Treasury	-	1,048
Amounts payable for repurchase of shares for cancellation	2,320	-
Amounts payable on settlement of derivatives	1,655	9
Derivative liabilities ¹	19,627	10,773
Forward currency contracts	17,465	15,117
CFD interest payable	1,060	1,018
CFD dividends payable	1,000	1,111
Custodian fees	47	45
Investment management fees	444	365
Directors' fees	76	66
Bank overdraft	7	-
Accrued expenses	276	143
Amounts due within one year		
Derivative liabilities ¹	2,515	5,011
Capital gains tax payable	1,344	2,140
Total liabilities	52,102	42,932

1. Includes CFDs, options and future contracts.

Liquidity risk management

The restrictions on concentration and the diversification requirements detailed above referred to under market price risk also assist in mitigating liquidity risk by reducing exposure to individual investments and markets in which the Company operates.

The Company has no payables past their due dates as at 30 June 2026 (2025: 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 2026 (2025: 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 at 30 June is the carrying amount of the financial assets as set out below.

	30 June 2026 Amounts due within 1 year \$'000	30 June 2025 Amounts due within 1 year \$'000
Derivative assets ¹	40,961	14,935
Forward currency contracts	17,653	15,188
Securities sold for future settlement	8,597	3,389
Amounts receivable on settlement of derivatives	1,085	1,632
Amounts held at futures clearing houses and brokers	42,884	52,521
Cash and cash equivalents	32,829	9,551
CFD dividends receivable	1,286	2,235
CFD interest receivable	32	-
Taxation recoverable	2,626	-
Accrued income	668	2,166
Other receivables	39	82
	148,660	101,699

1. Includes CFDs, options and future contracts.

None of these assets are impaired or past due at the reporting date.

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.

Collateral

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 2026		30 June 2025	
	Collateral received \$'000	Collateral pledged \$'000	Collateral received \$'000	Collateral pledged \$'000
Bank of America Merrill Lynch International	-	-	-	410
Goldman Sachs International Ltd	7,450	-	4,890	-
J.P. Morgan Securities plc	-	2,170	-	970
Morgan Stanley & Co. International Ltd	9,650	-	-	640
HSBC Bank plc	-	160	380	-
UBS AG	-	40,554	430	50,501
	17,100	42,884	5,700	52,521

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 a Risk Management Process document. Derivative instruments are used by the Investment Manager 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 net profit after taxation for the year and increased the net assets of the Company by \$17,254,000 (2025: increased the net profit after taxation for the year and increased the net assets of the Company by \$10,074,000). 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:

	2026					
		Gross amount of recognised financial liabilities set off on the SoFP ¹	Net amount of financial assets presented on the SoFP ¹	Related amounts not set off on SoFP ¹		
Financial assets	Gross amount \$'000	\$'000	\$'000	Financial instruments \$'000	Margin account received as collateral \$'000	Net amount \$'000
CFDs	30,873	-	30,873	(17,855)	(9,650)	3,368
Options	5,054	-	5,054	(2,556)	-	2,498
Futures contracts	5,034	-	5,034	-	-	5,034
Forward currency contracts	17,653	(17,465)	188	-	-	188
	58,614	(17,465)	41,149	(20,411)	(9,650)	11,088

1. Statement of Financial Position

Notes to the Financial Statements continued

17. Financial Instruments continued

Financial liabilities	Gross amount \$'000	Gross amount of recognised financial assets set off on the SoFP ¹ \$'000	Net amount of financial liabilities presented on the SoFP ¹ \$'000	Related amounts not set off on SoFP ¹		2026
				Financial instruments \$'000	Margin account pledged as collateral \$'000	Net amount \$'000
CFDs	(19,149)	-	(19,149)	17,855	-	(1,294)
Options	(2,993)	-	(2,993)	2,556	-	(437)
Forward currency contracts	(17,465)	17,465	-	-	-	-
	(39,607)	17,465	(22,142)	20,411	-	(1,731)

Financial assets	Gross amount \$'000	Gross amount of recognised financial liabilities set off on the SoFP ¹ \$'000	Net amount of financial assets presented on the SoFP ¹ \$'000	Related amounts not set off on SoFP ¹		2025
				Financial instruments \$'000	Margin account received as collateral \$'000	Net amount \$'000
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

Financial liabilities	Gross amount \$'000	Gross amount of recognised financial assets set off on the SoFP ¹ \$'000	Net amount of financial liabilities presented on the SoFP ¹ \$'000	Related amounts not set off on SoFP ¹		2025
				Financial instruments \$'000	Margin account pledged as collateral \$'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)

1. Statement of Financial Position

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.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2026 Total \$'000
Financial assets at fair value through profit or loss				
Investments in equity securities	759,695	–	–	759,695
Investee funds	–	–	7,750	7,750
Derivative instrument assets – CFDs	–	30,873	–	30,873
Derivative instrument assets – forward currency contracts	–	188	–	188
Derivative instrument assets – futures contracts	5,034	–	–	5,034
Derivative instrument assets – options	5,021	33	–	5,054
	769,750	31,094	7,750	808,594
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities – CFDs	–	18,774	375	19,149
Derivative instrument liabilities – options	2,523	470	–	2,993
	2,523	19,244	375	22,142

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 forward currency contracts, over the counter option contracts and contracts for difference.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2025 Total \$'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 – CFDs	-	10,649	-	10,649
Derivative instrument assets – forward currency contracts	-	71	-	71
Derivative instrument assets – futures contracts	342	-	-	342
Derivative instrument assets – options	3,846	98	-	3,944
	712,664	10,818	4,385	727,867
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities – CFDs	-	9,215	-	9,215
Derivative instrument liabilities – futures contracts	4,137	-	-	4,137
Derivative instrument liabilities – options	1,802	630	-	2,432
	5,939	9,845	-	15,784

	30 June 2026 \$'000	30 June 2025 \$'000
Valuation basis for Level 3 Investment		
Net asset value	7,750	4,385
Intrinsic valuation approach for CFDs on restricted assets	(375)	-
	7,375	4,385

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 2026		30 June 2025	
	Level 3		Level 3	
	Non Derivatives \$'000	Derivatives \$'000	Non Derivatives \$'000	Derivatives \$'000
Movements in level 3 investments during the year				
Opening balance	4,385	-	5,363	-
Sales	(740)	-	(1,138)	-
Transfers to Level 1	-	-	(1,466)	-
Transfers from Level 2	-	(375)	-	-
Realised gains/(losses)	694	-	(7,589)	-
Net change in unrealised gains	3,411	-	9,215	-
Closing balance	7,750	(375)	4,385	-

Notes to the Financial Statements continued

17. Financial Instruments continued

The Company's holdings in non derivative Russian securities have been fair valued at \$nil as at 30 June 2026 (2025 : \$nil) as a result of trading being suspended on international stock exchanges. These non derivative Russian securities have an acquisition cost of \$90,933,000 as at 30 June 2026 (2025: \$90,933,000).

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.

Russian securities

The Company continues to hold investments in Russian securities, which are subject to market, liquidity and valuation uncertainties arising from restrictions affecting the Russian market.

The Company's exposure to Russian securities as at 30 June 2026 has remained unchanged from 30 June 2025. Details of the holdings are set out in the table below.

30 June 2026

Security name	Holdings	Cost \$'000	Fair value immediately prior to restrictions 28 February 2022 \$'000	Fair Value \$'000
Gazprom	10,398,354	51,236	9,899	-
Sberbank of Russia – preference shares	1,964,397	8,373	1,033	-
Sberbank of Russia – common stock	589,205	1,457	308	-
PhosAgro – common stock	266,417	9,530	16,312	-
PhosAgro – GDR	5,150	9,530	16	-
Novolipetsk Steel	1,990,470	5,704	7,663	-
United Company Rusal	4,519,809	5,103	1,126	-
		90,933	36,357	-

Capital Risk Management

The capital of the Company is represented by the equity attributable to holders of Participating Preference Shares. 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 achievement of its investment objective.

The Board monitors and reviews the Company's capital structure on an ongoing basis and seeks to maintain an appropriate balance between the interest of shareholders and the ability to achieve the Company's investment strategy.

Notes to the Financial Statements continued

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 19 to 28.

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

	30 June 2026			
	Gross gearing		Net gearing	
	Exposure \$'000	% ¹	Exposure \$'000	% ¹
Investments	767,445	88.8	767,445	88.8
Long CFDs	572,585	66.3	572,585	66.3
Long futures contract	6,954	0.8	6,954	0.8
Long call options	19,404	2.2	19,404	2.2
Long put options	12,662	1.5	12,662	1.5
Total long exposures before hedges	1,379,050	159.6	1,379,050	159.6
Less: Hedged futures contract exposures	(205,692)	(23.8)	(205,692)	(23.8)
Less: Hedged option exposures	(10,413)	(1.2)	(10,413)	(1.2)
Total long exposures after the netting of hedges²	1,162,945	134.6	1,162,945	134.6
Short CFDs	199,865	23.1	(199,865)	(23.1)
Short futures contract	23,282	2.7	(23,282)	(2.7)
Gross Asset Exposure/net exposure	1,386,092	160.4	939,798	108.8
Net Assets	864,003		864,003	
Gearing³		60.4%		8.8%

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

2. Hedges as defined within the Glossary on page 88.

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

	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 put options	21,474	2.8	21,474	2.8
Long call options	12,313	1.6	12,313	1.6
Total long exposures before hedges	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 hedges²	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	
Gearing³		60.1%		5.5%

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

2. Hedges as defined within the Glossary on page 88.

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

Notes to the Financial Statements continued

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 and Note 5. During the year, the Company had the following transactions payable to FIL:

	30 June 2026 \$'000	30 June 2025 \$'000
Investment management fees	4,668	4,314
Marketing services	468	334

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 2026 \$'000	30 June 2025 \$'000
Investment management fees	444	365
Marketing services	48	43

As at 30 June 2026, the Board consisted of five non-executive Directors (as shown on pages 29 and 30)) all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company.

The Directors' beneficial interests in the share capital of the Company and the annual fee structure from 1 July 2026 are shown on page 38.

The Directors received for the financial year fees totalling \$307,241, (2025: \$263,694). The breakdown of the fees and related party interests is shown in the Directors' Remuneration Report on page 38. 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 have considered the basis on which information is presented to them and have concluded that the Company is engaged in a single operating segment, being the management of a diversified portfolio of investments in emerging markets.

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

The financial positions and results from this segment are equivalent to those presented in the financial statements of the Company as internal reports are prepared on a basis consistent 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 16.

The Company is domiciled in Guernsey. All investment income is derived from investments in entities located outside Guernsey.

22. Subsequent events

No 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 2026 or on the financial performance and cash flows of the Company for the year ended on that date.

Alternative Performance Measures

The Company uses the following as Alternative Performance Measures which are all defined in the Glossary to the Annual Report on pages 87 to 89.

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 the difference between the NAV per Participating Preference Share of the Company and the share price and is expressed as a percentage of the NAV per Participating Preference Share. Details of the Company's discount are on the Financial Highlights page.

Gearing

See Note 18 on page 77 for details of the Company's gearing.

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

See the Statement of Financial Position on page 49 and Note 16 on page 65 for further details.

Ongoing charges ratio

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 2026	30 June 2025
Investment management fees (\$'000)	4,668	4,314
Other expenses (\$'000)	2,206	1,644
Ongoing charges (\$'000)	6,874	5,958
Average net assets (\$'000)	786,510	715,976
Ongoing charges ratio	0.87%	0.83%

Total Return Performance

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 2026 and 30 June 2025.

	Net asset value per share	Share price
2026		
30 June 2025	875.15p	783.00p
30 June 2026	1,653.34p	1,530.00p
Change in the year	+88.9%	+95.4%
Impact of dividend reinvestment	+3.4%	+3.9%
Total return for the year	+92.3%	+99.3%

	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%

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 2026 are detailed below.

Global Data

Amount of securities on loan

During the year ended 30 June 2026, 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 2026, 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)	(772)	(0.09%)	7,450	–
HSBC Bank plc (UK)	339	0.04%	–	160
J.P. Morgan Securities plc (UK)	2,058	0.24%	–	2,170
Morgan Stanley & Co International (UK)	10,621	1.23%	9,650	–
UBS AG (UK)	(522)	(0.06%)	–	–

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 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 Tuesday, 1 December 2026 at 8:30 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 BUSINESS

To be proposed as ordinary resolutions:

1. To receive the Report of the Directors and audited Financial Statements for the year ended 30 June 2026.
2. To approve the Directors' Remuneration Report for the year ended 30 June 2026.
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 \$0.33 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 2026.
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 elect Dr Shefaly Yogendra as a Director of the Company.

SPECIAL BUSINESS

Ordinary Resolutions

11. THAT the Company shall continue in being as an investment company for the period expiring at the end of the AGM of the Company to be held in 2031.
12. THAT the Directors be generally and unconditionally authorised to allot and issue, grant rights to subscribe for, or to convert securities into, up to 12,698,994 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 12 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:

13. 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 5,711,308 being 14.99% of the issued number of Participating Preference Shares

(excluding shares held in treasury) as at the latest practicable date prior to the date of publication of this document or, if lower, such number as is equal to 14.99% of the issued number of Participating Preference Shares (excluding shares held in treasury) 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 next 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.

14. 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) 3,810,079 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 14 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 14 has expired.

15. THAT with effect from the passing of this resolution, the draft amended Articles of Incorporation produced to the meeting and, for the purpose of identification, initialised 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.

16. THAT a general meeting (other than an annual general meeting) of the Company may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next annual general meeting 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 8:30 a.m. on 29 November 2026. 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 8:30 a.m. on 29 November 2026 (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
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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 19 to 28.

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 20 and 21.
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 19 to 28 and in Note 17 to the Financial Statements on pages 65 to 76.
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 2026, actual leverage was 2.18 for the Gross Method and 1.74 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 70.
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 on 6 June 1989 to Genesis Investment Management LLP ("GIML") or its nominees at a par value of US\$1 per share. The shares were subsequently redesignated as no par value shares. On 7 October 2021, all Founder Shares were transferred to FIL Investments International.

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).

PORTFOLIO MANAGERS

The Company's Portfolio Managers are Nick Price and Chris Tennant.

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

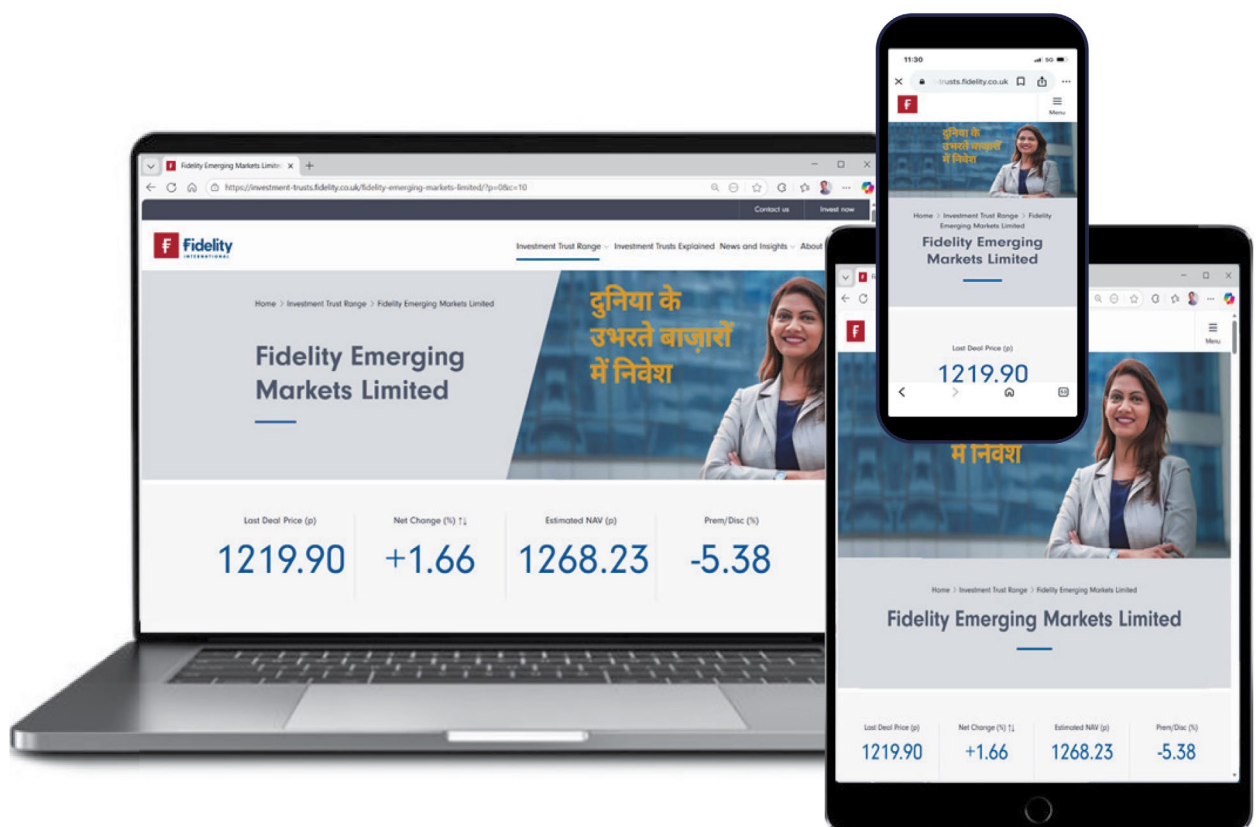
TOTAL ASSETS

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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