
FIDELITY EMERGING MARKETS LIMITED

Half Year Report for the six months ended
31 December 2024

We speak
the language
of opportunity
– wherever it
emerges



Ithuba
Elingavinjelwe



缺的
从来不是机会



दुनिया के
उभरते बाजारों
में निवेश

FIDELITY EMERGING MARKETS LIMITED

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

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

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

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



To find out more, visit [fidelity.co.uk/emergingmarkets](https://www.fidelity.co.uk/emergingmarkets), scan the QR code or speak to your adviser.



The latest annual reports, key information document (KID) and factsheets can be obtained from our website at www.fidelity.co.uk/its or by calling 0800 41 41 10. Fidelity, Fidelity International, the Fidelity International logo and F symbol are trademarks of FIL Limited. UKM0123/381013/SSO/0623

Contents



Chairman's Statement

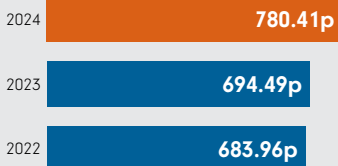
Read more on pages 06 to 08



Portfolio Managers' Half Year Review

Read more on pages 09 to 14

Net Asset Value per Share as at 31 December



Directors' Reports

Company Overview	02
At a Glance	03
Financial Highlights	04
Chairman's Statement	06
Portfolio Managers' Half Year Review	09
Spotlight on the Top 5 Holdings	15
Twenty Largest Investments	17
Interim Management Report	19

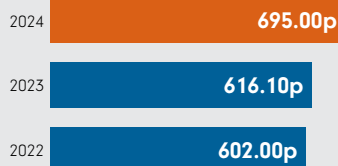
Financial Statements (unaudited)

Statement of Comprehensive Income	22
Statement of Changes in Equity	24
Statement of Financial Position	25
Statement of Cash Flows	26
Notes to the Financial Statements	27

Information for Shareholders

Additional Information	38
Glossary of Terms (including Alternative Performance Measures)	39

Share Price as at 31 December



Company Overview

Investment Objective

The investment objective of Fidelity Emerging Markets Limited (the 'Company') 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 Approach

Fidelity International believes 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, Fidelity International defines high-calibre companies as those that exhibit: quality, consistency of returns, and are available at a reasonable price.

Structure

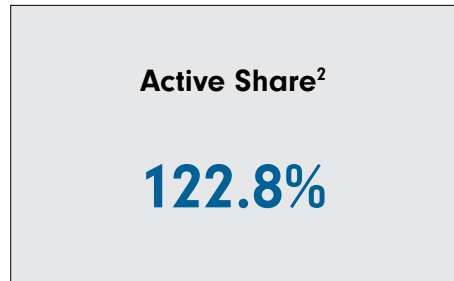
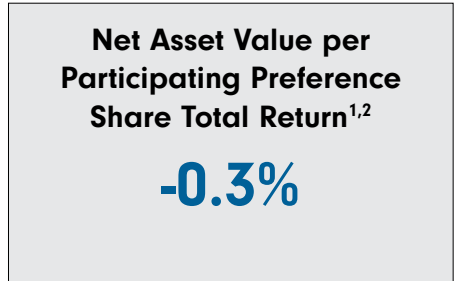
The Company is a Guernsey based Authorised Closed-Ended Investment Scheme with the ability to issue additional shares. The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority, traded on the London Stock Exchange and are included in the FTSE 250. The total number of Participating Preference Shares in issue is 77,568,185 which includes 8,233,483 shares held in treasury as at 31 December 2024 (30 June 2024: 77,568,185 with 2,921,898 shares held in treasury).

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'.

At a Glance

for the six months ended 31 December 2024 (Total Return in GBP)



Source: Fidelity.

1 Includes reinvested income.

2 Alternative Performance Measure – refer to Glossary of Terms on pages 39 to 43.

3 The Company’s Benchmark Index.

As at 31 December 2024

Equity Shareholders’ Funds

£541.1m

Market Capitalisation

£481.9m

Capital Structure

Number of Participating Preference Shares
in issue excluding held in Treasury

69,334,702

Summary of the key aspects of the Investment Policy

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

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

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

The Company may also invest in other transferable securities, investment companies, money market instruments, unlisted shares, cash and deposits. 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

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

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

2 Alternative Performance Measures. See Glossary of Terms on pages 39 to 43.

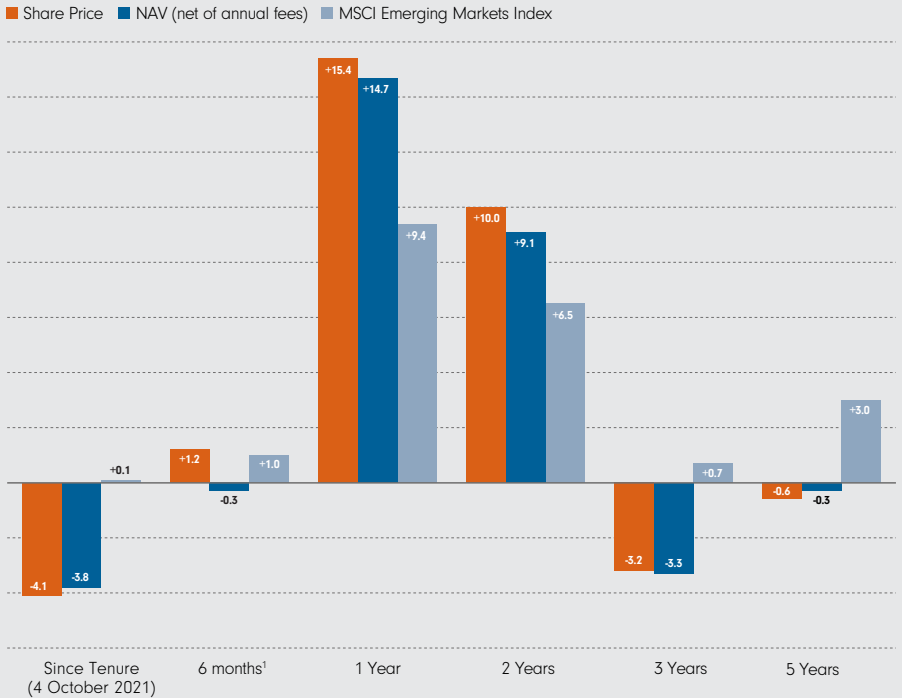
3 Gross Asset Exposure less Equity Shareholders' Funds expressed as a percentage of Equity Shareholders' Funds.

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 period.

Annualised Total Returns GBP to 31 December 2024 (%)



Source: JPMorgan and Datastream.

¹ Six months figure not annualised.

Chairman's Statement



Heather Manners, Chairman

I am pleased to present your Company's Half Year Report covering the six months ended 31 December 2024.

Overview

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

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

Against this backdrop, net asset value ('NAV') total return performance for the six months ended 31 December 2024 was marginally negative, at -0.3%. While this was slightly behind the +1.0% sterling return of the Company's benchmark, the MSCI Emerging Markets Total Return Index ('the Index'), the share price total return per Participating Preference Share again outperformed the Index, rising by 1.2%.

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

our three-year track record – an important yardstick for many investors – in the near future. Furthermore, while the last six months of 2024 saw broadly flat returns, the Company outperformed strongly for the full calendar year, with NAV and share price total returns of 14.7% and 15.4% respectively versus an Index total return of 9.4%.

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

Outlook

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

the domestic inflationary effects of President Trump's trade tariffs cause US interest rates to remain higher for longer. Meanwhile, there is considerable strength in EM companies' balance sheets, and many are returning capital to shareholders.

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

Chairman's Statement continued

Discount management

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

2024 AGM and final dividend

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

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

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

Heather Manners

Chairman

12 March 2025

Portfolio Managers' Half Year Review

MACROECONOMIC REVIEW

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

PORTFOLIO PERFORMANCE: SIX MONTHS TO 31 DECEMBER 2024

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

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

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

Source: Fidelity International, 31 December 2024.

Portfolio Managers' Half Year Review continued

Underweight exposure to mainland China detracted following stimulus announcement

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

Exposure to Brazil and Kazakhstan detracted

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

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

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

Stock picking in India was a key driver of performance

Stock picking in India in aggregate was the most notable driver of performance. The lead contributor was Indian online travel agent MakeMyTrip. The company has a dominant share of the Indian travel market, and with a market cap of only \$13bn, we expect can be 2-3 times the size it is today as it catches up with international peers. MakeMyTrip has a significant growth runway ahead of it over the next decade as the penetration of online travel and hotel spending increases. While valuations are relatively high, they are more

reasonable than that of consumer peers in India given its superior growth trajectory. Given the strong share price performance we took profit in the stock at year end. Several short positions in Indian businesses also contributed as overvalued small caps corrected at the end of the year.

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

Short book contributed to performance

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

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

PORTFOLIO POSITIONING AS OF 31 DECEMBER 2024

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

Regional positioning

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

Portfolio Managers' Half Year Review continued

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

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

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

While the portfolio has an underweight exposure to South Korea and Taiwan, we have core positions in semiconductor and memory names. The focus here has been diversifying the exposure beyond index heavyweight TSMC and adding smaller positions in Artificial Intelligence (AI) beneficiaries such as Elite Material, which has a dominant position in the copper-clad laminate used in the server industry, and ASIC design house Alchip, which

should benefit from increased investment in custom silicon. We see ample opportunities to take out short positions in technology stocks that have rallied on excitement around AI despite having little tangible revenue exposure to the theme. We also hold short positions in Asian battery makers suffering from oversupply.

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

In EMEA, South Africa is enjoying an improving economic backdrop and a market-friendly election outcome. The largest exposure is to Naspers, but we also hold financials like direct-to-consumer insurer Outsurance Group, which is replicating the success it has had locally in Australia, as well as FMCG business Tiger Brands, which is an attractive turnaround story. Turkey is a relatively new area of focus following its return to monetary orthodoxy, positions here include airport operator Tav and hard discount retailer Bim. Our work on scoping out the opportunity set in the Turkish

market is ongoing and we carried out a successful research trip to the country earlier this year. Central and eastern Europe continues to offer up interest value opportunities in the financials space – here we hold Greece’s Piraeus Financial and Hungary’s OTP Bank. We continue to explore opportunities in the Middle East market while remaining cognisant of valuations and liquidity. Recent additions include Emaar Development, a UAE property developer benefiting from higher expat demand, and which offers an attractive dividend yield. Given high retail ownership and extended valuations there are ample opportunities for shorting in the market.

Sector positioning

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

Financials remains another significant overweight. The exposure is not overly geared to any one interest-rate scenario given uncertainty surrounding the inflation outlook. The financials exposure can broadly be broken into three buckets. The first is to fintechs in Kazakhstan and Brazil which are growing their customer bases and taking market share. The second is to structural growth stories such as Indian private banks, which benefit from the same demographic drivers

as consumer companies, but without the lofty valuations. And finally, we see many value opportunities, particularly in central and eastern European markets such as Hungary, Georgia, and Greece.

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

OUTLOOK

Emerging markets are well placed

The backdrop for global inflation and interest rates is fundamental to the outlook for emerging markets. There are signs of a very strong US economy which may well sustain the dollar strength we experienced in 2024. An increase in tariffs will likely be inflationary, although the response from China and others will be key, with an RMB devaluation an offsetting deflationary force, for example. There are other factors at play, too. Artificial intelligence may start playing a deflationary role, while any resolution of the Ukraine war could see energy prices fall. Emerging markets are in general far better placed to deal with these higher rates

Portfolio Managers' Half Year Review continued

than Europe given the broadly better fiscal backdrop. Given that rates should remain more elevated than recent history, we continue to think that some form of value exposure (without compromising on quality) has a role to play in actively managed portfolios.

China is key

China is an important part of the puzzle. The extent to which we will see a rebound in 2025 or further malaise is not clear. We are watching closely the enduring impact of a property bubble and signs of price stabilisation.

Return of capital while patchy is improving, but we have lower visibility of cashflows than in developed markets. In addition, many industries in China have a deluge of overcapacity. Bond yields in China have collapsed as domestic investors put money in the bond market, and while this has yet to feed into negative performance for banks, this sector faces net-interest margin compression and, at some point, a very negative credit cycle. We have started to see developments around tariffs and are closely watching China's reaction, including the potential for further stimulus or currency devaluation. An escalation of geopolitical tensions is also possible.

Real-world impact of AI is being closely monitored

Elsewhere, dispersion is very broad, which offers the potential to unlock attractive shareholder returns. In Latin America, the market has derated significantly, obscuring the fact there are many attractive companies that are relatively insulated from higher interest rates and trade tensions, while the EMEA

region is home to some interesting value opportunities among financials and consumer stocks. Looking to Asia, we expect that demand for chip makers and memory plays in Taiwan and Korea will remain robust given the AI arms race is a battle no-one can afford to lose. We are closely watching too the potential real-world impact of AI, as technological progress drives innovation and creates opportunities for consumers of AI but also has the potential to render obsolete or severely impair existing business models.

Utilise full toolkit to reduce risk

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

Nick Price

Chris Tennant

Portfolio Managers

12 March 2025

Spotlight on the Top 5 Holdings

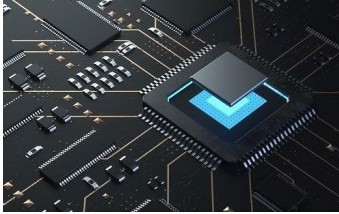
as at 31 December 2024

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

Industry: Information Technology
Country: Taiwan

Taiwan Semiconductor Manufacturing

% of Net Assets 10.8%



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

Industry: Financials
Country: India

Naspers

% of Net Assets 7.8%



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

Spotlight on the Top 5 Holdings continued

Industry: Consumer Discretionary

Country: India

MakeMyTrip

% of Net Assets

5.9%



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

Industry: Financials

Country: India

HDFC Bank

% of Net Assets

4.5%



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

Industry: Financials

Country: Kazakhstan

Kaspi.KZ

% of Net Assets

4.2%



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

Twenty Largest Investments

as at 31 December 2024

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

Long Exposures – shares unless otherwise stated	Asset Exposure		Fair value
	\$'000	% ¹	\$'000
Taiwan Semiconductor Manufacturing (shares, options and long CFD) Information Technology	73,486	10.8	61,500
Naspers (shares and long CFD) Consumer Discretionary	52,881	7.8	44,704
MakeMyTrip (option and long CFD) Consumer Discretionary	40,145	5.9	(768)
HDFC (shares and long CFD) Financials	30,760	4.5	24,421
Kaspi.KZ Financials	28,608	4.2	28,608
ICICI (shares and long CFD) Financials	25,821	3.8	2,826
Grupo Mexico (long CFD) Materials	20,219	3.0	(446)
Samsung Electronics (option and long CFD) Information Technology	20,161	3.0	(423)
Piraeus Financial Holdings Financials	20,009	3.0	20,009
Five-Star Business Finance Financials	18,663	2.8	18,663
Bank Central Asia Financials	18,202	2.7	18,202
TBC Bank Group (long CFD) Financials	16,283	2.4	(8)
FPT Information Technology	15,145	2.2	15,145
ANTA Sports Products (option and long CFD) Consumer Discretionary	14,395	2.1	(977)

Twenty Largest Investments continued

Long Exposures – shares unless otherwise stated	Asset Exposure		Fair value
	\$'000	% ¹	\$'000
Trip.com Group Consumer Discretionary	14,375	2.1	(683)
Inter Financials	14,168	2.1	14,168
Nu Holdings (option and long CFD) Financials	13,897	2.1	(687)
PPC Materials	13,863	2.0	13,863
Tencent (option and long CFD) Communication Services	13,548	2.0	(106)
Auto Partner Consumer Discretionary	13,298	2.0	13,298
Twenty largest long exposures	477,927	70.5	271,309
Other long exposures	517,508	76.4	350,823
Total long exposures before long futures and hedges	995,435	146.9	622,132
Add: long future contracts			
Hang Seng China Enterprises Index	23,611	3.5	209
Total long futures contracts	23,611	3.5	209
Less: hedging exposures			
MSCI Emerging Markets Index (future)	(140,077)	(20.7)	5,233
Total hedging exposures	(140,077)	(20.7)	5,233
Total long exposures after the netting of hedges	878,969	129.7	627,574
Add: short exposures			
Short CFDs (58 holdings)	159,307	23.5	1,954
Short futures (12 holdings)	31,800	4.7	1,465
Short options (2 holdings)	3,447	0.5	713
Total short exposures	194,554	28.7	4,132
Gross Asset Exposure²	1,073,523	158.4	
Forward currency contracts			629
Portfolio Fair Value³			632,335
Net current assets (excluding derivative assets and liabilities)			45,331
Total Net Assets			677,666

1 Asset Exposure (as defined in the Glossary of Terms on page 39) expressed as a percentage of Net Assets.

2 Gross Asset Exposure comprises market exposure to investments of \$632,011,000 plus market exposure to derivative instruments of \$441,512,000.

3 Portfolio Fair Value comprises investments of \$632,011,000 plus derivative assets of \$13,984,000 less derivative liabilities of \$13,660,000 (per the Statement of Financial Position on page 25).

Interim Management Report

Principal and Emerging Risks and Uncertainties, Risk Management

In accordance with the AIC Code, the Board has in place a robust process for identifying, evaluating and managing the principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity. The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company. The list of risks includes: volatility of emerging markets and market risk; investment performance risk; changing investor sentiment; cybercrime and information security risk; level of discount to net asset value risk; lack of market liquidity risk; business continuity and event management risk; gearing risk; foreign currency exposure risk; environmental, social and governance (ESG) risk and key person risk. Full details of these risks and how they are managed are set out on pages 22 to 24 of the Company's Annual Report for the year ended 30 June 2024 which is available on the Company's website at www.fidelity.co.uk/emergingmarkets. The Audit and Risk Committee continues to identify new emerging risks and take any necessary 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 considered by the Audit and Risk Committee. The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

The Manager also has responsibility for risk management for the Company. It works with the Board to identify and manage the principal

and emerging risks and uncertainties and to ensure that the Board can continue to meet its Corporate Governance obligations.

Key emerging issues that the Board has identified include; rising geopolitical tensions, including contagion of the Ukraine crisis or tensions between China and Taiwan into the wider region or an increase in tensions in the South China Sea; rising inflation and the so-called cost of living crisis impacting demand for UK-listed shares; and climate change, which is one of the most critical emerging issues confronting asset managers and their investors. Macro and ESG considerations, including climate change have been included into the Company's investment process. The Board continues to monitor these issues.

The Board seeks to ensure high standards of business conduct are adhered to by all of the Company's service providers and that agreed service levels are met. The Board is responsible for promoting the long-term success of the Company for the benefit of all stakeholders and in particular its shareholders. Although the majority of the day-to-day activities of the Company are delegated to the Manager, the Investment Manager, and other third-party service providers, the responsibilities of the Board are set out in the schedule of matters reserved for the Board and the relevant terms of reference of its committees, all of which are reviewed regularly by the Board.

Transactions with the Alternative Investment Fund Manager and Related Parties

The Alternative Investment Fund Manager ("AIFM") has delegated the Company's investment management to FIL Investments International. Transactions with the AIFM and related party transactions with the Directors are disclosed in Note 12 on page 37.

Interim Management Report continued

Going Concern

In accordance with provision 35 of the 2019 AIC Code of Corporate Governance, the Directors have assessed the prospects of the Company over a longer period than the twelve month period required by the "Going Concern" basis. The Company is an investment fund with the objective of achieving long-term capital growth by investing in emerging markets. 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.

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. In preparing the Financial Statements, the Directors have measured the impacts of the war in Ukraine and how the conflict has increased the risk for business continuity as well as the impact of climate change risks. The Board has considered the impact of regulatory changes and how this may affect the Company.

The Board has also assessed the ongoing risks posed on the Company by continued evolving variants of COVID such as liquidity risks to markets, risks associated with the maintenance of the current dividend policy and business continuity risks for the Company's key service providers. The Board continues to review emerging risks that could have a potential impact on the operational capability

of the Investment Manager and the Company's other key service providers. During the year under review, the Board received updates from Fidelity and other key service providers confirming that they continued to service the Company in line with service level agreements and have suitable and robust business continuity arrangements in place.

The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) 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 can continue in operational existence for a period of at least twelve months from the date of this Half Year Report.

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

Responsibility Statement

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and return of the Company;

Interim Management Report continued

- the Half Year Report includes a fair review of the development and performance of the Company and important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements;
- the Half Year Report includes a description of the principal risk and uncertainties for the remaining six months of the financial year; and
- the Half Year Report includes a fair review of the information concerning related party transactions.

The Half Year Report has not been audited or reviewed by the Company's Independent Auditor.

For and on behalf of the Board

Heather Manners

Chairman

12 March 2025

Statement of Comprehensive Income

for the six months ended 31 December 2024

	Note	Six months ended 31 December 2024 unaudited			Year ended 30 June 2024 audited			Six months ended 31 December 2023 unaudited		
		Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Revenue										
Investment income	4	10,127	-	10,127	19,284	-	19,284	9,449	-	9,449
Derivative income	4	15,830	-	15,830	19,711	-	19,711	7,656	-	7,656
Other income	4	361	-	361	1,252	-	1,252	596	-	596
Total Income		26,318	-	26,318	40,247	-	40,247	17,701	-	17,701
Net (losses)/gains on investments at fair value through profit or loss										
		-	(9,533)	(9,533)	-	81,553	81,553	-	39,483	39,483
Net (losses)/gains on derivative instruments										
		-	(14,304)	(14,304)	-	35,890	35,890	-	(15,667)	(15,667)
Net foreign exchange losses										
		-	(1,108)	(1,108)	-	(1,569)	(1,569)	-	(522)	(522)
Total income and gains/(losses)		26,318	(24,945)	1,373	40,247	115,874	156,121	17,701	23,294	40,995
Expenses										
Management fees	5	(447)	(1,789)	(2,236)	(935)	(3,741)	(4,676)	(469)	(1,875)	(2,344)
Other expenses		(828)	-	(828)	(1,631)	-	(1,631)	(860)	-	(860)
Profit/(loss) before finance costs and taxation		25,043	(26,734)	(1,691)	37,681	112,133	149,814	16,372	21,419	37,791
Finance costs	6	(11,672)	-	(11,672)	(21,566)	-	(21,566)	(10,201)	-	(10,201)
Profit/(loss) before taxation		13,371	(26,734)	(13,363)	16,115	112,133	128,248	6,171	21,419	27,590
Taxation		(1,095)	289	(806)	(2,060)	(123)	(2,183)	(1,022)	(270)	(1,292)
Profit/(loss) after taxation for the period attributable to Participating Preference Shares		12,276	(26,445)	(14,169)	14,055	112,010	126,065	5,149	21,149	26,298
Earnings/(loss) per Participating Preference Share (basic and diluted)	7	\$0.17	(\$0.37)	(\$0.20)	\$0.16	\$1.29	\$1.45	\$0.06	\$0.23	\$0.29

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

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

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

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

Statement of Changes in Equity

for the six months ended 31 December 2024

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

Statement of Financial Position

as at 31 December 2024

	Note	31 December 2024 unaudited \$'000	30 June 2024 audited \$'000	31 December 2023 unaudited \$'000
Non-current assets				
Financial assets at fair value through profit and loss	10	632,011	696,753	768,579
Current assets				
Derivative assets	10	13,984	25,399	12,766
Amounts held at futures clearing houses and brokers		44,876	44,952	28,400
Other receivables		2,007	8,083	1,989
Cash at bank		1,751	8,794	16,435
		62,618	87,228	59,590
Current liabilities				
Derivative liabilities	10	13,660	11,857	21,013
Other payables		3,303	18,678	6,256
		16,963	30,535	27,269
Net current assets		45,655	56,693	32,321
Net assets		677,666	753,446	800,900
Equity				
Share premium account		6,291	6,291	6,291
Capital reserve		621,869	695,822	752,182
Revenue reserve		49,506	51,333	42,427
Total Equity Shareholders' Funds		677,666	753,446	800,900
Net asset value per Participating Preference Share	11	\$9.77	\$10.09	\$8.85

Statement of Cash Flows

for the six months ended 31 December 2024

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

Notes to the Financial Statements

for the six months ended 31 December 2024

1. Principal Activity

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

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

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

2. Publication of Non-statutory Accounts

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

3. Accounting Policies

(i) Basis of Preparation

The interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the IFRS Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and the Companies (Guernsey) Law, 2008.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. In making their assessment the Directors have reviewed the income and expense projections, the liquidity of the investment portfolio, stress testing performed and considered the Company's ability to meet liabilities as they fall due. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Notes to the Financial Statements continued

4. Income

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

5. Management Fees

	Revenue \$'000	Capital \$'000	Total \$'000
Six months ended 31 December 2024 (unaudited)			
Management fees	447	1,789	2,236
Year ended 30 June 2024 (audited)			
Management fees	935	3,741	4,676
Six months ended 31 December 2023 (unaudited)			
Management fees	469	1,875	2,344

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

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

Notes to the Financial Statements continued

6. Finance Costs

	Revenue \$'000	Capital \$'000	Total \$'000
Six months ended 31 December 2024 (unaudited)			
Dividends paid on short CFDs	975	-	975
Interest paid on CFDs	10,697	-	10,697
	11,672	-	11,672
Year ended 30 June 2024 (audited)			
Dividends paid on short CFDs	3,081	-	3,081
Interest paid on CFDs	18,485	-	18,485
	21,566	-	21,566
Six months ended 31 December 2023 (unaudited)			
Dividends paid on short CFDs	1,517	-	1,517
Interest paid on CFDs	8,684	-	8,684
	10,201	-	10,201

7. Earnings/(Loss) per Participating Preference Share

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

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

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

	Six months ended 31 December 2024 Unaudited \$'000	Year ended 30 June 2024 audited \$'000	Six months ended 31 December 2023 unaudited \$'000
Revenue profit after taxation for the period	12,276	14,055	5,149
Capital (loss)/profit after taxation for the period	(26,445)	112,010	21,149
Total (loss)/profit after taxation for the period attributable to Participating Preference Shares	(14,169)	126,065	26,298

	Number	Number	Number
Weighted average number of Participating Preference Shares in issue	71,877,832	86,936,701	90,985,735

8. Dividend Paid to Shareholders

	Six months ended 31 December 2024 Unaudited \$'000	Year ended 30 June 2024 audited \$'000	Six months ended 31 December 2023 unaudited \$'000
Dividend Paid			
Dividend of 20 cents pence per ordinary share paid for the year ended 30 June 2024	14,103	-	-
Dividend of 19 cents pence per ordinary share paid for the year ended 30 June 2023	-	17,305	17,305

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

Notes to the Financial Statements continued

9. Share Capital

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

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

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

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

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

9. Share Capital continued

Founder Shares

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

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

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

10. Fair Value Hierarchy

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

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

Notes to the Financial Statements continued

10. Fair Value Hierarchy continued

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The table below sets out the Company's fair value hierarchy:

31 December 2024 (unaudited)	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Investments in equity securities	621,157	-	-	621,157
Equity linked notes	-	6,377	-	6,377
Investee funds	-	-	4,477	4,477
Derivative instrument assets - Futures contracts	7,257	-	-	7,257
Derivative instrument assets - Options	1,178	90	-	1,268
Derivative instrument assets - CFDs	-	4,830	-	4,830
Derivative instrument assets - forward currency contract	-	629	-	629
	629,592	11,926	4,477	645,995
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities - Futures contracts	351	-	-	351
Derivative instrument liabilities - Options	1,262	448	-	1,710
Derivative instrument liabilities - CFDs	-	11,599	-	11,599
	1,613	12,047	-	13,660

10. Fair Value Hierarchy continued

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

Notes to the Financial Statements continued

10. Fair Value Hierarchy continued

31 December 2023 (unaudited)	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Investments in equity securities	760,349	-	810	761,159
Equity linked notes	-	2,334	-	2,334
Investee funds	-	-	5,086	5,086
Derivative instrument assets – Futures contracts	429	-	-	429
Derivative instrument assets – CFDs	-	12,337	-	12,337
	760,778	14,671	5,896	781,345
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities – Futures contracts	6,791	-	-	6,791
Derivative instrument liabilities – Options	200	42	-	242
Derivative instrument liabilities – CFDs	-	13,980	-	13,980
	6,991	14,022	-	21,013

As the key input into the valuation of Level 3 investments is official valuation statements from the Investee Fund, we do not consider it appropriate to put forward a sensitivity analysis on the basis that insufficient value is likely to be derived by the end users of this report.

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

	31 December 2024 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Opening balance	5,363	6,115	6,115
Sales	(1,057)	(8,384)	(4,178)
Realised losses	(9,105)	(19,431)	(8,900)
Net change in unrealised gains	9,276	27,063	12,859
Closing balance	4,477	5,363	5,896

10. Fair Value Hierarchy continued

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

The Company’s policy is to recognise transfers in and transfers out at the end of each accounting year.

11. Net Asset Value per Participating Preference Share

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

12. Transactions with the Manager and Related Parties

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

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

At the date of this report, the Board consisted of five non-executive Directors (as shown on page 38) all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company.

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

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

Additional Information

Board of Directors

Heather Manners (Chairman)
Torsten Koster (Senior Independent Director)
Dr Simon Colson
Mark Little
Katherine Tsang

Registered Office

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

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
Channel Islands
*(Authorised and regulated by the Guernsey
Financial Service Commission)*

Registrar

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

Stockbrokers

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL
United Kingdom

Independent Auditor

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St. Peter Port
Guernsey GY1 1WR

Glossary of Terms

(including Alternative Performance Measures)

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 Channel Islands Limited, or such other auditor, as the Company may appoint from time to time.

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.

Glossary of Terms continued

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.

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 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

An agreement to buy or sell a currency, commodity or other asset at a specified future date and at a redetermined price.

FUTURE OR FUTURE CONTRACT

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

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.

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).

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).

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.

NET GEARING

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

Glossary of Terms 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. The change in the ongoing charges ratio for the reporting period is driven by the change of Manager from 4 October 2021. Under the terms of the Investment Management Agreement, the Manager has waived its entitlement to receive a Management Fee for a period of nine months from its date of appointment.

OPTIONS

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

PORTFOLIO

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

PREMIUM

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

REGISTRAR

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

RESERVES

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

SECRETARY

FIL Investments International.

SHARE PRICE TOTAL RETURN

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

SHARE PRICE

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

SHORT EXPOSURE

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

SIZE OF COMPANY (MARKET CAP)

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

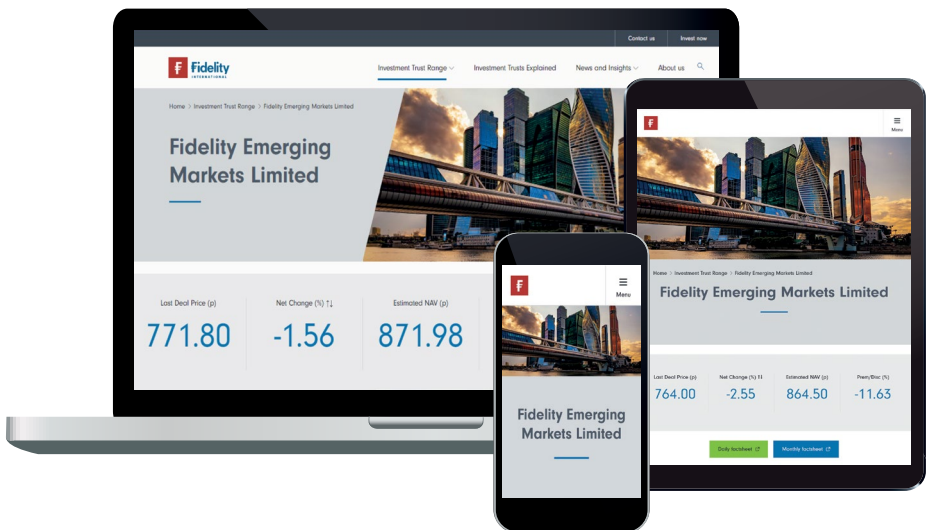
TOTAL ASSETS

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

UNLISTED COMPANIES

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

For your notes



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



Fidelity, Fidelity International, the Fidelity International logo and **F** symbol are trademarks of FIL Limited

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on Revive Silk paper containing 100% recycled fibre. The FSC® label on this product ensures responsible use of the world's forest resources.

