Barings Emerging EMEA Opportunities PLC

Annual Report & Audited Financial Statements

for the year ended 30 September 2024

Finding quality companies from Emerging Europe, the Middle East and Africa.

Barings Emerging EMEA Opportunities PLC ("BEMO") offers a strategy tailored for investors seeking to diversify the growth and income potential of emerging markets.

Why invest in BEMO?

UNDISCOVERED VALUE

Emerging EMEA is under researched compared to other emerging markets – providing an extensive opportunity to identify quality companies with unrecognised growth potential at attractive valuations.

LONG-TERM POTENTIAL

Many of these economies are only just embarking on the technological and consumer shifts, such as e-commerce, that have already generated sustained growth in developed markets.

ACTIVE MANAGEMENT

This actively-managed portfolio gives concentrated exposure to 30-60 of the very best ideas to be found across the Emerging EMEA region – with a strong focus on environmental, social and governance factors.

BEMO is a public limited company with shares quoted on the London Stock Exchange. You can invest in BEMO by purchasing shares through an online investment platform operated by third-party providers, or through a financial adviser or a stockbroker. As an investor you become a shareholder in the Company.

Becoming a shareholder of BEMO provides access to the skill and expertise of the established investment team's active management of the stock market investments, whilst providing an attractive level of income.

For more information please visit our website:

www.bemoplc.com

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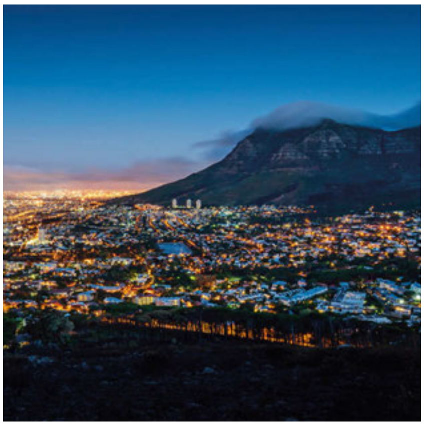


Cover: Cape Town, South Africa

South Africa saw a remarkable change in fortunes, and its equity market generated a return of more than 20% (in GBP terms) in the final six months of the financial year. This positive development revolved around what has been a significant election for South Africa, ending the near 30-year uninterrupted sole rule of the African National Congress (ANC) party. By forcing the ANC to seek coalition partners to govern, this election result has led to the formation of a Government of National Unity (GNU), comprising the ANC and the centrist Democratic Alliance party. This has sparked hopes of growth-friendly structural reforms and prudent macroeconomic policies.

Be in the know: receive the latest BEMO News

We issue regular email updates on BEMO's progress, including monthly performance statistics and commentary, links to independent research and other news and views.

If you have not already signed up, we invite you to do so by visiting www.bemoplc.com and clicking on 'Register for email updates', or by scanning the QR code. We will do the rest.

Financial Highlights

Annualised NAV total return[1,#]
17.3%
2023: 0.5%

Share price total return[1,#]
18.5%
2023: -8.8%

Dividend per Ordinary Share[1,#]
18.5p
2023: 17p

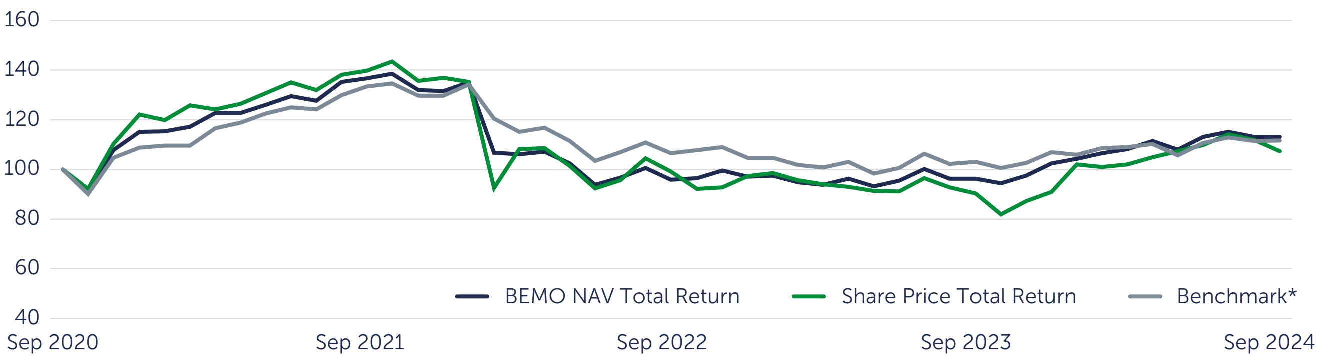
For the year ended 30 September	2024	2023	% change
NAV per Ordinary Share[1]	706.4p	617.6p	14.4%
Share price	555.0p	483.0p	14.9%
Share price total return[1,#]	18.5%	-8.8%	
Benchmark (annualised)	8.5%	-3.4%	
Discount to NAV per Ordinary Share[1]	21.4%	21.8%	
Dividend yield[1,2]	3.3%	3.5%	
Ongoing charges[1]	1.7%	1.6%	

	Year ended 30 September 2024			Year ended 30 September 2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Return per Ordinary Share	18.97p	86.71p	105.68p	14.59p	(13.16)p	1.43p

Revenue return (earnings) per Ordinary Share is based on the revenue return for the year of £2,238,000 (2023: £1,726,000). Capital return per Ordinary Share is based on net capital gain for the financial year of £10,229,000 (2023: loss £1,557,000). These calculations are based on the weighted average of 11,796,902 (2023: 11,829,676) Ordinary Shares in issue, excluding treasury shares, during the year.

At 30 September 2024, there were 11,796,902 (2023: 11,796,902) Ordinary Shares of 10 pence each in issue which excludes 3,318,207 (2023: 3,318,207) Ordinary Shares held in treasury. The shares held in treasury are not included when calculating the weighted average of Ordinary Shares in issue during the year.

CUMULATIVE PERFORMANCE[1] (%)



Source: Barings, Refinitiv, Bloomberg, MSCI. Rebased to 100 at 30 September 2019.

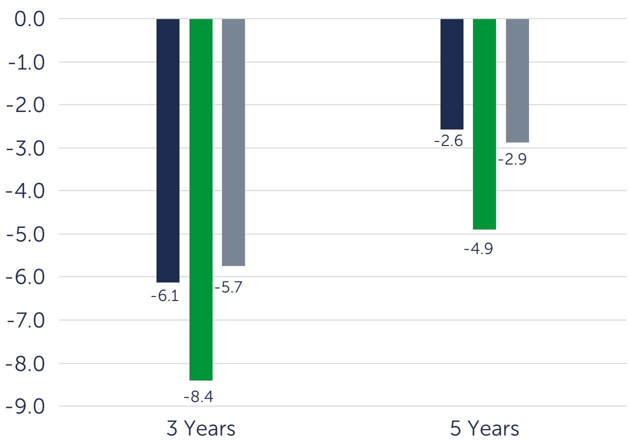
[1] Alternative Performance Measures ("APMs") definitions can be found in the Glossary on pages 84 to 86.
[2] % based on dividend declared for the full financial year and share price at the end of each financial year.
[#] Key Performance Indicator.
* The benchmark is the MSCI EM EMEA Net Index. Prior to 16 November 2020, it was the MSCI EM Europe 10/40 Net Index.

Five Year Financial Record

At 30 September	2024	2023	2022	2021	2020
Shareholders' funds	**£83m**	£73m	£75m	£111m	£85m
NAV per Ordinary Share	**706.4p**	617.6p	632.1p	920.7p	694.7p
Share price	**555.0p**	483.0p	548.0p	793.0p	587.0p

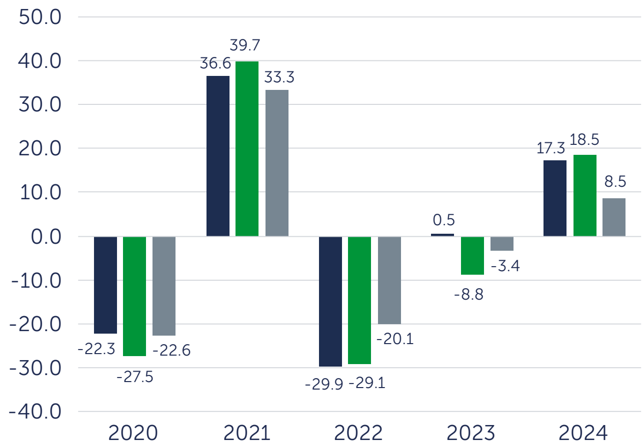
ROLLING ANNUALISED PERFORMANCE (%)

Annualised returns over the previous three and five year periods to 30 September 2024.



CALENDAR YEAR PERFORMANCE (%)

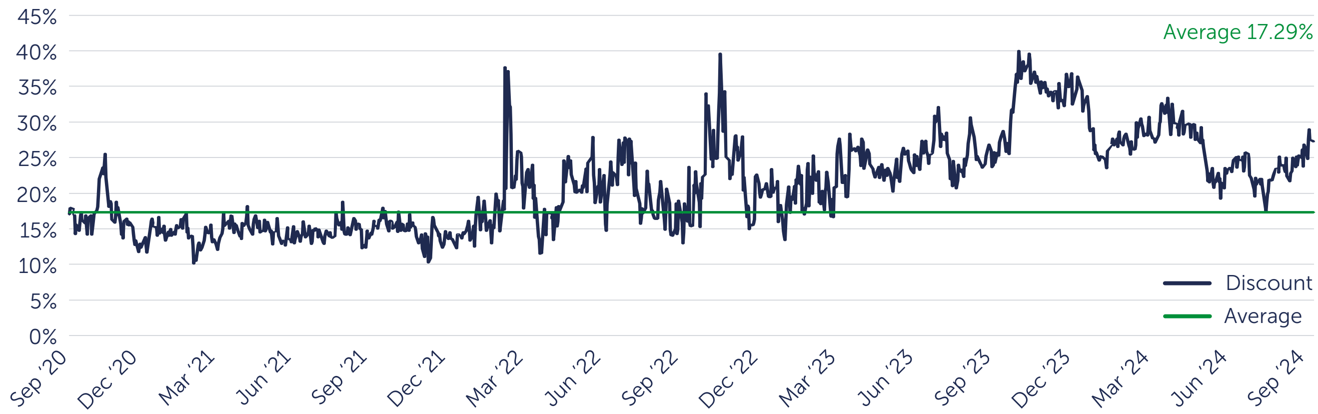
Returns for the previous five calender years.



NAV Total Return ■ Share Price Total Return ■ Benchmark Total Return

Source: Barings, Refinitiv, Bloomberg, MSCI.

SHARE PRICE DISCOUNT TO NAV



Source: Barings, Refinitiv, Bloomberg, MSCI.

Chairman's Statement

Frances Daley
Chairman

It gives me great pleasure to report that our Investment Manager delivered a significant NAV total return of 17.3%, outperforming the benchmark by 8.8%.

A year ago, I wrote of the notable improvement in your Company's relative performance, and this year's results build handsomely on that achievement. It gives me great pleasure to report that our Investment Manager delivered a NAV total return of 17.3%, outperforming the benchmark by 8.8%. This strong performance in both absolute and relative terms came despite an unchanged backdrop of diverging fortunes for individual EM EMEA markets and the relative strength of sterling, without which the return expressed in GBP would have been still more impressive.

This result positions BEMO Plc in the top decile of investment trusts within the AIC Global Emerging Markets sector this year – a return which compares favourably against both broader emerging and developed market indices. This success was largely attributable to stock selection, based on our Investment Manager's fundamental bottom-up investment process.

To mention one example of stock picking generating outperformance, the Turkish equity market edged lower in the period, and the portfolio's total exposure to the country was underweight relative to the benchmark; but the Turkish stocks that the Company has owned delivered positive double-digit returns.

Stock selection also contributed to a strong increase in net income – up by 29.4% compared to last year. An important contribution to this best income result since the start of the decade came from the resumption of dividend payments by the Greek banking sector – a factor which our Investment Manager expects will make this improving income trend sustainable in a pleasing complement to the Company's core objective of capital growth.

These outcomes bear out your Company's investment case of offering exposure to high-growth economies in a region that is under-researched and under-represented in global investment portfolios. The cumulative return of 12% since the 2022 loss caused by the write-down of Russian securities has lifted performance above the comparator benchmark over five and ten-year periods.

Investment Portfolio

The portfolio's holdings in Emerging Europe were some of the strongest performers, supported by improving economic conditions. A key driver was the election result in Poland. The Polish equity market rallied strongly on the return of Donald Tusk as the country's prime minister, which boosted business confidence and repaired relations with the European Union. In Greece, sovereign debt regained its investment grade credit rating, enabling the country to tap larger pools of international funding that should serve to support future growth. This development sealed the remarkable turnaround in the country's fortunes.

Another eye-catching turnaround came out of South Africa, where elections deprived the African National Congress ('ANC') of its absolute parliamentary majority, forcing the party to form a coalition government with a more pro-market stance and reformist agenda. This outcome produced a strong market recovery based on hopes that this political change will help the country overcome the challenges of lacklustre growth, high unemployment and chronic power outages.

In other markets that fared less well – such as the Middle East where performance was hit by the weakness of US dollar-pegged currencies – the portfolio still registered gains thanks to its stock selection in Saudi Arabia, Qatar and the UAE. As for the Turkish

In a remarkable turnaround, South Africa has staged a strong recovery in the second half of the year. This followed significant elections in which the African National Congress (ANC) was forced into a coalition to govern.

market, investment opportunities will remain limited as President Erdoğan's fundamentally welcome return to economic orthodoxy will depress demand and employment in the near term, with the benefits of more sustainable and less volatile growth taking longer to materialise.

Russian Assets

Russian assets in the portfolio continue to be valued at zero, while extensive sanctions and restrictions on the sale of securities remain in place. Consequently, there is no exposure to Russia in the Company's NAV, and management fees are not being charged on these assets. At the same time, the Board remains focused on how shareholder value can best be preserved, created and realised in relation to these holdings. A welcome development this year has been the opportunity to sell the portfolio's holdings in three companies – Magnit, X5 and TCS, realising approximately £2.3 million of value back into the Company. In addition to this, I am pleased to report that after the end of the financial reporting period, a further realisation of £1 million was made from the sale of Nebius N.V. (formerly Yandex N.V.). While these are positive developments, the Board will continue to value the remaining assets at zero until circumstances permit otherwise.

The Board remains focused on the value that the Company's remaining Russian holdings may generate for shareholders and is actively exploring ways, in conjunction with the Investment Manager, to divest these assets while ensuring compliance with global sanctions.

Discount

The discount as at 30 September 2024 was 21.4% and the average discount during the period was 21.8%. This compares with a discount of 21.8% as at 30 September 2023.

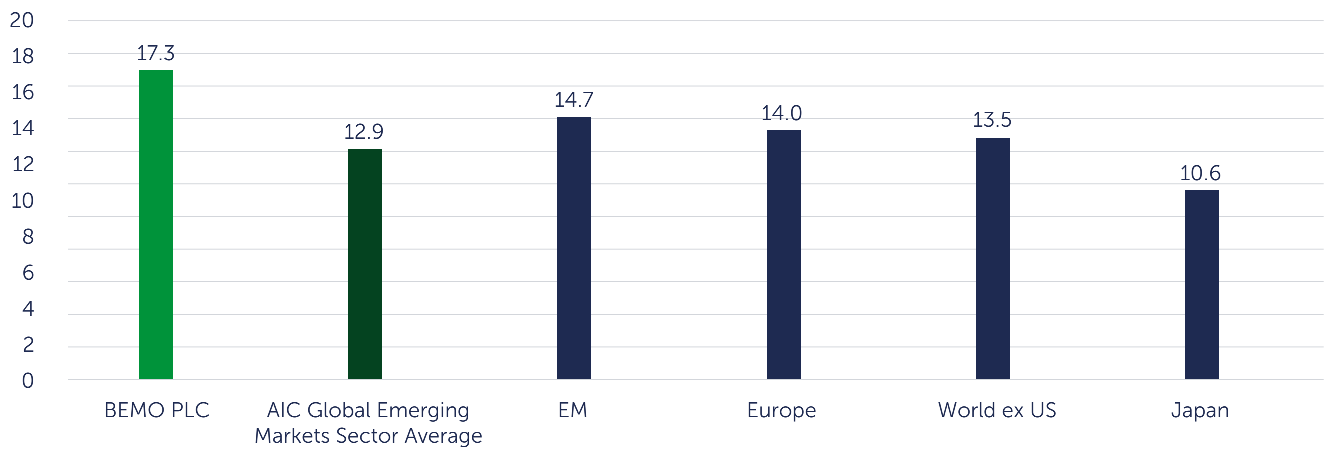
The average discount of the Company has widened since the write-down of Russian assets in the first quarter of 2022. This, along with elevated levels of broader market volatility within our investment universe and global equity markets, has also heightened discount volatility. This impact is not unique to your Company and has affected many investment trusts.

The Board continues to focus on discount management, aiming to contain discount volatility. While share buybacks remain an option available for the Company to help manage the discount, they are significantly less effective during periods of elevated market volatility and need to be considered in the context of the broader strategy for discount control. As a result, the Company has not bought back any shares during the financial year.

Discount Control Mechanism and Strategic Options

The Company has now entered the last year before the discount and performance targets set in October 2020 – in conjunction with the broadening of the investment mandate – will be tested. While the portfolio's outperformance since 2022 puts the performance target within realistic reach, the Board sees a strong likelihood of the discount management target being missed. While we cannot predict the position in a year, the Board will keep the appropriateness of the discount control mechanism under review and, if the September 2025 targets are not met, consider the case for

FINANCIAL YEAR PERFORMANCE: BEMO PLC VS COMPARATIVE BENCHMARKS[1]



[1] Source: Barings, Refinitiv, Bloomberg, MSCI, 30 September 2024. Indices based on relevant MSCI Country/Regional index.

a tender offer alongside other strategic options, taking account of the Company's remaining Russian assets. Further detail is available on page 8.

Gearing

There were no borrowings during the period. As of 30 September 2024, there was net cash of £3.8 million (30 September 2023: £4.0 million). The Company does not currently use a loan facility but keeps its gearing policy under review.

Dividends

In the financial year under review, the income account generated a return of 18.9 pence per Ordinary Share, compared with 14.6 pence last year. This increase in income has followed a year of strong revenue generation from the Company's capital investments.

The Directors are proposing an increased final dividend of 12.5 pence per share (2023: 11 pence per share). In respect of the six months ended 31 March 2024, the Company paid an interim dividend of 6 pence per share (2023: 6 pence per share). Based on dividends for the financial year and the share price as of the end of the financial year, the Company's shares yielded 3.3%.

Board Succession

Nadya Wells has notified the Company that, having completed a nine-year term on the Board, she will not be seeking re-election at the 2025 AGM. Nadya joined the Board in 2015 and has been an active and highly effective participant in contributing to the management of the Company's affairs. She will be greatly missed by both the Board and Investment Manager. We extend our appreciation and thanks to her.

After careful deliberation, the Board has decided to not hire a replacement at this time. This decision reflects the Board's commitment to containing costs, and its view that the current Board's experience and structure are adequate for the ongoing management of the Company.

Annual General Meeting

The Board would be delighted to meet shareholders at the Company's Annual General Meeting ("AGM"), to be held at the offices of the Investment Manager, 20 Old Bailey, London EC4M 7BF, on Thursday, 23 January 2025 at 10:00 a.m. The Investment Manager will give their customary presentation on the markets and the outlook for the year ahead. Details can be found in the Notice of the AGM.

Outlook

The global backdrop for the Company's investment activity looks set to be one of unsynchronized economic activity and persistent geopolitical uncertainty. While a soft-landing scenario looks increasingly likely in the US, investors and company managements are weighing expectations for China's economic growth, European stagnation, and the continuing wars in Ukraine and the Middle East, where developments could hinge on the position of the incoming administration in the US. The resulting market focus on top-down and geopolitical developments should enhance opportunities for bottom-up stock selection.

The economic impact of these conflicts is felt mainly through their effect on energy prices – a key driver for investment returns in the Middle East. Over the past year, lower oil prices have led some countries in the region to recalibrate ambitious projects, such as Saudi Arabia's *Vision 2030*, and prioritize domestic projects in sovereign resource allocation. This is a welcome trend for investors in the region's markets – not least for showing the seriousness of these Gulf nations' long-term strategies for diversifying their economies away from hydrocarbons. The benefits of this shift are already starting to take form on the region's stock exchanges, where a growing number of companies are coming to market through initial public offerings each year.

Amid all the uncertainty, the economic environment should be supportive. In the US and most other developed markets, inflation has been brought under control without causing a recession, allowing central banks to stimulate activity by reducing interest rates. Lower rates will squeeze the profitability of the region's financial services companies that form the portfolio's single largest sector weighting. This negative effect will be partially offset, however, by rising consumption and a reduction in credit risks for most banks. The recently announced Chinese stimulus to boost domestic consumption may help economies globally, with EM EMEA being no exception as the region is an important supplier of natural resources imported by China.

Promotional Activity

The Board and Investment Manager have an ongoing communications programme that seeks to maintain the Company's profile and investment remit, particularly among retail investors. Over the review period, we have continued to distribute our monthly BEMO News, which is emailed to engaged supporters, including many hundreds of the Company's shareholders. These emails provide relevant news, views, performance updates, and links to topical content. If you have not already done so, I encourage you to sign up for these targeted communications by visiting the Company's web page at www.bemoplc.com and click on 'Register for email updates'.

Frances Daley
Chairman
6 December 2024

Business Model and Strategy

Barings Emerging EMEA Opportunities PLC		
Focusing on the markets of Emerging Europe, the Middle East and Africa, the Company seeks out attractively valued, quality companies across this diverse and fast-changing region.	Managed by one of the region's most experienced investment teams with a consistent track record of delivering relative outperformance.	A differentiated and innovative investment process driven by fundamental bottom-up analysis – with a strong focus on environmental, social and governance factors.

Overview

Barings Emerging EMEA Opportunities PLC (the "Company") was incorporated on 11 October 2002 as a public limited company and is an investment company in accordance with the provisions of Section 833 of the Companies Act 2006 (the "Act"). It is a member of the Association of Investment Companies (the "AIC"). The ticker is BEMO.

As an investment trust, the Company has appointed an Alternative Investment Fund Manager, Baring Fund Managers Limited (the "AIFM"), to manage its investments.

The AIFM is authorised and regulated by the Financial Conduct Authority (the "FCA"). The AIFM has delegated responsibility of the investment management for the portfolio to Baring Asset Management Limited (the "Investment Manager" or "Manager"). Further information on the Investment Manager, their investment style and management of the Investment Portfolio can be found on pages 13 to 27.

The Company's primary purpose is to meet its investment objective to deliver capital growth, principally through investment in emerging and frontier equity securities listed or traded on EMEA markets.

The AIFM receives an investment management fee of 0.75% of the Net Asset Value ("NAV") of the Company. This is paid monthly in arrears based on the level of net assets at the end of the month.

The Company has no employees and the Board is comprised of Non-Executive Directors. The day-to-day operations and functions of the Company have been delegated to third-party service providers, which are subject to the ongoing oversight of the Board. In line with the stated investment style, the Manager takes a bottom-up approach, founded on research carried out using the Manager's own internal resources. This research, which has a strong focus on environmental, social and governance issues, enables the Manager to identify what it believes to be the most attractive stocks in EMEA markets. Further information can be found on pages 21 to 23.

The Company's Investment Objective and Policy was changed on 13 November 2020, following approval from shareholders in a general meeting.

Purpose, Values and Strategy

The Company's primary purpose is to meet its investment objective to deliver capital growth, as set out below. To achieve this, the Board uses its breadth of skills, experience and knowledge to oversee and work with the Investment Manager, to ensure that it has the appropriate capability, resources and controls in place to actively manage the Company's assets to meet its investment objective. The Board also select and engage reputable and competent organisations to provide other services on behalf of the Company.

The Company's values focus on transparency, clarity and constructive challenge. The Directors recognise the importance of sustaining a culture that contributes to achieving the purpose of the Company consistent with those values. Further detail on culture can be found on page 30.

Investment Objective

The Company's investment objective is to achieve capital growth, principally through investment in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern and African (EMEA) securities markets. The Company may also invest in securities in which the majority of underlying assets, revenues and/or profits are, or are expected to be, derived from activities in EMEA but are listed or traded elsewhere (EMEA Universe).

Investment Policy

The Company intends to invest for the most part in emerging and frontier equity listed or traded on EMEA securities markets or in securities in which the majority of underlying assets, revenues and/or profits are, or are expected to be, derived from activities in EMEA but are listed or traded elsewhere. To achieve the Company's investment objective, the Company selects investments through a process of bottom-up fundamental analysis, seeking long-term appreciation through investment in mispriced companies.

Where possible, investments will generally be made directly into public listed or traded equity securities including equity-related instruments such as preference shares, convertible securities, options, warrants and other rights to subscribe or acquire equity securities, or rights relating to equity securities.

It is intended that the Company will generally be invested in equity securities; however, the Company may invest in bonds or other fixed-income securities, including high risk debt securities. These securities may be below investment grade. The number of investments in the portfolio will normally range between 20 and 65.

The Company may invest in unquoted securities, but the amount of such investment is not expected to be material. The maximum exposure to unquoted securities should be restricted to 5% of the Company's gross assets, at the time of investment, in normal circumstances. The Company may also invest in other investment funds in order to gain exposure to EMEA countries or gain access to a particular market, or where such a fund represents an attractive investment in its own right. The Company will not invest more than 10% of its gross assets in other UK listed closed-ended investment funds, save that, where such UK listed closed ended investment funds have themselves published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds, the Company will invest not more than 15% of its gross assets in such UK listed closed ended investment funds.

Whilst there are no specific limits placed on exposure to any one sector or country, the Company seeks to achieve a spread of risk through continual monitoring of the sector and country weightings of the portfolio. The Company's maximum limit for any single investment at the time of purchase is the higher of 15% of gross assets or the weight of the purchased security in the comparator benchmark plus 5%, with an upper maximum limit of 20% of gross assets (excluding for cash management purposes).

The Company may use borrowed funds to take advantage of investment opportunities. However, it is intended that the Company would only be geared when the Directors, advised by the Investment Manager, have a high level of confidence that gearing would add significant value to the portfolio. The Investment Manager has discretion to operate with an overall exposure of the portfolio to the market of between 90% and 110%, to include the effect of any derivative positions.

The Company may use derivative instruments for the purpose of efficient portfolio management (which includes hedging) and for any investment purposes that are consistent with the investment objective and policies of the Company.

Benchmark

The Company's comparator Benchmark is the MSCI Emerging Markets EMEA Index (net dividends reinvested). Prior to 16 November 2020, the Benchmark was the MSCI EM Europe 10/40 Index (net dividends reinvested).

Discount Control Mechanism

The shareholder circular dated 19 October 2020, set out details of the change to the Company's investment policy, broadening the investment universe to include the Middle East and Africa, and also set out proposals for a tender offer trigger mechanism. Those proposals reflected shareholders' interest in controlling the discount of the Company's share price to its NAV and in satisfactory returns on the investment portfolio. Therefore, with effect from 1 October 2020, the Board put in place a mechanism to provide shareholders with a tender offer for up to 25% of the Company's issued Ordinary Share capital if:

(i) The average daily discount of the Company's market share capital to its net asset value ('cum-income') exceeds 12%, as calculated with reference to the trading of the Company's shares for the period between 1 October 2020 and 30 September 2025; or

(ii) The performance of the Company's net asset value on a total return basis does not exceed the return of the Company's benchmark by an average of 50 basis points per annum over the Calculation Period.

Since Russia's invasion of Ukraine and the resultant sanctions impacting the Company's investment portfolio, the Board has been reviewing the Company's share buy back policy and the tender offer trigger mechanism. The effects of share buybacks and/or any tender offer would lead to a reduced number of shares in issue, reduced liquidity in trading the shares, and reduce the size of the Company.

The implementation of sanctions and the subsequent write down of the Company's Russian assets to zero had an immediate and significant impact on the net asset value performance of the Company. However, over the last two years, the Investment

Manager has made meaningful progress in achieving net asset value growth.

Since the start of the tender period in October 2020, the Company has outperformed the benchmark by 1.2% (0.3% annualised). The average daily discount of the Company's market share capital to its net asset value has, however, widened since the Russian invasion of Ukraine, with the average daily discount in the period between October 2020 and September 2024 standing at 17.3%. Whilst there is a prospect of achieving the performance target at the end of the Calculation Period in September 2025, the same cannot be said of the discount target.

The likelihood of the requirement to make an up to 25% tender offer in 2025 under the current provisions, over a timescale during which it seems unlikely that the Company will be able to realise its Russian assets owing to the war and its consequences, would result in the Company shrinking, potentially undermining liquidity and increasing cost ratios beyond an acceptable level. The Board has therefore concluded that the tender offer trigger mechanism set out above will need to be kept under review and evaluated against other strategic options available to the Company which may create more value for shareholders.

All such options would take account of the potential latent value in the Russian securities. This work on finding optimal arrangements for the Company's Russian holdings, pending opportunities in the future to realise those assets, involves interactions with regulators and legal advisers with uncertain timing and outcomes.

The Board will seek to renew its share buyback powers by means of a separate resolution at the AGM to provide some liquidity to the market and limit discount volatility, where possible, in normal market conditions.

Principal and Emerging Risks

Principal Risks and Uncertainties

The Company is exposed to a variety of risks and uncertainties. The Board, through delegation to the Audit Committee, has undertaken a robust assessment of both the emerging and principal risks facing the Company, together with a review of any evolving risks which may have arisen during the year, including those risks which would threaten the Company's business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk matrix.

The Audit Committee regularly (on a six-monthly basis) reviews the risks facing the Company by maintaining a detailed record of the identified risks against an assessment of the likelihood of such risks occurring and the severity of the potential impact of such risks. A residual risk rating is then calculated for each risk based on the outcome of the assessment. This enables the Board to take action and develop strategies in order to mitigate the effect of such risks to the extent possible. An analysis of financial risks can be found in note 13 to the Financial Statements on pages 77 to 80.

Information about the Company's internal controls and risk management procedures can be found in the Audit Committee Report on pages 51 to 54. The principal financial risks, the Company's policies for managing these risks, and the policy and practice with regard to financial instruments, are summarised in note 13 to the Financial Statements.

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors, are set out in the following table. The Audit Committee will continue to assess these risks on an ongoing basis.

Key		
Risk remained at same level during the year ↔	Risk increased during the year ↑	Risk decreased during the year ↓

Risk	Mitigation
Investment strategy ↔ There can be no guarantee that the investment objective will be achieved. The Company and its objectives may become unattractive to investors owing to a widening discount and the impact of a lack of liquidity in the Russian investments.	The Investment Manager has a clear investment strategy, as set out on pages 14 to 23, which is regularly reviewed by the Board. The Investment Manager has in place a dedicated investment process which is designed to maximise the chances of the investment objective being achieved. The Board reviews regular investment reports from the Investment Manager to monitor performance against its stated objective and regularly reviews the strategy. The holdings in Russian securities are reviewed by the Board regularly. Any option to realise Russian assets would be carefully considered by the Board. In the last year, the Board has had some success in releasing value from a number of investments in Russian securities.
Adverse market conditions ↔ Emerging markets are subject to volatile geopolitical and socioeconomic movements as well as the possible imposition of sanctions.	The Company is closed-ended and, unlike open-ended funds, does not have to sell investments at low valuations in volatile markets. It can be argued that the most effective method of protecting the Company from the effects of country-specific or individual stock risks is to hold a geographically diversified portfolio. As at the date of this report, the Company holds 57 stocks in 10 countries and the AIFM has the ability, where necessary, to diversify the portfolio into other regions. The AIFM has a clear investment strategy as set out on pages 14 to 23. Whilst recognising there will be periods when this strategy underperforms the Benchmark and peer group, the Board monitors performance at each Board meeting and reviews the investment process throughout the year. The Investment Manager's own internal compliance functions provide robust checks that the Investment Manager complies with the investment mandate.

Risk	Mitigation
Adverse market conditions (continued)	The Board recognises the benefits of a closed-end fund structure in extremely volatile markets, such as those arising from macroeconomic conditions or geopolitical tensions. The Company's investments are also exposed to political and regulatory risk in the countries in which they operate. They may also be impacted by sanctions or exchange controls. Unlike open ended funds, closed-ended funds are not obliged to sell-down portfolio holdings at potentially low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed-end fund structure to remain invested for the long term enables the Investment Manager to adhere to the investment management approach and be ready to respond to dislocations in the market as opportunities present themselves.
Size of the Company The size of the Company could become sub-optimal as share buybacks and/or a potential tender offer reduce the Company's market capitalisation and the Company's cost ratios increase beyond an acceptable level.	The Board and the Investment Manager discuss and agree a strategy prior to making any buybacks of the Company's shares within the agreed parameters. The Investment Manager and Corporate Broker are in regular contact with major shareholders and report their views to the Board on a regular basis. The Board also has an ongoing marketing strategy to retain existing shareholders and attract new investors.
Share price volatility and liquidity/ marketability risk The shares of the Company are traded freely and are therefore subject to the influences of supply and demand and investors' perception of the markets the Company invests in. The share price is therefore subject to fluctuations and like all investment trusts may trade at a discount to the NAV. Market shocks, such as those caused by macroeconomic conditions, geopolitical tensions or sanctions, can have a negative impact on the share price.	The Board may authorise shares in the Company to be bought in the market, from time to time. However, the Company has not bought back any shares during this financial year. The Board remains committed to an increased focus on dividend yield to further enhance the appeal of investing in the Company and increase demand for its shares. The Board has also put in place a comprehensive range of promotional plans to support existing shareholders and attract new investors.
Loss of assets The portfolio includes investments held in a number of jurisdictions. There is a risk of loss of Company assets as a result of geopolitical events that may result in the application of sanctions.	The Investment Manager and Administrator have systems in place for executing and settling transactions and for ensuring assets are safe. In addition, the Company uses internationally recognised Custodians and sub-Custodians and receives regular reports of assets held, which the Administrator reconciles. The operation of the Custodian is overseen and reviewed by the Depositary which reports regularly to the Board.

Risk	Mitigation
Engagement of third-party service providers The Company outsources all of its operations to third parties and is therefore reliant on those third parties maintaining robust controls to prevent the Company suffering financial loss or reputational damage.	The Company operates through a series of contractual relationships with its service providers. The Board reviews the performance of all service providers both in Board meetings and in the Management Engagement Committee meeting, where the terms on which the service providers are engaged are also reviewed. The Audit Committee also receives internal controls reports from key service providers. The Board assesses whether relevant controls have been operating effectively throughout the period.
Sanctions Any exposure to sanctioned geographies through the underlying investee companies can have a material impact on investment returns, the Company's value and size, and the Company's attractiveness.	The Company and the Investment Manager keep geopolitical developments under review and the portfolio is diversified geographically. The Company will comply with any prescribed sanctions regime and, if appropriate, value any impacted stock at zero. The Board will explore opportunities to realise value from any such affected holdings in consultation with the Investment Manager and after seeking appropriate legal advice.

The Board has considered and discussed a number of emerging and developing risks including the following:

- The ongoing impact of the war in Ukraine and the continued effect of sanctions; the valuation of Russian securities; the decline in the Company's size, and the effect of ongoing charges; the outbreak of war in the Middle East and the potential for the conflict to impact on other countries.
- The impact of climate change, which remains a critical issue as the world seeks to reduce greenhouse gas emissions and combat global warming.

The Audit Committee routinely reviews the principal risks and makes the required updates to the Company's risk matrix as appropriate. This approach allows the effect of any mitigating factors to be reflected in the assessment of the risk.

The risk register and the operation of the key controls of the Company's third-party service providers' systems of internal control are reviewed regularly by the Audit Committee.

Emerging risks are considered by the Board as they come into view. The immediate significance will be evaluated and the potential implications integrated into the existing review of the Company's risk matrix.

Investment Manager

Adnan El-Araby (left) and Matthias Siller (right)

Management Arrangements

Baring Fund Managers Limited acts as the AIFM of the Company under an agreement, terminable by either party giving not less than six months written notice. The AIFM has delegated the investment management of the portfolio to Baring Asset Management Limited (the "Investment Manager").

The Investment Manager

The Investment Manager has a team of fund managers who are responsible for the management of the investment portfolio. Matthias Siller, CFA, Head of Europe, Middle East and Africa EMEA at the Investment Manager, is the lead manager with Adnan El-Araby, CFA, as co-manager.

Matthias joined the Investment Manager in 2006 and was appointed Head of EMEA Equities Team in 2016. He began his career in fund management at Raiffeisen Zentralbank Austria in 1997 as a Market Maker/Proprietary Trader in Central & Eastern European Equities and Derivatives. He joined Bawag — PSK Invest as an EMEA equity portfolio manager in 2001 and moved to Raiffeisen Capital Management in 2003, where he was a portfolio manager for Central & Eastern European Equities. Matthias has a Masters degree from Vienna University in Economics & Business Administration. Matthias was awarded the CFA designation in 2006 and his native language is German.

Adnan is an Investment Manager in the EMEA Equity Team. He is responsible for the Resource Sector, Healthcare & Pharmaceuticals, Tech & Media and Autos within the EMEA region. Adnan joined Barings in 2010 from Legg Mason Capital Management, where he was also an investment analyst. He holds a Bachelor of Commerce degree from St. Mary's University, Canada and was awarded the CFA designation in 2006. Adnan's native language is Arabic.

Matthias and Adnan are supported by the wider EMEA Equity Team. In total, the EMEA Equity Team consists of five investment professionals, four of which have responsibilities for researching stocks. The other team members are involved in investment decision making and have broader management oversight.

The EMEA Equity Team forms part of the broader Emerging Market Equities Platform, with investment professionals based in London, Hong Kong, Singapore, Shanghai and Taipei. The team also draws further support from the rest of the broader equity platform at the Investment Manager, especially the knowledge, expertise and coverage of the three global sector teams: Healthcare, Resources and Technology.

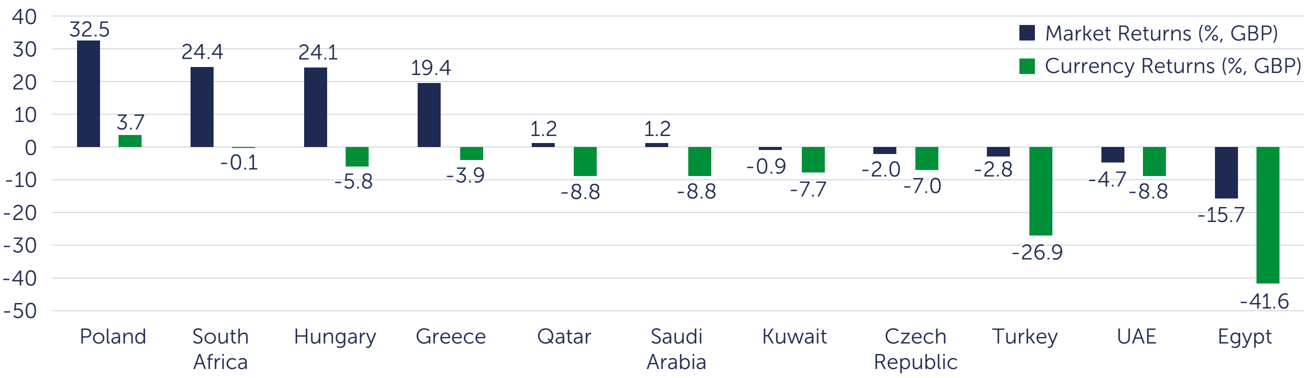
Fees

During the year under review, and under this agreement, the AIFM received a fee calculated monthly and payable at an annual rate of 0.75% of the NAV of the Company, together with any applicable VAT thereon and any out of pocket expenses incurred by the AIFM.

There is no performance fee for the AIFM.

Report of the Investment Manager

EMEA MARKET PERFORMANCE & CURRENCY RETURNS – 1 October 2023 to 30 September 2024[1]



[1] Market Returns in GBP, based on MSCI indices, Currency Returns vs. GBP.
Source: Source: Barings, Refinitiv, Bloomberg, MSCI, 30 September 2024.

Market Summary

Emerging European, Middle East and African (EMEA) equity markets advanced over the period, with the MSCI EM EMEA index increasing 8.5% in GBP terms. Against this, the portfolio significantly outperformed over the financial year, with the Company's NAV increasing by +17.3% in GBP terms (net dividend re-invested), providing a return that compares favourably against a range of international benchmarks. This positive result was achieved despite the considerable strengthening of the pound relative to the region's currencies – dragging down the Company's returns when expressed in GBP terms.

True to the EMEA region's diverse geography, demographics and economic development, there were striking differences in returns as between individual markets. These differing fortunes had various causes, from monetary and fiscal policies, to elections and geopolitical tensions. This in turn created a real opportunity for our active approach not only to outperform on a relative basis, but also to secure capital appreciation in absolute terms for the Company's shareholders.

Markets in Central and Eastern Europe were some of the best performers across EMEA with Poland, Hungary and Greece returning ~20-30% in GBP terms. Whilst broadly these markets benefitted from a strong economic rebound, there were also specific drivers at play.

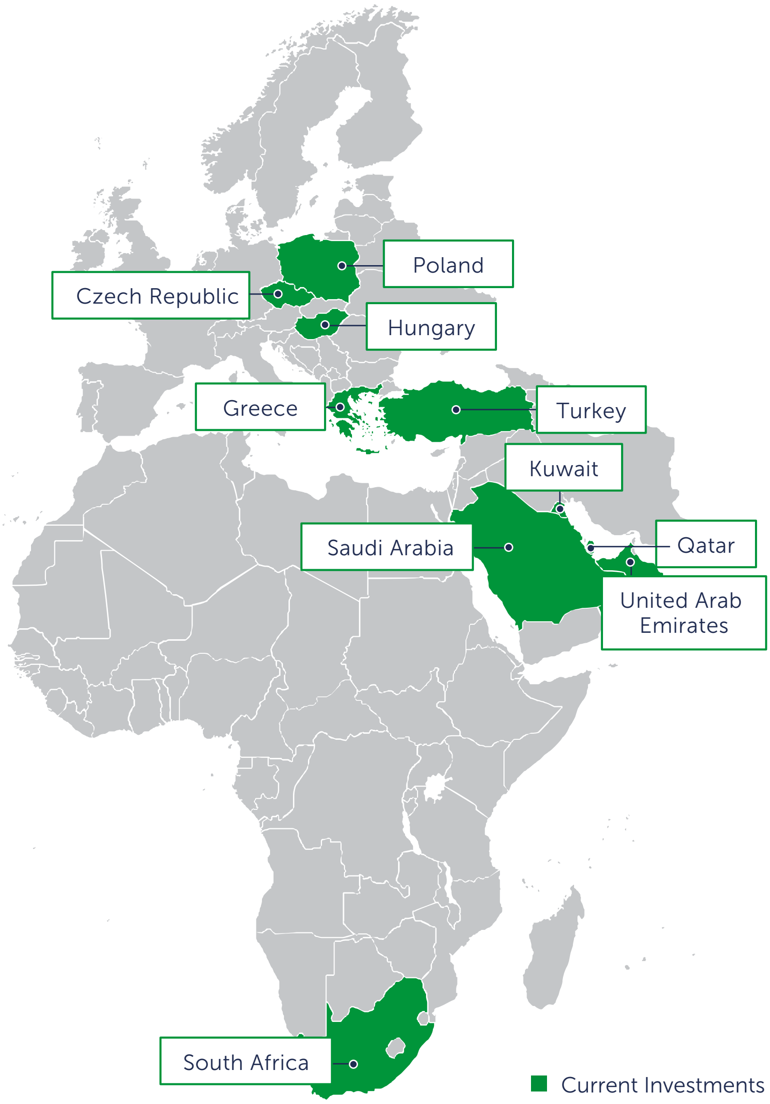
Poland held elections that resulted in a clean break from eight years of populist rule under the Law and Justice party (PiS), in favour of the Civic Platform party led by Donald Tusk at the core of a new governing coalition. This pro-Europe shift has thawed tensions between Poland and the European Union, which in turn has permitted the release of substantial funding from the bloc's post-pandemic recovery fund. Market valuations of the country's financial sector companies have been a notable beneficiary of the resulting improvement in business confidence. Elsewhere in Emerging Europe, Greece was at one time perceived to be economically and fiscally dysfunctional, but the country's debt bailout and subsequent investment by the EU have borne fruit in revived economic vibrancy. This has resulted in international credit rating agencies returning Greek government bonds to investment-grade status, rewarding the business-friendly and fiscally responsible government led by Prime Minister Kyriakos Mitsotakis, which has won a strong mandate from the Greek electorate.

Markets in Central and Eastern Europe were some of the best performers across EMEA with Poland, Hungary and Greece returning ~20-30% in GBP terms.

Another country in our region that saw a remarkable change in fortunes was South Africa, which generated a return of more than 20% (in GBP terms) in the final six months of the financial year. This positive development revolved around what has been a significant election for South Africa, ending the near 30-year uninterrupted sole rule of the African National Congress (ANC) party. By forcing the ANC to seek coalition partners to govern, this election result has led to the formation of a Government of National Unity (GNU), comprising the ANC and the centrist Democratic Alliance party. This has sparked hopes of growth-friendly structural reforms and prudent macroeconomic policies.

In Turkey and the Middle East, equity markets ended the year flat or marginally weaker, with returns to international investors dented by weaker currencies – stemming from the dollar pegs in Gulf countries (which are also exposed to geopolitical tensions) and persistent high inflation in Turkey. Our stock selections in these markets nevertheless delivered capital gains for our shareholders (see below for more detail on these top-down and bottom-up themes).

CURRENT INVESTMENTS



Income

The Company's key objective is to deliver capital growth from a carefully selected portfolio of emerging EMEA companies. However, we are also focused on generating an attractive level of income for shareholders from the companies in the portfolio.

We have regularly emphasised that the region in which we invest offers not only unrecognised growth potential but also attractive levels of income. During most of the present decade, income levels have been satisfactorily steady; but this financial year has seen a jump in income not seen since the height of the Russian dividend boom at the end of the 2010s.

Investments across the portfolio not only exceeded market expectations in growth, but also returned capital through higher dividends and share buybacks, reflecting improving corporate governance. Examples here have included Saudi Telecom (STC) and Emaar Properties, which paid special dividends to improve capital allocation after what has been a particularly strong year. Furthermore, in another welcome development, income has returned from our investments in the Greek banking industry where the nation's four leading banks – which had been hit hard by the country's debt crisis – paid out dividends for the first time since 2008 after receiving the green light from the European Central Bank. This was an important milestone for an economy that is returning to the global stage.

We believe that these developments should underpin the attractive dividend yield of the Company's shares not just for this financial year, but for years to come, solidifying its place as a strong income diversifier.

Investments across the portfolio not only exceeded market expectations in growth, but also returned capital through higher dividends and share buybacks, reflecting improving corporate governance.

Through this year we have managed to add value in South Africa by remaining selective in our holdings, focusing on well-managed companies that can effectively operate in what has been an ever-changing macro picture.

Macro Themes

In line with our bottom-up approach, our primary focus is to identify attractive investment opportunities at the company level for our shareholders. Nevertheless, we remain vigilant and mindful of broader macro effects within the region. This in turn helps to support the contribution to performance from our company selection, accessing long-term growth opportunities, while reducing the negative effects on performance from major macro dislocations.

Middle East: Rising Tensions

A year on from the attack by Hamas on Israeli soil, the regional landscape has shifted considerably, in what remains the world's most important oil-exporting region, accounting for one-third of global supply. Despite persistent escalation fears, capital markets in the region have so far remained passive. However, the current direction of travel points to a greater risk of escalation and volatility for the region and energy markets.

For these reasons, we have taken profits in some of our real estate investments in the United Arab Emirates (UAE) where rising geopolitical tensions and significant increases in real estate prices have left this sector exposed. In contrast, we have concentrated the portfolio's Middle East exposures in companies that are idiosyncratic and aligned with structural themes. Examples include ADNOC Drilling in the UAE and, in Saudi Arabia, private hospital operator HMG and the country's stock exchange, Tadawul.

South Africa: Elections and formation of the Government of National Unity

This year, South Africans joined billions globally who were casting their ballots. The South African election, however, stood out in the context of the country's history, where against the backdrop of low growth, high unemployment and routine power blackouts, increasing numbers of voters had begun to look for change. As a result, the ruling African National Congress (ANC) party, which once spearheaded the resistance to apartheid, saw its share of the vote drop to 40%, forcing it to seek coalition partners to govern. The outcome was the formation of a Government of National Unity (GNU), with the ANC joining with the Democratic Alliance party, a centrist party which campaigned on a more pro-market reform stance. The coalition has proposed a lower budget deficit and a deregulated labour market.

Thus far, markets have responded positively, with equities performing strongly on the local exchange, government bond yields falling, and the rand appreciating. In addition, the nation's energy crisis seems to be abating as load shedding has ceased since the election, boosting business confidence. While the ultimate effectiveness of this GNU is yet to be proven, pragmatism appears to be prevailing, raising hopes that the much-needed reforms South Africa needs can be implemented. During this year we have managed to add value in South Africa by remaining selective in our holdings, focusing on well-managed companies that can effectively operate in what has been a rapidly shifting macro environment. Looking ahead, we continue to monitor ongoing developments and believe that, as change translates into economic expansion, the breadth of opportunity available in South Africa will allow for greater variety in our investments in what remains a region with untapped potential.

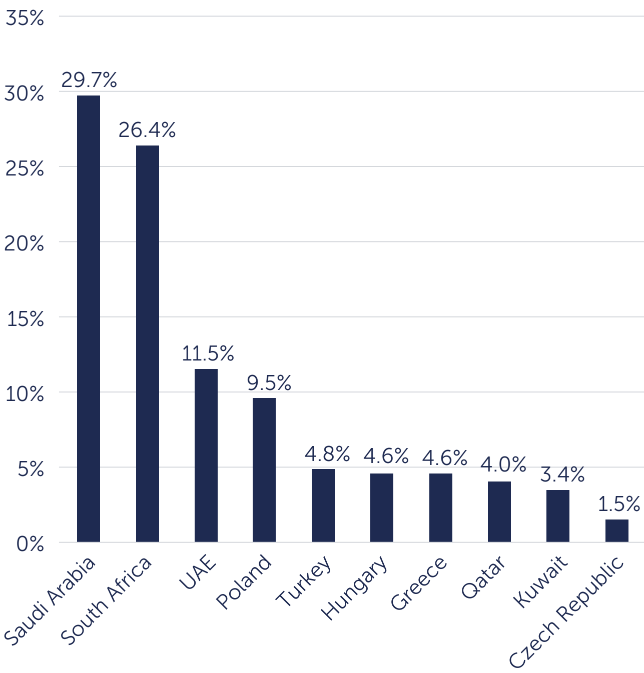
Turkey: A bitter pill to swallow

A strong contributor to relative returns this year has been Turkey, which through very careful stock selection has delivered positive double-digit returns in our investments against a negative equity market performance of -2.8% (in GBP) over the financial year.

Looking deeper, we saw domestic investors flocking to the local stock market to protect themselves from sky-high inflation, which reached more than 75% – a byproduct of ultra-loose monetary policy and degradation of central bank independence. In response to these pressures, President Recep Erdogan has seemingly re-embraced orthodox monetary policy, appointing the well-respected Mehmet Simsek to be Minister of Treasury and Economics. The move represents a substantial shift in economic approach which, combined with an interest rate hike to 50%, has tried to convince investors that Turkey is prepared to rebalance its economy.

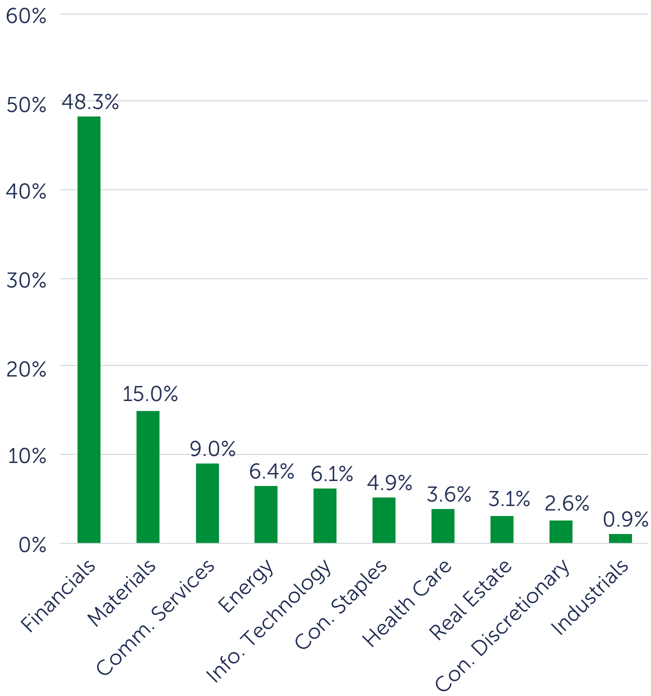
Asset Allocation

PORTFOLIO COUNTRY WEIGHT (%)



Source: Source: Barings, Refinitiv, Bloomberg, MSCI, 30 September 2024.

PORTFOLIO SECTOR WEIGHT (%)



Source: Source: Barings, Refinitiv, Bloomberg, MSCI, 30 September 2024.

The first fruits of this policy shift are appearing, with inflation projected by the Central Bank to fall below 40% by the end of 2024 from 65% a year earlier. However, the economy will need to rapidly cool to get inflation back to truly normalised levels. As interest rates begin to bite, consumers face a painful period of weaker consumption and higher unemployment. Already, economic growth has slowed to the lowest pace in over four years, underscoring the adverse impact of this necessary macroeconomic stabilization. The key question as the fever cools is whether the central bank and President Erdoğan will stay the course and administer the medicine the economy desperately needs. Erdoğan's Ruling Justice and Development party (AKP) has its eye firmly fixed on the 2028 elections and remains acutely aware that its popularity has waned considerably as economic conditions have darkened for many Turks. This creates the risk of a policy relapse that would be disastrous for the economy. In our view, however, the government will press on with the painful economic rebalancing. Further progress will have the positive effect of returning Turkey to the spotlight for international investors. This in turn would enhance opportunities for investment returns underpinned by the country's strong potential for long-term structural growth owing to its young and vibrant population, as well as world-leading management teams that have continued to thrive under often fraught conditions.

In response to these developments, we have taken profits from several companies within the portfolio that have delivered significant returns. For the moment, however, we have chosen to reinvest those proceeds elsewhere across the region whilst we wait for the impacts of the oncoming economic slowdown to take effect.

Central Europe — Poland: The new face of Europe

After eight years of populist rule by the Law and Justice Party (PiS), Donald Tusk and his centrist Civic Platform returned to office following a fiercely contested election. Tusk's campaign was centred on the promise to "clean up" Poland in what he has called an "Iron Broom" approach. The new pro-European government wasted no time sweeping aside PiS loyalists while restoring key pillars of

The investment team conducts hundreds of company meetings per year, building long-term relationships and insight.

governance such as reinstating judicial independence. This has also served to reset terms with the EU, which had been locked in a long-running dispute with Poland over the rule of law since 2018. The reset has allowed for the unfreezing of substantial funding that includes €60 billion from the bloc's post-pandemic recovery fund.

The reset between the EU and Poland also comes at a time when the EU's leadership has been tested, both politically and economically. Politics in the EU's largest member states – France and Germany – have become fraught with political tensions feeding on economic pain, as high inflation has left lasting scars on Europe consumers. In contrast, Poland is now seeing growth projected to accelerate to 4.1% in 2025, with its economy benefitting from booming trade and population growth. These positive macroeconomic trends are accompanied by a deepening of the country's capital market. That depth was illustrated in September 2024 by the IPO of Polish convenience food retailer Zabka, one of the year's largest share floats – not only in the EMEA region but also in Europe as a whole. Poland's superior economic performance has not gone unnoticed, attracting investors whose interest produced a more than 30% gain on the Warsaw stock exchange (in GBP) over the period, making it one of the very few global indices to outperform the S&P 500.

This was also a unique year for the Polish zloty. Not only did the Polish currency appreciate vs the euro, in an unprecedented move it also gained more than 10% relative to both the Czech koruna and the Hungarian forint, thereby outperforming its closest regional currency peers by a wide margin. These currency moves reflect a growing structural divergence. In contrast to the considerable export dependency of Central Europe's "small open economies" where the automotive sector in particular plays an outsized role, Poland boasts not only what is probably Europe's healthiest consumer market, but also benefits from a more diversified and service-oriented export sector. In addition, Poland's constitutionally enshrined sovereign debt ceiling of 60% of GDP has served as a limiting factor to government bond issuance over the years forcing its government to balance fiscal largesse with efficiency drives and tax collection. This position of strength has given Poland the ability to build out a broad-based military upgrade by placing more than $40 billion worth of orders for US defence equipment, enabling the country to conduct a more assertive foreign policy and play a more influential role in the EU and NATO.

Company Selection

Our team regularly engages with management teams and analyses industry competitors to gain insight into a company's business model and sustainable competitive advantages. Based on this analysis, we seek to take advantage of these perceived inefficiencies through our in-depth fundamental research, which includes an integrated environmental, social and governance (ESG) assessment, and active engagement, to identify and unlock mispriced growth opportunities for our shareholders.

Key Performance Drivers in the Period

Stock selection was the key driver of the portfolio's positive relative return over the period, whilst sector asset allocation had a small negative impact.

On a sector basis, financials were the largest contributor to relative returns followed by energy and the consumer sectors, whilst utilities and communication services detracted. On a country basis, almost all countries contributed to outperformance, with Turkey, Poland, and the countries comprising the Middle East being notably strong. In contrast, Kazakhstan was the only country where our holdings made a negative contribution to the portfolio's performance.

In Turkey, we managed to generate significant positive relative returns through stock selection. Supermarket operator BIM performed exceptionally well as the company continues to deliver strong results with market-share gains, margin improvement and solid free-cash-flow generation with the management team adding to its exceptional track record

KEY PERFORMANCE DRIVERS

STOCK SELECTION

Investments across EM EMEA benefitted from Stock Selection

From Central Europe, to the Middle East and Africa, our investments benefitted against a diverse market backdrop.

FINANCIALS

Our investments in bank stocks were notably strong

Key contributors over the period included PKO Bank in Poland, OTP Bank in Hungary and Capitec/FirstRand in South Africa.

TURKEY

The path of inflation created unique opportunities

Whilst higher inflation supported our investment in discount retailer BIM, falling inflation in the second half of the year supported our positions within financials.

of creating shareholder value. Turkish financials Yapi Kredi and Akbank also delivered positive relative returns as the market priced in a strong net interest margin recovery and robust fee income from falling inflation.

Alongside Turkey, South Africa was the strongest market in the region benefitting from the potential for structural reform following the outcome of elections earlier this year. In similar fashion to Turkey, despite being underweight, the portfolio delivered strong relative outperformance. The largest single stock contributor to this positive outcome was Capitec, whose well-regarded management team delivered on market share gains and posted strong results despite the difficult social and economic backdrop of low growth, high inflation, and debilitating energy and logistical infrastructure. Technology company Naspers also added to relative returns in South Africa, following an update on the company's share buyback program. These positive contributions to relative return were partially offset by telecoms company MTN which suffered from currency devaluation in Nigeria, a major market for the company.

In Poland, miner KGHM was another notable contributor benefitting from a rally in copper and silver prices given the favourable supply-demand dynamics. The company delivered strong results during the year with better free cash flow generation and declining net debt. Furthermore, investors appear more encouraged by the new executive team's priorities on cost containment and the potential to implement a more disciplined capital allocation framework. Financial giant PKO Bank and major logistics company InPost also performed well as the companies benefitted from improving business and consumer confidence. In Greece, we focused our attention on the banking sector, which benefitted from investor interest in the nation's macro recovery and its return to investment-grade status.

Throughout the year we maintained a persistent underweight to Middle Eastern markets except for the UAE, choosing to focus our selection on specific bottom-up opportunities. This served to benefit relative returns with sector allocation supporting relative performance. In the UAE, our investment in ADNOC Drilling was a highlight, as the market rewarded higher growth potential in its oil field services (OFS) segment, whilst growth in "rigs" has served to underpin visibility in earnings and free cash flow. This positive momentum led to ADNOC becoming a component of the MSCI EM index last May, with the company's share price further benefitting from the resulting inclusion of the stock in passive investment

A differentiated and innovative investment process driven by fundamental bottom-up analysis – with a strong focus on environmental, social and governance factors.

portfolios. UAE real estate developer Aldar also performed well as investors priced in the structural demand for property through population growth and strong employment trends.

In Saudi Arabia, a more cautious approach anchored by our valuation discipline and growth outlook led us to avoid investing in index heavyweight ARAMCO – which we believed to be richly valued and offering limited growth. This decision made a positive contribution to relative returns, as did our indirect exposure to the ARAMCO SPO and broader domestic capital market deepening with the national stock exchange operator Tadawul. In contrast, renewables utility company ACWA Power was the single largest detractor in the portfolio. This company is a unique prospect within the region, but we believe that its valuation has run well ahead of its growth trajectory. In our view, investors are paying significant multiples for what is an ever-increasing backlog that includes a variety of desalination and power projects that have yet to come online both domestically and abroad.

In Kazakhstan, our holding in fintech and e-commerce operator Kaspi detracted from returns following the issuance of a short seller's report alleging that the company has undisclosed exposure to Russia. Our inability to accurately assess these risks ultimately drove us to divest our entire exposure.

Outlook

Looking ahead to the next financial year, we would highlight some positive economic developments – from the prospective US soft landing' to the recently announced Chinese stimulus – which nevertheless leave ample grounds for caution. In particular, geopolitical risks are compounded by the unpredictable stance of the incoming US administration which will play a key role in determining the way forward in both Ukraine and the Middle East. These conflict situations present binary risks to the upside and downside. Progress towards conflict resolution could deliver a "peace dividend" in the form of declining volatility and risk premiums with investment returns benefiting. It is in times such as these that we believe active management can add the most value for shareholders.

Our strategy is to balance cautious country and sector allocation in the face of these risks with a continued focus on the earnings profile of the individual companies in our portfolio, seeking out management teams with strong records of growth, prudent capital allocation policies, and returns to shareholders. Areas which we are actively following include assessing the impact of falling real interest rates, which is an important consideration within the financial sector. Whilst several companies in the banking sector will be affected by falling net interest margins, some will be less sensitive than others, and in some instances will benefit. In addition, falling yields and a weaker US dollar also provide a supportive environment for investments in precious metals, which remain key in economies such as South Africa.

At the consumer level, declining food inflation combined with lower interest rates should support households from Emerging Europe to South Africa. We believe that as food prices normalise there is greater potential for discretionary spending to return in key areas of consumption. At the same time, patterns of consumer behaviour are evolving, with 'premiumisation' on the rise (buy less, buy better), and digital mediums becoming more popular relative to physical domains. This creates a need for businesses to adapt, understanding what is driving change and how the changes affect what they sell and do. This environment relies heavily on best-in-class management to navigate in unsettled waters, and underscores why high-quality management teams are a key attribute we seek in the companies in which we invest.

Investment Approach

Our strategy seeks to diversify your portfolio by harnessing the long-term growth and income potential of Emerging EMEA. The portfolio is managed by our team of experienced investment professionals, with a repeatable process that also integrates Environmental, Social and Governance ("ESG") criteria.

Our strategy

Access	First-hand Expertise	Process	ESG Integration
An experienced investment team helps to foster strong relationships with the companies in which we invest.	The investment team conducts hundreds of company meetings per year, building long-term relationships and insight.	Extensive primary research and proprietary fundamental analysis, evaluating companies over a 5-year research horizon with macro considerations incorporated through our Cost of Equity approach.	Fully integrated dynamic ESG assessment combined with active engagement to positively influence ESG practices.

Our Research: Gedeon Richter

A new purchase in the period has been Gedeon Richter, a pharmaceutical company based in Hungary. With a track record of more than 120 years in the pharmaceutical sector, Gedeon Richter is able to offer innovative products for the care and health of women at all stages of their lives.

What do we like about the company?

Gedeon Richter, traditionally focused on women's healthcare, is now broadening its scope. The company is leveraging its internal R&D capabilities to innovate and develop a long-term pipeline, specifically targeting the central nervous system and biosimilars.

In our opinion, this strategy exemplifies a robust research and development (R&D) approach, coupled with a management team adept at identifying unique market opportunities.

Moreover, the company's management is committed to this expansion while maintaining a consistent dividend and a healthy balance sheet.

Unique Capabilities

Central Nervous System

The central nervous system (CNS) is made up of the brain and spinal cord, making it the body's processing centre.

Richter has developed **Vraylar** with its US partner, AbbVie, which has received FDA approvals for three major treatments which have the potential to double revenue for the next decade.

Building on this success, the company is now increasing research and development to launch new CNS products and continues to take market share.

Biosimilars

Biosimilars are officially approved versions of original "innovator" products and can be manufactured when the original product's patent expires.

The company has the ability to also create generic products that can be launched under patent that could potentially make this division the fastest growing business unit in the future.

ENGAGEMENT CASE STUDY:
Sabanci Holding (Turkish Conglomerate)

We regularly engage with companies with the aim of improving corporate behaviour or enhancing disclosure levels.

ENGAGEMENT OVERVIEW

- We engaged with Sabanci, a Turkish Financial and industrial conglomerate, to encourage management to adopt an internationally acknowledged share buyback standard.

OBJECTIVE: Change Behaviour

- Our aim was to encourage the company to adopt an internationally recognised buyback programme, which we believe would create shareholder value by improving its valuation and reducing the company's discount — whilst improving transparency.

OUTCOME: Successful

- Under the company's pre-existing model, Sabanci applied a buy-back strategy but refrained from cancelling bought back shares.
- This approach did not meet international standards and, in our view, contradicted management claims that its business was a leader in Corporate Governance.
- Following our discussions with management, our line of argumentation was recognised, and agreed that this approach could improve shareholder value.
- Subsequent to this engagement, the current buyback program will come to end in November 2024, and will be replaced by a new scheme that will feature share cancellations (subject to AGM approval).

To ensure consistency of research we utilise a standardised proprietary assessment framework to capture ESG attributes of each individual company under research coverage (see Chart A opposite).

A Focus on ESG

Our proprietary ESG assessment forms a core component of our fundamental bottom-up research. It is guided by our in-depth knowledge and regular interactions with company management teams.

As an integral step of our research, our ESG assessment is undertaken by our equity investment professionals as a fully integrated component of our investment process. This approach to ESG is anchored by three pillars:

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional finance analysis. This influences both our quality assessment of a company as well as its valuation and is therefore integral to decision making.

A dynamic, forward-looking approach

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.

Active engagement over exclusion

We aim to drive positive outcomes through direct engagement with corporate management teams rather than relying on blanket exclusions, potentially unlocking value for our investors.

CHART A – FUNDAMENTAL RESEARCH: EXAMPLE ESG ASSESSMENT

		Key Topics	Data / Issues to Consider
Sustainability of the Business Model ***(Franchise)***	1	**Employee Satisfaction**	Employee Relations: Staff Turnover; Strikes; Remuneration of Staff; Fair Wages; Injuries; Fatalities; Unionised Workforce; Employee Engagement, Diversity & Inclusion.
	2	**Resource Intensity**	Water Usage; GHG Emissions; Energy; Transition Risks.
	3	**Traceability/ Security in Supply Chain**	Traceability of Key Inputs; Investments in Protecting the Business from External Threats, e.g., Cyber Security, Physical Risks from Climate Change; Backward Integration (Protection of Key Inputs); Transition Risks in Supply Chain.
Corporate Governance Credibility ***(Management)***	4	**Effectiveness of Supervisory/ Management Board**	Sound Management Structures: Separation of Chair & CEO; Size of Board; Independence of Board; Frequency of Meetings; Attendance Record; Voting Structure; Female Participation on Boards.
	5	**Credibility of Auditing Arrangements**	Credible Auditor; Independent Audit Committee; Qualification to Accounts.
	6	**Transparency & Accountability of Management**	Access To Management; Financial Reporting; Tax Disclosure and Compliance; Appropriate Incentive Structure; Remuneration of Staff; Gender & Diversity Considerations; Employee Relations.
Hidden Risks on the Balance Sheet ***(Balance Sheet)***	7	**Environmental Footprint**	GHG Emissions; Carbon Intensity; History of Environmental Fines/Sanctions; Reduction Programmes in Place for Water/Waste/Resource Intensity, Air Quality; Transition Risks; Physical Risks from Climate Change.
	8	**Societal Impact of Products/ Services**	Health/Wellness implications of Consumption of goods/services; Product Safety Issues; Community Engagement.
	9	**Business Ethics**	Anti-competitive practices; Bribery/Corruption; Whistle-Blower Policy; Litigation Risk; Tax Compliance; Freedom of Speech; Anti-Slavery and Human Rights; Gender & Diversity Considerations.

ESG and its impact on company valuation

ESG influences the company-specific risk premium that forms a portion of the overall discount rate attributed to the company for valuation and identifying potential mispricing. Each company under research coverage will be assessed by the relevant investment professional using a dynamic framework, where the nine ESG sub-categories will each be assigned one of the following ratings:

UNFAVORABLE	NOT IMPROVING	IMPROVING	EXEMPLARY

Each sub-category is equally weighted and the sum of the nine ratings will translate into either a positive or negative adjustment ranging from -1% to +2% to the company's Cost of Equity ("COE"), which is used to discount our earnings forecasts. In addition, we have recently introduced a Carbon Cost assessment for relevant companies that we anticipate will be impacted by costs associated with reducing greenhouse gas (GHG) emissions, which can add a further 2% to the company's COE.

For further detail on our approach to ESG integration and our Carbon Cost assessment please see the links below:

ESG Integration and Active Ownership Policy

Carbon Cost Assessment: Unlocking Hidden Value in Carbon-Intensive Companies

Baring Asset Management Limited
Investment Manager
6 December 2024

Investment Portfolio

Review of Top Ten Holdings

at 30 September 2024

Investee company	Sector	Market value £'000	% of net assets
Al Rajhi Bank	Financials	**5,333**	**6.40%**
	As the largest Islamic bank globally, focussed on retail lending, Al Rajhi benefits from higher margins on account of its low-cost deposit base. With its predominantly fixed rate lending book, it differentiates itself from other banks in being able to expand margins as interest rates fall globally. The company's is also growing fintech initiatives, such as its consumer financing subsidiaries Emkan and Urpay, and has several subsidiaries that it aims to monetize, creating shareholder value.		
Naspers	Communication Services	**4,920**	**5.90%**
	Whilst listed in South Africa, the company is one of the largest technology investors in the world with investments across a number of geographies and more than two billion customers using their products and services. This includes food delivery services such as iFood in Brazil, and Swiggy in India, and online marketplaces such as China's Tencent where the company is the largest investor globally		
FirstRand	Financials	**3,982**	**4.78%**
	FirstRand is a leading South African bank offering a diverse range of services including lending, insurance and investment products. The bank has a higher market share across several segments domestically whilst also having some international exposure, most notably, UK financing subsidiary Aldermore, resulting in a high return on equity profile.		
Capitec	Financials	**3,494**	**4.19%**
	Capitec is South Africa's fastest growing bank, leading and benefitting from new trends in the country's financial services sector. Known for its four pillars of Simplicity, Affordability, Accessibility, and Personalised Experiences, Capitec has a strong brand franchise, and an excellent management team who have executed well over the past two decades, creating significant value.		
Qatar National Bank	Financials	**2,749**	**3.30%**
	Qatar National Bank is not only the market leader domestically but the largest bank by assets in the Middle East. It is a beneficiary of Qatar's growing liquified natural gas (LNG) capacity whilst also having exposure to higher growth markets in Turkey and Egypt. The bank has been very successful in navigating the challenges internationally whilst continuing to grow its domestic lending book and recently announced a share buyback program.		
Saudi Basic Industries (SABIC)	Materials	**2,578**	**3.09%**
	Saudi Arabia's dominant petrochemical chemical company, benefits from a diversified asset base that produces products harnessed across a range of industries from Agriculture to Automotive, to Industrial and Consumer.		

Investee company	Sector	Market value £'000	% of net assets
The Saudi National Bank	Financials	**2,552**	**3.06%**
	Saudi National Bank is the largest bank in Saudi Arabia by assets, a result of the merger between NCB and Samba in 2021. The bank has a diversified lending profile, allowing it to benefit from both margin expansion as rates come down, along with corporate loan growth arising from Saudi Arabia's Vision 2030 program and its associated giga projects.		
Saudi Telecom	Communication Services	**2,496**	**3.00%**
	Saudi Telecom offers a broad range of telecommunications infrastructure from mobile and data services, broadband and cloud computing, and remains a clear market leader. This company is also positively leveraged to Saudi Arabia's growing tourism industry (including religious tourism), in addition to the government's digital initiatives and its intention to have multinational companies headquarter their regional operations in the country.		
National Bank of Kuwait	Financials	**2,391**	**2.87%**
	National Bank of Kuwait benefits from its 60% ownership of Islamic bank Boubyan that has a younger demographic customer base with a faster growth profile, that is currently considering a merger with Gulf bank. The bank could also experience faster loan growth, particularly in the mortgage market, should a détente arise between the government and the parliament – the political paralysis that has so far held back growth in the country.		
ADNOC Drilling	Industrials	**2,110**	**2.53%**
	Sitting at the core of the Abu Dhabi National Oil Company's (ADNOC) upstream activities and the sole provider of drilling rig services in the UAE and enabler of the ADNOC Group's current and future oil and gas production programs.		

Investment Portfolio

at 30 September 2024

	Holding	Primary country of listing or investment	Market value £'000	% of Net assets
1	Al Rajhi Bank	Saudi Arabia	5,333	6.40%
2	Naspers Limited	South Africa	4,920	5.90%
3	Firstrand	South Africa	3,982	4.78%
4	Capitec	South Africa	3,494	4.19%
5	Qatar National Bank	Qatar	2,749	3.30%
6	Saudi Basic Industries	Saudi Arabia	2,578	3.09%
7	The Saudi National Bank	Saudi Arabia	2,552	3.06%
8	Saudi Telecom	Saudi Arabia	2,496	3.00%
9	National Bank of Kuwait	Kuwait	2,391	2.87%
10	Adnoc Drilling Company	United Arab Emirates	2,110	2.53%
11	Etihad Etisalat	Saudi Arabia	2,018	2.42%
12	KGHM Polska	Poland	1,947	2.34%
13	Saudi Arabian Oil	Saudi Arabia	1,942	2.33%
14	Saudi Arabian Mining	Saudi Arabia	1,914	2.30%
15	Alpha Services and Holdings	Greece	1,845	2.21%
16	OTP Bank	Hungary	1,824	2.19%
17	Anglogold Ashanti	South Africa	1,804	2.17%
18	Abu Dhabi Commercial Bank	United Arab Emirates	1,762	2.12%
19	Gold Fields	South Africa	1,716	2.06%
20	Emirates Telecom	United Arab Emirates	1,540	1.85%
21	PKO Bank Polski	Poland	1,536	1.84%
22	Saudi Tadawul Group	Saudi Arabia	1,507	1.81%
23	Gedeon Richter	Hungary	1,487	1.78%
24	First Abu Dhabi Bank	United Arab Emirates	1,349	1.62%
25	Emaar Properties	United Arab Emirates	1,303	1.56%
26	Shoprite Holdings	South Africa	1,290	1.55%
27	Allegro	Poland	1,266	1.52%
28	Dr Sulaiman Al Habib Medical Group	Saudi Arabia	1,237	1.48%
29	PZU	Poland	1,207	1.45%
30	Komercni Bank	Czech Republic	1,183	1.42%
31	Aldar Properties	United Arab Emirates	1,168	1.40%
32	Bim Birlesik	Turkey	1,141	1.37%
33	Impala Platinum	South Africa	956	1.15%
34	Dino Polska	Poland	925	1.11%
35	Piraeus Financial Holdings	Greece	892	1.07%
36	Saudi Awwal Bank	Saudi Arabia	835	1.00%
37	MTN Group	South Africa	794	0.95%
38	Riyad Bank	Saudi Arabia	768	0.92%
39	Inpost	Poland	753	0.90%
40	Koç Holding	Turkey	714	0.86%

	Holding	Primary country of listing or investment	Market value £'000	% of Net assets
41	Haci Omer Sabanci Holding	Turkey	617	0.74%
42	Bid Corporation	South Africa	603	0.72%
43	Nedbank Group	South Africa	593	0.71%
44	Yapil Ve Kredi Bankasi	Turkey	546	0.66%
45	Akbank	Turkey	485	0.58%
46	National Bank of Greece	Greece	481	0.58%
47	Industries Qatar	Qatar	475	0.57%
48	Jumbo	Greece	431	0.52%
49	Anglo American	South Africa	367	0.44%
50	Mol Hungarian Oil & Gas	Hungary	357	0.43%
51	Mr Price Group	South Africa	356	0.43%
52	Turkcell Iletisim Hizmetleri	Turkey	350	0.42%
53	Kuwait Finance House Ord Shs	Kuwait	344	0.41%
54	Anglo American Platinum	South Africa	253	0.30%
55	The Cooperative Insurance	Saudi Arabia	210	0.25%
56	Al Mouwasat Medical Services	Saudi Arabia	198	0.24%
57	Bupa Arabia	Saudi Arabia	188	0.23%
	Russian investments	Russia	—	0.00%
	Total investments		80,082	96.10%
	Net current assets		3,251	3.90%
	Net assets		83,333	100.00%

Russian Investments

As at 30 September 2024, the Company held the following investments. These investments continue to be valued at zero. During the period, the Company realised £2,279,513 from disposing of its holdings in the following Russian investments: TCS Group (GDR*) (£528,844), X5 Retail (GDR*) (£1,295,786) and Magnit (£454,883). The total loss on these sales was £2,740,000.

	Year ended 30 September 2024
Company	**Number of [Shares/GDRs*]**
Norilsk Nickel	1,509,800
Sberbank	1,374,068
Gazprom	824,340
United Company Rusal	572,570
Novatek	107,150
Moscow Exchange	86,875
Lukoil	72,519

The Company also has a bank account in Moscow ("S" account) into which dividends from its Russian investments are paid. These amounts are held in rubles and, under the current sanctions regime, cannot be remitted to the Company and may never be received. They are not recognised in the Company's net asset value or in its income statement and are excluded from the management fee. The amount held in the "S" account at 30 September 2024, was 229,800,000 rubles.

After the year-end, the investment in Nebius N.V., held at a fair value of £nil at 30 September 2024, was realised for £1,045,872.

* Global Depositary Receipt.

Corporate Review

The Strategic Report on pages 2 to 31 of the Annual Report and Audited Financial Statements has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to provide information to the shareholders of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Company Status

The Company's principal activity is operating as an investment trust. The Company aims to qualify consistently as an investment trust under Sections 1158/1159 of the Corporation Tax Act 2010 ("S1158/1159"). The Directors do not anticipate any changes to this activity in the foreseeable future.

The Company is quoted on the London Stock Exchange under the ticker code BEMO. As an investment trust, the Company has appointed an Alternative Investment Fund Manager, Baring Fund Managers Limited (the "AIFM"), to manage its investments. It has also appointed third-party service providers to manage the day-to-day operations of the Company, whose performance is monitored and challenged by a Board of independent Non-Executive Directors.

The Directors are of the opinion that the Company continues to conduct its affairs so as to be able to continue to qualify as an investment trust.

Key Performance Indicators

The Key Performance Indicators ("KPIs") of the Company are as follows:

- Annualised NAV total return[1]
- Share price total return[1]
- Dividend per Ordinary Share[1]

The returns for the year are set out under Financial Highlights on page 2.

Dividend Policy

The Company aims to generate an attractive income for shareholders, paying up to one per cent per annum of NAV from capital when deemed appropriate by the Board. The Board believes this sustainable policy will enhance the Company's appeal to investors.

Dividends

An interim dividend of 6 pence per Ordinary Share was declared on 6 June 2024. It was paid on 26 July 2024.

The Board recommends a final dividend of 12.5 pence per Ordinary Share. Subject to shareholder approval at the AGM, it will be paid on 7 February 2025 to shareholders on the register at the close of business on 20 December 2024. The Ordinary Shares will be marked ex-dividend on 19 December 2024. The deadline to elect for the Dividend Re-investment Plan will be 17 January 2025.

Buyback Programme

During the year under review, the average discount to NAV at which the Company's Ordinary Shares traded at was 21.8% (2023: 18.9%) and no Ordinary Shares were repurchased.

[1] APMs definitions can be found in the Glossary on pages 84 to 86.

Section 172 Statement

Background

Directors have a duty to make decisions that promote the success of a company for the benefit of shareholders as a whole. This responsibility is formally enshrined in section 172 (1) of the Companies Act 2006. Section 172 (1) stipulates that board decisions must be made with the long-term consequences of those decisions in mind, including the interests of employees, suppliers, customers and other stakeholders. It also requires consideration of the impact on the community and the environment, the importance of maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders. These are taken into account during discussions and as part of its decision-making. The Board has concluded that, as the Company is an externally managed investment trust and does not have any employees or customers in the traditional sense, its key stakeholders comprise its shareholders, the Investment Manager, and key service providers such as the Corporate Broker, Company Secretary, Registrar, Custodian, Auditor and Administrator as well as its Investee Companies. The Board also considers the Company's responsibilities to the environment and the wider community. The section below discusses the actions taken by the Company to ensure that the interests of stakeholders are taken into account, particularly in the context of the emerging climate change agenda.

Shareholders

Continued shareholder support and engagement are crucial to the Company's existence and the delivery of long-term strategy.

The Board is committed to maintaining open communication channels and engaging with shareholders in the most helpful manner to understand their views. These include:

- **Annual General Meeting –** The Company welcomes and encourages attendance and participation from shareholders at the AGM. This forum provides an opportunity to meet the Directors and the Investment Manager, and to address questions directly. Typically, there is a presentation on the Company's performance and outlook from the Investment Manager.

- **Publications –** The Annual Report and Half-Year results are made available on the Company's website, with hard copies of the Annual Report circulated to requesting shareholders. These reports provide detailed information on the Company's portfolio and financial position, supplemented by a quarterly factsheet released via the stock exchange and monthly factsheets posted to the Company's website.

- **Shareholder Feedback –** Shareholders often meet with the Investment Manager rather than Board members. However, the Board values feedback and questions from shareholders, considering their views in decisions made in the best interests of the Company. The Chairman or the Senior Independent Director can be contacted via either the Company Secretary or the Corporate Broker, both of which are independent of the Investment Manager.

- **Investor Relations Updates –** At every Board meeting, the Directors receive updates from the Corporate Broker on share trading activity, share price performance, the Company's share register and any shareholder feedback. The Board also reviews promotional plans, PR activity, and analyst's comments or research reports on the Company.

The Investment Manager

Maintaining a close and constructive working relationship with the Investment Manager is a key priority of the Board. The Investment Manager aims to achieve capital growth in line with the Company's investment objective. The Board plays a critical role in monitoring the Investment Manager. The Board meets quarterly, and additionally as required, to analyse, discuss, and constructively challenge the Investment Manager's investment approach, outlook and performance. Further details on the management arrangements can be found on page 13.

Third-Party Service Providers

In order for the Company to function as an investment trust, the Board relies on a variety of advisors for support. Therefore, the Board considers the Company's third-party service providers to be stakeholders.

The Board maintains regular contact with its key external providers and receives regular reports from them through Board and committee meetings, as well as on an ad-hoc basis. Their advice and views are routinely considered. The Management Engagement Committee formally assesses their performance, fees, and continuing appointment annually to ensure they function at an acceptable level and are appropriately remunerated. The Audit Committee reviews and evaluates the financial reporting control environments of the key service providers.

Investee Companies

The Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy.

The Investment Manager engages with the management teams of investee companies periodically and reports its impressions on their prospects to the Board. The Directors acknowledge that the Investment Manager can influence an investee company's approach to ESG matters, which is part of the investment process as detailed on pages 22 and 23.

Environment and Community

Given the outsourced nature of the Company's operations, it has very little direct impact on the community or the environment. However, the Board recognises its ability to influence an investee company's approach to ESG matters through the Investment Manager's approach. The Company's investment strategy considers the external impact of investee companies' activities on the environment, social practices, and governance. The Investment Manager regularly discusses ESG matters with investee companies. The Board agrees with the ESG approach of the Investment Manager and receives reports from the Investment Manager and other third parties. Further details on the Company's investment approach to ESG can be found on pages 21 to 23.

The mechanisms for engaging with stakeholders are regularly reviewed by the Directors and are discussed at Board meetings to ensure they remain effective.

Board Activities

During the year, regular agenda items at Board meetings include the review of the Company's portfolio, performance, and the market. Other items include investor relations, marketing activities, review of key risks, operational matters, governance, and compliance with the AIC Code.

Decision Making

The Board remains dedicated to open and transparent communication with shareholders, which has been particularly important given the challenging and volatile market backdrop over the financial year.

This year, the Board has continued to explore ways to best preserve, create, and realise shareholder value, particularly concerning the potential latent value in the Russian securities. These considerations are ongoing, and the Board will update shareholders when they are in a position to do so.

Culture and Values

The Company's values focus on transparency, clarity, and constructive challenge. The Directors aim to sustain a culture that aligns with the Company's purpose, values and strategy.

The Investment Manager, Barings, prides itself on maintaining a culture rooted in their core values: Value Our People, Take Accountability, Foster Collaboration and Deliver Excellence.

Continuing Appointment of the Alternative Investment Fund Manager

The Board keeps the performance of the AIFM under continual review. The Management Engagement Committee conducts an annual appraisal of the AIFM's performance and makes a recommendation to the Board about the continuing appointment of the AIFM. As the AIFM has delegated the portfolio management function to the Investment Manager, the Investment Manager's performance is also regularly reviewed. The annual review includes consideration of overall performance and performance compared with the Benchmark and a peer group; investment resources dedicated to the Company; investment management fee arrangements compared with the peer group, and marketing support and resources provided to the Company. The Board believes that the continuing appointment of the AIFM, on the agreed terms, is in the best interests of shareholders as a whole. The Board is of the view that the AIFM has managed the portfolio well and in accordance with expectations.

Viability Statement

The Directors consider viability as part of their ongoing risk monitoring approach. They have assessed the Company's prospects over a longer period than the twelve months required by the "Going Concern" provision. The Board conducted this review for a period of three years, which was selected as a reasonable time horizon for strategic planning, considering the investment policy, liquidity of investments, potential economic cycles, and revenue generation. The Directors have carried out a robust assessment of the Company's principal and emerging risks, as well as its current position. The principal risks and the procedures in place to monitor and mitigate them are detailed on pages 10 to 12. The Company's long-term viability assessment is based on the following characteristics:

- the Company has a long-term investment strategy, implemented via a consistently applied investment process designed to maximise the chances of meeting investment objectives;
- the Company has a portfolio of shares listed on regulated markets, many of which are highly liquid and can be readily realised to meet liabilities as they fall due;
- the underlying revenue generation of the portfolio is regularly reviewed and monitored. Revenue has substantially recovered from the loss of Russian dividends, and longer-term forecasts indicate an encouraging upward trend that should help support a sustainable dividend; and
- the Company remains well-diversified across a range of countries and sectors, helping to diversify concentration risk and reduce the impact of idiosyncratic events on performance.

The Investment Manager performs market-based stress tests and scenario analysis to assess the Company's viability. These tests cover a range of sensitivities, including interest rate movements, commodity price changes, currency appreciation/devaluation, and equity market moves. This also includes scenarios based on hypothetical future events and historic points of market stress. In carrying out this assessment, the Board has considered the diversification of the Company's portfolio, as well as the liquidity profile and earnings growth of the underlying investments. This analysis did not indicate any significant concerns.

The Board monitors the impact of the ongoing conflict between Russia and Ukraine and continues to value Russian equities at nil. This is based on the continuing restrictions on trading due to sanctions and market liquidity. The Directors regularly consider the future ramifications of the evolving conflict and its potential to impact on other countries.

Whilst these events have caused significant disruption in the portfolio, we do not believe they jeopardise the long-term viability of the Company, particularly as further downside is limited with Russian assets in the portfolio valued at nil. Furthermore, the portfolio remains broadly diversified across a range of EMEA countries, helping to reduce concentration risk to any one market.

The Board has also considered the size of the Company and the potential for it to become sub-optimal. While the net assets of the Company are lower compared to recent history, it has operated successfully at this size historically. Ongoing charges are similar to investment trusts of a similar size, and analysis suggests the portfolio does not present any issues regarding trading efficiency.

The shareholder circular dated 19 October 2020 set out proposals for a tender offer trigger mechanism. The Board put in place a mechanism to provide shareholders with a tender offer for up to 25% of the Company's issued Ordinary Share capital if a performance target and an average share price discount target were not met. For more details see Page 8. Whilst there is a prospect of achieving the performance target at the end of the Calculation Period in September 2025, the same cannot be said of the discount target. The Board has therefore concluded that the tender offer trigger mechanism set out above will need to be kept under review and evaluated against other strategic options available to the Company which may create more value for shareholders.

ESG

The Company does not have any employees, and all of the Directors are non-executive. It has outsourced its functions to third-party service providers. As an investment trust, the Company has very limited direct impact on the community or the environment, and as such has no environmental, human rights, social or community policies. However, the Investment Manager has reported on the management of ESG within the portfolio in the Investment Manager's Report on pages 14 to 27.

The Company aims to conduct itself responsibly, ethically and fairly. ESG factors are considered by the Investment Manager as part of its investment process, where appropriate. Further information can be found in the Investment Manager's Report on pages 21 to 23, which is supported by the Board. A key consideration in the decision to change the investment policy of the Company in 2020 was the move away from hydrocarbons in the portfolio.

The Board supports the Investment Manager in its belief that good corporate governance will help deliver sustainable long-term shareholder value. Therefore, in pursuing shareholder value, the Investment Manager implements its investment strategy through proxy voting and active engagement with company management teams. The Board supports the ESG approach of the Investment Manager and monitors how this is integrated into the investment process. Please see pages 21 to 23 for further details on the Investment Manager's approach to ESG.

This Strategic Report has been approved by the Board and signed on its behalf by:

Frances Daley
Chairman
6 December 2024

Board of Directors

FRANCES DALEY FCA, MCSI
Chairman

Frances qualified as a Chartered Accountant with a predecessor firm to EY and spent nine years in corporate finance, followed by 18 years in various CFO roles. From 2007 to 2012, she was the group finance director of the private equity-backed Lifeways Group, the UK's largest provider of specialist support to adults with learning disabilities and mental health needs. She is a non-executive director of Henderson Opportunities Trust PLC and Regional REIT Limited.

Frances was appointed to the Board on 29 April 2014 and as Chairman on 16 January 2018.

ALASTAIR BRUCE FCA
Non-Executive Director and Audit Committee Chairman

Alastair has substantial board experience in investment trusts. He is currently a non-executive director and Chair of the audit and risk committee of Fidelity China Special Situations PLC, an investment trust that focuses on quoted companies in China.

Alastair is also a non-executive director and chair of the audit committee of ICG Enterprise Trust PLC, a listed private equity investment trust. He was managing partner of Pantheon Ventures between 2006 and 2013. He has over twenty-five years of private equity, investment management and financial experience and is a qualified Chartered Accountant.

Alastair was appointed to the Board on 1 February 2024 and will be seeking election at the 2025 AGM.

VIVIEN GOULD

Non-Executive Director

Vivien has worked in the financial services sector since 1981. She was a founder director of River & Mercantile Investment Management Limited (1985) and served as a senior executive and deputy managing director with the group until 1994. She then served on the boards of several listed investment trusts, investment management companies, and other financial companies. She also served on the boards of several charities, including the Stroke Association, where she chaired the investment committee.

Vivien is currently a non-executive director and senior independent director of The Lindsell Train Investment Trust PLC, a non-executive director of Schroder AsiaPacific Fund PLC, Third Point Investors Limited and National Philanthropic Trust UK.

Vivien was appointed to the Board on 11 March 2019.

CHRISTOPHER GRANVILLE

Non-Executive Director

Christopher was formerly a British diplomat in the political section of the British Embassy in Moscow and has a wealth of experience in Emerging Europe. He is currently a managing director of TS Lombard, an investment research provider that is part of GlobalData Plc and covers global macroeconomics and political drivers. He co-founded what is now TS Lombard's emerging markets division in 2006. Previously, he spent six years as chief strategist and political analyst at United Financial Group, a Moscow-based investment bank that was acquired by Deutsche Bank in 2006. Christopher is a member of the board of directors of EOS Invest AB and a member of the investment committee of Olma Luxury Holdings Private Equity Fund.

Christopher was appointed to the Board on 30 November 2018.

NADYA WELLS

Non-Executive Director and Senior Independent Director

Nadya has over 25 years of experience in Emerging and Frontier markets as a long-term investor and governance specialist. She spent 13 years with the Capital Group, as a portfolio manager and analyst, focusing on EMEA markets. Prior to that, she was a portfolio manager at Invesco Asset Management, investing in Eastern Europe through closed-end funds. She started her career with EY in management consulting.

Nadya is a non-executive director on the boards of various unlisted Luxembourgish SICAVs managed by abrdn and M&G, and of Utilico Emerging Markets Trust PLC. She also sits on the audit committee of the non-profit Drugs for Neglected Diseases Initiative. She has an MBA from INSEAD, an MA from Oxford University and an MSc from the University of Geneva.

Nadya was appointed to the Board on 23 September 2015.

Report of the Directors

The Directors of the Company are pleased to present their Report, together with the audited financial statements of the Company, for the year ended 30 September 2024.

In accordance with the Listing Rules and the Disclosure, Guidance and Transparency Rules, the reports within the Corporate Governance section of this Annual Report should be read in conjunction with one another and the Strategic Report. As permitted, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report on pages 2 to 31 as the Board considers them to be of strategic importance.

Directors

As at 30 September 2024, the Board consisted of five Non-Executive Directors, all of whom are considered by the Board to be independent. The dates of their appointment are shown on pages 32 to 33, together with their full biographies, which demonstrate the range of skills and experience each Director brings to the Board.

The appointment and replacement of Directors is governed by the Company's Articles of Association (the "Articles"). The Articles may be amended by a special resolution of the shareholders.

The Board carries out an annual review of the performance of each Director, of the Board as a whole, and each Board Committee. In accordance with the policy adopted by the Board and the AIC Code of Corporate Governance, all Directors will retire and submit themselves for re-election annually.

The Board is of the view that, following consideration of the findings of the annual evaluation, all Directors contribute effectively, possess the necessary skills and experience, and continue to demonstrate commitment to their roles as Non-Executive Directors of the Company and its future. The Board, having considered the Directors' performance within the annual Board performance evaluation process, hereby recommends that shareholders vote in favour of each Director's proposed election and re-election, with the exception of Nadya Wells who, having served nine years on the Board, will not be seeking re-election at the 2025 AGM. Accordingly, all Directors will retire at the forthcoming AGM, and being eligible, will offer themselves for re-election.

There were no contracts or arrangements subsisting during the year under review or up to the date of this Report in which any Director is or was materially interested, including with the AIFM, which is or was significant in relation to the Company's business. None of the Directors is entitled to compensation for loss of office on the takeover of the Company.

The Board has access to independent professional advice at the Company's expense where it judges it necessary to discharge its responsibilities properly. The terms and conditions of the Directors' appointments are set out in their letters of appointment, which are available for inspection on request at the registered office of the Company and at the AGM.

Chairman and Senior Independent Director

The Chairman of the Company, Frances Daley, and Senior Independent Director of the Company, Nadya Wells, are Non-Executive Directors.

Policy on Tenure of Directors

The Board does not believe it would be appropriate to set a specific tenure limit for individual Directors or the Chairman. However, the Board will seek to maintain an average tenure of nine years for all of its Directors, including the Chairman, thus preserving the cumulative valuable experience and understanding of the Company, while benefitting from fresh perspectives and promoting diversity.

The Board will be recommending the reappointment of Ms Frances Daley as a Director of the Company at the 2025 AGM. Ms. Daley was appointed as a Director of the Company on 29 April 2014 and as Chairman on 16 January 2018. Therefore, if re-elected, she will be serving as a Director beyond the nine-year recommended period of tenure.

The Board considers that due to the current position of the Company it would be in the best interests of the Company and shareholders that Ms. Daley remains as a Director and Chairman of the Company beyond the standard nine-year period.

The Board believes that although Ms. Daley will be serving beyond a nine-year period (subject to re-election at the AGM), that Ms. Daley remains fully independent and is able to perform her role appropriately.

Role and Responsibilities of the Chairman

The Chairman leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. Key aspects of the Chairman's role and responsibilities are to:

- act with objective judgement;
- promote a culture of openness and debate;
- facilitate constructive Board relations and the effective contribution of all Directors;
- work with the Company Secretary to ensure that all Directors receive accurate and timely information so they can discharge their duties;
- seek regular engagement with the Company's shareholders; and
- act on the results of the annual evaluation of the performance of the Board, its Committees and individual Directors.

The Chairman was independent on appointment and remains independent as set out in the AIC Code.

Role and Responsibilities of the Senior Independent Director

The key elements of the Senior Independent Director's role are to:

- act as a sounding board for the Chairman;
- lead the annual evaluation of the Chairman as part of the annual evaluation process;
- in the event of any major difference of opinion on the direction of the Company, act as an intermediary between the Chairman, other Directors and the Investment Manager; and
- provide a conduit for views of shareholders in the event that the usual channels are not available or not suitable in the circumstances.

Indemnity of Directors and Compensation for Loss of Office

Pursuant to the Articles and the Companies Act, the Directors are indemnified against any liability. There are no other qualifying third-party indemnity provisions in place. In addition, the Company has procured Directors' and Officers' liability insurance. The Company does not have any arrangements in place with any Director that would provide for compensation for loss of office.

Diversity

The Nomination Committee reviewed the Company's Diversity Policy in August 2024. The Committee noted the guidance published by the Financial Conduct Authority in August 2022 regarding diversity and inclusion. The Board is mindful of the aims of the guidance and will continue to ensure that it hires from a diverse pool of candidates. Selection and appointment at Board level will continue to be based on merit and against objective criteria, considering the overall balance of skills and background of the Board. This approach aims to best serve the evolving needs of the Company whilst being mindful of the geographic and ethnic diversity of the investment universe.

The FCA's UK Listing Rules require companies to report against the following 3 diversity targets:

1) At least 40% of individuals on the board are women;
2) At least one senior board position is held by a woman; and
3) At least one individual on the Board is from a minority ethnic background.

The below tables, in prescribed format, shows the gender and ethnicity of the Directors at the year ended 30 September 2024. The data below was collected through self-reporting by the Directors.

Gender identity or sex	Number of Board members	Percentage on the Board (%)	Number of senior positions on the Board
Men	2	40%	–
Women	3	60%	2
Not specified/prefer not to say	–	–	–

Ethnic background	Number of Board members	Percentage on the Board (%)	Number of senior positions on the Board
White British or other White (including minority white groups	4	80%	1
Mixed/Multiple Ethnic Groups	1	20%	1
Asian/Asian British	–	–	–
Black/African/Caribbean/ Black British	–	–	–
Other ethnic group including Arab	–	–	–
Not specified/prefer not to say	–	–	–

Board Diversity Policy

1. Purpose

The Board Diversity Policy (the "Policy") sets out the approach to diversity on the Board of Directors (the "Board") of the Company.

2. Policy Statement

The Board notes the requirements for diversity and inclusion for Company Boards and Executive Management as set out in the Financial Conduct Authority's (FCA) policy statement PS22/3 April 2022. While the Company does not officially fall under these requirements due to size, the Board acknowledges the benefits of greater diversity, including gender and ethnic diversity, and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the work of the Board. The Board therefore aims to comply with the FCA policies and considers these in relation to the composition of the Board when recruiting Directors and succession planning.

3. Objectives

The Board has in addition established the following objectives for the appointment of Directors to the Board:

- all Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective;
- recruitment of potential non-executive directors should include diverse candidates of appropriate merit; and
- recruitment will be mindful of the geographic diversity of the investment universe of the Company and seek to include candidates with relevant experience in the region.

4. Monitoring and Reporting

The Board reviews this Policy annually and reports on it in the Annual Report and Accounts. The Board will also report annually on the outcome of the Board evaluation, the composition and structure of the Board, as well as any issues and challenges the Board is facing when considering the diverse make-up of the Board.

The Board currently comprises 60% women (requirement 40%). The Chair, Chair of the Nomination and Management Engagement Committees, and Senior Independent Director are female. Additionally, one member of the Board is from a mixed minority ethnic background (one of the ethnic background categories recommended by the UK Office for National Statistics, other than a white ethnic group).

Board Independence

The Chairman and all Directors were considered independent of the Investment Manager at the time of their appointment and, in line with the guidelines of the AIC Code of Corporate Governance, all continue to be considered independent.

Share Capital

As at 30 September 2024, the Company's total issued share capital remained unchanged from the previous year at 15,115,109 Ordinary Shares, of which the Company held 3,318,207 Ordinary Shares in treasury. The Ordinary Shares held in treasury are treated as not being in issue when calculating the weighted average of Ordinary Shares in issue during the year. All of the Company's Ordinary Shares in circulation are listed on the main market of the London Stock Exchange and each Ordinary Share carries one vote.

The rights attached to the Company's Ordinary Shares are set out in the Company's Articles. The Company's Ordinary Shares are freely transferable. However, the Directors may refuse to register a transfer of Ordinary Shares which are not fully paid nor where the instrument of transfer is not duly stamped or shown to be exempt from stamp duty. The Directors may also decline to register a transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules, and where the number of joint holders to whom the uncertificated shares is to be transferred exceeds four. There are no restrictions on the voting rights of the Company's Ordinary Shares.

Amendments to the Company's Articles and the granting of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders.

There are no restrictions on voting for the holders of Ordinary Shares, who are entitled to attend and vote at a shareholders meeting.

Share Issues

At the Annual General Meeting ("AGM") held on 25 January 2024, the Directors were granted authority to allot Ordinary Shares up to an aggregate nominal amount of £117,969 (being 10% of the issued Ordinary Share capital as at the date of publication of the Notice). This authority is due to expire at the Company's forthcoming AGM. The Company has not issued any Ordinary Shares under this authority. Proposals for the renewal of this authority are set out in the notice of AGM.

Treasury Shares

Shares bought back by the Company may be held in treasury, from where they could be re-issued at a premium to NAV quickly and cost-effectively. This provides the Company with additional flexibility in the management of its capital base. No shares were purchased for treasury during the year or since the year end. The Company holds 3,318,207 Ordinary Shares in treasury.

Purchase of Own Shares

At last year's AGM held on 25 January 2024, the Directors were authorised to make market purchases of up to 14.99% of the Company's Ordinary Shares in issue at that time, amounting to 1,768,355 shares. During the year, the Company did not purchase any of its own shares under this authority. A total of 3,318,207 Ordinary Shares are held in treasury, representing 21.95% of the issued share capital at 30 September 2024. This authority is due to expire at the Company's forthcoming AGM. Proposals for the renewal of this authority are set out in the notice of AGM, which is circulated separately to this Report.

Substantial Shareholdings

Information on major interests in shares provided to the Company under the Disclosure, Guidance and Transparency Rules is published via a Regulatory Information Service. As of the year-end, the Company had received notification of the following disclosable interests in the voting rights of the Company.

	Year ended 30 September 2024	
Shareholders	Number of Ordinary Shares notified	% Interest in share capital
City of London Investment Management Company Limited	**2,832,349**	**24.01%**
City of Bradford Metropolitan District Council	**1,704,593**	**14.45%**
Lazard Asset Management LLC, New York, United States of America	**1,096,747**	**9.30%**

Dividends

Details of the interim dividend paid by the Company during the year and the final dividend as recommended by the Board are set out in the Strategic Report on page 28.

Corporate Governance

The statement of Corporate Governance, as shown on pages 39 to 44, forms part of this report by reference. The Directors have prepared a statement on how the principles and recommendations of the AIC Corporate Governance Code have been applied.

Going Concern

The Directors believe that, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections, the Company has adequate resources and an appropriate financial structure in place to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of the financial statements. The assets of the Company are well diversified and consist mainly of readily realizable securities. The Directors note that the Company has now entered the last year before the discount and performance targets set in October 2020 will be tested. The Board will keep the appropriateness of the discount control mechanism under review and, if the September 2025 targets are not met as detailed on pages 8 and 9, consider the case for a tender offer alongside other strategic options. As at 30 September 2024, since the measurement date has not been reached and the Directors' decision has not been made, the Company has not recognised any related liability. For these reasons, the Directors consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Requirements of the Listing Rules

UKLR 6.6.4 requires the Company to disclose specific information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made under UKLR 6.6.4.

Streamlined Energy and Carbon Reporting ("SECR") statement: greenhouse gas ("GHG") emissions and energy consumption disclosure

The Company has no employees or property and does not combust any fuel or operate any facilities. Therefore, it has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions-producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within its underlying investment portfolio.

The Company has zero emissions associated with or attributed to it and no underlying global energy consumption. Accordingly, there are no energy efficiency action measures taken over the reporting year.

Conflict of Interest

The Articles provide that the Directors may authorise any actual or potential conflict of interest that may arise, with or without imposing any conditions that they consider appropriate on the Director. Directors are not able to vote on any contract, arrangement, or transaction in which they have a material interest and, in such circumstances, are not counted in the quorum. A process has been developed to identify any potential or actual conflicts of interest amongst the Directors. This includes declaring any potential new conflicts before the start of each Board meeting. The Directors are satisfied that this procedure is adequate.

Companies Act 2006 (the "Act") Disclosures

In accordance with Section 992 of the Act, the Directors disclose the following information:

- the Company's capital structure and voting rights are summarised on pages 36 and 37. There are no restrictions on voting rights, nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there are no securities carrying special rights with regard to the control of the Company;
- details of the substantial shareholders in the Company are listed above;

- the Company does not have an employees' share scheme;
- the rules concerning the appointment and replacement of Directors, amendment of the Articles of Association, and powers to issue or buy back the Company's Ordinary Shares are contained in the Articles of Association of the Company and the Act;
- there are no agreements to which the Company is a party that may affect its control following a takeover bid; and
- there are no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

The Board recognises the requirement under Section 417(5) of the Act to detail information about environmental matters (including the impact of the Company's business on the environment), any Company employees, and social and community issues, including information about any policies it has in relation to these matters and effectiveness of these policies. As the Company has no employees or policies in these matters, this requirement does not apply. Notwithstanding, the Investment Manager takes these considerations into account when making investment decisions and determines its voting instructions at investee company meetings accordingly.

Further details are set out on pages 22 to 23.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in note 13 of the Financial Statements.

Auditor

The Company's Auditor, BDO LLP, has indicated its willingness to continue in office. The Audit Committee is responsible for making a recommendation to the Board on the re-appointment of the Independent Auditors. Resolutions for the re-appointment of BDO LLP and to authorise the Board to determine its remuneration will be proposed at the AGM.

Audit Information

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

Annual General Meeting

The AGM will be held on Thursday, 23 January 2025 at 10:00 a.m. The formal notice of the AGM will be provided to shareholders under separate cover. Separate resolutions are proposed for each substantive issue, and a full explanation of the resolutions being proposed at the AGM can be found in the Notice.

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders. The Board unanimously recommends that you vote in favour of them, as those Directors (Frances Daley, Vivien Gould and Alastair Bruce) who hold Ordinary Shares in the Company intend to do so.

Review of the Year

A review of the year and the outlook for the forthcoming year can be found in the Strategic Report and Investment Manager's Report.

The Board has considered this Report and Financial Statements and has concluded that, as a whole, the Report is fair, balanced and understandable, providing the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Link Company Matters Limited
Secretary
6 December 2024

Statement of Corporate Governance

Background

The UK Listing Rules require listed companies to disclose how they have applied the principles and complied with the provisions of the corporate governance code to which the issuer is subject. In January 2024, the Financial Reporting Council ("FRC") published a new version of the UK Corporate Governance Code (the "2024 UK Code"), which applies to accounting periods beginning on or after 1 January 2025. However, provision 29 will apply to financial years beginning on or after 1 January 2026. The Association of Investment Companies has incorporated changes made by the FRC to the AIC Code of Corporate Governance (the "2024 AIC Code"). The Board has acknowledged the updates to the 2024 AIC Code and is taking steps to ensure compliance where necessary. The Company will report on its adherence to the revised code in the 2025 Annual Report and Accounts.

The provisions of the UK Corporate Governance Code ("UK Code"), as issued by the Financial Reporting Council ("FRC") in July 2018, apply to the year under review and can be viewed at www.frc.org.uk. The related Code of Corporate Governance (the "AIC Code") issued by the Association of the Investment Companies ("AIC") in February 2019 addresses all the principles set out in the UK Code and provides specific corporate governance guidelines for investment companies. The FRC has confirmed that AIC member companies reporting against the AIC Code will meet their obligations concerning the UK Code and the associated disclosure requirements of the Financial Conduct Authority. The AIC Code can be viewed at www.theaic.co.uk.

Compliance

Throughout the year ended 30 September 2024, the Company complied with the principles and provisions of the AIC Code, which incorporates the UK Code, except as set out below. The Board attaches great importance to the matters set out in the code and strives to observe its principles. Accordingly, the table on the following pages reports on compliance with the recommendations of the AIC Code.

It should be noted that, as an investment trust, all of the Directors are non-executive and the Company's day-to-day responsibilities are delegated to third parties. Consequently, the Company has not reported on those provisions of the UK Code relating to the role of the chief executive or executive remuneration. The Board does not have a separate Remuneration Committee and considers there to be no need for an internal audit function. For the reasons set out in the AIC Code, and as explained in the UK Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees, or internal operations, and as such, the Directors do not determine the need for an internal audit function to be practicable or necessary. The Company therefore has nothing to report in respect of these provisions.

The Principles of the AIC Code

The AIC Code is made up of 17 principles and 42 provisions over five sections covering:

- Board leadership and company purpose;
- Division of responsibilities;
- Composition, succession and evaluation;
- Audit, risk and internal control; and
- Remuneration.

The Board's Corporate Governance Statement sets out how the Company complies with the provisions of the AIC Code.

AIC Code Principle		Compliance Statement
A.	A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	Members of the Board are fully engaged and bring diverse skills to the table fostering healthy debate. The investment objective is to achieve growth, principally through investment in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern, and African (EMEA) markets. In managing the Company, the aim of the Board and of the Investment Manager is to ensure the long-term sustainable success of the Company. Therefore, the likely long-term consequences of any decision are a key consideration. As part of this, the opportunities and risks faced by the business are considered, monitored, and assessed, both in terms of potential and emerging risks. More detail regarding the principal risks and uncertainties and the sustainability of the business model can be found in the Strategic Report on pages 10 to 12.
B.	The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are all aligned. All directors must act with integrity, lead by example and promote the desired culture.	The purpose of the Company aligns with its investment objective to achieve capital growth, primarily through investments in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern and African (EMEA) markets. Additionally, the Company aims to provide shareholders with an attractive level of income from a diversified portfolio of investments designed to outperform the Benchmark in sterling terms. The Board assesses and monitors its own culture as part of the annual Board evaluation process, ensuring that its policies, practices, and behaviours are appropriately aligned with the Company's activities. The Board has defined its culture and values, and agreed upon behaviours and attributes that promote them. Furthermore, the Board monitors the culture of the Investment Manager to ensure that it is is aligned with the Company's purpose, values and strategy. As detailed on pages 21 to 23, the Investment Manager incorporates ESG factors into the investment process.
C.	The board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Directors regularly consider the Company's financial position in the context of its business model, balance sheet, and cash flow projections. The Board and the Management Engagement Committee regularly review the performance of the Company, as well as the performance and resources of the Investment Manager and other key service providers, to ensure that the Company can continue to meet its objectives. The Audit Committee is responsible for assessing and managing risks. Further information about this process can be found in the Audit Committee Report on pages 51 to 54.

AIC Code Principle		Compliance Statement
D.	In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	The Board understands its responsibilities to shareholders and stakeholders and considers the views and opinions of all parties when making decisions. The Board considers that, other than shareholders, other key stakeholders are third-party providers, the Investment Manager and its investee companies. On page 29 the Board outlines its key stakeholders, why they are important, and how it seeks to understand and engage with their interests. The Management Engagement Committee annually reviews the performance of the Investment Manager and the Company's other third-party service providers. This includes evaluating performance, fee structure, and notice periods to ensure competitiveness and that arrangements are in the best interests of shareholders. The Board considers the impact of any decision on all relevant stakeholders to ensure it promotes the long-term success of the Company, whether related to dividends, new investments, or potential future fundraisings etc. Additionally, the Directors welcome the views of all shareholders and place considerable importance on communications with them. Any substantive communications regarding major corporate issues are discussed by the Board, taking into account representations from the Investment Manager, Auditor, Legal Adviser, Corporate Broker and Company Secretary.
F.	The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non- executive directors, and ensures that Directors receive accurate, timely and clear information.	There is a clear division of responsibility between the Chairman, the Directors, the Investment Manager, and the Company's other third-party service providers. The Chairman is responsible for leading the Board and ensuring its overall effectiveness in directing the Company's affairs. The Chairman ensures that all Directors receive accurate, timely and clear information, and promotes a culture of openness and debate in Board meetings by encouraging and facilitating the effective contribution of other Directors towards a consensus view. The Chairman also takes a leading role in ensuring effective communications with shareholders and other stakeholders. Further details on the Company's engagement with shareholders and other stakeholders can be found in the S.172(1) Statement set out on pages 29 to 30. The Board meets regularly throughout the year, with representatives of the Investment Manager attending each meeting and most Committee meetings when appropriate. The Board has agreed on a schedule of matters specifically reserved for its decision. Prior to each Board and Committee meeting, the Directors are provided with a comprehensive set of papers detailing the Company's activities, including all relevant management, financial, and regulatory information. The annual evaluation of the Board's effectiveness always considers the performance of the Chairman and whether she has performed her role effectively. This year's evaluation was led by the Senior Independent Director ("SID"), taking into account feedback from the Directors. The document outlining the roles of the Chairman and SID is available on the Company's website. This review concluded that the Chairman continues to make a significant contribution, devotes sufficient time, to the Company's affairs, and displays excellent leadership, supporting the effective functioning of the Board.

AIC Code Principle		Compliance Statement
G.	The board should consist of an appropriate combination of directors (and, in particular, independent non-executive Directors) such that no one individual or small group of individuals dominates the board's decision making.	All of the Directors, including the Chairman, Frances Daley, are non-executive and independent of the Investment Manager and other service providers. Frances Daley was independent at the time of her appointment. No Director serves on the board of another investment company managed by the Company's Investment Manager, and no Board member has been an employee of the Investment Manager or its service providers. The Board believes that each Director continues to provide constructive challenge and robust scrutiny of all matters presented. The Nomination Committee reviews the Board's composition and plans for long-term succession.
H.	Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	As part of the Board evaluation process, the contributions and time commitments of each Director are reviewed. Directors' other commitments are regularly assessed, and any new appointments are considered by the Board to avoid conflicts of interest or overboarding. The Board evaluation concluded that each Director provided appropriate levels of challenge and offered guidance and advice to the Company and the Investment Manager when needed. The Management Engagement Committee annually reviews the performance and cost of the Company's third-party service providers. More details about the Committee's work can be found on page 48.
I.	The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Board's responsibilities are outlined in the Schedule of Matters Reserved for the Board, with certain duties delegated to its committees to ensure effective and efficient operation. Directors have access to the advice and services of the Company Secretary, who ensures that procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also ensures good information flow between all parties. Additionally, Directors have access to independent advisers as needed.
J.	Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Board has established a Nomination Committee, comprising the entire Board to lead the appointment process for new Directors as vacancies arise and as part of ongoing succession plans. More information about the Nomination Committee's work can be found on pages 49 and 50. The Board has adopted a diversity policy, acknowledging the benefits of greater diversity and committing to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. This aligns with the FCA's policy statement on diversity and inclusion for Company Boards and Executive Management. While the Board does not set specific targets, as all appointments are made on merit, the following objectives for appointing directors have been established: • All Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective; and • Long lists of potential Non-Executive Directors should include diverse candidates of appropriate merit. The Company is committed to ensuring that any Board vacancies are filled by the most qualified candidates. The Company's policy on the tenure of Directors also helps guide long-term succession plans and recognises the need and value of progressively refreshing the Board.

AIC Code Principle		Compliance Statement
K.	The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	The Directors' biographical details, set out on pages 32 and 33 of this report, demonstrate the wide range of skills and experience they bring to the Board. The Directors' skills, experience, and knowledge matrix is reviewed annually. When considering new appointments, the Board reviews its skills matrix to identify and fill any gaps in knowledge or experience. The Board seeks individuals with complementary skills who can devote sufficient time to their duties.
L.	Annual evaluation of the board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	An annual evaluation of the Board, and its committees, and individual Directors is conducted each year. For the period under review, this was performed through a questionnaire and subsequent discussions. The SID led the evaluation, covering the functioning of the Board, the effectiveness of its committees, and the independence and contribution of each Director. The Nomination Committee reviews relevant points from the performance evaluation process and considers this information when recommending the re-election of a Director to the Board. Following this review, the Board is satisfied that its structure, mix of skills, and operations are effective and relevant for the Company. It recommends that shareholders vote in favour of the Directors' election and re-election at the AGM. More information regarding the proposed election and re-election of each Director can be found in the Notice of AGM.
M.	The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit Committee supports the Board in fulfilling its oversight responsibilities by reviewing the performance, quality, objectivity, and independence of the external auditor. It also reviews the integrity and content of the financial statements, including the Company's ongoing viability. The Audit Committee has implemented a non-audit services policy requiring prior approval for any work outside the standard audit scope. This ensures that the external auditors remain fully independent. The Audit Committee annually reviews the performance of the external auditor, incorporating feedback from third parties, including the Investment Manager, to ensure a comprehensive assessment. More information about the Audit Committee's work can be found on pages 51 to 54.
N.	The board should present a fair, balanced and understandable assessment of the company's position and prospects.	The Audit Committee supports the Board in ensuring that the Company accounts present a fair, balanced, and understandable assessment of the Company's position and prospects. After reviewing the Annual Report and Accounts, the Committee believes the document achieves this goal.
O.	The board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	The Audit Committee supports the Board by independently overseeing the financial reporting process, including financial statements, internal control systems, risk management and the appointment and review of the external auditor's work and independence of the Company's external auditor. The Audit Committee reviews compliance reports and internal and financial control systems from principal service providers, along with relevant independent audit reports. Given the nature of the business, the Company relies heavily on its service providers and their internal controls. Therefore, the Audit Committee annually reviews the control systems of the Company's key service providers as they relate to the Company's affairs. As detailed in the Report of the Audit Committee on pages 51 to 54 the Company has a comprehensive system for assessing the adequacy of those controls. Further details on the Audit Committee's oversight of internal controls can be found in the Audit Committee report on page 53.

AIC Code Principle		Compliance Statement
P.	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	All Directors are non-executive and independent of the Investment Manager. They receive fees, with no component of their remuneration from performance factors. The Company follows the AIC Code recommendation that Non-Executive Directors' remuneration should reflect the time commitment and responsibilities of their roles. The Company's policy is that Non-Executive Directors' remuneration should reflect the Board's collective experience and be benchmarked against comparable organisations and appointments. Directors are not eligible for bonuses, share options, long-term incentive schemes, or other performance-related benefits, as the Board believes these are not appropriate for Non-Executive Directors. The Remuneration Policy is designed to attract and retain high-quality Directors, ensuring they remain focused and incentivised to promote the Company's long-term sustainable success. Although there is no requirement for Directors to hold Ordinary Shares in the Company, the Chairman, Mr Bruce, and Ms Gould own shares purchased in the open market with their own resources. Details of their shareholdings are on page 57. More information can be found in the Remuneration Report on pages 55 to 58.
Q.	A formal and transparent procedure for developing policy remuneration should be established. No director should be involved in deciding their own remuneration outcome.	Since the Company has no employees and the Board is entirely composed of Non-Executive Directors, a separate Remuneration Committee has not been established. Directors' remuneration is determined by the Board as a whole within an aggregate ceiling set out in the Company's Articles of Association. Each Director abstains from voting on their own remuneration. The Remuneration Policy is developed with reference to peer groups. All Non-Executive Directors receive an agreed fee, regardless of experience or tenure, with additional fees for the roles of Audit Committee Chairman and SID. There is also a separate fee for the Chairman. Any changes to the Chairman's fee are considered by the Board as a whole, excluding the Chairman, who excuses herself from this part of the meeting. Details of the Remuneration Policy and Directors' fees can be found on pages 55 to 58.
R.	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Remuneration decisions are made after considering the Company's performance and current market conditions. Since there are no performance-related elements in the remuneration, there is little scope for discretion or judgement.

The Board

Collectively, the Board possesses the necessary business, financial, and sector experience to provide clear and effective leadership and proper stewardship of the Company. None of the Directors have a service contract, however, letters of appointment outlining the terms of their appointment are in place. Directors are not entitled to any compensation for loss of office.

Board Operation

The Directors meet at regular Board meetings, which are scheduled in advance. Additional meetings and telephone/video conference meetings are arranged as necessary. Directors' attendance at Board and Committee meetings during the year was as follows:

	Board Meetings		Audit Committee Meetings		Nomination Committee Meetings		Management Engagement Committee Meetings	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Frances Daley	5	5	3	3	1	1	1	1
Vivien Gould	5	5	3	3	1	1	1	1
Christopher Granville	5	5	3	3	1	1	1	1
Nadya Wells	5	5	3	3	1	1	1	1
Alastair Bruce	3	3	2	2	1	1	1	1
Calum Thomson*	2	2	—	—	—	—	—	—

* Calum Thomson resigned on 1 February 2024.

Ad hoc Board and Committee meetings were held during the year as required.

The Board handles the Company's affairs, including overall strategy, setting and monitoring the investment policy, and the review of investment performance. The AIFM decides on asset allocation and the purchase and sale of individual investments.

Board papers circulated before each meeting provide comprehensive information on the Company's financial condition. Key AIFM representatives attend most Board meetings, allowing Directors to seek further clarification on any concerns.

Matters specifically reserved for full Board discussion have been defined, and a procedure is in place for the Directors to seek independent professional advice at the Company's expense if necessary.

Election/re-election of Directors

Under the Company's Articles and in accordance with the AIC Code, Directors must retire at the first AGM following their appointment. Thereafter, all Directors will seek annual re-election at each AGM. The Board will recommend the reappointment of Frances Daley as a Director at the 2025 AGM. Frances Daley, appointed as a Director in April 2014 and as Chairman in January 2018, will have served beyond the nine-year recommended tenure if re-elected at the 2025 AGM.

The Board believes that, ahead of the strategic issues to be made in 2025, it would be in the best interests of the Company and shareholders for Frances Daley to remain as a Director and Chairman beyond the nine-year recommended tenure. Nadya Wells will not be seeking re-election at the 2025 AGM.

Board Evaluation

The effectiveness of the Board, Chairman, Committees, and individual Directors was assessed through questionnaires designed to evaluate their strengths and weaknesses. Each Director completed the questionnaires, which covered the functioning of the Board as a whole, as well as the effectiveness of the Chairman, Committees, and individual Directors.

The questionnaires also analysed the focus of Board meetings to determine their appropriateness and identify any additional information needed to facilitate discussions. The Nomination Committee and Board reviewed and discussed the evaluation results.

The evaluation concluded that all current Directors contribute effectively and possess the skills and experience relevant to the Company's leadership and direction. The Board also found that the Chairman remains independent, performs satisfactorily and demonstrates strong leadership.

The Board reviewed the Chairman's and Directors' other commitments and is satisfied that they can devote sufficient time to the Company. Therefore, the Board recommends that shareholders vote in favour of each Director's re-election at the forthcoming AGM.

Board Committees

The Board has agreed on a schedule of matters specifically reserved for its decision, delegating specific duties to Committees operating within written terms of reference. During the reporting period, the Board had three Committees: the Audit Committee, Management Engagement Committee and Nomination Committee. Formal terms of reference for each Committee are available on the Company's website.

The Board believes that limiting its size best serves shareholders' interests, allowing all Directors to fully participate in Board activities. Therefore, the membership of the Audit, Nomination Committee and Management Engagement Committees is the same as the Board as a whole. Since the Board is composed of independent Non-Executive Directors, it does not establish a separate Remuneration Committee. Instead, the Board handles remuneration functions, with each Director abstaining from voting on their own remuneration. Details of the Directors' Remuneration Policy and fees are in the Directors' Remuneration Report on pages 55 to 58.

Audit Committee

The Directors have appointed an Audit Committee chaired by Alastair Bruce FCA, with all Directors as members. The Board believes that the Committee members collectively possess the necessary recent and relevant financial experience and sector competence. The Audit Committee reviews audit matters within clearly defined written terms of reference. The Audit Committee Report can be found on pages [51 to 54.

The Board notes that the AIC Code permits the Chairman to be a member of the Audit Committee of an investment trust. Recognising the Chairman's experience, the Audit Committee has resolved to continue endorsing the Chairman's appointment to the Committee.

Nomination Committee

The Nomination Committee, chaired by Nadya Wells, includes all Directors as members and meets at least once on an annual basis. Its terms of reference include a review of the Board's size, structure, diversity, succession planning, and training. Potential new directors are identified based on the Company's business and the requirement for a balanced Board. The Company is committed to filling any vacancies with the most qualified candidates. The Board has adopted a diversity policy in line with the FCA's requirements for diversity and inclusion for company boards and executive management. The Committee acknowledges the benefits of greater diversity and is committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds, and perspectives. External search consultants may be used to ensure a wide range of candidates are considered, and indeed, during the year, Conforth Consulting successfully facilitated the search for the Audit Committee Chairman. The Nomination Committee Report can be found on pages 49 to 50.

Management Engagement Committee

The Management Engagement Committee, for which each Director is a member, is chaired by Nadya Wells and meets at least annually to review the performance of the AIFM, consider any variances to the AIFM Agreement, and report its findings to the Board. The Committee also reviews the performance and terms of engagement of the Company's third-party service providers.

During the year under review, the Committee met once to evaluate the performance of the Investment Manager, Administrator, Company Secretary, and other third-party service providers. For details on the Committee's considerations in recommending the continuing appointment of the Investment Manager, please see page 30.

Risk Management and Internal Controls

The Directors are responsible for the Company's risk management and internal control system, designed to safeguard shareholders' investments, maintain proper accounting records, and ensure reliable financial information. However, this system can only manage, not eliminate, the risk of failing to achieve business objectives, providing reasonable but not absolute assurance against fraud, material misstatement or loss.

The Board is primarily responsible for monitoring and reviewing investment-related risks, while the Audit Committee handles other risks. Since the Board has delegated investment management, depositary and custodial services, and day-to-day accounting and company secretarial duties to external parties, the Company relies significantly on these external parties' internal controls.

The Audit Committee concluded that the Company should not establish its own internal audit function. The Board continues to monitor the internal control system to ensure it operates as intended, with the Audit Committee reviewing the need for an internal audit function on an annual basis. Alternative investment fund management services are provided by Barings (details in note 3 to the Financial Statements).

The Depositary is State Street Trustees Limited, the Custodian is State Street Bank & Trust Company, administration services are provided by Waystone Administration Solutions (UK) Limited and company secretarial services are provided by Link Company Matters Limited.

The Board, through the Audit Committee, regularly undertakes risk assessments and reviews internal controls in the context of the Company's overall investment objective. The Audit Committee maintains a risk matrix that identifies risks to the Company and details controls to mitigate them. Risks are assessed based on their likelihood, impact on the business, and the effectiveness of controls. The risk matrix is updated when new risks are identified.

As part of the risk review process, the AIFM regularly reports on all investment matters, including compliance with the investment mandate, portfolio performance compared to the Benchmark, and compliance with investment trust status requirements.

Most day-to-day management functions are sub-contracted, so Directors regularly obtain assurances and information from key third-party suppliers about their internal systems and controls. Each material third-party is also requested to provide an annual report on internal controls, reviewed by the Audit Committee.

These processes were in place during the year and at the date of this Report's signing. The principal risks identified by the Board are detailed on pages 10 to 12.

Corporate Governance and Voting Policy

The Company delegates voting responsibilities for its investee companies to its AIFM, which in turn delegates this responsibility to the Investment Manager.

The Investment Manager engages a proxy voting service provider ("Service Provider") to process and maintain records of proxy votes. The Service Provider also retains an independent third-party research provider ("Research Provider") for research and recommendations on proxies.

The Investment Manager may sometimes find it in the best interests to vote against the Research Provider's recommendations or guidelines. In such cases, the documented rationale must be submitted to the appropriate governance group at the Investment Manager for approval.

The Investment Manager retains the right not to vote a proxy in certain circumstances, such as:

- the cost of voting a proxy for a foreign security outweighs the expected benefit, provided refraining from voting does not materially harm the Company;
- the Investment Manager is not given enough time to process the vote (e.g. receives a meeting notice and proxy from the issuer too late to permit voting);
- the Company hold shares on a company's record date, but sells them before the investee's meeting date;
- the investee has participated in share blocking, prohibiting the Investment Manager's ability to trade or loan shares for a period of time;
- the Investment Manager has outstanding sell orders on a particular security and refrains from voting to facilitate the sale; and
- the underlying securities have been lent out pursuant to a security lending program.

This list is not exhaustive. The Investment Manager will provide the Company with the voting record for the most recent 12-month period ending 30 September 2024.

Before making an investment, the Investment Manager assesses risk factors, including the corporate governance structure of the Company, to determine if it could inhibit good returns and whether management's interests align with those of the investors.

The Investment Manager uses Institutional Shareholders Services ("ISS"), a recognised authority on proxy voting and corporate governance, to assist with voting procedures. ISS provides recommendations, which the Investment Manager assesses and then votes in accordance with the best interests of the Company.

For and on behalf of the Board

Frances Daley
Chairman
6 December 2024

Management Engagement Committee Report

Nadya Wells
Chair of the Management Engagement Committee

I am pleased to present the Management Engagement Committee Report for the year ended 30 September 2024.

Composition and Role of the Management Engagement Committee

The Management Engagement Committee comprises myself, as Chairman, and the entire Board, all being independent Non-Executive Directors. Terms of Reference have been established and agreed by the Board, and are available on the Company's website.

The Committee's primary responsibilities are to:

- monitor and evaluate the Investment Manager's investment performance and compliance with the terms of the AIFM Agreement;
- review the terms of the AIFM Agreement annually to ensure they conform with market and industry practice and remain in the best interests of shareholders. Recommend any necessary or desirable variations to the Board;
- review and make the appropriate recommendations to the Board regarding the continuing appointment of the AIFM, ensuring it is in the best interests of the Company and shareholders;
- review the level and method of remuneration of the Investment Manager;
- monitor the appropriateness and compliance of other service providers' terms of their respective agreements;
- review, consider, and recommend to the Board any amendments to the terms of appointment and remuneration of other service providers; and
- consider any points of conflict of interest that may arise between the service providers.

Matters Considered During the Year

The Committee met once during the year ended 30 September 2024. At that meeting, the Committee considered the performance and the continuing appointment of the AIFM, as well as the performance of the Company's other third-party service providers. The Committee conducted its annual review of the performance of the Investment Manager, which included consideration of:

- overall performance and performance compared with the benchmark and peer group;
- investment resources dedicated to the Company;
- investment management fee arrangements compared with the peer group;
- marketing support and resources provided to the Company; and
- a review of the Fund Administrator and the Company Secretary.

With respect to the review of the performance of the Company's other third-party service providers, the Committee considered the quality of services provided and the overall value for money. The Committee concluded that the services provided by other service providers were satisfactory and the agreements entered into were operating in the best interests of shareholders.

Continuing Appointment of the Alternative Investment Fund Manager

The Board keeps the performance of the AIFM under continual review. The Committee conducts an annual appraisal of the AIFM's performance and recommends to the Board whether to continue the AIFM's appointment.

The Board believes that continuing the appointment of the AIFM under the agreed terms is in the best interests of all shareholders. The Board also feels that the AIFM has managed the portfolio effectively, meeting the Board's expectations.

Nadya Wells
Chair of the Management Engagement Committee
6 December 2024

Nomination Committee Report

Nadya Wells
Chair of the Nomination Committee

I am pleased to present the Nomination Committee Report for the year ended 30 September 2024.

Composition and Role of the Nomination Committee

The Nomination Committee comprises myself, as Chairman, and the entire Board, all being independent Non-Executive Directors. Terms of Reference have been established and agreed by the Board, which are available on the Company's website.

The primary responsibilities of the Committee are:

- to review the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board;
- to give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- to identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- to review the results of the Board performance evaluation process that relate to the composition of the Board; and
- to review annually the time required from Non-Executive Directors.

The Committee is cognisant of the link between succession planning, strategy, and the culture of the Company, and the role in which it plays.

In considering succession planning, the Committee reviews the matrix setting out the skills and competencies of the Board. It undertakes a proactive process of planning, review, and assessment, considering the strategic priorities and main factors affecting the long-term success and future of the Company, and the associated diversity, skill sets, and breadth of perspectives needed on the Board. Suitably qualified external search consultants assist in the search process for all new Board appointees.

Activities During the Year

Effective succession planning is important for the long-term success of the Company. The Committee continually reviews the composition of the Board to monitor the ongoing independence of the Non-Executive Directors, identify any gaps in skills or experience, and arrange appropriate training. This process also informs the succession plan for future Board appointments as new skill needs emerge.

During the year, the Board appointed Conforth Consulting to assist with the recruitment process of a Non-Executive Director. Conforth Consulting is independent of the Board and the Company, with no connections to any individual Directors. The Committee agreed on a person specification that outlined the required skills and experience, focusing on an individual with strong accounting and financial experience and an investment trust background. Conforth Consulting compiled a list of candidates and scheduled interviews with the Board. The Committee recommended Alastair Bruce for the role of independent Non-Executive Director and Chairman of the Audit and Risk Committee. His appointment became effective on 1 February 2024.

Board Succession

In considering succession planning, the Nomination Committee reviews and updates annually the matrix setting out the necessary skills and competencies of the Board. It undertakes a proactive process of planning, review and assessment, considering the strategic priorities and main factors affecting the long-term success and future of the Company and the associated diversity, skill sets and breadth of perspectives needed on the Board. We are mindful of the evolving strategic priorities of the Company and seek to hire new Board members who can enhance the delivery of the Company's objectives.

Suitably qualified external search consultants assist in the search process for all new Board appointees. The Nomination Committee will continue to make recommendations for new appointments to the Board based on merit, with candidates measured against objective criteria and being mindful of the Board's Diversity Policy (included on pages 35 and 36). It will also consider and review the appointment of the Chairman, with the Chairman being excluded from these discussions.

Frances Daley joined the Board as a Director in 2014 and became Chairman in 2018. If re-elected at the 2025 AGM, she will continue to exceed the recommended nine-year tenure for a Director. However, given the ongoing strategic considerations facing the Company, the Nomination Committee believes it is in the Company's best interests for Frances to continue as Chairman. We have consulted with our largest shareholders, who support this decision. Therefore, we recommend Frances for re-election by shareholders at the January 2025 AGM.

Having reached the end of a nine-year term, I will not be seeking re-election at the 2025 AGM. The Board has decided to not hire a replacement at this time. This decision reflects the Board's commitment to managing costs for shareholders, and the belief that the current Board's experience and structure remain sufficient to manage the Company moving forward.

Succession Planning

The Board has an agreed succession plan for the orderly retirement of existing Directors and a process to identify the skills needed on new appointments. Regular retirement of existing directors will take place in the coming years to allow for refreshment of talent and compliance with the AIC Code and recommendations of the FCA.

During the year, the Committee held one scheduled meeting which was attended by all members of the Committee. The Committee considered the results of the Board evaluation 2024 and also reviewed the Company's Diversity Policy.

The Board, on the recommendation of the Committee, is satisfied that each Non-Executive Director serving at the end of the year remains independent and continues to have sufficient time to discharge their responsibilities to the Company.

Nadya Wells
Chair of the Nomination Committee
6 December 2024

Audit Committee Report

Alastair Bruce
Chair of the Audit Committee

I am pleased to present the Audit Committee Report for the year ended 30 September 2024.

Composition and Role

The Audit Committee, chaired by myself, comprises the entire Board, including the Chairman of the Board. Ms. Daley was independent on appointment, and the Committee considers it appropriate for her to be a member, having regard to her skills, experience, and valued contributions, which enhance the overall effectiveness of the Committee.

The Committee members collectively have a broad range of financial, commercial, investment, and sector experience. Both Ms. Daley and I are qualified Chartered Accountants. I am satisfied that the Committee members, individually and collectively, are independent and appropriately experienced, and that at least one member has recent and relevant financial experience.

Clearly defined Terms of Reference have been established and agreed by the Board, which are available on the Company's website. The primary responsibilities of the Audit Committee are to:

- monitor the integrity of the financial statements, the financial reporting process and the accounting policies of the Company;
- review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides shareholders with sufficient information to assess the Company's position and performance, business model and strategy;
- report to the Board on any significant financial reporting issue and judgements having regard to any matters communicated to it by the Auditor;
- review the effectiveness of the internal controls environment of the Company and risk management systems;
- review the Company's risk register, including significant and emerging risks;
- manage the relationship with the Company's external auditor, including reviewing the Auditor's remuneration, independence and performance and make recommendations to the Board as appropriate;
- review the Auditor's independence and objectivity and the effectiveness and quality of the audit process; and
- regularly review the need for an internal audit function.

The Audit 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 Auditor. During the year under review, the Audit Committee met on three occasions, these being scheduled meetings. All members attended these meetings. Please see page 45 for member attendance.

The Audit Committee has direct access to the Company's Auditor, BDO LLP, and representatives of the Auditor attend an Audit Committee meeting at least once a year. The Audit Committee meets with the Auditor once during the year without the presence of the Investment Manager and Administrator.

Significant Matters Considered by the Audit Committee

During its review of the Company's financial statements for the year ended 30 September 2024, the Audit Committee identified the following significant issues, including those communicated by the Auditor during its review:

Significant Issue	How the issue was addressed
Valuation of the investment portfolio	The Board relies on the Administrator and the Investment Manager to use correct listed prices and seeks comfort in the testing of this process through the internal control statements. This was discussed with the Administrator, Investment Manager and Auditor at the conclusion of the audit of the financial statements. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the financial statements, and on pages 31 and 37. The Investment Manager reviews the valuation of the investments by both the Administrator and Custodian. Actively traded investments are valued using stock exchange prices provided by a third-party vendor. Regular updates are provided to the Audit Committee about the activities and valuations of any unquoted holdings. The Company uses the services of an independent Depositary (State Street) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Audit Committee. The Investment Manager regularly provides information to the Audit Committee in respect of the liquidity of the portfolio and valuation of Russian stocks which have been valued at zero. During the year, and at the year-end, there were no matters brought to light which called into question that the key controls in this area were not working.
Existence of the investment portfolio	Like all services performed by the Company, the Committee relies on third-party service providers to ensure controls are in place. The Company uses the services of an independent Custodian to hold the assets of the Company. The investment portfolio is reconciled by the Investment Manager to the Custodian's records on a monthly basis. The Investment Manager also reviewed the Custodian's service levels and performance throughout the year and conducted quarterly performance reviews with the Custodian. The Company has also appointed a Depositary whose responsibilities include monitoring the controls operated by the Custodian and overseeing the safekeeping of the Company's assets. The Committee receives regular reports from the Depositary, including details on its oversight of the Custodian.
Accuracy of the calculation for any tender conditions; discount and performance	In view of a potential tender offer following the year ending 30 September 2025, the level of discount and performance is calculated by the Administrator. This is also reviewed by the Investment Manager and the Audit Committee.

Going Concern and Viability

The Committee reviews and assesses the Annual Report and makes recommendations to the Board to confirm that it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy and has reported these findings to the Board. This included an assessment and recommendation on whether it was appropriate to prepare the Company's financial statements on a going concern basis. This review included challenging the assumptions on the viability of the Company and reviewing stress tests focused on its ability to continue to remain viable. The Board's conclusions in this respect are set out in the Going Concern Statement and Long Term Viability Statement on pages 69 and 71 respectively.

Other Matters Considered by the Audit Committee in the Year

The Committee also reviewed the key risks of the Company and the internal controls framework operating to control risk. The Committee also reviewed the proposed programme for the year-end audit and the subsequent Audit Report of the external auditor.

In addition to the matters included above, the Audit Committee has:

- reviewed the revenue forecast and analyses prepared by the Administrator, in order to make a recommendation on the semi-annual and final dividends;
- agreed the audit plan, including the principal areas of focus, and agreed the audit fee with the Auditor;
- reviewed and updated the Company's risk matrix, including assessment of emerging and principal risks facing the Company;
- reviewed the internal controls and risk management systems of the Company and the control reports of its third-party service providers, including those issued by the Company's Administrator, Depositary, Custodian and Investment Manager;
- met with the Investment Manager to discuss and challenge the valuation and existence of unquoted and quoted investments and to review the liquidity of the portfolio; and
- considered the recoverability of withholding tax on several of the Company's dividends received.

At each Audit Committee meeting, the members discussed the emerging risks that may have an impact on the Company.

Internal Controls and Risk

The Board has ultimate responsibility for the management of risk and the Company's systems of internal control. The Board, through the Audit Committee, has established an ongoing process for identifying, evaluating and managing risks. The Audit Committee has exercised its management of financial, operational and compliance risks and of overall risk by relying on regular reports on performance attribution and other management information provided by the Investment Manager and other third-party suppliers.

The Audit Committee reviews annual reports from the AIFM, the Depositary, the Registrar, Administrator, Investment Manager, and the Custodian on their internal controls and their operation. These control reports are designed to provide details of the internal control procedures operated by the relevant entity and typically include a report by an independent reporting accountant. 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.

Regular risk assessments and reviews of internal controls are undertaken in the context of the Company's overall investment objective. The Board, through the Audit Committee, has identified risk management controls in four key areas: corporate strategy; published information and compliance with laws and regulations; relationships with service providers; and investment and business activities.

In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the likelihood of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost and benefits to the Company of the relevant controls being operated by Company and third parties.

A risk matrix has been produced against which the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur, and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit Committee and at other times as necessary. The principal and emerging risks that have been identified by the Board are set out on pages 10 to 12.

The Board reviews financial information produced by the Investment Manager and the Administrator on a regular basis. Most functions for the day-to-day management of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third-party suppliers regarding the internal systems and controls operated in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit Committee, together with letters of comfort confirming that those controls were still in operation at the Company's year-end.

Audit

The Audit Committee has discussed the treatment of Russian assets still held by the Company with the auditor and has agreed that the current treatment is appropriate. No changes were proposed, and the assets continue to be valued at zero.

Regulations currently in force require the Company to rotate audit firms after a period of 10 years, which may be extended where audit tenders are carried out or where more than one audit firm is appointed to carry out the audit. BDO LLP was appointed as the Auditor in 2019 following a formal tender process and presented their first report in respect of the 2019 financial year.

The Audit Committee monitors and reviews the effectiveness of the audit process for the Annual Report, including a detailed review of the audit plan at the planning stage and the audit results report on completion of the audit, and make recommendations to the Board on the re-appointment, remuneration, and terms of engagement of the Auditor.

The Audit Committee meets at least once a year with the Auditor. The Auditor provides a planning report in advance of the annual audit and a report on the annual audit and its findings. The Audit Committee has an opportunity to discuss any aspect of the Auditor's work and ask questions of the Auditor.

The Committee reviewed and discussed the findings of the FRC's recent 2024 Audit Quality Report on the quality of audits performed by BDO LLP and has satisfied itself that none of the shortcomings as identified in the Audit Quality Report were materially relevant to the audit of the Company.

Independence and Objectivity of the Auditor

BDO LLP has been the Auditor to the Company from the 2019 financial year and was appointed following a competitive tender process. The Audit Partner of the Company has been rotated since the Auditor's initial appointment. The Committee acknowledges that rotating the Audit Partner provides a fresh perspective on the audit responsibilities for the Company. The Audit Committee regularly considers the need to put the audit out to tender, its fees and independence, together with any matters raised during the audit.

Chris Meyrick is the current Audit Partner and this is his first audit of the Company. The Audit Committee reviews the scope and nature of all proposed non audit services before engagement, to ensure the independence and objectivity of the Auditor are safeguarded. The Auditor was asked to attest that BDO LLP and the audit team members are independent of the Company.

The Audit Committee has reviewed the effectiveness and quality of the Auditor considering factors such as independence; the quality of the audit work (including the ability to resolve issues promptly), its direct communication with the Company, cost effectiveness, feedback from the Investment Manager and Administrator, and the quality of personnel and services. The Auditor has not provided any non-audit services to the Company during the year under review (2023: None).

The Audit Committee has satisfied itself that the Auditor remains independent and objective. The Board concluded, on the recommendation of the Audit Committee, that the Auditor be re-appointed at the forthcoming Annual General Meeting.

Audit Fees and Non-Audit Services

An audit fee of £47,000 (exclusive of VAT) has been agreed in respect of the audit for the year ended 30 September 2024 (2023: £44,000).

All proposed non-audit services must be notified to the Audit Committee, which considers any such proposal before engagement in order to maintain auditor independence and objectivity. No non-audit fees were paid to BDO LLP in the year.

Tax Services

The Company makes use of tax advisors to provide certain tax compliance services.

BDO LLP does not provide any tax compliance services.

Internal Audit

The Audit Committee considers annually whether there is any need for an internal audit function. The Audit Committee has determined that there is no need for an internal audit function as it delegates most of its operations to third parties and does not employ any staff.

The Company does not have a whistleblowing policy and procedure in place. It delegates its main functions to third-party providers who have such policies in place and the Audit Committee understands that these policies meet industry standards.

Committee Effectiveness

During the year, the Board carried out an internally facilitated evaluation of its performance and that of its Committees. The evaluation confirmed that the Audit Committee continued to operate at a high standard.

Financial Statements

In finalising the Financial Statements for recommendation to the Board for approval, the Committee has concluded that the going concern principle is appropriate. The Audit Committee has also satisfied itself that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Alastair Bruce
Chairman of the Audit Committee
6 December 2024

Directors' Remuneration Report

for the year ended 30 September 2024

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30 September 2024, prepared in accordance with the requirements of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 60 to 65.

Statement by the Chairman

A key driver of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience. The basis for determining the level of any change in Directors' remuneration is set out in the Directors' Remuneration Policy below. No discretionary fees have been paid to the Directors during the year, and such fees are expected to be necessary only in exceptional circumstances. Any discretionary fees will be clearly disclosed in the Directors' Remuneration Report, accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration Committee

The Board as a whole fulfils the function of the remuneration committee and considers any change in the Directors' Remuneration Policy (the "Policy"). Given the size of the Board, it is not considered appropriate for the Directors to have a separate committee and therefore one has not been established. The Company's Directors are all non-executive and independent of the Investment Manager. The Company has no employees.

Directors' Remuneration Policy

The Policy detailed below is put to a shareholders' vote at least once every three years and in any year if there is to be a change in Policy. In determining the Policy, the Board considers all necessary factors, including relevant legal and regulatory requirements and the provisions and recommendations of the AIC Code. The appropriateness and relevance of the Policy are to ensure it supports the long-term success of the Company.

Companies are required to ask shareholders to approve the annual remuneration report, which includes the annual remuneration paid to Directors, each year and to formally approve the Directors' Remuneration Policy on a three-yearly basis. Any change to the Directors' Remuneration Policy requires shareholders' approval. The vote on the Directors' Remuneration Report is advisory, while the Directors' Remuneration Policy is subject to a binding vote.

A resolution to approve the Policy was proposed and approved by shareholders at the AGM of the Company held on 25 January 2022. A Statement of Voting is on page 58.

This Remuneration Report and Remuneration Policy will be proposed to shareholders at the forthcoming AGM.

Current Policy

The Board's policy is that the remuneration of Directors should be fair and reasonable compared to other comparable investment companies and sufficient to retain and motivate appointees, as well as ensure that high-calibre individuals are recruited to the Board. Remuneration levels should properly reflect the time incurred and responsibility undertaken. Fees for the Directors are determined by the Board within the limits stated in the Company's Articles of Association. The maximum limit currently dictated by the Company's Articles of Association is £250,000 in aggregate per annum.

Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company.

Directors are entitled to be reimbursed for any reasonable expenses properly incurred in connection with the performance of their duties, including attendance at board, general, and committee meetings. Additionally, Directors may seek legal advice at the Company's expense, provided they first consult with the Chairman.

Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. There are no agreements between the Company and its Directors regarding compensation for loss of office. The principles will also apply to any new appointments.

The Directors' fees are subject to regular review by the Board, considering the aforementioned factors. The Company's Articles also allow for additional discretionary payments for services that, in the opinion of the Directors, fall outside the scope of the ordinary duties.

Component Parts of the Directors' Remuneration

	Year ended 30 September 2024	Year ended 30 September 2023
	£	£
Chairman's base fee	**38,000**	38,000
Non-executive Director base fee	**28,000**	28,000
Additional fee for the Chairman of the Audit Committee	**3,500**	3,500
Additional fee for the Senior Independent Director	**1,000**	1,000

It is the Company's policy that the Chairman, the Chairman of the Audit Committee and the Senior Independent Director receive higher fees to reflect their additional responsibilities.

Implementation of the Policy

The determination of the level of fees paid to Directors, which are reviewed periodically, is handled by the entire Board. It is not considered appropriate for the Company to have a separate Remuneration Committee since all the Directors are Non-Executive. Therefore, the Board as a whole approves Directors' remuneration at its discretion, within an aggregate limit of £250,000 per annum as stipulated in the Company's Articles of Association. Each Director abstains from voting on their own individual remuneration.

As the Company has no Chief Executive Officer and no employees, and the Board is comprised solely of Non-Executive Directors, we have not reported on aspects of remuneration that relate to executive directors. There is also no requirement for employee consultation, nor is there employee comparative data to provide in relation to the setting the Policy.

Since the year end, the Board has reviewed the level of fees in accordance with the current Remuneration Policy. Directors' fees were last increased in October 2021. Following the Board's annual review of Directors' fees against those of the Company's peer group and the average for similar-sized investment trusts, it was concluded that there would be no increase in Directors' fees at present.

No advice or services were provided by any external agencies or third parties. There will be no significant change in the way the Policy will be implemented in the next financial year.

Any views expressed by shareholders on the fees paid to Directors will be considered by the Board when reviewing the Directors' Remuneration Policy and during the annual review of Directors' fees.

Directors' Emoluments for the Year (audited)

The Directors who served during the year received the following emoluments:

	Year ended 30 September 2024			Year ended 30 September 2023			% Change in fees
	Fees	Expenses*	Total	Fees	Expenses*	Total	
	£	£	£	£	£	£	
Frances Daley	**38,000**	**—**	**38,000**	38,000	—	38,000	**0%**
Vivien Gould	**28,000**	**1,594**	**29,594**	28,000	588	28,588	**0%**
Christopher Granville	**28,000**	**16**	**28,016**	28,000	—	28,000	**0%**
Alastair Bruce**	**21,000**	**—**	**21,000**	—	—	—	**0%**
Nadya Wells	**29,000**	**896**	**29,896**	29,000	1,376	30,376	**0%**
Calum Thomson†	**10,783**	**82**	**10,865**	31,500	—	31,500	**0%**
Total	**154,783**	**2,588**	**157,371**	154,500	1,964	156,464	**0%**

*The Directors are entitled to claim travel expenses to meetings.
**Alastair Bruce was appointed to the Board on 1 February 2024.
† Calum Thomson resigned on 1 February 2024.

Fees for any new Director appointed will be set in accordance with the Remuneration Policy. Fees payable in subsequent years will be determined following an annual review.

Percentage increase in Remuneration

The percentage change over each previous year is set out below:

	Percentage change* (%)			
	2023-24	2022-23	2021-22	2020-21
Frances Daley	**0.0%**	0.0%	5.6%	2.1%
Vivien Gould	**0.0%**	0.0%	3.7%	1.9%
Christopher Granville	**0.0%**	0.0%	3.7%	1.9%
Alastair Bruce**	**—**	—	—	—
Nadya Wells***	**0.0%**	0.0%	3.6%	2.8%
Calum Thomson****	**0.0%**	0.0%	5.0%	2.1%

* The percentage change over the previous year.
**Alastair Bruce is the Audit Committee Chairman, was appointed 1 February 2024 and receives an additional fee for this function.
*** Nadya Wells is the Senior Independent Director and receives an additional fee for this function.
**** Calum Thomson resigned 1 February 2024.

Fees for Directors who were appointed or resigned during the year were calculated on a pro rata basis in order to provide a meaningful figure.

Directors' Beneficial Shareholdings (Audited)

There is no requirement under the Company's Articles or the terms of appointment for Directors to hold shares in the Company.

The beneficial interests of the Directors and any persons closely associated in the shares of the Company are set out in the following table:

		At 30 September 2024
Director	**Number of Ordinary Shares**	**% Interest in Share Capital**
Frances Daley	**6,000**	**0.050**
Vivien Gould	**3,250**	**0.028**
Christopher Granville	**—**	**—**
Alastair Bruce	**6,000**	**0.050**
Nadya Wells	**—**	**—**

There have been no changes to the number of Ordinary Shares held by the Directors since the year-end and the date of this Report. There is no requirement under the Company's Articles or the terms of appointment for Directors to hold Ordinary Shares in the Company.

Relative Importance of Spend on Pay

The following table compares the remuneration paid to the Directors with aggregate distributions to shareholders in the year to 30 September 2024 and the prior year. This disclosure is a statutory requirement.

	Year ended 30 September 2024	Year ended 30 September 2023	
	£'000	£'000	**% Change**
Aggregate shareholders distributions in respect of the year	**1,996**	2,021	**-1.2%**
Aggregate share buybacks	**—**	694	**-100.0%**
Remuneration	**157**	156	**0.6%**

Statement of Voting at the Annual General Meeting

The Directors' Remuneration Policy was approved at the AGM of the Company held on 25 January 2022, and the Directors' Remuneration Report for the year ended 30 September 2023 was approved by shareholders at the AGM held on 25 January 2024. This resolution for the approval of the Remuneration Report was passed on a poll. The results of which are as follows:

REMUNERATION REPORT	Number of Votes	% of Votes Cast
For	6,394,499	99.97
Against	2,106	0.03
At Chairman's discretion	–	–
Total votes cast	6,396,605	
Withheld	3,075	–

This resolution for the approval of the remuneration policy was passed on a show of hands. The votes cast were as follows:

REMUNERATION POLICY	Number of Votes	% of Votes Cast
For	5,968,208	99.67
Against	19,807	0.33
At Chairman's discretion	2,250	–
Total votes cast	5,990,828	
Withheld	563	–

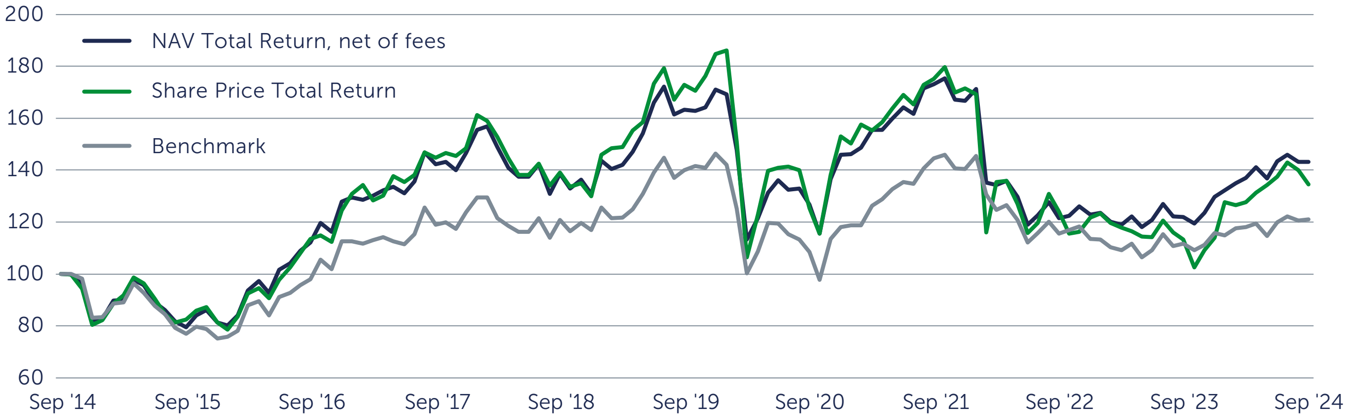
Directors' Service Contracts

No Director has a service contract with the Company. Each Director has entered into terms of appointment as a Non-Executive Director of the Company. There are no agreements between the Company and its Directors concerning compensation for loss of office. The terms of their appointment provide that Directors shall retire and be subject to election at the first AGM after their appointment. Thereafter, they will be subject to annual re-election. Compensation will not be made for loss of office.

Share Price Performance (not audited)

The following graph compares the share price and NAV performance against the Benchmark:

TEN YEAR PERFORMANCE VS BENCHMARK (not audited)



Approval

The Directors Remuneration Report was approved by the Board of Directors on 6 December 2024.

For and on behalf of the Board

Frances Daley
Chairman
6 December 2024

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law mandates that the Directors prepare financial statements for each financial year. Under this law, the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The Directors must not approve the financial statements unless they are satisfied that these statements give a true and fair view of the Company's state of affairs and its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' report, a strategic report and a Directors' remuneration report that comply with the requirements of the Companies Act 2006.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy the financial position of the Company at any time. This enables them to ensure that the financial statements comply with the Companies Act 2006. Additionally, they are responsible for safeguarding the Company's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

Website publication

The Financial Statements are published on the Company's website: www.bemoplc.com, which is maintained by the Investment Manager. The maintenance and integrity of this website, as it relates to the Company, is the responsibility of the Investment Manager. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors' responsibility also extends to ensuring the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors consider that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each of the Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable UK Accounting Standards and provide a true and fair view of the Company's assets, liabilities, financial position, and profit; and
- the annual report includes a fair review of the development and performance of the business and the financial position of the Company, along with a description of the principal risks and uncertainties they face.

For and on behalf of the Board

Frances Daley
Chairman
6 December 2024

Independent Auditor's Report

to the members of Barings Emerging EMEA Opportunities PLC

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 September 2024 and of its profit for the year then ended;
- Have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Barings Emerging EMEA Opportunities PLC (the ' Company') for the year ended 30 September 2024 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including financial reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the directors on 14 June 2019 to audit the financial statements for the year ended 30 September 2019 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is six years, covering the years ending 30 September 2019 to 30 September 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments; and
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2024	2023
KEY AUDIT MATTERS	Valuation and ownership of quoted investments	☑	☑
MATERIALITY	*Company financial statements as a whole* £833,000 (2023:£728,000) based on 1% (2023: 1%) of net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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.

KEY AUDIT MATTER		How the scope of our audit addressed the key audit matter
Valuation and ownership of investments (Notes 1 and 8)	The investment portfolio at the year-end comprised of listed equity investments held at fair value through profit or loss. We considered the valuation and ownership of quoted investments to be the most significant audit area as the quoted investments also represent the most significant balance in the Financial Statements and underpin a significant portion of the principal activity of the entity. Whilst we do not consider their valuation to be subject to a significant degree of estimation or judgement, there is a risk that the prices used for the listed equity investments held by the Company are not reflective of the fair value of those investments as at the year-end. There is also a risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: • Confirmed the year-end bid price was used by agreeing to externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date; and • For those investments listed on a Russian exchange, and subject to sanctions or restrictions, we have assessed the appropriateness of assigning a fair value of nil. **Key observations:** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	COMPANY FINANCIAL STATEMENTS	
	2024 £'000	2023 £'000
Materiality	**£833,000**	£728,000
Basis for determining materiality	**1 % of net assets**	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	**£624,000**	£546,000
Basis for determining performance materiality	**75% of materiality**	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £41,000 (2023:£36,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 52; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 31.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 54; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 10 to 12; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 52 and 53; and • The section describing the work of the audit committee set out on pages 51 to 54..

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • The financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • Certain disclosures of Directors' remuneration specified by law are not made; or • We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations,

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the Directors' assessment in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud could occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls.

Our procedures in respect of the above included:

- In addressing the risk of management override of control, we:

- o Performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- o Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
- o Reviewed for significant transactions outside the normal course of business; and
- o Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK

6 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

for the year ended 30 September 2024

		Year ended 30 September 2024			Year ended 30 September 2023		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	8	—	11,082	11,082	—	(1,065)	(1,065)
Foreign exchange losses		—	(379)	(379)	—	(54)	(54)
Income	2	3,298	—	3,298	2,617	—	2,617
Investment management fee	3	(118)	(474)	(592)	(109)	(438)	(547)
Other expenses	4	(789)	—	(789)	(652)	—	(652)
Return on ordinary activities before taxation		2,391	10,229	12,620	1,856	(1,557)	299
Taxation	5	(153)	—	(153)	(130)	—	(130)
Return for the year		2,238	10,229	12,467	1,726	(1,557)	169
Return per ordinary share	7	18.97p	86.71p	105.68p	14.59p	(13.16p)	1.43p

The total column of this statement is the income statement of the Company.

The supplementary revenue and capital columns are both prepared under the guidance published by the AIC.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

There is no other comprehensive income and therefore the return for the year is also the total comprehensive income for the year.

The notes on pages 69 to 81 form part of these financial statements.

Statement of Financial Position

as at 30 September 2024

	Notes	At 30 September 2024 £'000	At 30 September 2023 £'000
Fixed assets			
Investments at fair value through profit or loss	8	**80,082**	68,711
Current assets			
Debtors	9	**511**	397
Cash at bank and in hand		**3,773**	3,964
		4,284	4,361
Current liabilities			
Creditors: amounts falling due within one year	10	**(1,033)**	(210)
Net current assets		**3,251**	4,151
Net assets		**83,333**	72,862
Capital and reserves			
Called-up share capital	11	**1,512**	1,512
Capital redemption reserve		**3,276**	3,276
Share premium		**1,411**	1,411
Capital reserve		**74,996**	64,767
Revenue reserve		**2,138**	1,896
Total equity		**83,333**	72,862
Net asset value per share	12	**706.40p**	617.63p
Number of shares in issue excluding treasury		**11,796,902**	11,796,902

The Financial Statements on pages 66 to 81 were approved and authorised for issue by the Board of Barings Emerging EMEA Opportunities PLC on 6 December 2024 and were signed on its behalf by:

Frances Daley
Chairman

Company registration number: 04560726

The notes on pages 69 to 81 form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 September 2024

	Called-up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 30 September 2024						
Opening balance as at 1 October 2023	**1,512**	**3,276**	**1,411**	**64,767**	**1,896**	**72,862**
Return for the year	**—**	**—**	**—**	**10,229**	**2,238**	**12,467**
Contributions by and distributions to shareholders:						
Dividends paid	**—**	**—**	**—**	**—**	**(1,996)**	**(1,996)**
Total contributions by and distributions to shareholders:	**—**	**—**	**—**	**—**	**(1,996)**	**(1,996)**
Balance at 30 September 2024	**1,512**	**3,276**	**1,411**	**74,996**	**2,138**	**83,333**

	Called-up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 30 September 2023						
Opening balance as at 1 October 2022	1,525	3,263	1,411	67,018	2,191	75,408
Return for the year	—	—	—	(1,557)	1,726	169
Contributions by and distributions to shareholders:						
Repurchase of Ordinary Shares	(13)	13	—	(694)	—	(694)
Dividends paid	—	—	—	—	(2,021)	(2,021)
Total contributions by and distributions to shareholders:	(13)	13	—	(694)	(2,021)	(2,715)
Balance at 30 September 2023	1,512	3,276	1,411	64,767	1,896	72,862

At 30 September 2024, the distributable reserves of the Company were £77,134,000 (2023: £66,663,000) which comprise of the revenue reserve £2,138,000 (2023: £1,1896,000) and realised capital reserves of £82,194,000 (2023: £82,427,000) less unrealised losses of £7,198,000 (2023: £17,660,000). The balance consists of £6,199,000 of unrealised gains and is not distributable.

All investments are held at fair value through profit or loss. When the Company revalues the investments still held during the period, any gains or losses arising are credited/charged to the capital reserve.

The notes on pages 69 to 81 form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 September 2024

1. ACCOUNTING POLICIES

Barings Emerging EMEA Opportunities PLC (the "Company") is a company incorporated and registered in England and Wales. The principal activity of the Company is that of an investment trust company within the meaning of Sections 1158/159 of the Corporation Tax Act 2020 and its investment approach is detailed in the Strategic Report.

Basis of preparation

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies, October 2019.

The Company meets the requirements of section 7.1A of FRS 102 and therefore has elected not to present the Statement of Cash Flows for the year ended 30 September 2024.

The policies applied in these financial statements are consistent with those applied in the preceding year.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. In making their assessment, the Directors have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include but are not limited to, geopolitical events, the conflicts in Ukraine and the Middle East and inflationary pressures.

The Directors noted that the Company holds a portfolio of liquid listed investments and cash. The Directors are of the view that the Company is able to meet its obligations as and when they fall due. The surplus cash enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day-to-day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value and income with associated cash flows. In making this assessment, they have considered severe but plausible downside scenarios including the impact of inflation at 10%, a simulated 50% reduction in NAV during January 2025 with no income or capital growth and impacts of the potential tender offer. The investment portfolio consists of diversified Level 1 holdings across several jurisdictions enabling the Company to liquidate positions at short notice. The conclusion was that in a severe but plausible scenario the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, and changes in expenses, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors note that the Company has now entered the last year before the discount and performance targets set in October 2020 will be tested. The Board will keep the appropriateness of the discount control mechanism under review and consider the case for a tender offer alongside other strategic options. As at 30 September 2024, since the measurement date has not been reached and the Directors' decision has not been made, the Company has not recognised any related liability.

The Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being the investment business.

1. ACCOUNTING POLICIES continued

Significant accounting judgements and estimates

The preparation of the Company's financial statements occasionally requires the Board to make judgements, estimates, and assumptions. These affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could lead to material adjustments to the carrying amounts of assets or liabilities in the current and future periods, depending on the circumstances.

The areas requiring judgement and estimation in the preparation of the financial statements include: recognising and classifying unusual or special dividends received as either revenue or capital in nature; determining the carrying value of unquoted investments through profit or loss; investments, cash, and receivables that are subject to restrictions on use, control, and realisation; recognising expenses between capital and income; allocation of capital expenses and setting the level of dividends paid and proposed.

The Directors have concluded that the tender offer trigger mechanism will need to be kept under review and evaluated against other strategic options available to the Company which may create more value for shareholders. They do not believe that any other significant accounting judgements or estimates applied to this set of financial statements pose a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Investments

Upon initial recognition the investments held by the Company are classified 'at fair value through profit or loss'. All gains and losses are allocated to the capital return within the Income Statement as 'Gains on investments held at fair value through profit or loss'. Also included within this are transaction costs in relation to the purchase or sale of investments. When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments this is deemed to be bid market prices. Fair values for unquoted investments, or for investments for which the market is inactive, or restrictions on realisation, are established by the Directors after discussion with the AIFM using various valuation techniques in accordance with the International Private Equity and Venture Capital (the "IPEV") guidelines. Where investments are unable to be realised due to restrictions upon them, they are fair valued at nil.

Foreign Currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the Company's share capital and the predominant currency in which its shareholders operate, has determined that Pounds Sterling is the functional currency. Pounds Sterling is also the currency in which the financial statements are presented.

Transactions denominated in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the date of the transaction. Items that are denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date. Any gains or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is capital or revenue in nature.

Cash at Bank and in Hand

Cash comprises cash in hand.

Trade Receivables, Prepayments and Other debtors

Trade receivables, prepayments and other debtors are recognised at amortised cost.

Trade Payables and Other creditors

Trade payables and short-term borrowings are measured at amortised cost.

Income

Dividends receivable from equity shares are included in revenue return on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital return. Where restrictions apply on dividends and the realisation of cash the dividend recorded upon the receipt of cash.

Overseas dividends are included gross of any withholding tax.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as a capital or revenue receipt, the Board reviews all relevant information as to the sources of the dividend on a case-by-case basis.

1. ACCOUNTING POLICIES continued

Expenses and finance costs

All expenses are accounted for an on an accruals basis. On the basis of the Board's expected long-term split of total returns in the form of capital and revenue and are charged as follows:

- The investment management fee is charged 20% to revenue and 80% to capital;
- Finance costs are charged 20% to revenue and 80% to capital; and
- Other expenses are charged wholly to revenue.

Taxation

Current tax is provided at the amounts expected to be paid or recovered.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

Dividends payable to shareholders

Dividends are not recognised in the accounts unless there is an obligation to pay or have been paid.

Capital redemption reserve

The capital redemption reserve represents non-distributable reserves that arise from the purchase and cancellation of Ordinary Shares.

Share premium

The share premium account represents the accumulated premium paid for shares issued in previous periods above their nominal value less issue expenses. This is a reserve forming part of the non-distributable reserves. The following items are taken to this reserve:

- Costs associated with the issue of equity; and
- Premium on the issue of shares.

Capital reserve

The following are taken to capital reserve through the capital column of the Income Statement:

Capital reserve — other, forming part of the distributable reserves

- Gains and losses on the disposal of investments;
- Expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policies; and
- Distribution of dividends.

Capital reserve — investment holding gains, non-distributable

- Increase and decrease in the valuation of investments held at the year end, including provisions.

Revenue reserve

The revenue reserve represents the surplus of accumulated profits and is distributable by way of dividends.

2. INCOME

	2024 £'000	2023 £'000
Income from investments:		
Listed investments	**3,255**	2,600
Other income:		
Bank interest	**53**	30
Exchange losses on receipt of income*	**(10)**	(13)
Total income	**3,298**	2,617

*Exchange movements arise from ex-dividend date to payment date.

All income stated above is revenue in nature.

3. INVESTMENT MANAGEMENT FEE

Baring Fund Managers Limited has been appointed as the AIFM under an agreement with six months notice by either party. The annual fee of 0.75% is calculated, in accordance with the Investment Management Agreement, on the month end NAV excluding current period revenue and payable monthly. The charge is allocated 20% (2023: 20%) to revenue and 80% (2023: 80%) to capital. There is no performance fee chargeable by the AIFM.

The investment management fee comprises:

	Year ended 30 September 2024			Year ended 30 September 2023		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**118**	**474**	**592**	109	438	547

At 30 September 2024, £50,000 (30 September 2023: £44,000) of this fee remained outstanding.

4. OTHER EXPENSES

	2024 £'000	2023 £'000
Company Secretary and administration expenses	**205**	178
Auditor's fee for		
— audit	**47**	44
Directors' remuneration	**155**	155
Custodian fees	**57**	20
Advisory and professional fees	**75**	9
Other expenses	**250**	246
Total other expenses	**789**	652

5. TAXATION

The taxation assessed for the year is the standard rate of corporation tax aggregated for the financial year of 25% (2023:22%). The differences are explained below:

Current tax charge for the year:

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Overseas tax not recoverable*	**215**	**—**	**215**	—	—	—
Overseas tax received previously provided for	**(62)**	**—**	**(62)**	130	—	130
	153	**—**	**153**	130	—	130

*Tax deducted on payment of overseas dividends by local tax authorities.

Factors affecting the current tax charge for the year

The taxation rate assessed for the year is different from the standard rate of corporation taxation in the UK. The differences are explained below:

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Return/(loss) on ordinary activities before taxation	**2,391**	**10,229**	**12,620**	1,856	(1,557)	299
Return on ordinary activities multiplied by the standard rate of corporation tax of 25% (2023: 22%)	**598**	**2,557**	**3,155**	408	(343)	65
Effects of:						
Irrecoverable overseas tax	**215**	**—**	**215**	130	—	130
Withholding tax received previously written off	**(62)**	**—**	**(62)**	—	—	—
Gains on investments held at fair value through profit and loss not allowable	**—**	**(2,771)**	**(2,771)**	—	235	235
Foreign exchange loss not taxable/allowable	**3**	**95**	**98**	3	12	15
Overseas dividends not taxable	**(814)**	**—**	**(814)**	(572)	—	(572)
Management expenses not utilised	**213**	**119**	**332**	161	96	257
Current tax charge for the year	**153**	**—**	**153**	130	—	130

The Company is not liable to tax on capital gains due to its status as an investment trust.

At 30 September 2024, the Company had unrelieved management expenses of £18,225,000 (30 September 2023: £16,897,000) and a non-trade loan relationship deficit of £1,304,000 (30 September 2023: £1,304,000) that are potentially available to offset future taxable revenue. A deferred tax asset of £4,882,000 (30 September 2023: £4,550,000), based on the enacted UK corporation tax rate of 25% that applied from 1 April 2023, has not been recognised because the Company is not expected to generate sufficient taxable income in future periods that the carried forward tax losses can be utilised against.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

6. DIVIDEND ON ORDINARY SHARES

	2024 Revenue £'000	2023 Revenue £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 30 September 2023 of 11p (2023: 11p) per Ordinary Share	**1,288**	1,313
Interim dividend for the year ended 30 September 2024 of 6p (2023: 6p) per Ordinary Share	**708**	708
	1,996	2,021

Set out below are the interim and final dividends paid or proposed on Ordinary Shares in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

	2024 Revenue £'000	2023 Revenue £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2024 of 6p (2023: 6p) per Ordinary Share	**708**	708
Proposed final dividend for the year ended 30 September 2024 of 12.5p (2023: 11p) per Ordinary Share	**1,475**	1,288
	2,183	1,996

The dividend proposed in respect of the year ended 30 September 2024 is subject to shareholder approval at the forthcoming Annual General Meeting.

7. RETURN PER ORDINARY SHARE

	Year ended 30 September 2024			Year ended 30 September 2023		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Return per Ordinary Share	**18.97p**	**86.71p**	**105.68p**	14.59p	(13.16)p	1.43p

Revenue return (earnings) per Ordinary Share is based on the net revenue on ordinary activities after taxation of £2,238,000 (2023: £1,726,000).

Capital return per Ordinary Share is based on net capital gains for the financial year of £10,229,000 (2023: loss £1,557,000). These calculations are based on the weighted average of 11,796,902 (2023: 11,829,676) Ordinary Shares in issue during the year. At 30 September 2024, there were 11,796,902 Ordinary Shares of 10 pence each in issue (2023: 11,796,902) which excludes 3,318,207 Ordinary Shares held in treasury (2023: 3,318,207). The shares held in treasury are treated as not being in issue when calculating the weighted average of Ordinary Shares in issue during the year.

8. INVESTMENTS

Financial assets held at fair value

	30 September 2024 £'000	30 September 2023 £'000
Opening book cost	**86,371**	90,377
Opening investment holding losses	**(17,660)**	(15,318)
Opening fair value	**68,711**	75,059
Movements in year:		
Purchases at cost*	**29,522**	21,110
Sales proceeds*	**(29,233)**	(26,393)
Realised gains on equity sales	**620**	1,277
Increase/(decrease) in investment holding losses	**10,462**	(2,342)
Closing fair value	**80,082**	68,711
Closing book cost	**87,280**	86,371
Closing investment holding gains	**(7,198)**	(17,660)
Closing fair value	**80,082**	68,711

*Includes transaction costs of £44,000 (2023: £35,000) relating to purchases at cost, £28,000 (2023: £44,000) relating to sales proceeds.

	Year ended 30 September 2024 £'000	Year ended 30 September 2023 £'000
Analysis of capital gains/(losses)		
Gains on sales of financial assets	**620**	1,277
Movement in investment holding gains/(losses) for the year	**10,462**	(2,342)
Net gains/(losses) on investment	**11,082**	(1,065)

The Company sold investments in the year with proceeds of £29,233,000 (2023: £26,393,000). The book cost of these investments when purchased was £28,613,000 (2023: £25,116,000). These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.

The Company has no interests amounting to an investment of 3% or more of the equity capital.

Primary country of investment

	30 September 2024 £'000	30 September 2023 £'000
Saudi Arabia	**23,776**	19,955
South Africa	**21,128**	16,560
United Arab Emirates	**9,232**	8,736
Poland	**7,634**	5,475
Turkey	**3,853**	4,431
Hungary	**3,668**	3,421
Greece	**3,649**	2,543
Qatar	**3,224**	4,231
Kuwait	**2,735**	2,498
Czech Republic	**1,183**	677
Romania	**—**	184
Russia	**—**	—
Total	**80,082**	68,711

9. DEBTORS

	2024 £'000	2023 £'000
Prepayments and accrued income	**175**	142
VAT Recoverable	**336**	255
	511	397

10. CREDITORS

	2024 £'000	2023 £'000
Amounts falling due within one year		
Amounts due to brokers	**864**	—
Other creditors	**169**	210
	1,033	210

11. CALLED-UP SHARE CAPITAL

	30 September 2024 Number	30 September 2024 £'000	30 September 2023 Number	30 September 2023 £'000
Allotted, issued and fully paid up ordinary shares of 10p each				
Opening balance	**15,115,109**	**1,512**	15,248,408	1,525
Ordinary Shares bought back and cancelled	**—**	**—**	(133,299)	(13)
Total Ordinary Shares in issue	**15,115,109**	**1,512**	15,115,109	1,512
Treasury shares	**3,318,207**		3,318,207	
Total Ordinary Share capital excluding treasury shares	**11,796,902**		11,796,902	

During the year, no Ordinary Shares were repurchased for cancellation for £nil (2023: 133,299 Ordinary Shares were £694,000) representing 0% (2023: 1.1%) of shares in circulation at the beginning of the year. The Company holds 3,318,207 Ordinary Shares in treasury which are treated as not being in issue when calculating the number of Ordinary Shares in issue during the year (2023: 3,318,207). Ordinary Shares held in treasury are non-voting and not eligible for receipt of dividends.

12. NET ASSET VALUE PER SHARE

The NAV per Ordinary Share and the NAV attributable at the year end were as follows:

	2024	2023
Total shareholders' funds (£'000)	**83,333**	72,862
Number of shares in issue*	**11,796,902**	11,796,902
NAV (pence per share) (basic and dilutive)	**706.40**	617.63

*Excludes 3,318,207 Ordinary Shares held in treasury (2023: 3,318,207).

The NAV per share is based on total shareholders' funds above, and on 11,796,902 Ordinary Shares in issue at the year end (2023: 11,796,902 Ordinary Shares in issue) which excludes 3,318,207 Ordinary Shares held in treasury (2023: 3,318,207 Ordinary Shares held in treasury). The Ordinary Shares held in treasury are treated as not being in issue when calculating the NAV per share.

13. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

Investment Objective and Policy

As an investment trust, the Company invests in equities and other investments for the long-term so as to secure its investment objective stated on page 8. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends. With effect from 13 November 2020, the Company changed its investment objective and policy. The Objective and Investment Policy are set out on page 8.

Risks

The risks identified arising from the financial instruments are market risk (which comprises market price risk, interest rate risk, and currency risk), liquidity risk and credit and counterparty risk. The Board and AIFM consider and review the risks inherent in managing the Company's assets which are detailed below.

The objectives, policies and processes for managing the risks, and the methods used to measure the risks, are set out below and have not changed from the previous accounting period.

The AIFM monitors the Company's exposure to risk and reports to the Board on a regular basis.

Market Risk

Special considerations and risk factors associated with the Company's investments are discussed on pages 10 to 12. Market risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss which the Company might suffer through holding market positions by way of price movements, interest rate movements and exchange rate movements. The Company's AIFM assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

Market Price Risk

Market price risk (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of investments.

The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with the objective of maximising overall returns to shareholders. The Company has experienced volatility in the fair value of investments during recent years due to geopolitical events and inflationary pressures. If the fair value of the Company's investments at the year end increased or decreased by 20% then it would have an impact on the Company's capital return and equity of £16,016,000 (2023: £13,742,000).

The Company has used 20% to demonstrate the impact of a significant reduction/increase in the fair value of the investments and the impact upon the Company that might arise from future significant events.

Currency Risk

The value of the Company's assets and the total return earned by the Company's shareholders can be significantly affected by currency exchange rate movements as most of the Company's assets are denominated in currencies other than Pounds Sterling, the currency in which the Company's financial statements are prepared.

Income denominated in other currencies is converted to Pounds Sterling upon receipt. The Company does not use financial instruments to mitigate the currency exposure. The Company's uninvested cash balances are usually held in US Dollars.

A 10% rise or decline of Pounds Sterling against currency denominated (i.e. non Pounds Sterling) assets and liabilities held at the year end would have increased/decreased the net asset value by £8,313,000 (2023: £7,282,000). The Company has experienced volatility in UK exchange rates through the year and maintains current cash in USD.

The country and currency exposure set out below are of the underlying exposure of the investee companies.

13. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

	Saudi Arabia	South Africa	UAE	Poland	Turkey	Qatar	Hungary	Greece	Kuwait	Czech Republic	Romania	United States	UK	Russia	Total
	SAR	**ZAR**	**AED**	**PLN**	**TRY**	**QAR**	**HUF**	**EUR**	**KWD**	**CZK**	**RON**	**USD**	**GBP**	**RUB**	
2024	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash	**—**	**29**	**—**	**1**	**—**	**—**	**—**	**3**	**—**	**—**	**—**	**3,739**	**1**	**—**	**3,773**
Debtor	**34**	**—**	**—**	**101**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**376**	**—**	**511**
Creditor	**(864)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(169)**	**—**	**(1,033)**
Investments	**23,776**	**21,128**	**9,232**	**7,634**	**3,853**	**3,224**	**3,668**	**3,649**	**2,735**	**1,183**	**—**	**—**	**—**	**—**	**80,082**
Total	**22,946**	**21,157**	**9,232**	**7,736**	**3,853**	**3,224**	**3,668**	**3,652**	**2,735**	**1,183**	**—**	**3,739**	**208**	**—**	**83,333**

	Saudi Arabia	South Africa	UAE	Poland	Turkey	Qatar	Hungary	Greece	Kuwait	Czech Republic	Romania	United States	UK	Russia	Total
	SAR	ZAR	AED	PLN	TRY	QAR	HUF	EUR	KWD	CZK	RON	USD	GBP	RUB	
2023	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash	—	—	—	25	—	—	—	—	—	—	—	3,938	1	—	3,964
Debtor	65	43	—	—	—	—	—	—	—	—	—	—	289	—	397
Creditor	—	—	—	—	—	—	—	—	—	—	—	—	(210)	—	(210)
Investments	19,955	16,560	8,736	5,475	4,431	4,231	3,421	2,543	2,498	677	184	—	—	—	68,711
Total	20,020	16,603	8,736	5,500	4,431	4,231	3,421	2,543	2,498	677	184	3,938	80	—	72,862

Interest Rate Risk

Interest rate movements may affect:

- the level of income receivable/payable on cash deposits

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

At 30 September 2024, the Company's exposure to interest rate movements in respect of its financial assets and financial liabilities consist of:

	2024 Total (within one year) £'000	2023 Total (within one year) £'000
Exposure to floating interest rates:		
Cash at bank and in hand	**3,773**	3,964
	3,773	3,964

If the above level of cash was maintained for a year, a 1% increase in interest rates would increase the revenue return and net assets by £38,000 (2023: £40,000). If there were a fall of 1% in interest rates, it would potentially impact the Company by reducing revenue return by £38,000 (2023: £40,000). The total effect would be a revenue reduction/cost increase of £38,000 (2023: £40,000). The AIFM proactively manages cash balances.

13. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

Liquidity risk

The Company's assets mainly comprise readily realisable securities which can be easily sold to meet funding commitments, if necessary. The risk is taken into account by the Board when arriving at its valuation of these items.

Liquidity risk is mitigated by the fact that the Company has £3,773,000 (2023: £3,964,000) cash at bank and the assets are readily realisable. The Company is a closed-end fund, assets do not need to be liquidated to meet redemptions, and sufficient liquidity is maintained to meet obligations as they fall due.

The remaining contractual payments on the Company's financial liabilities at 30 September 2024, based on the earliest date on which payment can be required and current exchange rates at the Balance Sheet date, were as follows:

	2024	2023
	£'000	£'000
Amounts falling due within one year		
Amounts due to brokers	**864**	—
Trade creditors, accruals and other creditors	**169**	210
	1,033	210

Credit Risk

Credit risk is the risk of financial loss to the Company if the contractual party to a financial instrument fails to meet its contractual obligations.

The total credit exposure represents the carrying value of cash and receivable balances totals £4,284,000 (2023: £4,361,000).

The Company's listed investments are held on its behalf by State Street Bank & Trust Company Limited acting as the Company's Custodian. Bankruptcy or insolvency may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the Custodians internal control reports.

Credit risk is mitigated by diversifying the counterparties through which the AIFM conducts investment transactions. The credit standing of all counterparties is reviewed periodically, with limits set on amounts due from any one counterparty. As at the year end, the cash balances were held with State Street Bank & Trust Company Limited, which holds a Aa1 credit rating. The credit rating is taken from Moody's.

Fair Values of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are carried in the balance sheet as follows: investments at fair value; trade receivables, prepayments and other debtors at amortised cost; and trade payables are measured at amortised cost. Russian investments held directly on the Moscow exchange or through other exchanges are valued at £nil due to the Company being unable to realise value in the securities with dividends accounted on a receipts basis.

Valuation of Financial Instruments

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 assets as follows:

Level 1 — valued using quoted prices unadjusted in active markets for identical assets or liabilities.

Level 2 — valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included within Level 1.

Level 3 — valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

13. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

The tables below set out fair value measurements of financial assets and liabilities in accordance with the fair value hierarchy.

Financial assets at fair value through profit or loss at 30 September 2024:

	Level 1 £'000	**Level 2 £'000**	**Level 3* £'000**	**Total 2024 £'000**
Equity investments	**80,082**	**—**	**—**	**80,082**
	80,082	**—**	**—**	**80,082**

* Russian stocks are included in Level 3 investments, but valued at £nil.

Financial assets at fair value through profit or loss at 30 September 2023:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total 2022 £'000
Equity investments	68,711	—	—	68,711
	68,711	—	—	68,711

14. RISK MANAGEMENT POLICIES AND PROCEDURES

Capital Management Policies and Procedures

The structure of the Company's capital is described on page 36 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 68.

The Company's capital management objectives are:

• to ensure that it will be able to continue as a going concern;

• to achieve capital growth through a focused portfolio of investments; and

• to maximise the return to shareholders while maintaining a capital base to allow the Company to operate effectively and meet obligations as they fall due.

The Board, with the assistance of the AIFM, regularly monitors and reviews the broad structure of the Company's capital on an ongoing basis. These reviews include:

• the level of gearing, which takes account of the Company's position and the Investment Manager's views on the market; and

• the extent to which revenue in excess of that which is required to be distributed, should be retained. The Company's objectives, policies and processes for managing capital are unchanged from last year. The Company is subject to externally imposed capital requirements:

• as a public company, the Company is required to have a minimum share capital of £50,000; and

• in accordance with the provisions of Sections 832 and 833 of the Companies Act 2006, the Company, as an investment company;

• is only able to make a dividend distribution to the extent that the assets of the Company are equal to at least one and a half times its liabilities after the dividend payment has been made; and

• is required to make a dividend distribution each year and to ensure after year that it does not retain more than 15% of the income that it derives from shares and securities.

These policies and procedures are unchanged since last year and the Company has complied with them at all times.

15. RELATED PARTY DISCLOSURES AND TRANSACTIONS WITH THE AIFM

Details of the investment management fee charged by the AIFM are set out in note 3. Investment management fees charged in the year were £592,000 (2023: £547,000) of which £50,000 (2023: £44,000) was outstanding at the year end.

The ultimate holding company of the AIFM is Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfeld, MA 01111-0001.

Fees paid to the Company's Directors are disclosed in the Director's Remuneration Report. At the year end, there were no outstanding fees payable to the Directors (2023: £nil).

AIFMD Disclosures

unaudited

The Alternative Investment Fund Manager

Baring Fund Managers Limited (the "AIFM"), authorised by the Financial Conduct Authority as an Alternative Investment Fund Manager, under the Alternative Investment Fund Managers Directive ("AIFMD"), is the appointed AIFM to the Company.

AIFMD Disclosures

Pre-investment Disclosures

The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFD. Those disclosures that are required to be made pre-investment can be found on the Company's website www.bemoplc.com by selecting "Portfolio & Literature" followed by "Literature" and "Corporate Documents". The document is titled "Pre Investment Disclosure".

Leverage Disclosure

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing cash or securities, or leverage embedded in contracts for difference or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the Gross Methodology and the Commitment Methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage ratios of the Company calculated on a Gross Basis was 96% and on a Commitment Basis was 101% as at 30 September 2024.

Remuneration Policy

The Manager's Remuneration Policy ensures the remuneration arrangements, as defined in the FCA's rules for UCITS and AIFs are:

(i) Consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or the Company; and

(ii) Consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is subject to the FCA's UCITS and AIFM Remuneration Codes (SYSC 19B and 19E) and complies with the remuneration principles in a way and to the extent appropriate to its size and business.

Remuneration Committee

Due to the size and nature of the Manager, the Board of Directors considers it appropriate to dis-apply the requirement to appoint a remuneration committee.

The Manager is part of the Barings Europe Limited (UK) group of companies ("Barings") which is governed by the Remuneration Panel and the Barings LLC Human Resources Committee. These bodies ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

Remuneration Code Staff

The Manager has determined its Remuneration Code Staff as the following:

1. Senior Management

Senior Management comprises the Board of Directors, all SMFs and all members of the European Management Team ("EMT").

All control functions detailed in section 2 below are also senior managers.

2. Control Functions

The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

3. Risk Takers

Risk Takers are defined as the investment managers of the Company. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to BAML. Accordingly, the Manager currently has no risk takers outside of senior management.

BAML is as a MIFIDPRU firm and subject to the Investment Firms Prudential Regime (IFPR) which has equivalent remuneration rules.

4. Employees in the same remuneration bracket as risk takers

The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Company. Accordingly, the Manager currently has no staff in this category.

5. Staff responsible for heading the investment management, administration, marketing and human resources

To the extent that the Manager's staff fall within this category, they are also control function staff falling within (2) above.

Remuneration Disclosure

The disclosure below details fixed and variable remuneration paid to BFM staff and BFM Remuneration Code Staff (for the financial year end 30 September 2024).

	Number of beneficiaries	Total Remuneration	Total Fixed Remuneration	Total Variable remuneration
Total remuneration paid by BFM in relation to the Company*	23	£35,495.76	£8,465.61	£27,030.16
Total Senior Management Remuneration paid by BFM**	23	£499,643.87	£119,163.20	£380,480.67
Risk Takers remuneration	–	–	–	–
Employees in the same remuneration bracket as risk takers	–	–	–	–
Carried interest paid by the Company	–	–	–	–

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. No material changes have been made throughout the year or as a result of the review; no irregularities were identified.

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to the Company not being comparable to the disclosures made in the prior year, or in relation to other Barings disclosures in that same year.

Notes:

*The Manager does not make any direct payments to staff, who are paid by other Barings Group entities. Figures shown are apportioned on a Company AUM basis as a proportion of Barings total AUM as at 30 September 2024. Accordingly, the figures are not representative of any individual's actual remuneration.

**Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind and discretionary pension awards.

The Company does not pay performance fees.

There has been no award of carry interest in the period.

Glossary

audited

AIFM

The AIFM, or Alternative Investment Fund Manager, is Baring Fund Manager Limited, which manages the portfolio on behalf of the Company's shareholders. The AIFM has delegated the investment management of the portfolio to Baring Asset Management Limited (the "Investment Manager").

Alternative performance measures (APM)

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these APMs, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

Benchmark

The Company's Benchmark is the MSCI Emerging Markets EMEA Index. This index is designed to measure the performance of large and midcap companies across 11 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). This includes, Czech Republic, Egypt, Greece, Hungary, Kuwait, Poland, Qatar, Saudi Arabia, South Africa, Turkey and United Arab Emirates. With 156 constituents, the index covers approximately 85% of the free float-adjusted market capitalisation in each country. The Benchmark is an index against which the performance of the Company may be compared. This is an indicative performance measure as the overall investment objectives of the Company differ to the index and the investments of the Company are not aligned to this index.

Prior to 16 November 2020, the Benchmark was the MSCI EM Europe 10/40 Index.

Cumulative performance (APM)

The cumulative performance measures take account of the investment movement and income. The dividends distributed by the Company are deemed to be reinvested in the Company at the prevailing NAV or Share Price for the purpose of the calculation. The calculation for the year is set out in NAV Total Return and Share Price Total Return within the Glossary.

The cumulative performance in the graph on page 2 demonstrates the performance over 5 years commencing from a base point of 100%. With capital growth and income plus dividends reinvested tracks the cumulative performance of NAV, Share Price and Benchmark over the 5 year period.

Discount Control Mechanism

The Discount Control Mechanism relates to targets put in place to reflect shareholders' interest in controlling the discount of the Company's share price to its NAV and in satisfactory returns on the investment portfolio. With effect from 1 October 2020 the Board put in place a mechanism to provide shareholders with a tender offer for up to 25% of the Company's issued Ordinary Share capital if:

(i) The average daily discount of the Company's market share capital to its net asset value ('cum-income') exceeds 12%, as calculated with reference to the trading of the Company's shares for the period between 1 October 2020 and 30 September 2025 (the "Calculation Period"); or

(ii) The performance of the Company's net asset value on a total return basis does not exceed the return of the Company's benchmark by an average of 50 basis points per annum over the Calculation Period.

Discount/Premium (APM)

If the share price is lower than the NAV per share, the shares are trading at a discount. The size of the discount is calculated by subtracting the share price of 555.0p (2023: 483.0p) from the NAV per share of 706.4p (2023: 617.6p) and is usually expressed as a percentage of the NAV per share, 21.4% (2023: 21.8%). If the share price is higher than the NAV per share, it is said to be trading at a premium.

Dividend Pay-out Ratio (APM)

The ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. Calculated by dividing the Dividends Paid by Net Income.

Dividend Reinvested Basis

Applicable to the calculation of return, this calculates the return by taking any dividends generated over the relevant period and reinvesting the proceeds to purchase new shares and compound returns.

Dividend Yield (APM)

The annual dividend expressed as a percentage of the current market price.

DTR 4

Disclosure and Transparency Guidance Rule 4. Part of the FCA Handbook. This covers the responsibilities of Directors in the preparation and content of financial reports.

EMEA

The definition of EMEA is a shorthand designation meaning Europe, the Middle East and Africa. The acronym is used by institutions and governments, as well as in marketing and business when referring to this region: it is a shorthand way of referencing the two continents (Africa and Europe) and the Middle Eastern sub-continent all at once.

Emerging Markets

An emerging market economy is a developing nation that is becoming more engaged with global markets as it grows. Countries classified as emerging market economies are those with some, but not all, of the characteristics of a developed market.

Environmental, Social and Governance ("ESG")

ESG (environmental, social and governance) is a term used in capital markets and used by investors to evaluate corporate behaviour and to determine the future financial performance of companies. The Company will evaluate investments in investee companies considering:

- environmental criteria considering how the company performs as a steward of nature;
- social criteria examine how the company manages relationships with employees, suppliers, customers, and communities; and
- governance deals with the company's leadership, executive pay, audits, internal controls, and shareholder rights.

Frontier Markets

A frontier market is a country that is more established than the least developed countries globally but still less established than the emerging markets because its economy is too small, carries too much inherent risk, or its markets are too illiquid to be considered an emerging market.

Gearing (APM)

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets fall, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

The Company currently does not have any bank loans.

For the purposes of AIFMD, the Company is required to disclose the leverage. Leverage is any method which increases the Company's exposure, including the borrowing of cash and use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and is calculated under the Gross and Commitment Methods in accordance with AIFMD.

Under the Gross Method, exposure represents the aggregate of all the Company's exposures other than cash balances held in base currency and without any offsetting. Investments (A) divided by total shareholders' funds (B).

Gross method = 96% (A = £80,082,000 / B = £83,333,000) x 100

The Commitment Method takes into account hedging and other netting arrangements designed to limit risk, offsetting them against the underlying exposure. Investments (A) plus current assets (C) divided by total shareholders' funds (B).

Commitment method = 101% ((A = £80,082,000) + (C = Cash £3,773,000 + Debtor £511,000) / B = £83,333,000) x 100

Global Depositary Receipt (GDR)

A Global Depositary Receipt (GDR) is a negotiable financial instrument issued by a depositary bank. It represents shares in a foreign investee company and trades on a stock exchange such as London or Amsterdam in addition to its primary listing. It enables the investor of the GDR to receive the risks and rewards of ownership with receipt of income received through the depositary bank GDR. This reduces the risk of trading across borders with the associated custody and transaction costs. The investee company is able to raise capital in their own local market and on various foreign stock exchanges via the GDR listing.

Gross Assets

Total of all the Company's investments and current assets.

Growth at a Reasonable Price ("GARP") Investing

GARP investing incorporates elements of growth and value investing, focusing on companies which have sustainable growth
potential but do not demand a high valuation premium.

Idiosyncratic Risk

Idiosyncratic or "specific risk" is a risk that is particular to an individual asset, such as a company.

Net Assets

Net assets are the total value of all the Company's total assets less all liabilities. Net assets is equivalent to shareholders' funds.

Net Asset Value ("NAV")

The NAV is shareholders' funds expressed as an amount per individual Ordinary Share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities revalued for exchange rate movements. The total NAV per Ordinary Share is calculated by dividing the shareholders' funds of £83,333,000 by the number of Ordinary Shares in issue excluding treasury shares of 11,796,902.

Ongoing Charges Ratio (APM)

The Ongoing Charges Ratio (OCR) is a measure of what it costs to cover the cost of running the fund. The Company's OCR is its annualised expenses (excluding finance costs and certain nonrecurring items) of £1,381,000 being investment management fees of £592,000 and other expenses of £789,000 less non-recurring expenses of £34,000 expressed as a percentage of the average net assets of £79,463,584 during the year as disclosed to the London Stock Exchange. The OCR for 2024 is 1.7%.

Relative Returns

Relative return is the difference between investment return and the return of a benchmark.

Repurchase of Ordinary Shares

The Company may repurchase its own shares, reducing the freely traded shares ranking for dividends and enhancing returns and earnings per Ordinary Share to the remaining shareholders. When the Company repurchases its shares, it does so at a total cost below the prevailing NAV per share. These shares may be cancelled or held in Treasury.

Return on Equity (APM)

Return on equity ("ROE") is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets. This measure is used to understand how effectively management is using a company's assets to create profits.

Revenue and Capital Return per Ordinary Share (APM)

Revenue earnings per Ordinary Share is calculated by dividing revenue return for the year of £2,236,000 by the weighted average of Ordinary Shares (excluding shares in issue) during the year 11,796,902. Capital return per Ordinary Share is calculated by dividing capital return for the year of £10,231,000 by the weighted average of Ordinary Shares (excluding shares in issue) during the year 11,796,902.

The calculations are set out in note 8.

Risk-adjusted Returns

Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return.

Share Price

The price of a single share of a company. The share price is the highest amount someone is willing to pay for the stock, or the lowest amount that it can be bought for.

Systematic Risk

Systematic risk or "market risk" is the risk inherent to the entire market or market segment, not just a stock or industry.

Total Assets

Total assets include investments, cash, current assets and all other assets. An asset is an economic resource, being anything tangible or intangible that can be owned or controlled to produce positive economic value.

Total Return (APM)

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The total return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the NAV or share price plus dividend income reinvested by the Company at the prevailing NAV or share price.

NAV Total Return (APM)

NAV Total Return is calculated by assuming that dividends paid out are reinvested into the NAV on the ex-dividend date.

	30 September 2024
Closing NAV per share (p)	**706.40**
Add back total dividends paid in the year ended 30 September 2024 (p)	**17.00**
Benefits from reinvesting dividend (p)	**1.00**
Adjusted closing NAV (p)	**724.40**
Opening NAV per share (p)	**617.60**
NAV total return (%)	**17.30%**

Share Price Total Return (APM)

Share price total return is calculated by assuming dividends paid out are reinvested into new shares on the ex-dividend date.

	30 September 2024
Closing share price (p)	**555.00**
Add back total dividends paid in the year ended 30 September 2024 (p)	**17.00**
Benefits from reinvesting dividend (p)	**0.40**
Adjusted closing share price (p)	**572.40**
Opening share price (p)	**483.00**
Share price total return (%)	**18.50%**

Treasury Shares

When a share is bought back it may be cancelled immediately or held (at zero value) as a Treasury Share. Shares that are held in treasury can be reissued for cash at minimal cost. The Company will only reissue shares from treasury at a price at or above the prevailing NAV per share. The shares are excluded from the Revenue and Capital return per Ordinary Share. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership.

Weighted Average Shares (APM)

The weighted average shares outstanding is calculated by multiplying the outstanding number of shares after each share issue and buy back of shares during the year with the time weighted portion. The total of the weighted average of shares in issue excluding treasury shares during the year is 11,796,902.

Directors and Officers

Directors
Frances Daley, Chairman
Alastair Bruce (Appointed 1 February 2024)
Vivien Gould
Christopher Granville
Nadya Wells
Calum Thomson (Resigned 1 February 2024)

Registered Office
Central Square
29 Wellington Street
Leeds LS1 4DL

Company Secretary
Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL

Company Number
04560726

Alternative Investment Fund Manager
Baring Fund Managers Limited
20 Old Bailey
London EC4M 7BF
Telephone: 020 7628 6000
Facsimile: 020 7638 7928

Auditor
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Depositary
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20 Churchill Place
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London E14 5HJ

Custodian
State Street Bank & Trust Company Limited
20 Churchill Place
Canary Wharf
London E14 5HJ

Administrator
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A Waystone Group Company
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Southernhay
Exeter EX14 1TS

Registrar
Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL

Corporate Broker
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25 Bank Street
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Canary Wharf
London E14 5JP

Website
www.bemoplc.com

Shareholder Information

Company Number
04560726

ISIN
GB0032273343

LEI
213800HLE2UOSVAP2Y69

SEDOL
3227334

Share Dealing
Shares can be traded through your usual stockbroker.

Share Register Enquiries
The register for the Ordinary Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300 or on +44 (0)371 664 0300, UK Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact the registrar by email at enquiries@linkgroup.co.uk.

Changes of name and/or address must be notified in writing to the Registrar: Link Group, Central Square,

29 Wellington Street, Leeds LS1 4DL.

Electronic Communications from the Company
Shareholders now have the opportunity to be notified by email when the Company's Annual Report and other formal communications are available on the Company's website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company. If you have not already elected to receive electronic communications from the Company and wish to do so, please contact the Registrar using the details shown above. Please have your investor code to hand.

If you hold shares via a nominee, it is the responsibility of the nominee to provide you with copies of the Annual Report and any other documentation.

NAV Information
The Company releases its NAV per share daily to the LSE.

Share Price
The Company's shares are listed on the LSE.

Annual and Half Year Reports
Copies of the Annual and Half Year Reports are available on the Company's website, www.bemoplc.com, or from the Company Secretary on telephone number: 0333 300 1932.

Financial Calendar

	Date*
Annual General Meeting	23 January 2025
Annual dividend	7 February 2025
Announcement of interim results	6 June 2025
Interim dividend	July 2025
Announcement of final results	6 December 2024

*These dates are provisional and subject to change.

Baring Fund Managers Limited
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Telephone: 020 7628 6000

(Authorised and regulated by the Financial Conduct Authority)

www.barings.com

ISIN GB0032273343
Registered in England and Wales no: 02915887
Registered office as above.