

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you outside of the United Kingdom. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.

If you have sold or otherwise transferred all of your Shares in Genesis Emerging Markets Fund Limited (the “Company”) you should pass this document together with the accompanying Form of Proxy and Tender Form as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, the distribution of this document and any of the accompanying documents in jurisdictions other than the United Kingdom and the United States may be restricted by law and therefore persons into whose possession this document or any of the accompanying documents come should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the Tender Offer is not being made, and the Tender Form should not be forwarded or transmitted in or into Australia, Canada or Japan.

J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), which is authorised by the PRA and regulated in the United Kingdom by the PRA and FCA is acting exclusively for the Company and no-one else in relation to the Proposals and the Tender Offer and the other matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its customers nor for providing advice in relation to the Proposals, Tender Offer or the other matters referred to in this document. Jefferies International Limited (“Jefferies”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in relation to the Proposals and the other matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its customers nor for providing advice in relation to the Proposals, the Tender Offer or the other matters referred to in this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which J.P. Morgan Cazenove or Jefferies may have under FSMA or the regulatory regime established thereunder. The Tender Offer is being made in the United States by J.P. Morgan Securities LLC, acting as nominee for J.P. Morgan Cazenove, and no one else.

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## **GENESIS EMERGING MARKETS FUND LIMITED**

*(an authorised closed-ended collective investment scheme established as a company  
with limited liability under the laws of Guernsey with registration number 20790)*

### **Adoption of a new investment policy, change of name and tender offer Notice of Extraordinary General Meeting**

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Notice of an Extraordinary General Meeting of the Company to be held at 60 Victoria Embankment, London EC4Y 0JP on 1 October 2021 at 11.30 a.m. is set out at the end of this document. Shareholders are encouraged to return the Form of Proxy accompanying this document for use at the Extraordinary General Meeting. This will ensure that your votes are registered. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to be received by the Registrars, Computershare Investor Services PLC as soon as possible and, in any event, by no later than 11.30 a.m. on 29 September 2021.

Also enclosed with this document is a Tender Form for use by Shareholders who hold their Shares in certificated form in connection with the Tender Offer. To be effective, Tender Forms must be returned to the Receiving Agent, Computershare Investor Services PLC by not later than 1.00 p.m. on 15 October 2021. Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered.

Shareholders who hold Shares in uncertificated form (that is, in CREST) should not return a Tender Form but should transmit the appropriate transfer to escrow in CREST as described in Part 5 of this document as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 15 October 2021.

The Tender Offer is not being made to certain Overseas Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into Australia, Canada or Japan and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility from within Australia, Canada or Japan.

**The Tender Offer will only be available to Shareholders whose names appeared on the Register as at 6.00 p.m. on 15 October 2021 in respect of Shares held by them as at that date.**

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES IN THE TENDER OFFER, DO NOT COMPLETE AND RETURN THE TENDER FORM OR SUBMIT A TTE INSTRUCTION. THE DIRECTORS WILL NOT BE TENDERING ANY OF THEIR SHARES IN THE TENDER OFFER.**

Your attention is drawn to the letter from the Chairman of Genesis Emerging Market Fund Limited which is set out in Part 1 of this document and which recommends that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting. Your attention is also drawn to the section entitled “Action to be Taken” in Part 1 of this document.

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## NOTICE FOR US SHAREHOLDERS

The Tender Offer relates to securities in a non-US company which is registered in Guernsey with a listing on the London Stock Exchange, and is subject to the disclosure requirements, rules and practices applicable to companies listed in the UK, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales and the Listing Rules of the UK Financial Conduct Authority. US Shareholders should read this entire document, including Parts 6 and 7.

The Tender Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Exchange Act, subject to the exemptions provided by Rule 14d-1 under the US Exchange Act and otherwise in accordance with the requirements of the Listing Rules. Accordingly, the Tender Offer is subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures.

US Shareholders should note that the Company is not listed on a US securities exchange, is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC thereunder.

It may be difficult for US Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under US federal securities laws since the Company is located outside the United States and its officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

To the extent permitted by applicable law and in accordance with normal UK practice, the Company, J.P. Morgan Cazenove or any of their respective affiliates, may make certain purchases of, or arrangements to purchase, Shares outside the United States during the period in which the Tender Offer remains open for acceptance, including sales and purchases of Shares effected by J.P. Morgan Cazenove acting as market maker in the Shares. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the US Exchange Act by virtue of relief granted by the SEC Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the Listing Rules of the UK Financial Conduct Authority, and the relevant provisions of the US Exchange Act. Any information about such purchases will be disclosed as required in the UK and the United States and, if required, will be reported via a Regulatory Information Service and available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be publicly available to Shareholders in the United States.

The receipt of cash pursuant to the Tender Offer by a Shareholder who is a US Holder (as defined in Part 6) will be a taxable transaction for US federal income tax purposes. In addition, as described in Section B of Part 6 of this document, US Holders may be subject to US backup withholding and information reporting on payments with respect to the Tender Offer made (or deemed made) within the United States. Part 6 of this document further sets forth certain US federal income tax consequences of the Tender Offer under current US law. However, each Shareholder should consult and seek individual advice from an appropriate professional adviser.

Neither the SEC nor any US state securities commission has approved or disapproved of this transaction or passed upon the merits of fairness of such transaction or passed upon the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence.

## DOCUMENTS ACCOMPANYING THIS CIRCULAR

Accompanying this document is a Form of Proxy and a Tender Form.

**IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES, DO NOT COMPLETE OR RETURN THE TENDER FORM OR SUBMIT A TTE INSTRUCTION IN CREST.**

**YOU SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS THE MATERIAL TERMS OF THE TENDER OFFER, AND NOT JUST THIS SECTION, WHEN DECIDING WHAT ACTION TO TAKE.**

**YOU ARE ENCOURAGED TO VOTE AT THE EXTRAORDINARY GENERAL MEETING WHETHER OR NOT YOU WISH TO PARTICIPATE IN THE TENDER OFFER**

*To vote at the Extraordinary General Meeting:*

Complete and return the Form of Proxy for the Extraordinary General Meeting to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, by no later than 11.30 a.m. on 29 September 2021 and/or attend and vote at the Extraordinary General Meeting on 1 October 2021.

*To tender your Shares that are held in certificated form under the Tender Offer:*

Complete and return the Tender Form to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH as soon as possible and, in any event, by no later than 1.00 p.m. on 15 October 2021.

*To tender your Shares that are held in uncertificated form (that is, in CREST) under the Tender Offer:*

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Shares to be transferred to an escrow balance;
- your Member Account ID;
- your Participant ID;
- the Participant ID of the escrow agent in its capacity as a CREST receiving agent. This is 3RA21;
- the Member Account ID of the escrow agent. This is GENESI01;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 15 October 2021;
- the ISIN of the Shares, which is GG00B4L0PD47;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

Full details of the action to be taken are set out in this document and in the instructions on the respective forms. The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" in paragraph 10 of Part 5 of this document.

If you have any queries in relation to your shareholding(s), please contact Computershare Investor Services PLC by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 4040. Computershare Investor Services PLC can only provide information regarding the completion of forms and cannot provide you with advice on the Tender Offer or provide any personal, legal, financial or tax advice.

## EXPECTED TIMETABLE

Publication of this document and Tender Offer opens	6 September 2021
Latest time and date for receipt of Forms of Proxy	11.30 a.m. on 29 September 2021
Extraordinary General Meeting	11.30 a.m. on 1 October 2021
Results of Extraordinary General Meeting announced	1 October 2021
Appointment of Fidelity International effective	4 October 2021
Latest time and date for receipt of Tender Forms and submission of TTE Instructions from Shareholders	1.00 p.m. on 15 October 2021
Record Date and time for the Tender Offer	6.00 p.m. on 15 October 2021
Results of Tender Offer announced	18 October 2021
Calculation Date	10:00 p.m. on 18 October 2021
Tender Price announced	19 October 2021
Payments through CREST made and CREST accounts settled	22 October 2021
Balancing share certificates and cheques despatched to certificated Shareholders	22 October 2021

### Notes

1. References to times in this document are to London time.
2. The dates set out in the expected timetable in respect of the Tender Offer may be adjusted by J.P. Morgan Cazenove, with the consent of the Company, in which event details of the new dates will be notified to Shareholders by an announcement made by the Company through a Regulatory Information Service.

## PART 1 – LETTER FROM THE CHAIRMAN

# GENESIS EMERGING MARKETS FUND LIMITED

*(an authorised closed-ended collective investment scheme established as a company  
with limited liability under the laws of Guernsey with registration number 20790)*

### Directors

Hélène Ploix  
Sujit Banerji  
Simon Colson  
Russell Edey  
Torsten Koster  
Katherine Tsang

### Registered office

1st Floor, Les Echelons Court  
Les Echelons, South Esplanade  
St Peter Port  
Guernsey, GY1 6JB  
Channel Islands

6 September 2021

Dear Shareholder

### Introduction

On 1 July 2021, the Board announced that, after an extensive review of the Company's management arrangements, it intends to appoint FIL Investment Services (UK) Limited as the Company's manager.

The appointment of FIL Investment Services (UK) Limited is conditional on the approval by Shareholders at an extraordinary general meeting of the Company (the "Extraordinary General Meeting") to be held on 1 October 2021 of the adoption of an amended investment policy by the Company, as described further below (the "Proposed Investment Policy"). It is expected that FIL Investment Services (UK) Limited's appointment would become effective from 4 October 2021. In addition, FIL Investments International (together with FIL Investment Services (UK) Limited, and other associated companies as applicable, "Fidelity International") will be appointed as the Company's investment manager with effect from the same time.

Shareholders will also be asked to approve (conditional on the approval of the Proposed Investment Policy) the change of the Company's name to Fidelity Emerging Markets Limited at the Extraordinary General Meeting.

In addition, following the Board's commitment made in 2018, the Company is making a tender for up to 25 per cent. of its participating redeemable preference shares in issue (excluding any Shares held in treasury) (the "Tender Offer") at a two per cent. discount to the prevailing net asset value per Share (the "Tender Price"), to enable Shareholders wishing to realise part, or potentially all, of their investment in the Company the opportunity to do so. The Tender Offer is conditional upon approval by Shareholders at the Extraordinary General Meeting of the purchase of shares pursuant to the Tender Offer, but it is not conditional on the adoption of the Proposed Investment Policy, the change of the Company's name or the appointment of FIL Investment Services (UK) Limited as the Company's manager.

Further, as announced on 1 July 2021, if the Company's NAV Total Return over the five years ending on 30 September 2026 does not exceed the MSCI Emerging Markets Index over that period the Company will make a further tender offer in respect of up to 25 per cent. of the Shares then in issue (excluding any Shares held in treasury). The Company has also committed to hold a continuation vote in 2026 and every five years thereafter.

This document sets out the background to and reasons for these proposals (the "Proposals") and includes the notice of the Extraordinary General Meeting at which the relevant Shareholder approvals will be sought. The Board has received financial advice from J.P. Morgan Cazenove and Jefferies and, in giving that financial advice, each of J.P. Morgan Cazenove and Jefferies has placed reliance on the Board's commercial assessments.

This document also contains the terms and conditions of the Tender Offer, together with details of how Shareholders can tender Shares for purchase, if they wish to do so.

**If you wish to retain your Shares and do not wish to sell any of your Shares in the Tender Offer, do not complete and return the Tender Form or submit a TTE instruction (as applicable). None of the Directors who own Shares will tender any Shares in the Tender Offer.**

The Company's existing investment manager, Genesis Investment Management, LLP ("GIML") is assisting with the proposed change of investment management and has agreed to cease its role immediately on the appointment of Fidelity International becoming effective, subject to being paid a management fee on termination in respect of the period up to 29 October 2021 (calculated by reference to the net asset value of the Company as at 30 September 2021). The Board would like to express its deep appreciation for GIML's commitment and hard work for the Company over the last three decades.

The Company intends to publish its annual report for the year ended 30 June 2021 by 29 October 2021 following the Extraordinary General Meeting and completion of the Tender Offer and to hold its 2021 annual general meeting in late November or early December 2021.

### **Benefits of the Proposals**

The Board believes that the Proposals will have the following benefits for Shareholders.

- Access to Fidelity International's top decile performing emerging markets strategy – Fidelity International benefits from global coverage which is complemented with local expertise.
- A significant reduction in the Company's management fee from the existing 0.90 per cent. of Net Asset Value per annum to 0.60 per cent. of Net Asset Value per annum which will significantly reduce the Company's ongoing charges ratio.
- A nine month management fee waiver by Fidelity International from the date of its appointment, a significant cost contribution from Fidelity International which will minimise cost impact on shareholders as a result of the change of investment management arrangements.
- Greater brand recognition and increased marketing focus through access to Fidelity International's expertise as an award-winning investment trust manager with extensive marketing capabilities led by a dedicated marketing team.

In addition, the Company will benefit from on-going discount control measures through its commitment to a further performance-triggered tender offer in 2026 and the introduction of a continuation vote for the Company also to be held in 2026 and every five years thereafter. Fidelity International is supportive of these measures.

The difference between the Tender Price paid by the Company in respect of Shares successfully tendered in the Tender Offer and the prevailing NAV per Share will be used by the Company to pay the costs of the Tender Offer with the balance being retained by the Company for the benefit of remaining Shareholders, meaning that the Tender Offer should result in an increase in NAV per Share and be accretive for remaining Shareholders.

### **Proposed Investment Policy**

The Company's existing investment objective and policy and the Proposed Investment Policy are set out in full in Part 2 of this document.

The Proposed Investment Policy will continue the Company's global emerging markets mandate while providing the Company with greater ability to invest in a diversified portfolio of equity, equity-linked securities and derivative instruments which provide exposure to emerging market companies, in order that Fidelity International can pursue its proven and established extended emerging markets investment strategies, as described further below.

Notwithstanding the increased flexibility that the Proposed Investment Policy will permit, Fidelity International expects that the Company will remain focused on predominantly the same markets as at present and that its investment portfolio will continue to consist of a majority of long investments, with a net market exposure of 100% (similar to the Company's current level) and a market beta managed to be close to 1.

Fidelity International will monitor the Company's net market exposure closely with both daily and monthly checks carried out at close of business London time. However, Shareholders should note that markets remain open in the Americas after that time and that the NAV per Share is calculated by the Company's administrator effective at 10.00 p.m. London time.

The Listing Rules require any proposed material changes to the Company's published investment policy to be submitted to the FCA for prior approval. The FCA has approved the Proposed Investment Policy.

The Listing Rules also require Shareholder approval prior to any material changes being made to the Company's published investment policy, which is being sought at the Extraordinary General Meeting.

Any future material changes to the Proposed Investment Policy will also require the prior approval of the FCA and Shareholders.

### **Proposed new management arrangements**

The Company has entered into the New Management Agreement with FIL Investment Services (UK) Limited and the New Investment Management Agreement with FIL Investment Services (UK) Limited and FIL Investments International, both conditional on the approval of the Proposed Investment Policy, under which:

- FIL Investment Services (UK) Limited will act as the Company's manager and alternative investment fund manager (or AIFM) under the New Management Agreement with the Company, subject to the oversight of the Board. The New Management Agreement will be terminable by either FIL Investment Services (UK) Limited or the Company on six months' notice, which may only be served following an initial term of one year. The New Management Agreement may also be terminable in other circumstances, including by either party in the event of certain default events or the insolvency of the other party. The New Management Agreement provides for the payment of an aggregate fee of 0.60% per annum of the NAV of the Company, apportioned between FIL Investment Services (UK) Limited (whose entitlement is to 0.05% per annum of the NAV of the Company), and FIL Investments International (which is entitled to the remainder of the fee) in both cases calculated and charged daily and payable monthly in arrear after each month end date.
- FIL Investment Services (UK) Limited will delegate the investment management of the Company's investment portfolio to an associated company, FIL Investments International, on the terms of the New Investment Management Agreement among the Company, FIL Investment Services (UK) Limited and FIL Investments International. The New Investment Management Agreement will automatically terminate on termination of the New Management Agreement, and will otherwise be terminable in similar circumstances to the New Management Agreement.

No management fee shall be payable by the Company under the New Management Agreement and New Investment Management Agreement for the first nine months after the appointment of Fidelity International becomes effective.

### **Information regarding Fidelity International**

Fidelity International has approximately US\$800 billion under management as at 31 August 2021. Fidelity International celebrated its 30th anniversary as an investment company manager in 2021, and in that time has grown the assets under management of its five UK investment trusts (not including the Company) to around £5 billion and established a diverse and growing investor base. Since 2010, Fidelity International has raised £700 million of new capital across five investment companies. Fidelity International estimates that around 30% of the issued share capital of these investment companies is held by retail investors. It is one of the largest managers of UK listed investment companies by assets.

Fidelity International has agreed to dedicate significant marketing resources to the promotion of the Company.

#### *Fidelity International's emerging markets capability*

Fidelity International has developed one of the industry's largest research operations, with 425 investment and sustainable investing professionals, covering equities, fixed income, real estate, multi-manager, technical, quantitative and derivatives and spread across various locations globally.

This underpins the strength of Fidelity International's emerging markets platform, which draws on the team's extensive knowledge and an array of complementary skills and expertise relevant to its investment strategies, including equity research, regional specialisation, derivatives expertise, sustainable investing and deal sourcing. Investment professionals are strategically located in London, Singapore, Hong Kong, Shanghai and Mumbai.

A team of nine portfolio managers are responsible for US\$27 billion, across a series of global, regional and thematic emerging market strategies.

#### *Fidelity International's approach for the Company*

Fidelity International will adopt an all-cap Global Emerging Markets strategy for the Company which seeks to exploit a broad range of opportunities.

Fidelity International's portfolio managers adopt an active 'extension' investment style, benefitting from an extended toolset versus a traditional long-only equity fund:

- Equities – Predominantly invested in equity securities that offer a significant degree of absolute upside to each stock's specific target price. The portfolio managers will seek opportunities across the market cap spectrum, geographies, and in addition to listed companies, will consider IPOs and unlisted investments.
- Short extensions – Offering the ability to access positive returns from securities perceived to be exposed to material absolute share price declines via the use of short equity derivative positions.
- Long extensions – Providing the ability to deploy additional long equity exposure through the use of equity derivative instruments to further enhance performance from the stocks with the greatest upside potential, and also to offset the reduction in equity exposure introduced by the fund's short positions.
- Other instruments – Access other instruments to take best advantage of perceived sources of return and to control risk. These instruments include equity option positions to both capture option premium as well as to control active risks in the portfolio.

#### *Fidelity International's emerging markets investment philosophy*

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

With this in mind, Fidelity International defines high quality companies as those that exhibit:

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

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

### *Fund managers*

On appointment of Fidelity International as manager, the Company's portfolio managers will be Nick Price and Chris Tennant.

Nick Price led the development of Fidelity International's Emerging EMEA group, launching the team's first portfolio in 2005. The investment process has been consistently used by the current team since it was first adopted in 2005 and remains the cornerstone of Fidelity International's emerging markets equity strategies. It was subsequently deployed by the group on a global basis in 2009. In 2011, Nick developed and led the launch of the FAST-Emerging Markets strategy, for which he remains lead portfolio manager.

Chris Tennant, assistant portfolio manager for the FAST-Emerging Markets strategy, joined Fidelity International in January 2011 as an Equity Analyst, covering European Transportation. In October 2012, he joined the London based emerging markets team to cover EMEA and Latin America Metals & Mining stocks. In January 2015, Chris was chosen by Nick to undertake a newly created emerging markets shorting analyst role. Since then, they have worked in close partnership to identify opportunities for the short book.

### *Fidelity International's approach to ESG matters*

Environmental, social and governance (ESG) integration at Fidelity International is carried out at the fundamental research analyst level within its investment teams, and its portfolio managers are active in analysing the effects of ESG factors when making investment decisions.

Fidelity International takes a proactive approach to share ownership on behalf of its clients. Its corporate engagement objective is twofold: to gain enhanced and holistic investment insights which inform its investment analysis where it includes, among others, Proprietary Sustainability Ratings and consideration of ESG risks, and to foster constructive change aligned with best practice to protect and enhance long-term value for shareholders. To this end, Fidelity International has a team of sustainable investing specialists who work with portfolio managers and analysts, and has published ESG policies principles and guidelines covering 12 topics including gender diversity and climate change related governance, which aims to encourage positive change at investee companies through engagement and voting.

Further information regarding Fidelity International's approach to ESG matters, including in respect of the Company, is included in Part 3 of this document.

### **Change of name**

The Board proposes that the name of the Company is changed to "Fidelity Emerging Markets Limited" at the Extraordinary General Meeting. It is the Board's opinion that the Company will benefit from Fidelity International's brand, including in attracting potential new investors. The Company is also required to remove the word "Genesis" from its name within three months of the termination of its management agreement with GIML. The change of name is subject to Shareholder approval of the Proposed Investment Policy.

### **Tender Offer**

The Board believes that many Shareholders will wish to continue with their investment in the Company.

However, further to the commitment made in 2018, the Company will make the Tender Offer so that Shareholders (other than certain Overseas Shareholders) wishing to realise part, or potentially all, of their investment in the Company will have the opportunity to do so.

The Tender Price will be a two per cent. discount to the NAV per Share as at the Calculation Date. The Tender Price has been set at this level to allow Shareholders who wish to realise a portion of their holding of Shares to do so at a price close to NAV whilst providing for an uplift to NAV per Share for continuing Shareholders should the Tender Offer be fully subscribed.

The maximum number of Shares to be acquired under the Tender Offer is 30,366,688 Shares, representing 25 per cent. of the Shares in issue (excluding any Shares held in treasury) as at 3 September 2021 (the "Available Shares").

The Board and Fidelity International are satisfied that, following the Tender Offer and assuming the Tender Offer is fully subscribed, the Company will remain an attractive size with sufficient scale and liquidity.

Under the terms of the Tender Offer, which is being made by J.P. Morgan Cazenove, Shareholders (other than certain Overseas Shareholders) will be entitled to tender up to 25 per cent. of the Shares they hold as at the Record Date rounded down to the nearest whole number (the "Basic Entitlement").

An Eligible Shareholder tendering up to its Basic Entitlement will have its tender satisfied in full. Any Eligible Shareholder tendering more than its Basic Entitlement ("Excess Applications") will have its Excess Application satisfied to the extent that there are sufficient remaining Available Shares. Such remaining Available Shares (in excess of those necessary to satisfy the Basic Entitlements taken up by Eligible Shareholders) shall be apportioned to Eligible Shareholders *pro rata* to their Excess Applications if there are insufficient Available Shares to satisfy Excess Applications in full.

The Tender Offer requires the passing of a special resolution at the Extraordinary General Meeting to authorise the Company to purchase its Shares.

Subject to the satisfaction of the conditions relating to the Tender Offer, J.P. Morgan Cazenove will purchase, as principal, Shares validly tendered under the Tender Offer at the Tender Price. Following completion of those purchases, it will then sell all the relevant Shares back to the Company pursuant to the Repurchase Agreement at the Tender Price by way of an on-market transaction on the main market of the London Stock Exchange. The Shares which the Company acquires from J.P. Morgan Cazenove will be cancelled or held in treasury.

The Tender Offer is subject to the conditions set out in paragraph 3 of Part 5 of this document. The Tender Offer may also be terminated in certain circumstances as set out in paragraph 9 of Part 5 of this document. Shareholders' attention is drawn to the letter from J.P. Morgan Cazenove set out in Part 4 of this document, which, together with the Tender Form in the case of Shares held in certificated form, sets out the principal terms and conditions of the Tender Offer, and to Part 7 of this document which contains a summary of certain risks associated with the Tender Offer. Details of how Shareholders will be able to tender Shares can be found in paragraph 4 of Part 5 of this document.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

**Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA.**

The Company's authority to repurchase its own Shares, which was granted at the last annual Extraordinary General Meeting of the Company held on 2 November 2020, in respect of up to 14.99 per cent. of the Company's Shares in issue as at the date of that meeting, will remain in force and be unaffected by the Tender Offer. The Board may, subject to normal market conditions, seek to limit the discount to Net Asset Value per Share at which the Shares trade through the prudent use of this authority to repurchase Shares in the market. Any buy back of Shares will be at the absolute discretion of the Board and in accordance with the Company's authority. It should be noted that this is a mechanism primarily to limit discount volatility and there is no guarantee that such limitation will be achieved or that any Shares will be bought back. Due to US regulatory requirements, the Board does not intend to undertake any Share buy backs between publication of this document and the close of the Tender Offer at 1.00 p.m. on 15 October 2021.

This letter is not a recommendation for Shareholders to tender their Shares under the Tender Offer. Whether or not Shareholders tender their Shares will depend on, amongst other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.

#### *Takeover Code*

Shareholders should note the following important information relating to certain provisions of the Takeover Code, which will be relevant to purchases of Shares after the date of this document

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company to which the Takeover Code applies is normally required by the Takeover Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the Takeover Code also provides that any person or group of persons acting in concert who is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights will be unable, without the Takeover Panel's consent, to acquire, either individually or together, any further voting rights in that company without being required to make a general offer to shareholders of that company to acquire their shares. An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares in the company during the 12 months prior to the announcement of the offer.

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. A person who is neither a director, nor an investment manager of an investment trust, nor acting (or presumed to be acting) in concert with a director or the investment manager will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in such circumstances. However, this exception will not normally apply when a shareholder not acting in concert with a director or the investment manager of an investment trust has acquired an interest in shares at a time when that shareholder had reason to believe that such a purchase of its own shares by the company would take place.

It is possible that, following completion of the Tender Offer, the proportionate size of the shareholding of one or more Shareholders could increase so that they hold 30 per cent. or more of the voting rights of the Company if they do not tender all of their respective Basic Entitlements in the Tender Offer.

In particular, as at 3 September 2021 (being the last practicable date prior to publication of this document) City of London Investment Management Company Limited held Shares carrying approximately 28.46 per cent. of the voting rights attaching to the Shares in issue. If City of London Investment Management Company Limited chose not to tender into the Tender Offer and the Tender Offer completes, the voting rights of the Shares held by City of London Investment Management Company Limited may exceed 30 per cent. of the Company's total voting rights and may be as high as approximately 37.95 per cent. of the Company's total voting rights, depending on how many other Shares are successfully tendered in the Tender Offer. However, as it does not have a representative on the Board and provided that it does not acquire any further Shares prior to completion of the Tender Offer, City of London Investment Management Company Limited would not be required to make a general offer to acquire the Company's remaining Shares pursuant to Rule 9 of the Takeover Code.

#### *Overseas Shareholders*

The making of the Tender Offer to persons outside the United Kingdom and the United States may be prohibited or affected by the laws of the relevant overseas jurisdictions. Shareholders with registered or mailing addresses outside the United Kingdom and the United States or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom or the United States should read carefully paragraph 10 of Part 5 of this document.

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Australia, Canada or Japan. Accordingly, copies of the Tender Form are not being and must not be mailed or otherwise distributed in or into Australia, Canada or Japan.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

#### *Taxation*

The attention of Shareholders is drawn to Part 6 of this document which sets out a general guide to certain aspects of current UK taxation law and HMRC published practice and, for the benefit of US Shareholders, to certain aspects of current US taxation. This information is a general guide and is not

exhaustive. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK or the United States should consult an appropriate professional adviser.

### **Further discount management measures**

The Company will make a further tender offer in 2026 in respect of up to 25 per cent. of the Shares then in issue (excluding any Shares held in treasury) if the Company's NAV Total Return over the 5 years ending on 30 September 2026 does not exceed the MSCI Emerging Markets Index over that period. That further tender offer, if made, would be on such specific terms, including regarding pricing, as are announced at that time.

The Company has also committed to hold a continuation vote in 2026 and every five years thereafter. The Company will propose the continuation vote at its annual general meeting in the relevant year and, if the continuation vote is not passed, will thereafter present proposals to Shareholders in respect of the future of the Company.

### **Extraordinary General Meeting**

A notice convening the Extraordinary General Meeting which is to be held at 60 Victoria Embankment, London EC4Y 0JP at 11.30 a.m. on 1 October 2021 is set out at the end of this document. At this meeting an ordinary resolution will be proposed in respect of the Proposed Investment Policy and special resolutions will be proposed to approve the change of name of the Company and the Tender Offer on the terms set out in this document and to give the Company authority to make market purchases pursuant to the Tender Offer.

In order to be passed, the ordinary resolution to approve the Proposed Investment Policy will require the approval of Shareholders representing more than 50 per cent. of the votes cast at the Extraordinary General Meeting and the special resolutions to approve the change of name and the Tender Offer will require the approval of Shareholders representing at least 75 per cent. of the votes cast at the Extraordinary General Meeting. The Company's articles of incorporation provide that at the Extraordinary General Meeting each Shareholder present in person or by proxy or who (being a corporation) is present by a representative shall, on a show of hands, have one vote and on a poll, shall have one vote for each Share of which he/she is a holder.

The quorum for the Extraordinary General Meeting is not less than two persons entitled to attend and to vote, each being a Shareholder or a proxy of a Shareholder or a duly authorised representative of a corporation which is a Shareholder.

### **Action to be taken**

#### *Extraordinary General Meeting*

Whether or not you wish to tender your Shares under the Tender Offer, you are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon so as to be received by the Registrars as soon as possible but in any event by no later than 11.30 a.m. on 29 September 2021. The completion and return of the Form of Proxy will ensure your vote is registered whether or not you attend the Extraordinary General Meeting and vote in person.

#### *Tender Offer*

Only Shareholders whose names appear on the Register as at 6.00 p.m. on 15 October 2021 are able to participate in the Tender Offer in respect of the Shares held as at that date.

Shareholders should refer to the section of this document entitled "Documents Accompanying this Circular" on page 4 for further information on how to participate in the Tender Offer, depending on whether they hold their Shares in uncertificated or certificated form. Shareholders who hold their Shares in certificated form should note that they should return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered with their Tender Form. A Tender Form submitted without the related share certificate(s) or other document(s) of title representing the amount of Shares to be tendered will be treated as invalid.

If you do not wish to sell any of your Shares in the Tender Offer, do not complete and return the Tender Form or submit a TTE Instruction (as applicable).

The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from an appropriately qualified independent financial adviser, authorised under FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside of the United Kingdom. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.

### **Recommendation**

The Board considers that the Proposals as set out in this document and the resolutions to be proposed at the Extraordinary General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of all of the resolutions to be proposed at the Extraordinary General Meeting.

The Board intends to vote in favour, or procure votes in favour, of all of the resolutions at the Extraordinary General Meeting in respect of the Directors' own beneficial holdings of Shares, which in aggregate amount to 44,416 Shares (representing approximately 0.037 per cent, of the issued Share capital (excluding Shares held in treasury) of the Company as at the date of this document).

### **The Directors will not be tendering any of their own Shares in the Tender Offer.**

The Board makes no recommendation to Shareholders as to whether or not they should tender all or any of their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.

Yours faithfully,

**Hélène Ploix**  
*Chairman*

## PART 2 – INVESTMENT POLICY

The full text of the Company's current investment objective and policy and proposed new investment objective and policy are set out below.

### CURRENT INVESTMENT POLICY

#### Investment objective

The Company's investment objective is to achieve long-term capital growth, primarily through investment in equity markets of emerging countries.

#### Investment policy

The Company seeks to identify high-quality companies in emerging markets and invest in them at attractive discounts to their intrinsic value.

The Company defines "emerging markets" as the countries included in the low- and middle-income economies classifications contained in the World Bank's annual World Development Indicators Report.

In addition to investing in low- and middle-income economies, the Company may also invest in the Gulf Cooperation Council countries and other high-income economies (such as South Korea and Taiwan) which are included in recognised emerging markets securities indices.

The Company may invest in the securities of companies which are quoted on the stock markets of high-income economies if the Company's investment manager believes that more than 50 percent of the revenues or profits of the relevant company have their source in, or more than 50 percent of its assets are located in, emerging markets.

The Company's investments can be made in any sector and any geography. While there are no specific limits placed on exposure to any one sector, the Company at all times seeks to invest and manage its portfolio in a manner consistent with diversifying investment risk.

The Company may also invest in the securities of other collective investment undertakings which invest in emerging markets, subject to the specific restrictions set out below.

The Company is subject to the following investment restrictions:

- no more than 10 percent of the net assets of the Company (calculated at the time of investment) may be invested in securities which are not listed on a stock exchange nor dealt in on another regulated market, in either case which operates regularly and is recognised and open to the public;
- no more than 10 percent of the net assets of the Company (calculated at the time of investment) may be invested in securities of a single issuer;
- the Company may not acquire more than 10 percent of the issued securities of a single class of any issuer;

The foregoing restrictions do not apply to securities issued or guaranteed by member states of the OECD or their public agencies or public international bodies with European Union ("EU"), regional or world-wide scope or to the acquisition of units in funds that are subject to their own risk diversification obligations which are at least comparable to the restrictions.

- the Company will not invest directly in real property or goods, except that the Company may invest in commodities in exceptional circumstance with the agreement of its board of directors.
- no more than 30 percent of the net assets of the Company (calculated at the time of investment) may be invested, in aggregate, in other collective investment undertakings; and
- the Company may not invest in another collective investment undertaking which has as its investment objective the investment of its assets primarily in other funds.

The Company is not required to dispose of all or part of any investment if, by reason solely of any circumstances or events arising after such investment has been acquired (including market appreciation), the Company would not have been permitted to make such investment if it had been made at a later time. The Company may not, however, at any time increase its holding of any such investment where there would have been a breach of the restrictions if the Company's entire holding of such investment had been acquired at the time of the proposed increase.

The Company may use derivatives for the purpose of currency hedging, though it does not ordinarily expect to do so. Otherwise, the Company will not engage in derivative transactions for any purpose.

The Company will not engage in short selling.

The Company does not intend to take legal or management control of any entity in which it invests.

The Company may borrow on a short-term basis for the purpose of bridging investments and general working capital purposes, up to an aggregate limit of 10 percent of the Company's net asset value, calculated at the time of drawdown.

The Company expects to be substantially invested in normal market conditions but may hold cash or cash equivalent instruments at any time. There is no restriction on the amount of cash or cash equivalent instruments that the Company may hold.

## **PROPOSED INVESTMENT POLICY**

### **Investment Objective**

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

### **Definition of Emerging Markets**

The Company defines Emerging Markets as countries that have an emerging market stock market as defined by MSCI, countries or markets with low-to middle-income economies as classified by the World Bank, and other countries or markets with similar emerging characteristics.

### **Investment Policy**

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

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

### **Investment minimum constraints**

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

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

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

### **Permitted instruments**

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

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

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

### **Investment Restrictions**

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

- no single or aggregate interest in any one company shall represent more than 15% of total assets (measured at the time of investment);
- no more than 15% of total assets (measured at the time of investment) may be invested in unlisted securities;

- up to 15% of total assets (measured at the time of investment) may be invested in other listed or unlisted investment funds where such funds offer the only practicable means of gaining exposure to a particular Emerging Market, including other funds managed or advised by the Manager or its associates;
- up to 20% of total assets (measured at the time of investment) may be invested in securities and instruments which provide exposure to companies which do not have their head office in, are not listed in or whose assets or operations are not predominantly in Emerging Markets, provided that a material proportion of the income or revenues of each such company derives from Emerging Markets.

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

### **Leverage and derivatives**

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

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

- as an alternative form of gearing to bank loans, for instance by the use of long CFDs;
- to enhance the investment returns by taking short positions in stocks or markets that the Manager considers to be over-valued or impaired;
- to enhance positions, manage position sizes and control risk through the use of options;
- to hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost; and
- to gain or hedge currency exposure, both long and short, using foreign currency exchange forward transactions.

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

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

### **Exposure Definitions**

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

## PART 3 – FIDELITY INTERNATIONAL’S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) STRATEGY

### Fidelity International’s approach to ESG

ESG integration at Fidelity International is carried out at the fundamental research analyst level within its investment teams, primarily through the implementation of the proprietary Fidelity Sustainability Rating. This rating was established in 2019 and is designed to generate a forward-looking and holistic assessment of a company’s ESG risks and opportunities, based on sector specific key performance indicators across 99 individual and unique sub-sectors. In addition, Fidelity International’s portfolio managers are also active in analysing the effects of ESG factors when making investment decisions.

**Fidelity Sustainability Ratings** are based on a proprietary rating system developed by Fidelity International’s research analysts to assess individual securities. Each rating scores securities on an A-E scale on sector-specific factors and a trajectory forecast based on an assessment of expected change of an issuer’s sustainability characteristics over time. The ratings are based on fundamental bottom-up research and materiality assessment using criteria specific to the industry of each issuer relevant to material ESG issues. Any material differences between Fidelity Sustainability Ratings and relevant external third party ESG ratings are examined and contribute to analysis and discussion within Fidelity International’s investment teams as part of the assessment of the investment opportunity and its related ESG risks. ESG ratings and associated ESG data are maintained on a centralised research platform operated by FIL Investments International. The provision and sourcing of ESG data is reviewed on a regular basis to ensure its continuing suitability, adequacy and effectiveness for the ongoing assessment of sustainability risks.

Fidelity Sustainability Ratings are industry specific and are calculated relative to industry peers and Fidelity uses these ratings in conjunction with its wider analysis. Fidelity International’s sources of ESG research are reviewed on a regular basis.

The ESG ratings and associated company reports are included on Fidelity International’s centralised research management system. This is an integrated desktop database, so that each analyst has a first-hand view of how each company under their coverage is rated according to ESG factors. In addition, ESG ratings are included in the analyst research notes which are published internally and form part of the investment decision. The external research vendor also provides controversy alerts which include information on companies within its coverage which have been identified to have been involved in a high-risk controversy that may have a material impact on the company’s business or its reputation.

While sustainability ratings would not prevent a portfolio manager from making any investment, ESG risks are considered systematically and it is expected that the portfolio will demonstrate materially better sustainability characteristics than the index over the market cycle.

A comparison of the sustainability characteristics of a Fidelity International model investment portfolio with the MSCI Emerging Markets Index on the basis of the Fidelity Sustainability Ratings are as follows:

Fidelity Sustainability Rating	Model portfolio allocations	Index allocations	Difference in weighting between model portfolio and index
<b>A</b>	24.7	12.2	12.5
<b>B</b>	50.1	44.4	5.7
<b>C</b>	15.0	19.7	-4.7
<b>D</b>	6.7	6.4	0.3
<b>E</b>	0.0	1.1	-1.1
<b>Unrated</b>	3.5	16.3	-12.8

Source: Fidelity International and MSCI- Based on portfolio of FAST – Emerging Markets as at 30 April 2021. Note that these comparisons have been provided for illustrative purposes only and does not represent the Company’s current investment portfolio, nor may it reflect the Company’s future investment portfolio allocations.

Fidelity International's approach to integrating ESG factors into its investment analysis includes the following activities:

- In-depth research
- Company engagement
- Active ownership
- Collaboration within the investment industry

Although Fidelity International's analysts have overall responsibility for analysing the environmental, social and governance performance of the companies in which it invests, Fidelity International has a dedicated Sustainable Investing Team which works closely with the investment teams and is responsible for coordinating and promoting Fidelity International's approach to stewardship, engagement, ESG integration and the exercise of its votes at general meetings.

Fidelity International's investment approach involves bottom-up research. As well as studying financial results, the portfolio managers and analysts carry out additional qualitative analysis of potential investments. They examine the business, customers and suppliers and may often visit the companies in person to develop a view of every company in which Fidelity International invests and ESG factors are embedded in this research process.

Examples of ESG factors that Fidelity International's investment teams may consider as part of their company and industry analysis, both prior to, and subsequent to investing, include:

- Corporate governance (e.g. board structure, executive remuneration)
- Shareholder rights (e.g. election of directors, capital amendments)
- Changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes)
- Physical threats (e.g. extreme weather, climate change, water shortages)
- Brand and reputational issues (e.g. poor health and safety record, cyber security breaches)
- Supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations)
- Work practices (e.g. observation of health, safety and human rights provisions and compliance with the provisions of the Modern Slavery Act)

The portfolio managers and analysts supplement the study of financial results of potential investments with additional qualitative and quantitative non-financial (or non-fundamental) analysis including ESG risks and will factor them into investment decision making and risk monitoring to the extent they represent potential or actual material risks and/or opportunities to maximise long-term risk-adjusted returns. This systematic integration of ESG risks in investment analysis and decision-making relies on:

- "qualitative assessments", which will be by reference, but not limited, to case studies, environmental, social and governance impacts associated with issuers, product safety documents, customer reviews, company visits or data from proprietary models and local intelligence; and
- "quantitative assessments", which will be by reference to ESG ratings which may be from external providers including, but not limited to, MSCI or an internal rating assigned by FIL Investments International primarily using Fidelity Sustainability Ratings (described below), relevant data in third-party certificates or labels, assessment reports on carbon footprints, or percentage of revenue or profits of issuers generated from ESG-relevant activities.

### **Engagement – working with portfolio companies to improve ESG**

Fidelity International takes a proactive approach to share ownership on behalf of its clients. Fidelity International's corporate engagement objective is twofold: to gain enhanced and holistic investment insights which inform its investment analysis, and to foster constructive change aligned with best practice to protect and enhance long-term value for shareholders. Fidelity International does this through direct dialogue with investee companies, through which it gains insight into the likelihood of a company's potential to preserve and drive value creation; and by exercising votes in annual meetings.

Fidelity International adopts a positive engagement approach whereby it discusses ESG issues with the management and the board of the companies in which it invests, or is considering investing, on behalf of its clients. It believes that relationship building through dialogue is the most effective way to improve the attitude of business towards corporate responsibility.

A team of sustainable investing specialists works with Fidelity International portfolio managers and analysts to identify key issues, determine engagement objectives, scope milestones and track progress. Engagement is often iterative and may involve a variety of stakeholders within a company. The results of engagements are discussed between the ESG and investment teams and fed back into the investment research process.

Updates on engagement, including on poorly scoring investee companies, will be regularly provided by Fidelity International to the Board.

Fidelity International has published ESG policies, principles and guidelines covering 12 topics, including the introduction of new global policies on board level gender diversity and climate change-related governance. The aim is to encourage positive change at investee companies through engagement and voting, including in respect of published ESG policies including board level gender diversity and climate change-related governance.

Fidelity International's full Sustainable Investing Policy, Voting Policy, and Quarterly and Annual Sustainable Investing Reports are available from [fidelity.co.uk](https://www.fidelity.co.uk).

## PART 4 – LETTER FROM J.P. MORGAN CAZENOVE

25 Bank Street  
Canary Wharf  
London E14 5JP

6 September 2021

Dear Shareholders

### **Tender offer for up to 25 per cent. of the issued share capital of the Company**

As explained in the letter from the Chairman in Part 1 of this document, Eligible Shareholders are being given the opportunity to tender some or all of their Shares for purchase in the Tender Offer. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

J.P. Morgan Cazenove hereby invites Eligible Shareholders to tender Shares for purchase by J.P. Morgan Cazenove for cash at the Tender Price. This letter is not, however, a recommendation to Eligible Shareholders to tender all or any of their Shares.

The Tender Price will be equal to 98 per cent. of the Net Asset Value per Share on the Calculation Date.

Successful tenders will be determined as follows:

- All Eligible Shareholders tendering up to their Basic Entitlement will have their tender satisfied in full.
- Eligible Shareholders tendering Excess Applications will have those Excess Applications fulfilled if there are remaining Available Shares. Such Available Shares shall be apportioned to Eligible Shareholders *pro rata* to their Excess Applications.

The Tender Offer is being made on the terms and subject to the conditions set out in Part 5 of this document.

The Company will purchase all the Shares purchased by J.P. Morgan Cazenove under the Tender Offer for the Tender Price pursuant to the Repurchase Agreement.

The Tender Offer will be implemented only if the requisite approval of Shareholders is obtained in respect of the resolution to be proposed at the Extraordinary General Meeting to authorise the Company to purchase the Shares tendered pursuant to the Tender Offer.

### **Procedure for tendering Shares**

Eligible Shareholders who wish to tender Shares and hold their Shares in certificated form should complete the Tender Form in accordance with the instructions set out therein, and return the completed Tender Form to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH so as to be received as soon as possible and, in any event, by not later than 1.00 p.m. on 15 October 2021. Eligible Shareholders should at the same time return the share certificate(s) and/or other document(s) of title in respect of any Shares tendered which are in certificated form.

Eligible Shareholders who wish to tender Shares and who hold their Shares in uncertificated form (that is, in CREST) should submit the appropriate TTE Instruction in CREST as set out in paragraph 4.2 of Part 5 of this document so as to be received as soon as possible and, in any event by no later than 1.00 p.m. on 15 October 2021.

Only those Eligible Shareholders who hold their Shares in certificated form should complete and return a Tender Form. Those Eligible Shareholders who hold their Shares in uncertificated form do not need to complete or return a Tender Form.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Further details of the procedure for tendering Shares are set out in Part 5 of this document, and in the case of Shares held in certificated form, on the Tender Form.

#### **Validity of Tender Forms or TTE Instructions**

Tender Forms or TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on 15 October 2021 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to relevant Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title.

J.P. Morgan Cazenove reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and which are not accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in its sole discretion) to accept late Tender Forms or TTE Instructions.

#### **Overseas Shareholders**

The making of the Tender Offer to persons outside the United Kingdom and the United States may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom should read paragraph 10 of Part 5 of this document.

#### **Conditions**

The Tender Offer is conditional on the terms specified in paragraph 2.1 of Part 5 of this document.

#### **Termination of Tender Offer**

The Tender Offer may be terminated in the circumstances described in paragraph 9 of Part 5 of this document.

#### **Settlement**

Subject to the Tender Offer becoming unconditional and the acquisition of the Shares pursuant to the Tender Offer by J.P. Morgan Cazenove, payment of the Tender Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made by Sterling cheque or by CREST payment, as appropriate, on 22 October 2021 or as soon as practicable thereafter, as described in paragraph 5 of Part 5 of this document.

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part 5 of this document.

Yours faithfully,

**J.P. Morgan Cazenove**

## PART 5 – TERMS AND CONDITIONS OF THE TENDER OFFER

### 1. The Tender Offer

- 1.1 All Eligible Shareholders on the Register as at the Record Date may tender Shares for purchase by J.P. Morgan Cazenove. J.P. Morgan Cazenove will purchase such Shares on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, the accompanying Tender Form (which, together with this document, constitute the Tender Offer). Eligible Shareholders are not obliged to tender any Shares.
- 1.2 The Tender Offer is being made at the Tender Price calculated in accordance with paragraph 3 of this Part 5. The Company will calculate the Tender Price and the number of Shares successfully tendered at the Tender Price and such calculations will be conclusive and binding on all Shareholders.
- 1.3 The consideration for each tendered Share acquired by J.P. Morgan Cazenove pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 5 of this Part 5.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2.3 of this Part 5, J.P. Morgan Cazenove will accept the offers of Eligible Shareholders validly made in accordance with this Part 5.
- 1.5 A maximum number of 30,366,688 Shares, representing 25 per cent. of the existing issued Shares (excluding any Shares held in treasury) as at 3 September 2021, will be acquired by J.P. Morgan Cazenove under the Tender Offer and subsequently repurchased by the Company pursuant to the Repurchase Agreement.
- 1.6 Basic Entitlements will be calculated by reference to registered shareholdings as at the Record Date and will be rounded down to the nearest whole number of Shares. Registered shareholders who hold Shares for multiple beneficial owners may decide allocations among such beneficial owners at their own discretion.
- 1.7 Eligible Shareholders may tender Shares in excess of their respective Basic Entitlement at the Tender Price. Such Eligible Shareholders will have their Excess Applications fulfilled to the extent that there are remaining Available Shares for such purpose. Such Available Shares shall be apportioned to Eligible Shareholders *pro rata* to their Excess Applications.

### 2. Conditions

- 2.1 The Tender Offer is conditional on the following conditions (together, the “Conditions”):
  - (a) the passing as a special resolution, by no later than 31 October 2021, of the resolution to be proposed at the Extraordinary General Meeting authorising the Company to make market purchases of Shares purchased by J.P. Morgan Cazenove pursuant to the Tender Offer;
  - (b) the Company, the Directors and J.P. Morgan Cazenove being satisfied that the Company has in its control or to its order the aggregate of the Tender Price for all successfully tendered Shares and the Company having paid the same into an account or accounts in accordance with the Repurchase Agreement;
  - (c) the Directors being satisfied that the Company will, immediately following repurchase of all successfully tendered Shares, satisfy the solvency test prescribed by The Companies (Guernsey) Law 2008, as amended; and
  - (d) the Tender Offer not having been terminated in accordance with paragraphs 2.3 and 9 below prior to the fulfilment of the Conditions referred to in sub-paragraphs 2.1(a) and (b) above.
- 2.2 J.P. Morgan Cazenove will not purchase (or enter into any commitment or contract to purchase) any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full or waived. The Conditions, other than those contained in paragraph 2.1(b) above, may not be waived by J.P. Morgan Cazenove. If the Conditions are not satisfied prior to the close of business on 31 October 2021, the Tender Offer, if not then completed, will lapse.

- 2.3 If the Company (acting through the Directors) shall at any time prior to J.P. Morgan Cazenove effecting the purchase as principal of the tendered Shares pursuant to the Tender Offer notify J.P. Morgan Cazenove in writing that in its reasonable opinion either: (i) it has become impractical or inappropriate for the Company to realise its investments or otherwise to raise finance to enable it to fund the repurchase of all of the Shares that are to be repurchased by it pursuant to the Repurchase Agreement without materially harming the interests of Shareholders as a whole; or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company may either exercise its powers to terminate the Tender Offer in accordance with paragraph 9 of this Part 5 or may postpone the Calculation Date or the completion of the Tender Offer for up to 10 Business Days, after which the Tender Offer, if not then completed by reason of the postponement circumstances continuing, will lapse.

### **3. Calculation of the Tender Price**

- 3.1 The Tender Price for the Shares will be calculated as follows:
- (a) the Company will calculate the Net Asset Value as at 10:00 p.m. on the Calculation Date in accordance with its articles of incorporation and the current accounting policies of the Company;
  - (b) the resulting Net Asset Value will then be divided by the total number of Shares in issue on the Calculation Date (the "Net Asset Value per Share"); and
  - (c) the Company will calculate the Tender Price per Share as 98 per cent. of the Net Asset Value per Share on the Calculation Date.
- 3.2 The Tender Price per Share will be calculated to four decimal places in Sterling.
- 3.3 In calculating the Net Asset Value at the Calculation Date, account will be taken of all assets and liabilities of the Company (but excluding liabilities under the Repurchase Agreement, any commission payable on the repurchase in connection with the Tender Offer and fees of professional advisers in connection with the Tender Offer).
- 3.4 In order to fund the repurchase of its Shares under the Repurchase Agreement, the Company will begin realising certain investments in its portfolio prior to the Calculation Date and will hold the proceeds in cash pending settlement of the amount due under the Repurchase Agreement. Accordingly, the costs of realising such investments will be reflected in the calculation of the Net Asset Value as at the Calculation Date.

### **4. Procedure for tendering Shares**

*There are different procedures for tendering Shares depending on whether your Shares are held in certificated or uncertificated form.*

If you hold Shares in certificated form, you may only tender such Shares by completing and returning the Tender Form in accordance with the procedure set out in paragraph 4.1 below. Additional Tender Forms are available from the Receiving Agent by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 4040.

If you hold Shares in uncertificated form (that is, in CREST), you may only tender such Shares by submitting a TTE Instruction in accordance with the procedure set out in paragraph 4.2 below and, if those Shares are held under different account IDs, you should submit a separate TTE Instruction for each Member Account ID.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 4040. Please note that calls will be monitored or recorded. The Receiving Agent will not provide advice on the Tender Offer or provide any personal, legal, financial or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

#### 4.1 **Procedure for Shares held in certificated form (that is, not in CREST)**

To tender your Shares held in certificated form you must complete, sign and have witnessed the applicable Tender Form.

The completed, signed and witnessed Tender Form should be sent by post in the accompanying reply-paid envelope (for use in the UK only) along with the relevant share certificate(s) and/or other document(s) of title to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 15 October 2021. J.P. Morgan Cazenove shall be entitled (in its sole discretion) to accept late Tender Forms. No acknowledgement of receipt of documents will be given.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH by not later than 1.00 p.m. on 15 October 2021 together with any share certificate(s) and/or document(s) of title you may have available, accompanied by a letter of explanation stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by not later than 1.00 p.m. on 15 October 2021. The Receiving Agent will effect such procedures as are required to transfer your Shares to J.P. Morgan Cazenove under the Tender Offer. If you have lost your share certificate(s) and/or other document(s) of title, you should complete the Tender Form and send it to the Receiving Agent, along with a letter of explanation. You should also ask the Company's Registrars by telephone number +44 (0) 370 707 4040 or write to the Registrars at Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZZ for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received by not later than 1.00 p.m. on 15 October 2021.

By signing a Tender Form, Eligible Shareholders will be deemed to have instructed J.P. Morgan Cazenove to issue a contract note to the Receiving Agent on behalf of such Eligible Shareholders and to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form.

#### 4.2 **Procedure for Shares held in uncertificated form (that is, in CREST)**

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Tender Offer to an escrow balance, specifying Computershare Investor Services PLC (in its capacity as a CREST receiving agent under its Participant ID and Member Account ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to the relevant escrow account settles by not later than 1.00 p.m. on 15 October 2021. J.P. Morgan Cazenove shall be entitled (in its sole discretion) to accept late transfers to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the Member Account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send a TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Shares to be transferred to an escrow balance;

- your Member Account ID;
- your Participant ID;
- the Participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is 3RA21;
- the Member Account ID of the escrow agent. This is GENESI01;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 15 October 2021;
- the ISIN of the Shares, which is GG00B4L0PD47;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase to J.P. Morgan Cazenove.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 15 October 2021. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. J.P. Morgan Cazenove shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.

An appropriate announcement will be made if any of the details contained in this paragraph 4.2 are altered.

#### **4.3 Validity of Tender Forms and TTE Instructions**

Notwithstanding the powers in paragraph 11 below, J.P. Morgan Cazenove reserves the right to treat as valid only: (i) (in the case of Shares held in certificated form) Tender Forms which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof; or (ii) (in the case of Shares held in uncertificated form) settled TTE Instructions, in each case to be received entirely in order by no later than 1.00 p.m. on 15 October 2021 in respect of the entire number of Shares tendered. The Record Date for the Tender Offer is 6.00 p.m. on 15 October 2021.

Notwithstanding the completion of a valid Tender Form or TTE Instruction, the Tender Offer may be suspended, terminated or lapse in accordance with the terms and conditions set out in this Part 5.

J.P. Morgan Cazenove shall be entitled to accept Tender Forms or TTE Instructions which are received after 1.00 p.m. on 15 October 2021 in its sole discretion. The decision of J.P. Morgan Cazenove as to which Shares have been validly tendered shall be conclusive and binding on all Eligible Shareholders.

#### **4.4 Deposits of Shares into, and withdrawals of Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are

recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 15 October 2021.

If you are in any doubt as to how to complete a Tender Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0370 707 4040 or, from outside the UK, +44 370 707 4040. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Eligible Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

## **5. Settlement under the Tender Offer**

Settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by J.P. Morgan Cazenove is expected to be made on, or as soon as practicable after, 22 October 2021 as follows:

### **5.1 Shares held in certificated form (that is, not in CREST):**

Where an accepted tender relates to Shares held in certificated form, settlement of the consideration due to Eligible Shareholders is expected to be made on (or as soon as practicable after) 22 October 2021. Cheques for the consideration due will be despatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 1 (or Box 4) of the Tender Form or, if none is set out, to the registered address of the Eligible Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

### **5.2 Shares held in uncertificated form (that is, in CREST):**

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST on (or as soon as practicable after) 22 October 2021 by J.P. Morgan Cazenove procuring the creation of an assured payment obligation in favour of the Eligible Shareholder's payment bank in accordance with the CREST assured payment arrangements.

5.3 The payment of any consideration for Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents of title evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required under the Tender Offer.

5.4 Payments of consideration will be made in Sterling. Entitlements to a fraction of a penny will be rounded down to the nearest whole penny, as appropriate.

5.5 If only a part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back of Excess Applications, any tendered Shares are not purchased pursuant to the terms of the Tender Offer:

- where the Shares are held in certificated form, the relevant Eligible Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or
- where the Shares are held in uncertificated form (that is, in CREST), the unsold Shares will be transferred by the Receiving Agent to the original account from which those Shares came.

## **6. Tender Form**

6.1 Each Eligible Shareholder by whom, or on whose behalf, a Tender Form in respect of Shares held in certificated form is executed irrevocably undertakes, represents, warrants and agrees to and with

J.P. Morgan Cazenove (for itself and for the benefit of the Company) (so as to bind them, their personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form shall constitute an offer to sell to J.P. Morgan Cazenove the number of Shares inserted in Box 2 of the Tender Form, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such offer shall be irrevocable;
- (b) such Eligible Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after 15 October 2021, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of J.P. Morgan Cazenove as such Eligible Shareholder's attorney and/or agent ("Attorney"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Shares referred to in sub-paragraph 6.1(a) above in favour of J.P. Morgan Cazenove or such other person or persons as J.P. Morgan Cazenove may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in J.P. Morgan Cazenove or its nominee(s) or such other person(s) as J.P. Morgan Cazenove may direct such Shares;
- (d) such Eligible Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or any of its directors or any person nominated by J.P. Morgan Cazenove in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) such Eligible Shareholder holding Shares in certificated form will deliver to the Receiving Agent the share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 6.1(a) above, or an indemnity acceptable to J.P. Morgan Cazenove in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 15 October 2021;
- (f) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (g) such Eligible Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the Shares referred to in paragraph 6.1(a) above and/or to perfect any of the authorities expressed to be given hereunder;
- (h) if such Eligible Shareholder is an Overseas Shareholder: (i) he, she or it is not in Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Tender Offer; (ii) he, she or it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located; and (iii) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (i) such Eligible Shareholder has not received or sent copies or originals of this document, any Tender Form or any related documents and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Canada, Australia

or Japan, that the Tender Form has not been mailed or otherwise sent in, into or from, Canada, Australia or Japan, and that such Shareholder is not accepting the Tender Offer from Canada, Australia or Japan;

- (j) on execution, the Tender Form shall take effect as a deed;
- (k) the execution of the Tender Form constitutes such Eligible Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- (l) the despatch of a cheque in respect of the Tender Price by the Receiving Agent to an Eligible Shareholder at his or her registered address or such other address as is specified in the Tender Form will constitute a complete discharge by J.P. Morgan Cazenove of its obligation to make such payment to such Eligible Shareholder; and
- (m) if the appointment of Attorney provision under sub-paragraph 6.1(c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of J.P. Morgan Cazenove the benefit or authority expressed to be given therein, the Eligible Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable J.P. Morgan Cazenove to secure the full benefits of sub-paragraph 6.1(c) above.

6.2 A reference in this paragraph 6 to an Eligible Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph 6 will apply to them jointly and to each of them.

## **7. Tenders through CREST**

7.1 Each Eligible Shareholder by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove (for itself and for the benefit of the Company) (so as to bind them, their personal representatives, heirs, successors and assigns) that:

- (a) the input of the TTE Instruction shall constitute an offer to sell to J.P. Morgan Cazenove such number of Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable without the consent of J.P. Morgan Cazenove;
- (b) such Eligible Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire such Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after 15 October 2021 including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Eligible Shareholder's attorney and/or agent (the "Attorney") and an irrevocable instruction and authority to the Attorney (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST and then to transfer to J.P. Morgan Cazenove (or to such person or persons as J.P. Morgan Cazenove may direct) by means of CREST all of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer is terminated or does not become unconditional and lapses, or there are Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the termination or lapsing of the Tender Offer, to transfer the Relevant Shares to the original accounts from which those Shares came. For the purposes of this paragraph 7.1, "Relevant Shares" means

Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this paragraph 7.1(c);

- (d) such Eligible Shareholder will ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or the Receiving Agent or any of their respective directors or any person nominated by J.P. Morgan Cazenove or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the relevant Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) if such Eligible Shareholder is an Overseas Shareholder: (i) he, she or it is not in, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Tender Offer; (ii) he, she or it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident; or located and (iii) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (g) such Eligible Shareholder has not received or sent copies or originals of this document, any Tender Form or any related documents and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Canada, Australia or Japan and that such Shareholder is not accepting the Tender Offer from Canada, Australia or Japan;
- (h) the creation of a CREST payment in favour of such Eligible Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part 5 will, to the extent of the obligations so created, discharge fully any obligation of J.P. Morgan Cazenove to pay to such Eligible Shareholder the cash consideration to which he, she or it is entitled under the Tender Offer;
- (i) the input of the TTE Instruction constitutes such Eligible Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer;
- (j) if, for any reason, any Shares in respect of which a TTE Instruction has been made are, prior to 1.00 p.m. on 15 October 2021, converted into certificated form, the tender through CREST in respect of such Shares shall cease to be valid and the Eligible Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part 5 in respect of the Shares so converted, if the Eligible Shareholder wishes to make a valid tender of such Shares pursuant to the Tender Offer; and
- (k) if the appointment of Attorney provision under paragraph 7.1(c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Receiving Agent the benefit or authority expressed to be given therein, the Eligible Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Receiving Agent to secure the full benefits of paragraph 7.1(c) above.

## **8. Additional provisions regarding the Tender Offer**

- 8.1 Each Eligible Shareholder may tender some of or all of its holding of Shares as at the Record Date by 1.00 p.m. on 15 October 2021, subject to the scaling back of tenders in excess of such Eligible Shareholder's Basic Entitlement on the basis provided in paragraph 1 of this Part 5. In the case of Shares held in certificated form, if (i) Box 2 of the Tender Form is not completed; or (ii) in J.P. Morgan Cazenove's determination (in its sole discretion), Box 2 has not been validly completed then such tender shall be rejected by J.P. Morgan Cazenove.

- 8.2 Shares acquired by J.P. Morgan Cazenove under the Tender Offer will be purchased by J.P. Morgan Cazenove as principal and such purchases will be market purchases in accordance with the rules of the London Stock Exchange and the FCA.
- 8.3 Shares sold by Eligible Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 15 October 2021, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 8.4 Unless it has been suspended or terminated prior to such time in accordance with the provisions of paragraphs 2 and 9 of this Part 5, the Tender Offer will close at 1.00 p.m. on 15 October 2021 and any documentation received after that time will (unless the Receiving Agent, J.P. Morgan Cazenove and the Company, in their absolute discretion determine otherwise) be returned without any transaction taking place.
- 8.5 Each Eligible Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of J.P. Morgan Cazenove agreeing to process his, her or its tender, such Eligible Shareholder will not revoke his, her or its tender or withdraw his, her or its Shares without the prior written consent of J.P. Morgan Cazenove. Eligible Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 8.6 Subject to paragraph 11 below, all tenders by certificated holders must be made on the relevant prescribed Tender Form, duly completed in accordance with the instructions set out thereon, which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with.
- 8.7 All documents and remittances sent by or to Eligible Shareholders will be sent at their own risk. If the Tender Offer does not become unconditional or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 1 or Box 4 (as applicable) of the Tender Form or, if none is set out, to the Eligible Shareholder or, in the case of joint holders, the first named at his/her/its registered address. No such documents will be sent to an address in Canada, Australia or Japan. In the case of Shares held in uncertificated form, the Receiving Agent, in its capacity as escrow agent will, within 14 Business Days of the Tender Offer terminating or lapsing, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original accounts from which those Shares came. In any of these circumstances, Tender Forms will cease to have any effect.
- 8.8 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall, in the case of Shares held in certificated form, constitute part of the terms of the Tender Offer. The definitions set out at the end of this document apply to the terms and conditions set out in this Part 5.
- 8.9 The decision of J.P. Morgan Cazenove as to which Shares have been successfully tendered shall be final and binding on all Eligible Shareholders.
- 8.10 Further copies of this document and the Tender Form may be obtained on request from the Receiving Agent at the addresses set out in the Tender Form.
- 8.11 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from J.P. Morgan Cazenove by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and will be cancelled or held in treasury.
- 8.12 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty or stamp duty reserve tax in the UK on the purchase by J.P. Morgan Cazenove of Shares pursuant to the Tender Offer or on the repurchase (if any) by the Company thereafter.

## **9. Termination of the Tender Offer**

If the Company (acting through the Directors) shall at any time prior to J.P. Morgan Cazenove effecting the purchase as principal of the tendered Shares pursuant to the Tender Offer (and including where it has previously deferred the Calculation Date in accordance with paragraph 2.3 of this Part 5) notify J.P. Morgan Cazenove in writing that in its reasonable opinion either: (i) it has either become impractical or inappropriate for the Company to realise its investments or otherwise to raise finance to enable it to fund the repurchase of Shares pursuant to the Repurchase Agreement without materially harming Shareholders as a whole; or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company shall be entitled at its complete discretion to terminate the Tender Offer by a public announcement and a subsequent written notice to Shareholders, in which event the Tender Offer shall terminate immediately or as otherwise specified in such announcement.

## **10. Overseas Shareholders**

- 10.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in jurisdictions outside the United Kingdom or the United States custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom or the United States may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to tender for purchase Shares to satisfy himself, herself, or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and J.P. Morgan Cazenove and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay.
- 10.2 In particular, the Tender Offer is not being made available directly or indirectly in or into or by the use of the mails of by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of, Canada, Australia or Japan. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from Canada, Australia or Japan, including to Shareholders with registered addresses in, Canada, Australia or Japan or to persons who are custodians, nominees or trustees holding Shares for persons in Canada, Australia or Japan. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from Canada, Australia or Japan or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked in Canada, Australia or Japan or otherwise dispatched from Canada, Australia or Japan and all accepting Shareholders must provide addresses outside Canada, Australia or Japan for the remittance of cash or return of Tender Forms and share certificate(s) or other document(s) of title.
- 10.3 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related documents in, into or from Canada, Australia or Japan or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of Canada, Australia or Japan in connection with such forwarding, such persons should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 10.

- 10.4 The provisions of this paragraph 10 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by J.P. Morgan Cazenove and the Company in their absolute discretion but only if J.P. Morgan Cazenove and the Company are satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.
- 10.5 The provisions of this paragraph 10 supersede any terms of the Tender Offer which may be inconsistent herewith.
- 10.6 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If any Overseas Shareholder is in doubt about his, her or its position, he, she or it should consult his, her or its professional adviser in the relevant territory.

## **11. Miscellaneous**

- 11.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than the close of business on the Business Day following the date of such event. Such an announcement will be released to the London Stock Exchange. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by J.P. Morgan Cazenove to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to the London Stock Exchange.
- 11.2 None of J.P. Morgan Cazenove, the Receiving Agent, the Registrar or the Company will accept responsibility for documentation lost or delayed in the postal system.
- 11.3 The latest time for receipt of valid documentation under the Tender Offer is 1.00 p.m. on 15 October 2021. Any documentation received by the Receiving Agent which is either incomplete, incorrect or received after 1.00 p.m. on 15 October 2021 will (unless the Receiving Agent, J.P. Morgan Cazenove and the Company, in their absolute discretion determine otherwise) be returned without any transaction taking place.
- 11.4 Any omission to despatch or decision not to despatch this document, the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 11.5 No acknowledgement of receipt of any Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates(s), document(s) of title and remittances to be delivered by or sent to or from Eligible Shareholders (or their designated agents) will be delivered by or sent to or from such Eligible Shareholders (or their designated agents) at their own risk.
- 11.6 All powers of attorney and authorities on the terms conferred by or referred to in this Part 5 or in the Tender Form are given by way of security for the performance of the obligations of the Eligible Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 of England and Wales.
- 11.7 The Tender Offer, the Tender Form, all tenders and any contractual and non-contractual obligations arising out of or in connection with them are and shall be governed by, and shall be construed in accordance with, the laws of England and Wales. Delivery or posting of a Tender Form or submission of a TTE Instruction will constitute submission to the jurisdiction of the Court.

## PART 6 – TAXATION

### A. UK Taxation

The following description does not constitute tax advice. It is intended as a general guide to certain United Kingdom tax considerations and does not purport to be a complete analysis of all potential United Kingdom consequences of selling Shares pursuant to the Tender Offer. It is based on current United Kingdom legislation and tax authority published practice, which are subject to change at any time (possibly with retroactive effect). It is of a general nature and (unless otherwise stated) only applies to certain Eligible Shareholders who are resident for tax purposes in (and only in) the United Kingdom, who hold their Shares as an investment and who are the absolute beneficial owners of the Shares. It does not address the position of certain categories of Eligible Shareholders who are subject to special rules, such as dealers in securities, insurance companies and collective investment schemes.

Eligible Shareholders who are in any doubt as to the potential tax consequences of selling their Shares pursuant to the Tender Offer or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their own independent tax advisers before making any such sales.

#### **United Kingdom Shareholders**

##### *Taxation of chargeable gains*

Provided that the Company is not an “offshore fund” and that the “transactions in securities” rules do not apply (see below), the sale of Shares by a UK tax resident Eligible Shareholder to J.P. Morgan Cazenove (acting as principal) pursuant to the Tender Offer should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Eligible Shareholder’s individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains.

##### *Individual Shareholders*

For an Eligible Shareholder who is a UK resident individual, any chargeable gain realised on a disposal of the Shares pursuant to the Tender Offer may be subject to capital gains tax. The liability to tax and the rate of tax will depend on the Shareholder’s own personal tax position and circumstances. Broadly, an Eligible Shareholder whose total taxable gains and income, including any gains made on the sale of Shares, in the tax year in which the sale of Shares takes place (“Total Taxable Gains and Income”), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the “Band Limit”) will normally be subject to capital gains tax at the basic rate (currently 10 per cent.) in respect of any gain arising on the sale of their Shares. An Eligible Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to capital gains tax at the basic rate in respect of any chargeable gain arising on the sale of their Shares to the extent that, when added to the Eligible Shareholder’s other taxable gains and income, the chargeable gain is less than or equal to the Band Limit, and at the higher rate (currently 20 per cent.) in respect of the remainder of the chargeable gain arising on the sale of their Shares.

No tax will be payable on any chargeable gain arising on the sale of Shares if the amount of the chargeable gain realised by an individual Eligible Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Eligible Shareholder in the tax year (and after taking into account aggregate allowable losses), does not exceed the annual exempt amount (£12,300 for 2021/2022).

##### *Corporate Shareholders*

A UK resident corporate Shareholder will generally be subject to corporation tax on any chargeable gain resulting from the disposal of their Shares pursuant to the Tender Offer, subject to the availability of any allowable losses and subject to any applicable reliefs or exemptions. The rate of corporation tax for 2021/2022 is 19 per cent.

##### *Offshore funds*

Part 8 of the Taxation (International and Other Provisions) Act 2010 (and relevant regulations) contains provision for UK taxation of investors in “offshore funds” (the “Offshore Funds Rules”). While the Company does not expect to be treated as an “offshore fund” for the purposes of the Offshore Fund

Rules, it does not make any commitment to Shareholders that it will not be treated as one. Were the Company to be treated as an offshore fund, the Offshore Funds Rules could have the effect that the proceeds of disposal of the Shares under the Tender Offer would be treated as an income receipt rather than a capital receipt for tax purposes for UK resident Shareholders.

#### *Transactions in securities*

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If HMRC were to determine that these provisions apply to the Tender Offer, Eligible Shareholders might be liable to corporation tax or income tax (as applicable) as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where it can be shown (a) in the case of any corporation tax advantage, that the transaction or transactions in question were entered into for genuine commercial reasons or in the ordinary course of managing investments and none of the transactions involved as one of their main objects the obtaining of any corporation tax advantage and, (b) in the case of any income tax advantage, that none of the transactions had as one of their main purposes the obtaining of an income tax advantage, or that none of the transactions concerns, or has a connection to, a close company (broadly, a company controlled by five or fewer participators, or by participators who are directors).

No application has been made to HMRC for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 or Chapter 1 of Part 13 of the Income Tax 2007 to the Tender Offer.

Whether or not these provisions would apply to any Eligible Shareholder will depend on that Eligible Shareholder's own circumstances, but the Company would not expect these provisions to apply to any Eligible Shareholder in respect of the Tender Offer.

#### **Non-United Kingdom Shareholders**

Eligible Shareholders who are not resident in the United Kingdom for tax purposes will not generally be subject to United Kingdom taxation on chargeable gains in respect of any disposal of their Shares unless they hold their Shares for the purposes of a trade, profession or vocation carried on by them through a branch, agency or permanent establishment in the United Kingdom or for the purposes of such a branch, agency or permanent establishment. Individual Shareholders not resident in the United Kingdom at the time of sale of their Shares pursuant to the Tender Offer may later become liable to United Kingdom capital gains tax in respect of any gain made on the disposal of their Shares in the Tender Offer if they become resident in the United Kingdom for tax purposes at some point during the tax year in which the sale occurs (unless, by virtue of split year treatment, they are not liable to tax on the gain) or if they resume United Kingdom residence after a period of temporary non-residence. Non-UK tax resident Shareholders should obtain their own advice about their tax position.

**If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay. The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the UK and is subject to changes therein possibly with retrospective effect.**

#### **B. US Taxation**

The following discussion is a summary of certain US federal income tax consequences of the acceptance of the Tender Offer by a US Holder. This discussion applies only to US Holders (as defined below) who hold Shares and participate in the Tender Offer in accordance with the procedures described herein and only to US Holders who hold Shares as capital assets for US federal income tax purposes (generally, property held for investment). This discussion is based on the Code, US Treasury regulations (including temporary and proposed regulations) promulgated thereunder ("Regulations"), administrative guidance by the Internal Revenue Service (the "IRS"), judicial decisions, all as currently in effect as of the date hereof and all of which are subject to change (possibly with retroactive effect).

No opinion of counsel or ruling from the IRS has been or will be sought with respect to any of the US federal income tax considerations discussed below, and no assurance can be given that the IRS will not take a position contrary to the discussion below or that any such contrary position would not be sustained by a court.

This discussion does not describe all of the US federal income tax considerations that may be applicable to US Holders in light of their particular circumstances or US Holders subject to special treatment under US federal income tax law, such as:

- banks, insurance companies and other financial institutions;
- entities treated as partnerships for US federal income tax purposes, S corporations or other pass-through entities, and investors in such entities;
- tax-exempt organizations, including “individual retirement accounts” or “Roth IRAs”;
- real estate investment trusts;
- regulated investment companies or other persons that generally mark their securities to market for US federal income tax purposes;
- dealers or traders in securities;
- certain former citizens or residents of the United States;
- persons holding Shares as part of a hedge, straddle, conversion or other integrated transaction;
- persons holding Shares in connection with a trade or business conducted outside of the United States;
- tax consequences attributable to persons required to accelerate the recognition of any item of gross income with respect to the Shares as a result of such income being recognized on an applicable financial statement;
- persons that have a functional currency other than the US dollar; and
- persons that actually or by attribution own 10 per cent. or more of the Company’s equity (by vote or value).

In addition, this discussion does not address any US state or local or non-US (including without limitation, UK) tax considerations or any US federal estate, gift, alternative minimum tax or Medicare contribution tax considerations. US Holders should consult their own tax advisors concerning the US federal income tax considerations to them in light of their particular situation as well as any considerations arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, a “US Holder” is a beneficial owner of the Shares that is for US federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to US federal income taxation regardless of its source; or
- a trust if (i) a United States court can exercise primary supervision over the trust’s administration and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) are authorized to control all substantial decisions of the trust or (ii) the trust has validly elected to be treated as a United States person for all US federal income tax purposes.

If a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) holds the Shares, the US federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Shares should consult their own tax advisors regarding the tax considerations generally applicable to them of the acceptance of the Tender Offer.

If you are not a US Holder, this discussion does not apply to you.

**THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS FOR GENERAL INFORMATION ONLY. ALL SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACCEPTING THE TENDER OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

**Passive Foreign Investment Company**

The Company believes that it was a passive foreign investment company (“PFIC”) for its fiscal year ended 30 June 2021 and will continue to be a PFIC in the future.

In general, the Company will be a PFIC with respect to a US Holder if for any taxable year in which such US Holder held Shares:

- at least 75% of its gross income for the taxable year is “passive income”; or
- at least 50% of the value, determined on the basis of a quarterly average, of its assets is attributable to assets that produce or are held for the production of “passive income”.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of another corporation or a partnership, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation or partnership, and as receiving directly its proportionate share of the other entity’s income.

If the Company is treated as a PFIC, and a US Holder did not make one of the mitigating elections, as described below, such US Holder will be subject to special rules with respect to:

- any gain realised on the sale or other disposition of Shares; and
- any excess distribution received from the Company (generally, any distributions to a US Holder during a single taxable year that are greater than 125% of the average annual distributions received by such US Holder in respect of the Shares during the three preceding taxable years or, if shorter, the US Holder’s holding period for the Shares).

Under these rules:

- the gain or excess distribution will be allocated ratably over a US Holder’s holding period for the Shares;
- the amount allocated to the taxable year in which a US Holder realized the gain or excess distribution will be taxed as ordinary income;
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If the Shares are treated as stock of a PFIC, a US Holder may be eligible to make a mark-to-market election if the Shares are treated as “marketable stock.” PFIC stock is treated as “marketable stock” if it is regularly traded on a qualified exchange or other market. Stock is generally “regularly traded” if the stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter for any calendar year. A foreign securities exchange is a “qualified exchange or other market” if it is regulated or supervised by a governmental authority of the country in which the market is located and if it has the following characteristics: (i) the exchange has trading volume, listing, financial disclosure, surveillance, and other requirements that are designed to prevent fraudulent and manipulative acts and practices, that are designed to remove impediments to and perfect the mechanism of a free and open, fair and orderly, market, and that are designed to protect investors; (ii) the laws of the country in which the

exchange is located and the rules of the exchange ensure that the requirements listed in item (i) are actually enforced; and (iii) the rules of the exchange effectively promote active trading of listed stocks. The Shares are admitted to trading on the London Stock Exchange, which should constitute a “qualified exchange” under applicable Regulations.

If a US Holder is eligible for and makes a mark-to-market election, the US Holder will not be subject to the PFIC rules described above. Instead, in general, such US Holder will include as ordinary income each year the excess, if any, of the fair market value of its Shares at the end of the taxable year over its adjusted basis in such Shares. These amounts of ordinary income will not be eligible for the favourable tax rates applicable to qualified dividend income or long-term capital gains. Such US Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of its Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The US Holder’s basis in its Shares will be adjusted to reflect any such income or loss amounts. Any gain from a sale or other disposition of Shares in any taxable year in which we are a PFIC would be treated as ordinary income and any loss from such sale or other disposition would be treated first as ordinary loss (to the extent of any net mark-to-market gains previously included in income) and thereafter as capital loss. For purposes of this rule, if a US Holder makes a new mark-to-market election, with respect to its Shares, such US Holder will be treated as having a new holding period in such Shares beginning on the first day of the first taxable year beginning after the last taxable year for which the mark-to-market election applies.

As an alternative to a mark-to-market election, the adverse tax consequences described above may also be mitigated by the timely making of a “QEF election” with respect to Shares for the first tax year in which a US Holder’s holding period for its Shares begins. However, US Holders may make a QEF election with respect to their Shares only if the Company agrees to furnish its shareholders annually with certain tax information. The Company does not intend to provide such annual information. Therefore, the Company does not anticipate that US Holders will be able to make a QEF Election with respect to their Shares.

In addition, notwithstanding any election a US holder may make with regard to the Shares, dividends that a US Holder receives from the Company will not constitute qualified dividend income if the Company is a PFIC either in the taxable year of the distribution or the preceding taxable year. Moreover, Shares will be treated as stock in a PFIC if the Company was a PFIC at any time during a US Holder’s holding period in its Shares, even if the Company is not currently a PFIC. Dividends that a US Holder receives that do not constitute qualified dividend income are not eligible for taxation at the preferential rate applicable to qualified dividend income. Instead, such US Holder must include the gross amount of any such dividend paid by the Company out of its accumulated earnings and profits (as determined for US federal income tax purposes) in such US Holder’s gross income, and it will be subject to tax at rates applicable to ordinary income.

Assuming the Company is a PFIC, the general tax treatment for US Holders described in this section would apply to indirect distributions and gains deemed to be realized by US Holders in respect of any of the Company’s subsidiaries that also may be determined to be PFICs.

Generally, a US Holder must file an IRS Form 8621 for any year in which the Company is a PFIC with respect to such US Holder and such US Holder either:

- recognizes gain on a direct or indirect disposition of its Shares;
- receives certain direct or direct or indirect distributions from the Company; or
- makes the “QEF election” with regard to its Shares that is reportable on the IRS Form 8621.

US Holders are urged to consult their own tax advisors concerning the filing of IRS Form 8621.

**The remainder of this discussion assumes, except as otherwise noted, that the Company is a PFIC and that the QEF election is not available. US Holders should consult their own tax advisors as to whether the Shares qualify for the mark-to-market election, the potential application of the PFIC rules to them with respect to any lower-tier PFICs that the Company may own and the obligation to file IRS Form 8621. The applicability and consequences of the PFIC rules are very complex and, in some respects, unclear. US Holders are strongly advised to consult their own tax advisors regarding the application of the PFIC rules to the Tender Offer.**

## **US Holders whose Shares are purchased in the Tender Offer**

The Tender of Shares and receipt of cash by US Holders pursuant to the Tender Offer will be treated for US federal income tax purposes as a redemption of the tendered Shares by the Company.

A redemption of shares is treated for US federal income tax purposes as either: (i) a “sale or exchange” of such shares; or (ii) a distribution by the Company in respect of Shares held by such holder.

### *Sale or exchange treatment*

In general, under Section 302 of the Code, the tender and purchase of the Shares should be treated as a sale or exchange of the Shares by a US Holder if the receipt of cash:

- is “not essentially equivalent to a dividend” with respect to the US Holder;
- results in a “complete termination” of the US Holder’s ownership of Shares; or
- results in a “substantially disproportionate” redemption with respect to the US Holder.

In applying the Section 302 tests described above, a US Holder must take account of Shares that such US Holder constructively owns under detailed attribution rules set forth in the Code, which generally treat the US Holder as owning Shares owned by certain related individuals and entities, and Shares that the US Holder has the right to acquire by exercise of an option, warrant or right of conversion. US Holders should consult their own tax advisors regarding the application of the constructive ownership rules to their particular circumstances.

A sale of Shares pursuant to the Tender Offer will satisfy the “not essentially equivalent to a dividend” test if it results in a “meaningful reduction” of the US Holder’s proportionate interest in the Company. A sale of Shares that actually reduces the percentage of the Company’s outstanding Shares owned, including constructively, by such shareholder would likely be treated as a “meaningful reduction” even if the percentage reduction is relatively minor, provided that the US Holder’s relative interest in Shares of the Company is minimal (e.g., less than 1 per cent.) and the US Holder does not exercise any control over or participate in the management of the Company’s corporate affairs. Any person that has an ownership position that allows some exercise of control over or participation in the management of corporate affairs will not satisfy the meaningful reduction test unless that person’s ability to exercise control over or participate in management of corporate affairs is materially reduced or eliminated.

A sale of Shares pursuant to the Tender Offer generally will result in a “complete termination” if either (i) the US Holder owns none of the Company’s Shares, either actually or constructively, after the Shares are sold pursuant to the Tender Offer, or (ii) the US Holder does not actually own any of the Company’s Shares immediately after the sale of Shares pursuant to the Tender Offer and, with respect to Shares constructively owned, is eligible to waive, and effectively waives, constructive ownership of all such Shares. US Holders wishing to satisfy the “complete termination” test through waiver of attribution should consult their own tax advisors.

A sale of Shares pursuant to the Tender Offer will result in a “substantially disproportionate” redemption with respect to a US Holder if the percentage of the then outstanding Shares actually and constructively owned by such US Holder immediately after the sale is less than 80 per cent. of the percentage of the Shares actually and constructively owned by such US Holder immediately before the sale. If a sale of Shares pursuant to the Tender Offer fails to satisfy the “substantially disproportionate” test, the US Holder may nonetheless satisfy the “not essentially equivalent to a dividend” test.

Substantially contemporaneous dispositions or acquisitions of Shares by a US Holder or a related person that are part of a plan viewed as an integrated transaction with the Tender Offer may be taken into account in determining whether any of the tests described above are satisfied.

In addition, other contemporaneous acquisitions or dispositions of Shares by the US Holder may be taken into account.

Due to the factual nature of the Section 302 tests explained above, US Holders should consult their tax advisers to determine whether the purchase of their Shares under the Tender Offer qualifies for sale or exchange treatment in their particular circumstances.

### *Distribution treatment*

If a US Holder does not satisfy any of the Section 302 tests explained below, the purchase of a US Holder's Shares under the Tender Offer will not be treated as a sale or exchange. Instead, the entire amount received by a US Holder with respect to the purchase of its Shares under the Tender Offer will be treated as a distribution. If a US Holder has timely made a mark-to-market election, such distribution will be a dividend to the extent of the US Holder's share of the available current and accumulated earnings and profits (within the meaning of the Code) of the Company and, to the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital that will reduce the holder's tax basis in the holder's Shares, and to the extent of any remaining portion in excess of such tax basis, the excess will be taxable as gain from the sale or exchange of such Shares. US Holders should consult their own tax advisers on the character of any such gain. If a US Holder has not timely made a mark-to-market election, under proposed Regulations regarding the treatment of PFICs, a purchase of Shares under the Tender Offer that does not satisfy any of the Section 302 tests and hence is treated as a distribution will be treated in its entirety as a distribution for PFIC purposes (and will be subject to the excess distribution rules) regardless of whether there are any earnings and profits. A dividend received by a corporate US Holder generally will not be eligible for a dividends-received deduction. In addition, a dividend received by a non-corporate US Holder will not qualify for the reduced maximum rate applicable to certain qualified dividends.

To the extent that a purchase of a US Holder's Shares under the Tender Offer is treated as the receipt by the US Holder of a dividend or as a distribution under the PFIC excess distribution rules, the US Holder's remaining adjusted tax basis in the purchased Shares will be added to the basis of any Shares retained by the US Holder. Amounts treated as dividends or distributions under the PFIC excess distribution rules paid pursuant to the Tender Offer in Sterling should be included in a US Holder's income or taken into account under the PFIC excess distribution rules in a US Dollar amount calculated by reference to the exchange rate in effect on the date the amounts are received by such US Holder, regardless of whether the payment is in fact converted into US Dollars. If the amounts treated as dividends or distributions under the PFIC excess distribution rules are converted into US Dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income or distributions.

### **Medicare tax**

A 3.8 per cent. surtax will be imposed on certain net investment income (including ordinary dividends and net gains from redemptions or other taxable dispositions of shares) of US individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceed certain threshold amounts. Shareholders should consult their own tax advisors regarding the applicability of the Medicare tax to their sale of Shares pursuant to this Tender Offer.

### **Backup withholding and information reporting**

Payments with respect to the Tender Offer paid by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding (at a rate currently equal to 24 per cent.) may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US Holders (including, among others, corporations) are not subject to information reporting or backup withholding. If backup withholding applies, the amount withheld is not an additional tax, but may be credited against the US Holder's US federal income tax liability, provided the required information is timely furnished to the IRS. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

**The discussion set forth above is included for general information only. US Holders are urged to consult their tax advisers to determine the particular tax consequences to them of the Tender Offer, including the applicability and effect of US state, local and non-US tax laws.**

## PART 7 – RISK FACTORS

Shareholders should consider carefully all of the information set out in this document including, in particular, the risks described below, as well as their own personal circumstances, prior to making any decision.

The Company's business, financial condition, operations, results or prospects could be materially and adversely affected by the occurrence of any of the risks described below. In such circumstances, the market price of the Shares could decline and investors could lose all or part of their investment. In particular, Shareholders should note that the past performance of the Shares should not be used as a guide to their future performance.

Additional risks and uncertainties which are not known at the date of this document or that are considered to be immaterial could, in future, also materially and adversely affect the Company's business, financial condition, operations, results or prospects.

### General

- Changes in economic conditions (including, for example, changes in interest rates, rates of inflation, industry and trade conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors such as the COVID-19 pandemic could substantially and adversely affect the value of the Company's portfolio and the Company's investment performance, share price and prospects.
- Investing in emerging markets subjects the Company to a higher level of market risk than investment in more developed markets. This is due, among other things, to the existence of greater market volatility, reduced liquidity, the risk of political and economic instability, legal and regulatory risks, risks relating to accounting practices, disclosure and settlement, a greater risk of market shut down, standards of corporate governance and more governmental limitations on foreign investment than are typically found in developed markets.
- In particular, a significant portion of the Company's investment portfolio is, and may continue to be, invested or exposed to the securities of Chinese issuers. Recent Chinese regulatory measures have impacted foreign investment in certain Chinese securities and further actions or political uncertainty may continue to affect investments in China. Further, it is possible that the means by which foreign investment is made in China, including through China A Shares and other permissible securities denominated in Renminbi by the Qualified Foreign Institutional Investor ("QFII") quota, the Shanghai-Hong Kong Stock Connect program ("Stock Connect") and other means, including the use of VIEs, or variable interest entities, may be subject to change. Further, the Chinese taxation treatment of these investments could be subject to change. Any of these actions could adversely affect the value of the Company's Chinese investments or the Company's ability to access principal and profits from those investments. The Company may also be adversely affected if its ability to obtain exposure to Chinese investments is limited, for instance if insufficient QFII quota is allocated to the Company, if the QFII is revoked, terminated or otherwise invalidated or if Stock Connect became unavailable.
- The Company may make investments in unlisted companies. These assets may be more difficult to value and to buy or sell and as such changes in their prices may be greater. If the Company is unable to realise its unlisted investments, it could result in significant losses for the Company which would impact the returns to Shareholders.
- Any change in the Company's tax status, or in taxation legislation or in the interpretation or application of taxation legislation, could affect the value of investments held by the Company, the Company's ability to achieve its investment objective, the ability of the Company to provide returns to Shareholders and/or alter the post-tax returns of Shareholders.
- Notwithstanding the existence of share buy-back powers and other discount management measures, there is no guarantee that the market price of the Shares will fully reflect their underlying net asset value.

## Proposed Investment Policy

- The Proposed Investment Policy permits the Company to invest in both exchange-traded and over-the-counter derivatives (including contracts for difference) while at the same time imposing limits on the Company's total market exposures. Derivatives can be volatile, incorporate leverage, and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in derivatives can permit a high degree of leverage. Therefore, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further losses exceeding any margin deposited. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, potentially resulting in unexpected losses. The derivatives markets are frequently characterised by limited liquidity, which may make it difficult, as well as costly, to close out an open position to realise gain or to limit loss. It may not be possible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. The price at which a derivative instrument may be liquidated or sold may be materially different from the price at which it is valued. The Company will also be exposed to the risk of default by, or the insolvency of, a counterparty to its derivative instruments.
- The Proposed Investment Policy permits the Company to sell securities short, again subject to limits on the Company's total market exposure. Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase. Purchasing securities to close out a short position can itself cause the price of the relevant securities to rise further, thereby exacerbating the loss. In addition, if a sufficient number of market participants have entered into a short position, the short position may not react in the same way as a security would with no or limited short interest. In the event of a market downturn, the short position may therefore not provide the expected investment return. There is also a risk that the securities borrowed in connection with a short sale must be returned to the lender of such securities on short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, a short squeeze can occur, and it may be necessary to replace borrowed securities previously sold short with purchases on the open market at a disadvantageous time, possibly at prices significantly in excess of the proceeds received from originally selling the securities short.
- The Company is permitted to borrow up to a limit of 10% of Net Asset Value. The use of leverage can create specific risks and increase the Company's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the costs associated with such investments may cause the Net Asset Value and the NAV per Share to increase more rapidly than would otherwise be the case. Conversely, where the associated costs are greater than such income and gains, the Net Asset Value and the NAV per Share may decrease more rapidly than would otherwise be the case. Further, failure by the Company to meet its payment obligations under its derivative contracts or borrowings could result in enforcement by lenders of security interests over the Company's assets, which could have a material adverse effect on the Net Asset Value, NAV per Share and returns to shareholders.
- There can be no guarantee that the Proposed Investment Policy of the Company will be implemented successfully or that any appreciation of the Company's assets will occur. The Company's past investment performance is not necessarily indicative of future investment performance.

## Tender Offer

- In order to pay the Tender Offer consideration, the Company may use a significant amount of its available cash and other liquid funds as well as selling investments. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Company and therefore, the prices at which the Company sells investments to fund the Tender Offer consideration may be lower than the current market value of the investment in question.

- The Tender Offer is subject to certain conditions (principally the need for Shareholder approval), the non-fulfilment of which would mean that the Tender Offer cannot be implemented but the Company would be required to pay certain of the costs associated with the Tender Offer.
- The market for Shares may be less liquid once the Tender Offer is completed.
- Following completion of the Tender Offer, the Company may have a smaller number of Shares in issue, in which case the Company's fixed costs would be shared across a smaller number of Shares resulting in higher costs per Share.
- A Tender Form or TTE Instruction, once submitted, may only be withdrawn with the consent of the Company.
- As with all listed investment company shares, the market price of the Shares may not reflect their underlying Net Asset Value and the discount (or premium) to Net Asset Value at which Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general investor sentiment and may alter significantly during the time in which the Company is conducting the Tender Offer including between the time when Tender Forms or TTE Instructions are submitted and the date on which sale and purchase transactions are expected to take place.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Proposals and the Company.

## PART 8 – ADDITIONAL INFORMATION

### 1. Directors' Interests

As at 3 September 2021 (being the latest practicable date prior to the publication of this document), the interests of the Directors in the Shares were as follows:

	Number of Shares	Percentage of issued share capital
Helene Ploix	15,000	0.012%
Sujit Banerji	15,000	0.012%
Simon Colson	4,416	0.004%
Russell Edey	10,000	0.008%
Torsten Koster	—	—
Katherine Tsang	—	—

### 2. Major Shareholders

As at 3 September 2021 (being the latest practicable date prior to the publication of this document), the Company was aware of the following interests in three per cent. or more of the Shares in issue (excluding any Shares held in treasury):

	Number of Shares	Percentage of Shares in issue
City of London Investment Management Company Limited	34,564,691	28.46%
Strathclyde Pension Fund	26,992,040	22.22%
Wells Capital Management	13,332,812	10.98%
Lazard Asset Management LLC Group	11,185,784	9.21%
1607 Capital Partners	4,019,123	3.31%

The Board is not aware of any person or persons who, following the Tender Offer, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no different voting rights for any Shareholder.

### 3. No significant change

Save as disclosed below, there has been no significant change in the financial position of the Company since 31 December 2020 (being the date of the Company's latest half-year report and unaudited financial statements).

Unaudited NAV per Share as at 31 December 2020	£9.68
Estimated NAV per Share (ex income) as at 2 September 2021	953.07p

### 4. Repurchase Agreement

The Company and J.P. Morgan Cazenove entered into a repurchase agreement on 6 September 2021 pursuant to which the Company has agreed, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, to purchase from J.P. Morgan Cazenove, on the London Stock Exchange, such number of Shares as J.P. Morgan Cazenove shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by J.P. Morgan Cazenove for its purchase of the tendered Shares. The Tender Offer may be terminated if any of the circumstances set out in paragraph 9 of Part 5 of this document has arisen or in the event that the Repurchase Agreement is terminated in accordance with its terms.

In acquiring Shares pursuant to valid tenders made under the Tender Offer and in selling such Shares to the Company, J.P. Morgan Cazenove will act as principal.

The Repurchase Agreement contains representations and warranties from the Company in favour of J.P. Morgan Cazenove and incorporates an indemnity in favour of J.P. Morgan Cazenove in respect of any liability which it may suffer in relation to its performance under the Tender Offer.

The Repurchase Agreement, which is stated not to create a relationship of agency between J.P. Morgan Cazenove and the Company, is governed by and shall be construed in accordance with English law.

**5. Consent**

Each of J.P. Morgan Cazenove and Jefferies has given and not withdrawn its respective written consent to the issue of this document and with the references to its respective name in the form and context in which they are included.

**6. Documents available for inspection**

Copies of this document will be available for inspection on the Company's website and at its registered office during normal business hours from the date of this document until the completion, lapse or termination of the Tender Offer.

6 September 2021

## DEFINITIONS

Unless the context otherwise requires, the following words and expressions have the following meanings in this document:

<b>AIFM</b>	alternative investment fund manager
<b>Available Shares</b>	has the meaning given that term in Part 1 of this document
<b>Basic Entitlement</b>	has the meaning given that term in Part 1 of this document
<b>Board or Directors</b>	the board of Directors of the Company
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday in England and Wales or Guernsey,
<b>Calculation Date</b>	10:00 p.m. on 18 October 2021
<b>Code</b>	the United States Internal Revenue Code of 1986, as amended from time to time
<b>Companies Law</b>	the Companies (Guernsey) Law of 2008, as amended
<b>Company</b>	Genesis Emerging Markets Fund Limited
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
<b>CREST member</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
<b>CREST participant</b>	means a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the Regulations)
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>CTA 2010</b>	the Corporation Tax Act 2010, as amended
<b>Directors</b>	the directors of the Company
<b>Eligible Shareholder</b>	a Shareholder who is eligible to participate in the Tender Offer (which excludes certain Overseas Shareholders as described in Part 5 of this document)
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>Excess Application</b>	has the meaning given to that term in Part 1 of this document
<b>Extraordinary General Meeting</b>	the extraordinary general meeting of the Company convened for 11.30 a.m. on 1 October 2021 (or any adjournment thereof), notice of which is set out at the end of this document
<b>FCA</b>	the UK Financial Conduct Authority
<b>Fidelity International</b>	FIL Investment Services (UK) Limited, FIL Investments International and (as applicable) their associated companies
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the Extraordinary General Meeting, which accompanies this document

<b>FSMA</b>	Financial Services and Markets Act 2000, as amended
<b>GIML</b>	Genesis Investment Management, LLP
<b>HMRC</b>	HM Revenue & Customs
<b>ITA 2007</b>	the Income Tax Act 2007, as amended
<b>Jefferies</b>	Jefferies International Limited
<b>J.P. Morgan Cazenove</b>	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Member Account ID</b>	the identification code or number attached to any member account in CREST
<b>NAV Total Return</b>	in respect of any period, the combined price movement of the Net Asset Value per Share during that period, calculated as against the Net Asset Value at the beginning of that period and assuming that all dividends paid in respect of the Shares during that period are reinvested in the Company at NAV, expressed as a percentage
<b>Net Asset Value or NAV</b>	the net asset value of the Company calculated in accordance with the articles of incorporation of the Company and the current accounting policies of the Company
<b>Net Asset Value per Share or NAV per Share</b>	the Net Asset Value divided by the number of Shares in issue (excluding treasury shares) on the relevant date
<b>New Investment Management Agreement</b>	the investment management agreement among the Company, FIL Investment Services (UK) Limited and FIL Investments International, entered into conditional upon approval by Shareholders of the Proposed Investment Policy
<b>New Management Agreement</b>	the management agreement between the Company and FIL Investment Services (UK) Limited, entered into conditional upon approval by Shareholders of the Proposed Investment Policy
<b>Overseas Shareholder</b>	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom or the United States or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom or the United States
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>PRA</b>	the Prudential Regulation Authority
<b>Proposals</b>	the proposals described in Part 1 of this document
<b>Proposed Investment Policy</b>	the proposed new investment objective and policy of the Company set out in full in Part 2 of this document
<b>Receiving Agent</b>	Computershare Investor Services PLC
<b>Record Date</b>	6.00 p.m. on 15 October 2021
<b>Registrar</b>	Computershare Investor Services (Guernsey) Limited

<b>Register</b>	the Company's register of Shareholders
<b>Regulations</b>	The Uncertificated Securities (Guernsey) Regulations, 2009
<b>Regulatory Information Service or RIS</b>	A regulatory information service
<b>Repurchase Agreement</b>	the agreement dated 6 September 2021 between the Company and J.P. Morgan Cazenove for the purchase by the Company of the Shares purchased by J.P. Morgan Cazenove in the Tender Offer
<b>SEC</b>	the United States Securities and Exchange Commission
<b>Shareholders</b>	holders of Shares
<b>Shares</b>	participating redeemable preference shares of no par value in the capital of the Company
<b>Sterling or £</b>	the lawful currency of the United Kingdom
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers
<b>Tender Form</b>	the tender form enclosed with this document for use by Shareholders who hold their Shares in certificated form in connection with the Tender Offer
<b>Tender Offer</b>	the invitation by J.P. Morgan Cazenove to each Eligible Shareholder to tender up to their Basic Entitlement of Shares, and the acceptance of such tenders by J.P. Morgan Cazenove on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, the Tender Form
<b>Tender Price</b>	the NAV per Share on the Calculation Date, less a two per cent. discount, as calculated in accordance with paragraph 3 of Part 5 of this document
<b>TFE Instruction</b>	a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear)
<b>TTE Instruction</b>	a transfer to escrow instruction, as defined by the CREST Manual
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
<b>US Dollars</b>	the lawful currency of the United States
<b>US Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended from time to time
<b>US Shareholders</b>	Shareholders who are located in the United States

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## GENESIS EMERGING MARKETS FUND LIMITED

*(an authorised closed-ended collective investment scheme established as a company  
with limited liability under the laws of Guernsey with registration number 20790)*

Notice is hereby given that an Extraordinary General Meeting of Genesis Emerging Markets Fund Limited (the “**Company**”) will be held at 60 Victoria Embankment, London EC4Y 0JP on 1 October 2021 at 11.30 a.m. to consider and, if thought fit, pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolutions 2 and 3 will be proposed as special resolutions.

### ORDINARY RESOLUTION

1. That the proposed investment objective and investment policy set out in Part 2 of the circular to shareholders of the Company dated 6 September 2021 (the “New Investment Policy”), a copy of which has been produced to the meeting and signed by the chairman for the purpose of identification, be and are hereby adopted as the investment objective and investment policy of the Company to the exclusion of all previous investment objectives and investment policies of the Company.

### SPECIAL RESOLUTIONS

2. That, subject to the passing of resolution 1 in the notice convening the meeting at which this resolution is to be proposed, the change of name of the Company to “Fidelity Emerging Markets Limited” be approved and authorised with immediate effect.
3. THAT, without prejudice to any subsisting authority conferred on the Company, the Company be and is hereby generally and unconditionally authorised in accordance with The Companies (Guernsey) Law 2008, as amended (the “Law”), to make market purchases (as defined in the Law) of its participating redeemable preference shares of no par value (the “Shares”) pursuant to the tender offer to all of the Company’s shareholders (excluding certain overseas shareholders) to be made by J.P. Morgan Securities plc on the terms and subject to the conditions set out in the circular of the Company dated 6 September 2021 (the “Circular”), PROVIDED THAT:
  - (i) the maximum number of Shares authorised to be purchased shall be 30,366,688 Shares;
  - (ii) the price which may be paid for a Share shall be the Tender Price, as defined in the Circular; and
  - (iii) the authority hereby conferred shall expire on 31 October 2021 (unless such authority is renewed prior to such date), save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and make a purchase of such Shares pursuant to any such contract.

By order of the Board

*Registered Office*

1st Floor, Les Echelons Court,  
Les Echelons, South Esplanade,  
St Peter Port  
Guernsey, GY1 6JB  
Channel Islands

Dated: 6 September 2021

**Notes:**

1. To have the right to attend and vote at the meeting you must hold shares in the Company and your name must be entered on the register of members of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different Shares. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the shareholder who appointed them would have on a show of hands if he, she or it were present at the meeting. On a poll, all or any of the rights of the shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, by not later than 11.30 a.m. on 29 September 2021. A form of proxy accompanies this notice. Completion and return of the form of proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 6.00 p.m. on 29 September 2021. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a business day in London or Guernsey. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll each holder of participating redeemable preference shares will be entitled to one vote per share held and the holder of the founder shares will be entitled to one vote in aggregate. As at the latest practicable date prior to the date of this notice, the Company's issued share capital (excluding shares held in treasury) consisted of 121,466,754 participating redeemable preference shares and 1000 founder shares. Therefore, total voting rights in the Company as at the latest practicable date prior to the date of this notice are 121,466,755.

