Genesis Emerging Markets Fund Limited

Half Year Report and Unaudited Financial Statements

FOR THE SIX MONTHS ENDED 31st DECEMBER 2010

Genesis Emerging Markets Fund Limited

NOTE: All references to "dollars" or "$" throughout this report
are to the United States currency

Introduction

OBJECTIVE

To provide shareholders with a broadly diversified means of investing in developing countries and immature stock markets, and thus to provide access to superior returns offered by high rates of economic and corporate growth, whilst limiting individual country risk.

STRUCTURE

The Fund is a Guernsey based closed-ended investment company with the ability to issue additional shares. The Fund's shares are listed on the London Stock Exchange. The Participating Preference Shares of the Fund were redenominated to permit trading in £ Sterling and split ten for one in November 2009. The number of Participating Preference Shares outstanding is 135,863,060 as at 31st December 2010 (30th June 2010: 135,863,060). Following the restructuring the Fund became eligible for inclusion in the FTSE 250.

MANAGER

Genesis Asset Managers, LLP

INVESTMENT APPROACH

Genesis follows a value-based stock selection approach, buying companies whose shares appear under-valued on the basis of long-term earning power, current free cash flows or asset backing.

NEW SHARES

Shares may be issued twice monthly subject to the following conditions:

i) the Fund is invested as to at least 75% in emerging market securities;
ii) the Manager will only issue new shares if it is unable, on behalf of the new subscriber, to acquire shares in the secondary market at a price equivalent to or below the price at which new shares would be issued; and
iii) the issued share capital of the Fund is not increased by more than ten per cent in any six month period.

Chairman's Statement

After a somewhat nervous first half of 2010, the last six months have been another strong period for investors in emerging market equities, with the Fund's published net asset value per share rising 20.4% in Sterling terms over the half-year (slightly lagging the 21.6% generated by the MSCI Emerging Markets Index, the most appropriate benchmark).

The Fund held its Annual General Meeting on 29th October 2010, at which point the retirement of Christian Baillet as a Director of the Fund became effective. My fellow Directors and I very much appreciate the expertise and experience Mr. Baillet brought to the Board during his tenure.

The Fund held its annual Information Meeting in London in early November, enabling shareholders to hear presentations from – and ask questions of – representatives of the Manager. The discussion provided a detailed view of the Fund's current strategy, details on recent performance and the Manager's outlook for the asset class.

Meanwhile, it is with great pleasure that we have now announced the appointment of Dr. Geng Xiao to the Fund's Board of Directors effective 1st March 2011, subject to regulatory approval. Dr. Xiao is based in Beijing, and is the director of Columbia Global Centers (East Asia) at Columbia University, an honorary professor at the University of Hong Kong and an independent director of HSBC Bank (China). He is well-known and respected internationally for his work in finance and macroeconomics and has held many advisory positions in the private sector and for public policy bodies, as well as in academia. We are confident that Dr. Xiao's knowledge and advice will make him a valuable member of the Board.

The rise in the Fund's NAV over the past two years has been some 112% and clearly it would be highly unrealistic to expect returns in the near future being at close to this level. In recent weeks investor sentiment on emerging markets seems to have become more hesitant, with concerns including the potential for further rises in inflation, possible changes in regulatory and state influence in some countries and the level to which the Chinese market supports and influences so many different aspects of global economic activity – combined with, of course, the levels of valuation implied by current stock prices.

The Manager's Review on the following pages outlines this environment for investors and, among other points – including detailing some of the changes that the Manager has been making in recent months – explains why this concern over valuation may be to some degree misplaced.

Chairman's Statement

continued

As a Board, we note these potential short-term risks attached to emerging markets stock prices. We would, however, also emphasise to shareholders our firm belief that the structural trends in developing countries remain strong and that a sensible stock selection-based approach to distinguish between good and bad companies – such as that practised by the Manager – will continue to provide the Fund's investors with solid long-term returns.

Coen Teulings
February 2011

Board Report

CAPITAL VALUES

At 31st December 2010 the value of net assets available to shareholders was $1,223,843,903 (30th June 2010: $974,358,807) and the Equity per Participating Preference Share was $9.07 (30th June 2010: $7.22).

RISKS MANAGEMENT

The investment objective of the Fund is to achieve capital growth over the medium to long term, primarily through investment in equity securities quoted on emerging markets. The main risks to the value of its assets arising from the Fund's investment in financial instruments are unanticipated adverse changes in market prices and foreign currency exchange rates and an absence of liquidity. The Board reviews and agrees with the Manager policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate.

The economies, the currencies and the financial markets of a number of developing countries in which the Fund invests may be extremely volatile. To manage the risks posed by adverse price fluctuations the Fund's investments are geographically diversified, and will continue to be so. The Fund will not normally invest more than 25% of its assets (at the time the investment is made) in any one country. Further, the exposure to any one company or group (other than an investment company, unit trust or mutual fund) is unlikely to exceed 5% of the Fund's net assets at the time the investment is made.

The Fund's assets will be invested in securities of companies in various countries and income will be received by the Fund in a variety of currencies. However, the Fund will compute its net asset value and make any distributions in dollars. The value of the assets of the Fund as measured in dollars, may be affected favourably or unfavourably by fluctuations in currency rates and exchange control regulations. Further, the Fund may incur costs in connection with conversions between various currencies.

Trading volumes on the stock exchanges of developing countries can be substantially less than in the leading stock markets of the developed world. This lower level of liquidity exaggerates the fluctuations in the value of investments described previously. The restrictions on concentration and the diversification requirements detailed above also serve normally to protect the overall value of the Fund from the risks created by the lower level of liquidity in the markets in which the Fund operates.

Board Report

CONTINUED

MANAGER

In the opinion of the Directors, in order to achieve the investment objective of the Fund, and having taken into consideration the performance of the Fund, the continuing appointment of the Manager is in the interests of the shareholders as a whole.

A more detailed commentary of important events that have occurred during the period and their impact on these accounts and a description of the principal risks and uncertainties for the remaining six months of the financial year is contained in the Manager's Review.

DIRECTORS' INTERESTS

The following Directors served throughout the period under review, except where noted otherwise.

Directors	Beneficial interest in Participating Preference Shares at 31st December 2010
Coen Teulings	40,000
Christian Baillet (resigned on 29th October 2010)	–
Michael Hamson	–
Dr. John Llewellyn	–
The Hon. John Train (including family interests)	20,510

RELATED PARTY TRANSACTIONS

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Fund during the period. Details of related party transactions are disclosed in the annual report for the year ended 30th June 2010.

Board Report

CONTINUED

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting;'

• as required by DTR 4.2.7R of the FSA's Disclosure and Transparency Rules, the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

• the interim management report includes a fair review of the information concerning related party transactions required by DTR 4.2.8R.

Approved by the Board

Coen Teulings Chairman	Dr. John Llewellyn Director

28th February 2011

Manager's Review

The Fund ended the six months to 31st December 2010 up 20.4% in Sterling terms (calculated based on publish net asset value), bringing the return for the calendar year to 27.5%.

Following a spectacular 79% return in 2009, the strong market performance in 2010 return means that questions of valuation are understandably being asked. A main point of concern is the amount of new money that has been invested in emerging markets and which has therefore in theory boosted valuations; but in fact much of this money found its way into new issues. The fourth quarter of 2010 was the busiest on record for global IPOs, and Asia, mostly China, accounted for 60% of the activity. As more companies expand and seek external financing this trend seems likely to continue.

Clearly, some stocks have seen substantial price rises in 2010, and in some cases this has provided us with a catalyst to sell or reduce positions towards the end of the period. Credicorp in Peru and DMCI in the Philippines were two examples of stocks removed from the Fund and we also reduced the weight in Turkish Bank YKB for the similar reasons. We sold out of the Fund's position in Russian telecom operator MTS, although here valuation reasons were linked to concerns over potential regulatory changes too.

On the other hand, we continue to find attractive companies for investment throughout the markets we look at. New additions to the Fund during the period included Chinese sportswear firm Li Ning, Axis Bank in India and the South Korean internet search portal firm NHN Corp. During the period the Fund also increased its position in both Samsung Electronics and TSMC – two IT companies (and longstanding Fund holdings) whose quality of management has helped them exhibit consistently higher profitability than their competition.

In terms of the economic and investment outlook the mood seems to be turning and inflation is suddenly on many investors' minds. This is particularly true in China, where wage inflation has both positive and negative implications for businesses well beyond China's borders. Wumart, a Beijing-based supermarket chain, is expecting staff wages to rise 20% in 2011, whilst Li Ning says its distributors are complaining about a 10-15% increase. Retailers are at the sharp end of wage inflation because low end salaries are rising the most. Some analysts say this is the beginning of the end of China's economic miracle because the supply of cheap labour is running out, but rising low end wages is not a new phenomenon. The average 23% increase in the minimum wage across China in 2010 must be balanced against no increase in 2009, compared with 10-12% per year before that. A survey of entry level factory jobs in the heart of migrant worker territory in Guangdong province shows wages rising 10-15% annually since 2005 (with a pause in 2009). However this is not true for all sectors. The rapid expansion of higher education, and reported 25% graduate unemployment means software and IT outsourcing companies are having no problems finding graduates, and wage pressures are muted.

The difference now is that companies are feeling the pain of wage inflation more than in the past because they have run out of easy productivity gains. In a less forgiving environment, corporate winners will be those with the skill to optimise operations and refine business practices, just like companies everywhere else.

Notably, emerging markets are now the global leaders in tightening monetary policy, with some central banks apparently torn between raising rates to discourage inflation and keeping them low to deter yield-hungry hot money.

Looking at the valuations of the holdings of the Fund, they do not seem unreasonable given continuing earnings growth, which is expected to be about 20% in 2011. Strong cashflow generation in these companies more than justifies today's prices, although the upside is naturally not as great as in early 2009. It is admittedly unusual to see emerging market equities at a 10% premium to global equities by price/book value (ten years ago this was a 50% discount) but it seems to us that this is justified given the superior growth that is offered by developing market companies.

Genesis Asset Managers, LLP
February 2011

Twenty Largest Holdings

as at 31st December 2010

Genesis Indian Investment Company (India) **8.62%**

Investment Company

An open-ended Mauritian company whose objective is to achieve capital growth over the medium to long term through investment in equities quoted on the Indian stock market. It held positions in 16 stocks as at 31st December 2010.

Genesis Smaller Companies SICAV (Luxembourg) **7.58%**

Investment Company

An open-ended Luxembourg SICAV whose objective is to achieve capital growth over the medium to long term through investment in smaller emerging market companies. It held positions in 49 stocks as at 31st December 2010.

Anglo American (South Africa) **5.49%**

Materials

Anglo American is one of the world's largest diversified mining and natural resource groups and is a global leader in the production of copper, coal, platinum group metals and iron ore.

Samsung Electronics (South Korea) **4.52%**

Information Technology

Samsung Electronics is a global leader in the IT hardware industry, producing semiconductors (mostly memory), LCD panels, handsets and a wide range of consumer electronics and digital appliances.

TSMC (Taiwan) **3.99%**

Information Technology

TSMC is the world's largest dedicated semiconductor foundry, manufacturing integrated circuits for computer, communications, and consumer electronics applications.

SABMiller (South Africa) **2.48%**

Consumer Staples

SABMiller is one of the world's largest brewers, having brewing interests and distribution agreements across six continents with a bias towards fast-growing developing markets.

Sasol (South Africa) **2.19%**

Energy

Sasol is a world leader in the commercial production of liquid fuels and chemicals from coal and crude oil, with its products exported to 90 countries around the world.

América Móvil (Mexico) **2.08%**

Telecommunications

América Móvil is the largest cellular operator in the Americas, with around 200 million subscribers in North, Central and South America and the Caribbean.

First Quantum Minerals (Zambia) **2.07%**

Materials

First Quantum Minerals explores for, mines, and produces copper cathode, copper in concentrate, and gold. The company also produces sulfuric acid.

Banco Santander (Brazil) **2.00%**

Financials

Banco Santander Brasil is a leading full-service bank strategically concentrated in the South and Southeast of Brazil.

China Mobile (China) **1.96%**

Telecommunications

China Mobile is the largest mobile phone operator in China with 70% of subscriber market share, or more than 400 million subscribers.

Twenty Largest Holdings

CONTINUED

Sberbank (Russia) **1.72%**

Energy

Sberbank is one of Russia's oldest banks and the largest credit institution there, accounting for over a quarter of the aggregate Russian banking assets and a third of banking capital.

China Resources Enterprises (China) **1.65%**

Consumer Staples

China Resources Enterprise is a conglomerate uniting several fast-growth consumer businesses in mainland China, including breweries, hypermarkets, supermarkets and food manufacturers.

Anhui Conch Cement (China) **1.63%**

Materials

Anhui Conch Cement produces and sells ordinary portland cement, portland cement, portland blast furnace slag cement, compound cement, and commercial clinker.

Tullow Oil (United Kingdom) **1.61%**

Financials

Tullow Oil is a UK-listed independent oil exploration and production company with a major focus on Africa, where they are already a dominant player.

Korea Electric Power (South Korea) **1.43%**

Energy

Korea Electric Power generates, transmits, and distributes electricity to South Korea for a variety of uses. The Company also builds and operates hydro-power, thermal-power, and nuclear power units in South Korea.

Twenty Largest Holdings

continued

Shinhan Financial Group (South Korea) **1.40%**

Financials

Shinhan Financial Group, a holding company, provides a full range of consumer and commercial banking-related financial services. The company's main businesses include banking, securities brokerage, trust banking, and assets management to individuals, businesses, and other financial institutions.

MOL (Hungary) **1.37%**

Energy

MOL is a leading integrated oil and gas company in Central and Eastern Europe, with refineries and exploration projects throughout the region.

Telekomunikasi Indonesia (Indonesia) **1.35%**

Telecommunications

Telekomunikasi Indonesia is the largest telecommunication and network services provider in Indonesia, with over 100 million subscribers.

Standard Bank Group (South Africa) **1.32%**

Financials

Standard Bank is South Africa's largest bank with operations in 17 African countries along with 16 more outside the continent, with a focus on emerging markets.

Country Exposure of the Portfolio*

Country	December 2010 %	June 2010 %	December 2009 %
South Africa	13.03	11.07	12.40
China	12.42	12.84	12.12
South Korea	9.37	6.27	6.94
Russia	8.57	9.47	9.96
India	8.54	8.78	5.97
Brazil	8.05	8.44	8.25
Mexico	5.12	5.19	5.77
Taiwan	4.91	4.22	5.10
Indonesia	4.54	5.86	5.18
Malaysia	2.78	2.04	2.17
Turkey	2.65	3.80	3.73
Egypt	2.25	1.97	2.03
Zambia	2.06	1.13	0.87
Thailand	2.02	2.45	1.90
United Kingdom	1.60	1.48	2.04
Hungary	1.39	1.46	1.55
Nigeria	1.27	1.61	1.31
Colombia	0.92	0.93	0.83
Greece	0.75	0.79	0.81
Romania	0.64	0.77	0.71
Philippines	0.59	0.74	0.55
Mauritius	0.55	0.76	1.29
Chile	0.55	0.67	0.87
Saudi Arabia	0.54	0.43	–
Austria	0.45	0.74	0.86
Argentina	0.36	0.29	0.37
Vietnam	0.30	0.37	0.22
Ukraine	0.28	0.31	0.28
Croatia	0.28	0.32	0.37
Senegal	0.26	0.28	0.40
Iran	0.26	0.29	0.30
Kenya	0.22	0.30	0.25
Estonia	0.21	0.18	0.14
Peru	0.19	1.09	0.89
Zimbabwe	0.17	0.16	0.16
Lebanon	0.15	0.17	0.17
Sri Lanka	0.14	0.17	0.23
United Arab Emirates	0.07	0.07	0.07
Kazakhstan	0.05	0.04	0.05
Czech Republic	0.05	0.05	0.06
Ghana	0.04	0.06	0.05
Israel	–	–	1.76
Congo, D.R.	–	–	0.03
Net current assets	1.41	1.94	0.99
Total	**100.0**	**100.0**	**100.0**

*Treating Genesis Smaller Companies SICAV and Genesis Indian Investment Company Limited on a 'look-through' basis.

Sector Exposure of the Portfolio*

Industry	**December 2010** %	**June 2010** %	**December 2009** %
Financials	25.6	26.7	25.4
Materials	15.3	13.4	12.6
Consumer Staples	15.0	15.9	13.4
Information Technology	10.6	7.6	8.6
Energy	10.2	10.4	11.7
Industrials	6.0	6.3	6.4
Telecommunications	5.8	7.5	7.4
Consumer Discretionary	3.0	3.5	5.1
Health Care	2.9	2.4	3.5
Utilities	2.4	2.2	2.9
Investment Companies	1.8	2.2	2.1
Net current assets	1.4	1.9	1.0
Total	**100.0**	**100.0**	**100.0**

*Treating Genesis Smaller Companies SICAV and Genesis Indian Investment Company Limited on a 'look-through' basis.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSTION

as at 31st December 2010

	31st December 2010 $	(Audited) 30th June 2010 $
ASSETS		
Non Current Assets		
Financial assets at fair value through profit or loss	**1,209,035,402**	960,328,412
Current Assets		
Amounts due from brokers	**497,999**	131,002
Dividends receivable	**846,788**	1,895,408
Other receivables and prepayments	**154,713**	155,295
Cash and cash equivalents	**18,352,934**	13,689,031
TOTAL ASSETS	**1,228,887,836**	976,199,148
LIABILITIES		
Current Liabilities		
Amounts due to brokers	–	257,983
Capital gains tax payable	**3,076,598**	–
Payables and accrued expenses	**1,967,335**	1,582,356
Bank overdraft	–	2
TOTAL LIABILITIES	**5,043,933**	1,840,341
TOTAL NET ASSETS	**1,223,843,903**	974,358,807
EQUITY		
Share premium	**135,509,473**	135,509,473
Capital reserve	**1,058,111,817**	804,245,831
Revenue account	**31,383,113**	35,764,003
Purchase of own shares	**(1,160,500)**	(1,160,500)
TOTAL EQUITY	**1,223,843,903**	974,358,807
EQUITY PER PARTICIPATING PREFERENCE SHARE *	**$9.07**	$7.22

* Calculated on an average number of 134,963,060 Participating Preference Shares outstanding (30th June 2010: 134,963,060).

The notes on pages 20 to 21 form part of these financial statements

Unaudited Consolidated Statement of Comprehensive Income

for the six months ended 31st December 2010

Note		2010 $	2009 $
	INCOME		
	Net change in financial assets at fair value through profit or loss	**254,158,991**	262,918,866
	Net exchange losses	**(293,005)**	(73,068)
	Dividend income	**10,890,381**	7,242,270
	Deposit interest	**14,292**	14,841
		264,770,659	270,102,909
	EXPENSES		
	Management fees	**(8,499,991)**	(6,784,210)
	Custodian fees	**(746,696)**	(582,969)
3	Transaction costs	**(547,331)**	(642,145)
	Directors' fees and expenses	**(265,545)**	(183,496)
	Administration fees	**(78,714)**	(64,624)
	Audit fees	**(28,995)**	(16,870)
	Other expenses	**(74,579)**	(242,693)
	TOTAL OPERATING EXPENSES	**(10,241,851)**	(8,517,007)
	OPERATING PROFIT	**254,528,808**	261,585,902
	FINANCE COSTS		
	Bank charges	**(244)**	(633)
	Interest expense	**(238)**	(2,878)
	TOTAL FINANCE COSTS	**(482)**	(3,511)
	Capital gains tax	**(3,964,430)**	(598,684)
	Withholding taxes	**(1,078,800)**	(750,764)
	PROFIT FOR THE PERIOD	**249,485,096**	260,232,943
	RETURN PER PARTICIPATING PREFERENCE SHARE *	**$1.85**	$1.93

* Calculated on an average number of 134,963,060 Participating Preference Shares outstanding (31st December 2009: 134,963,060).

The notes on pages 20 to 21 form part of these financial statements

Unaudited Consolidated Statement of Changes in Equity

for the six months ended 31st December 2010

	2010					
	Share Capital	**Share Premium**	**Capital Reserve**	**Revenue Account**	**Purchase of Own Shares**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Net assets at the beginning of the period	–	135,509,473	804,245,831	35,764,003	(1,160,500)	974,358,807
Movement in the period	–	–	253,865,986[1]	(4,380,890)[2]	–	249,485,096
Net assets at the end of the period	–	135,509,473	1,058,111,817	31,383,113	(1,160,500)	1,223,843,903

	2009					
	Share Capital	Share Premium	Capital Reserve	Revenue Account	Purchase of Own Shares	Total
	$	$	$	$	$	$
Net assets at the beginning of the period	270,633	135,238,840	559,694,846	40,216,270	(1,160,500)	734,260,089
Redomination of shares*	(270,633)	270,633	–	–	–	–
Movement in the period	–	–	262,845,798[1]	(2,612,855)[2]	–	260,232,943
Net assets at the end of the period	–	135,509,473	822,540,644	37,603,415	(1,160,500)	994,493,032

* At the Extraordinary General Meeting held at the end of October 2009 it was resolved to re-denominate the share capital so as to permit the shares to be quoted in Sterling rather than US dollars, and secondly a division of each existing share into ten, thereby reducing the market price of each share.

[1] Represents the movement in capital reserve during the period, which is comprised of net changes in financial assets at fair value through profit and loss and net exchange losses.

[2] Represents other income less expenses during the period.

The notes on pages 20 to 21 form part of these financial statements

Unaudited Consolidated Statement of Cash Flows

for the six months ended 31st December 2010

	2010	2009
	$	$
OPERATING ACTIVITIES		
Dividend received	**11,939,001**	8,426,022
Taxation paid	**(1,966,632)**	(1,349,448)
Purchase of investments	**(108,076,482)**	(110,824,359)
Proceeds from sale of investments	**112,903,503**	105,091,114
Interest received	**14,292**	15,420
Operating expenses paid	**(9,856,772)**	(8,224,706)
Foreign exchange loss	**(48)**	(32)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**4,956,862**	(6,865,989)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**4,956,862**	(6,865,989)
Effect of exchange rate fluctuations on cash and cash equivalents	**(292,957)**	(73,036)
	4,663,905	(6,939,025)
Net cash and cash equivalents at the beginning of the period	**13,689,029**	12,291,183
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**18,352,934**	5,352,158
Comprising:		
Cash and cash equivalents	**18,352,934**	5,386,767
Bank overdraft	**–**	(34,609)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**18,352,934**	5,352,158

The notes on pages 20 to 21 form part of these financial statements

Notes to the Financial Statements

for the six months ended 31st December 2010

1. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The interim financial information for the six months ended 31st December 2010 has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. The interim financial information should be read in conjunction with the annual financial statements for the year ended 30th June 2010, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

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

2. RECONCILIATION OF PUBLISHED NET ASSET VALUE ATTRIBUTABLE TO EQUITY SHAREHOLDERS TO THE IFRS EQUIVALENT

	31st December 2010	
	Total	**Per Participating Preference Share**
	$	**$**
Published Net Asset Value	**1,230,614,712**	**9.12**
Change from mid market pricing to bid pricing for investments	**(6,770,809)**	**(0.05)**
Net Asset Value under IFRS	**1,223,843,903**	**9.07**

	30th June 2010	
	Total	Per Participating Preference Share
	$	$
Published Net Asset Value	979,819,807	**7.26**
Change from mid market pricing to bid pricing for investments	(5,461,000)	**(0.04)**
Net Asset Value under IFRS	974,358,807	**7.22**

3. COSTS OF INVESTMENTS TRANSACTIONS

During the period, expenses were incurred in acquiring or disposing of investments.

	For the six months to 31st December 2010 $	For the six months to 31st December 2009 $
Purchases	**328,347**	362,365
Sales	**218,984**	279,780
	547,331	642,145

4. SEGMENT INFORMATION

The Fund has elected to treat all of its operations, for management purposes, as a single operating segment as it does not aim at controlling or having any significant influence over the entities in which it holds its investments. The Fund is invested in equity securities. All of the Fund's activities are interrelated, and each activity is dependant on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial positions and results from this segment are equivalent to the financial statements of the Fund as whole, as internal reports are prepared on a consistent basis with the measurement and recognition principles of IFRS.

The table below analyses the Fund's operating income per investment type.

	For the six months ended 31st December 2010 $	For the six months ended 31st December 2009 $
Equity Securities	**264,770,659**	270,102,909
Total	**264,770,659**	270,102,909

Performance Record

Date	Fund NAV ($)	FX Rate	Fund NAV (£)	MSCI EM (TR) ($)	MSCI EM (TR) (£)	PERCENTAGE INCREASE FROM 6th July 1989 Fund NAV (£)	PERCENTAGE INCREASE FROM 30th June 1989 MSCI EM (TR) (£)
31.12.89	0.58	1.61	0.36	231.65	143.61	11.85	28.00
29.06.90	0.77	1.74	0.44	258.08	147.93	35.93	31.85
31.12.90	0.61	1.93	0.31	207.21	107.25	(2.36)	(4.41)
28.06.91	0.78	1.62	0.48	281.28	173.52	48.98	54.66
31.12.91	0.93	1.87	0.50	331.35	177.67	54.92	58.35
30.06.92	1.07	1.90	0.56	355.82	186.90	74.15	66.58
31.12.92	0.95	1.51	0.63	369.14	244.02	95.19	117.49
30.06.93	1.11	1.49	0.74	421.83	282.35	129.80	151.65
31.12.93	1.58	1.48	1.07	645.38	436.81	231.72	289.32
30.06.94	1.47	1.55	0.95	578.58	373.77	194.69	233.14
31.12.94	1.58	1.56	1.01	598.17	382.26	213.61	240.71
30.06.95	1.53	1.59	0.96	578.48	363.54	197.48	224.02
31.12.95	1.46	1.55	0.94	567.01	364.99	190.54	225.31
30.06.96	1.70	1.55	1.10	627.49	403.71	239.66	259.82
31.12.96	1.75	1.71	1.02	601.21	351.17	217.06	212.99
30.06.97	2.21	1.67	1.33	707.94	425.11	310.84	278.89
31.12.97	1.82	1.64	1.11	531.56	323.41	243.65	188.25
30.06.98	1.52	1.67	0.91	431.27	258.25	182.34	130.17
31.12.98	1.30	1.66	0.78	396.86	238.66	141.60	112.71
30.06.99	1.55	1.57	0.98	555.08	352.48	204.13	214.16
31.12.99	1.86	1.62	1.15	660.41	408.84	257.15	264.40
30.06.00	1.76	1.51	1.17	607.65	401.62	261.43	257.96
31.12.00	1.47	1.50	0.98	458.26	306.40	205.32	173.09
30.06.01	1.55	1.41	1.10	450.73	320.05	241.19	185.26
31.12.01	1.57	1.45	1.08	447.39	308.44	234.47	174.91
30.06.02	1.61	1.52	1.06	456.63	299.88	228.38	167.28
31.12.02	1.55	1.61	0.96	420.54	261.32	197.61	132.91
30.06.03	1.84	1.65	1.11	488.40	295.55	244.99	163.42
31.12.03	2.53	1.79	1.42	657.22	368.02	339.01	228.01
30.06.04	2.61	1.81	1.44	652.07	359.94	346.96	220.81
31.12.04	3.38	1.92	1.76	827.78	431.56	445.78	284.64
30.06.05	3.67	1.79	2.05	879.58	490.86	535.43	337.50
31.12.05	4.59	1.72	2.67	1,113.71	648.45	727.93	477.95
30.06.06	4.80	1.85	2.60	1,195.39	646.51	704.76	476.22
31.12.06	5.92	1.96	3.02	1,476.63	754.15	836.49	572.16
30.06.07	7.05	2.01	3.52	1,738.72	866.89	989.80	672.65
31.12.07	7.96	1.99	4.00	2,064.00	1,036.87	1,139.16	824.15
30.06.08	7.40	1.99	3.72	1,823.79	916.43	1,053.17	716.80
31.12.08	3.97	1.44	2.76	966.34	672.10	755.31	499.03
31.03.09	3.82	1.43	2.66	976.24	681.06	725.07	507.02
30.06.09	5.47	1.65	3.32	1,316.39	799.36	928.94	612.46
30.09.09	6.73	1.60	4.21	1,593.31	996.19	1,204.43	787.89
31.12.09	7.40	1.62	4.58	1,729.96	1,070.52	1,320.14	854.14
31.03.10	7.81	1.51	5.15	1,772.37	1,167.88	1,495.23	940.91
30.06.10	7.26	1.49	4.85	1,625.46	1,085.95	1,403.59	867.90
30.09.10	8.50	1.57	5.42	1,920.65	1,223.03	1,578.81	990.07
31.12.10	9.12	1.56	5.84	2,062.04	1,320.72	1,710.43	1,077.14

The $ and £ NAV figures have been adjusted to reflect the One for One Capitalisation issue made in September 1993.
The $ and £ NAV figures have been adjusted to reflect the Ten for One share split in November 2009.
The figures are based on Mid-Market prices.

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