



HALF YEAR REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31st DECEMBER 2015

GENESIS EMERGING MARKETS FUND LIMITED

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All reference to “\$” throughout this report is to the United States currency.

INTRODUCTION

OBJECTIVE

The investment objective is to achieve capital growth over the medium to long term, primarily through investment in equity securities quoted on Emerging Markets.

STRUCTURE

Genesis Emerging Markets Fund Limited (the 'Fund' or 'GEMF') is a Guernsey based Authorised Closed-Ended Investment Scheme with the ability to issue additional shares. The Fund's shares are listed on the premium segment of the Official List of the UK Listing Authority, traded on the London Stock Exchange and are included in the FTSE 250. The number of Participating Preference Shares outstanding is 134,963,060 as at 31st December 2015 (30th June 2015: 134,963,060).

MANAGER

Genesis Asset Managers, LLP (the 'Manager' or 'Genesis').

INVESTMENT APPROACH

The investment approach is to identify companies which are able to take advantage of growth opportunities in emerging markets and invest in them when they are trading at an attractive discount to the Manager's assessment of their intrinsic value.

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 Fund 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 10% in any twelve month period.

HIGHLIGHTS

	31 st December 2015	30 th June 2015	% change
Published net asset value*	£693.9m	£771.4m	(10.0)
Published net asset value per Participating Preference Share*	£5.14	£5.72	(10.1)
Published net asset value per Participating Preference Share*	US\$7.58	US\$8.99	(15.7)
Share price	£4.53	£5.04	(10.1)
Discount	11.9%	11.8%	
Ongoing charges ratio	1.41%	1.41%	
Countries represented in portfolio	41	41	
Stocks in portfolio	163	162	

	6 Months to 31 st December 2015	
	Low	High
Share price	£4.01	£5.22
Net asset value	£4.68	£5.75
Discount	14.3%	7.3%

	£ Returns				
	Year to Date		Annualised		Since Inception
	6 Months %	1 Year %	3 Year %	5 Year %	
Fund share price	(10.1)	(13.1)	(5.8)	(3.9)	10.5
Fund NAV (net of fees)	(10.0)	(10.7)	(3.0)	(2.5)	11.0
MSCI EM (TR)	(11.6)	(9.7)	(3.3)	(3.4)	9.0
MSCI World (TR)	3.3	5.5	13.9	9.4	7.3

Past performance is no guarantee of future performance.

* Figures are based on the last traded price for investments.

CHAIRMAN'S STATEMENT

Emerging market returns were clearly extremely disappointing in the second half of 2015, as investors responded to slowing growth (principally in China, but in other markets too), further weakening in commodity prices, and an awareness of a lack of necessary reform in a number of developing countries (Brazil being a major example). Over the six months to the end of December the MSCI EM (TR) Index ('Index') fell 11.6% in sterling terms.

Over the half-year period, the Fund's net asset value per share declined from £5.72 to £5.14, a loss of 10.1%. (The Fund's share price also fell by 10.1% during the period with the discount ending 2015 at 11.9%). Although this result was slightly ahead of the Index, it is fair to say that both the Board and the Manager feel that relative returns in 2015 have been disappointing, given that when this kind of environment has occurred in the past, the Manager's investment approach and process has generally delivered better returns than the market. The Fund's risk exposure to commodity companies, however, was in hindsight excessively high during the most recent period, and has consequently had a significant negative impact on performance. 2015 results have had the effect of depressing the Fund's longer-term performance record too, and – as shareholders will expect – this is a topic that forms an important part of the regular dialogue my colleagues and I have with the Manager. The Investment Manager's Review that follows this Statement addresses this performance in more detail, as well as explaining some of the changes to the portfolio in recent months.

The Fund held its Annual General Meeting at the end of October, with all proposed resolutions passed by shareholders; as always, the Board would like to thank them for their continued support. The Fund also held its regular Shareholder Information Meeting in London in October, where shareholders were able to hear views direct from, and to ask questions of the Manager's representatives.

Many shareholders will of course be aware that the Board's Chairman Coen Teulings chose not to stand for re-election at the AGM: Coen had been closely associated with the Fund for many years, including the last ten as Chairman, and played a key role in its success. As his successor, I look forward to continuing the job of leading the Board in protecting shareholders' interests. The discussions I have had with a number of shareholders since assuming the Chairmanship have been most beneficial in understanding what you expect of the Fund, and I am looking forward to maintaining this open channel of communication with you, and thereby working as effectively as possible on your behalf.

The difficulties faced by emerging market economies in general over recent years appear likely to continue in the near-term. Emerging markets have now entered a lower-growth environment and

CHAIRMAN'S STATEMENT

CONTINUED

are more integrated with the rest of the world when compared with most of the Fund's life, which means that structural issues like the lack of political and economic reform in many countries, fewer of the penetration opportunities that have traditionally characterised emerging markets, increased competition from global players, and high valuations in some sectors as a result of QE activity will all limit the returns many companies can deliver for their shareholders.

Investors should therefore be aware that the current economic environment may mean lower returns in aggregate than have been experienced in the past. That said, good investment opportunities continue to exist and these have the potential to enable the Fund to generate strong performance, even in more challenging investment conditions. Following our discussions with the Manager to address the reasons for performance weakness, and to understand recent evolution and strengthening of the investment process, we continue to believe the Manager's approach (which includes a focus on sustainability in terms of governance and social factors) remains appropriate for identifying those high-quality businesses that are suitable as long-term investments for the Fund.

Hélène Ploix
Chairman
19th February 2016

MANAGER'S REVIEW

Economic growth, corporate earnings, commodity prices and currencies were generally weaker than expected in 2015. In this difficult environment stock markets, as measured by the MSCI Emerging Markets Index, fell 11.6% in sterling terms over the half year. The Fund's net asset value performed slightly better than the Index, falling by 10.1%. However, the Index outperformed the Fund over the last twelve months. When the market is down or flat, the Fund's relative performance is generally strong. Last year was an exception. While mistakes are an inevitable part of investing, we were too positive going into the current global environment of weaker growth and depressed demand – most notably in investments in commodity-producing companies.

While the long-term emerging markets investment opportunity remains fundamentally attractive – driven by income growth and institutional quality improvement – progress is never linear. As the benefit of strong China-led growth has receded, and the start of a US interest rate tightening cycle has negatively affected investor sentiment, there have been a number of examples of countries with poor governance and a seeming inability or reluctance to undertake needed reforms. The structural factors supporting emerging markets have taken a cyclical step back.

In terms of significant drivers of relative performance, one of the largest holdings in the portfolio, SABMiller, rose by 27% after rival brewer AB InBev made a proposal to acquire the company. Elsewhere holdings in China also contributed, led by technology firm AAC and China Resources Beer (up 24% and 37% respectively). Stock selection gains in India and Thailand, and being underweight in the weak Brazilian market were further positive drivers.

Conversely, three commodity-producing companies were the largest detractors over the six month period. Diversified miner Anglo American and copper producer First Quantum fell by 67% and 69% respectively, and Tullow Oil, the African oil exploration and production company, fell by 51%. All three experienced balance sheet stress in an environment of weaker commodity prices and poor market sentiment, but while this means our estimates of their intrinsic value are also now lower, these figures have not declined to the same degree as the stock price. As a result, we believe that all three companies still warrant a continued place in the portfolio, albeit only at the much lower weightings that their fall in price means they now represent. Naturally these weightings will continue to be carefully monitored.

From a sector perspective, gains were made in financials, where positions including Samsung Fire & Marine Insurance and Kotak Mahindra Bank (up 7.7% and 6.7% respectively) outperformed and in consumer staples due to SABMiller. These gains were partially offset by the losses in the materials sector.

MANAGER'S REVIEW

CONTINUED

Looking at changes to the Fund's positioning over the six month period, India saw significant selling activity on valuation grounds while holdings in Brazil were reduced due to a confluence of a weaker economic outlook and a lack of political ability or will to resolve the fiscal problems. Market volatility provided opportunities to improve the quality profile of the portfolio. This was clearly demonstrated in China where positions in AIA, Alibaba and Tingyi were all added to; China Merchants Bank was scaled back while Belle and Li Ning exited the portfolio at the end of the period. There were notable additions to holdings in the consumer sector – such as branded snacks producer Universal Robina (Philippines) and food retailer Jeronimo Martins (Poland) – and reductions to holdings in the materials sector, such as OCI (Egypt) and Ambuja Cements (India). Elsewhere we continued to build a position in Aspen Pharmacare (South Africa), a supplier of branded and generic pharmaceutical products, and Cable & Wireless, a telecom service business operating throughout the Caribbean.

Over the next five years, in spite of continued threats from China's structural imbalances as well as excessive leverage in many economies, we think it likely that the Fund's net asset value will perform better than it has in recent years. It is not a high hurdle: the Index ended the year 15% below where it was at the end of 2010. One reason for our cautious optimism in the face of the current weight of negative opinion is that a number of risks have already crystallised including real exchange rate depreciation and lower commodity prices. The Fund is predominantly comprised of investments in high quality businesses. This stance is reflected in the Fund's median return on equity of 15%. Consumer franchises in emerging markets are a particularly fruitful area for quality-focused investment – about a quarter of the Fund is invested in this area. We think that the classic emerging markets investment theme of consumer companies able to grow price and volume as consumers become richer is alive and well.

Genesis Asset Managers, LLP
19th February 2016

DIRECTORS' REPORT

CAPITAL VALUES

At 31st December 2015, the value of Equity Shareholders' Funds was \$1,022,932,000 (30th June 2015: \$1,213,314,000) and the Equity per Participating Preference Share was \$7.58 (30th June 2015: \$8.99), or in sterling terms, £5.14 (30th June 2015: £5.72).

PRINCIPAL RISKS AND UNCERTAINTIES

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.

Volatility of emerging markets and market risk

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 Articles of Incorporation place a limit of 10% for securities issued by one company but the Directors use 5% for monitoring purposes.

Foreign currency exposure

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 in US dollars. The value of the assets of the Fund as measured in US 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.

Lack of liquidity

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.

DIRECTORS' REPORT

CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Custody risk

The Fund's key operational risk is custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer the securities might be temporarily impaired. The day to day management of these risks is carried out by the Manager under policies approved by the Board.

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 financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year are contained in the Manager's Review.

DIRECTORS

The following directors served throughout the period under review (except where noted otherwise): H  l  ne Ploix, Sujit Banerji, Russell Edey, Michael Hamson, Saffet Karpat, Dr John Llewellyn and Coen Teulings. Coen Teulings, did not offer himself for re-election and accordingly resigned from the Board at the Annual General Meeting in October 2015. H  l  ne Ploix succeeded Coen Teulings as Chairman of the Board with effect from the day following the Annual General Meeting.

As at 31st December 2015, Participating Preference Shares were held by Sujit Banerji (10,000), Michael Hamson (8,700), Saffet Karpat (20,000) and H  l  ne Ploix (15,000).

RELATED PARTY TRANSACTIONS

During the reporting period, there were no transactions with related parties which materially affected the financial position or performance of the Fund. However, details of related party transactions are contained in the Annual Financial Report for the year ended 30th June 2015 which should be read in conjunction with this Half Year Report.

DIRECTORS' REPORT

CONTINUED

GOING CONCERN

The Directors believe that the going concern basis of accounting is appropriate in preparing the financial statements and there are no material uncertainties to the Fund's ability to continue to do so.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with Chapter 4 of the Disclosure and Transparency Rules 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' and gives a true and fair view of the assets, liabilities, financial position and return of the Fund;
- the Half Year Report includes a fair review of important events that have occurred during the first six months of the financial year, their impact on the condensed financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the Half Year Report includes a fair review of the information concerning related party transactions.

Approved by the Board

Hélène Ploix
Director
19th February 2016

Saffet Karpat
Director

TWENTY LARGEST HOLDINGS

as at 31st December 2015

Genesis Indian Investment Company (India)	6.73%
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Investment Company

An open-ended Mauritian company whose objective is to achieve capital growth over the medium to long term through investment in equities listed on the Indian stock market. It held positions in 6 stocks as at 31st December 2015.

SABMiller (South Africa)	5.29%
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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. It is currently the subject of an acquisition bid from AB InBev.

Taiwan Semiconductor Manufacturing (Taiwan)	4.91%
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Information Technology

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

Samsung Electronics (South Korea)	4.32%
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Information Technology

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

Genesis Smaller Companies SICAV (Luxembourg)	3.69%
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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 27 listed stocks as at 31st December 2015.

Samsung Fire & Marine Insurance (South Korea)	3.28%
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Financials

Samsung Fire & Marine Insurance is a multinational insurance company based in South Korea, with automobile insurance prominent amongst its products.

Novatek (Russia)	1.81%
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Energy

Novatek is Russia's second largest producer of natural gas, operating principally in western Siberia.

TWENTY LARGEST HOLDINGS

CONTINUED

Kotak Mahindra Bank (India)	1.79%
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Financials

Kotak Mahindra Bank is one of the leading integrated financial services groups in India, with interests in retail banking, asset management, life insurance and investment banking.

Shinhan Financial Group (South Korea)	1.75%
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Financials

Shinhan Financial Group is a holding company that offers a full range of financial services to retail and corporate customers in South Korea through its subsidiaries, which include one of the largest banks in the country.

Tata Consultancy Services (India)	1.73%
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Information Technology

Tata Consultancy Services, a subsidiary of the Tata Group, is a global IT services organisation that provides a comprehensive range of IT services to its clients across a range of industries.

Anhui Conch Cement (China)	1.65%
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Industrials

Anhui Conch Cement is the largest and most efficient cement producer in China. It has a national presence and is an industry consolidator.

Industrial & Commercial Bank of China (China)	1.64%
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Financials

Industrial & Commercial Bank of China is a Chinese multinational bank, providing a broad range of personal and corporate commercial banking services. The bank's businesses include deposit, loan, credit card, fund underwriting and trust, and foreign currency settlement and trading.

Central Pattana (Thailand)	1.54%
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Financials

Central Pattana is Thailand's largest developer and operator of shopping malls, accounting for a quarter of Bangkok's retail market.

Grupo Financiero Banorte (Mexico)	1.50%
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Financials

Grupo Financiero Banorte is a financial institution in Mexico. The company offers banking services, premium banking, wholesale banking, leasing and factoring, warehousing, insurance, pensions and retirement savings.

TWENTY LARGEST HOLDINGS

CONTINUED

Infosys (India)	1.49%
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Information Technology

Infosys provides IT consulting and software services, including e-business, program management and supply chain solutions. The company's services include application development, product co-development, and system implementation and system engineering. Infosys targets businesses specialising in the insurance, banking, telecommunication and manufacturing sectors.

Thai Beverage (Thailand)	1.46%
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Consumer Staples

Thai Beverage is Thailand's largest beverage company, providing a wide range of branded beers, spirits and non-alcoholic beverages.

Bidvest Group (South Africa)	1.41%
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Industrials

Bidvest, based in South Africa, is a trading and distribution services business, with the largest food service business outside of North America.

AIA Group (China)	1.31%
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Life Insurance

AIA Group offers insurance and financial services. The company writes life insurance for individuals and businesses, accident and health insurance, retirement planning, and wealth management services.

Cognizant Technology Solutions (India)	1.31%
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Information Technology

Cognizant is a leading provider of information technology, consulting and business process outsourcing services. The company employs over 100,000 people in India and is listed on NASDAQ.

Coca-Cola Hellenic Bottling (United Kingdom)	1.24%
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Beverages

Coca-Cola Hellenic Bottling is the second largest Coca-Cola bottler, operating plants in Europe, Africa and Asia. The Company produces, sells, and distributes a wide range of non-alcoholic beverages, including sparkling, juice, water, sport, energy, tea and coffee.

COUNTRY EXPOSURE OF THE PORTFOLIO*

Country	December 2015 %	June 2015 %	December 2014 %
China	16.67	16.42	13.66
India	15.17	14.63	14.07
South Korea	10.92	9.43	9.48
South Africa	10.15	10.59	11.21
Taiwan	6.04	5.35	6.13
Russia	5.61	5.73	4.88
Thailand	5.35	5.15	6.01
Mexico	4.37	3.85	3.89
Brazil	3.44	5.78	6.10
United Kingdom	2.82	2.58	1.60
Turkey	2.81	3.12	3.49
Nigeria	1.81	1.86	1.94
Philippines	1.58	0.95	0.71
Saudi Arabia	1.06	1.03	0.95
Kenya	0.87	0.65	0.23
Peru	0.81	1.03	1.23
Mauritius	0.71	0.60	0.64
Indonesia	0.70	0.72	1.87
Romania	0.69	0.60	0.59
Vietnam	0.63	0.41	0.47
Egypt	0.58	1.02	1.09
Zambia	0.54	1.58	2.10
Poland	0.52	0.32	0.30
Argentina	0.50	0.58	0.58
Malaysia	0.43	0.99	1.34
Hungary	0.42	0.51	0.37
Chile	0.39	0.33	0.30
Colombia	0.39	0.51	0.86
Senegal	0.35	0.30	0.29
Austria	0.30	0.32	0.44
Greece	0.30	0.24	0.96
Ghana	0.24	0.32	0.33
Tunisia	0.24	0.21	–
Morocco	0.16	0.09	0.09
Estonia	0.15	0.15	0.13
Lebanon	0.15	0.13	0.12
Ukraine	0.15	0.13	0.13
Zimbabwe	0.13	0.17	0.17
Tanzania	0.08	0.08	0.03
Sri Lanka	0.05	0.05	0.06
Mongolia	0.05	0.08	0.08
Net current assets	1.67	1.41	1.08
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

SECTOR EXPOSURE OF THE PORTFOLIO*

Industry	December 2015 %	June 2015 %	December 2014 %
Financials	29.19	30.52	29.44
Consumer Staples	22.28	19.18	18.32
Information Technology	18.82	16.28	16.45
Materials	7.90	12.49	15.12
Health Care	5.64	4.77	4.39
Energy	3.54	4.71	4.45
Telecommunications	3.22	2.18	1.99
Industrials	2.81	3.42	3.47
Consumer Discretionary	2.79	3.09	3.12
Investment Companies	1.68	1.55	1.71
Utilities	0.46	0.40	0.46
Net current assets	1.67	1.41	1.08
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

as at 31st December 2015 and 30th June 2015

Note	31 st December 2015 \$'000	(Audited) 30 th June 2015 \$'000
ASSETS		
Current Assets		
3	Financial assets at fair value through profit or loss	1,005,841
	Amounts due from brokers	329
	Dividends receivable	1,521
	Other receivables and prepayments	230
	Cash and cash equivalents	16,686
	TOTAL ASSETS	1,024,607
LIABILITIES		
Current Liabilities		
	Amounts due to brokers	78
	Capital gains tax payable	2
	Payables and accrued expenses	1,595
	TOTAL LIABILITIES	1,675
	TOTAL NET ASSETS	1,022,932
EQUITY		
	Share premium	134,349
	Capital reserve	853,877
	Revenue account	34,706
	TOTAL EQUITY	1,022,932
NET ASSET VALUE PER PARTICIPATING PREFERENCE SHARE*		
	\$7.58	\$8.99

* Calculated on an average number of 134,963,060 Participating Preference Shares outstanding (30th June 2015: 134,963,060).

The notes on pages 20 to 24 form part of these unaudited financial statements.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2015 and 31st December 2014

Note	2015 <u>\$'000</u>	2014 <u>\$'000</u>
INCOME		
3		
Net change in financial assets at fair value through profit or loss	(191,042)	(123,153)
Net exchange (losses)/gains	(136)	1,536
Dividend income	9,816	12,014
Miscellaneous income	<u>5</u>	<u>–</u>
	<u>(181,357)</u>	<u>(109,603)</u>
EXPENSES		
Management fees	(6,565)	(9,697)
4		
Transaction costs	(443)	(787)
Custodian fees	(460)	(472)
Directors' fees and expenses	(294)	(267)
Administration fees	(132)	(148)
Audit fees	(42)	(42)
Other expenses	<u>(150)</u>	<u>(157)</u>
TOTAL OPERATING EXPENSES	<u>(8,086)</u>	<u>(11,570)</u>
OPERATING LOSS	(189,443)	(121,173)
Finance Costs	<u>–</u>	<u>–</u>
LOSS BEFORE TAX	(189,443)	(121,173)
Capital gains tax	110	(166)
Withholding taxes	<u>(1,049)</u>	<u>(1,250)</u>
LOSS AFTER TAX	<u>(190,382)</u>	<u>(122,589)</u>
Other Comprehensive Income	<u>–</u>	<u>–</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO PARTICIPATING PREFERENCE SHARES	<u>(190,382)</u>	<u>(122,589)</u>
EARNINGS PER PARTICIPATING PREFERENCE SHARE*	<u><u>\$(1.41)</u></u>	<u><u>\$(0.91)</u></u>

* Calculated on an average number of 134,963,060 Participating Preference Shares outstanding (31st December 2014: 134,963,060).

The notes on pages 20 to 24 form part of these unaudited financial statements.

UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2015 and 31st December 2014

For the six months ended 31st December 2015

	Share Premium \$'000	Capital Reserve \$'000	Revenue Account \$'000	Total \$'000
Balance at the beginning of the period	134,349	1,045,055	33,910	1,213,314
Total Comprehensive Loss	–	–	(190,382)	(190,382)
Transfer from Capital Reserves*	–	(191,178)	191,178	–
Balance at the end of the period	134,349	853,877	34,706	1,022,932

For the six months ended 31st December 2014

	Share Premium \$'000	Capital Reserve \$'000	Revenue Account \$'000	Total \$'000
Balance at the beginning of the period	134,349	1,169,925	29,745	1,334,019
Total Comprehensive Loss	–	–	(122,589)	(122,589)
Transfer from Capital Reserves*	–	(121,617)	121,617	–
Balance at the end of the period	134,349	1,048,308	28,773	1,211,430

* Calculated by summing the 'Net change in financial assets at fair value through profit or loss' and 'Net exchange gains/(losses) in the Unaudited Statement of Comprehensive Income.

The notes on pages 20 to 24 form part of these unaudited financial statements.

UNAUDITED STATEMENT OF CASH FLOWS

for the six months ended 31st December 2015 and 31st December 2014

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
OPERATING ACTIVITIES		
Dividend received	12,470	12,083
Taxation paid	(1,154)	(1,550)
Purchase of investments	(82,836)	(198,267)
Proceeds from sale of investments	73,205	194,186
Operating expenses paid	<u>(8,592)</u>	<u>(11,962)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>(6,907)</u>	<u>(5,510)</u>
Effect of exchange (losses)/gains on cash and cash equivalents	<u>(136)</u>	<u>1,536</u>
	(7,043)	(3,974)
Net cash and cash equivalents at the beginning of the period	<u>23,729</u>	<u>17,416</u>
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>16,686</u></u>	<u><u>13,442</u></u>
Comprising:		
Cash and cash equivalents	<u><u>16,686</u></u>	<u><u>13,442</u></u>

The notes on pages 20 to 24 form part of these unaudited financial statements.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

for the six months ended 31st December 2015

I. GENERAL Genesis Emerging Markets Fund Limited (the “Fund”) was incorporated in Guernsey on 7th June 1989 and commenced its activities on 19th September 1989. The Fund is an authorised Closed-Ended Investment Company as defined by the Authorised Closed-Ended Investment Schemes Rules (2008) (and, as such, is subject to ongoing supervision by the Guernsey Financial Services Commission). The Fund is listed on London Stock Exchange and is a constituent of the FTSE 250 Index.

The Fund’s registered office is at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St. Peter Port, Guernsey, GY1 6JB, Channel Islands.

2. BASIS OF PREPARATION The Interim Financial Information for the six months ended 31st December 2015 has been prepared in accordance with International Accounting Standards 34, ‘Interim Financial Reporting’. The Interim Financial Information should be read in conjunction with the Annual Financial Statements for the year ended 30th June 2015, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	31 st December 2015 \$’000	30 th June 2015 \$’000
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss:		
Listed equity securities	882,275	1,053,316
Unlisted equity securities	<u>123,566</u>	<u>142,948</u>
Total financial assets at fair value through profit or loss	<u>1,005,841</u>	<u>1,196,264</u>
Other net changes in fair value of financial assets at fair value through profit or loss:		
Realised (losses)/gains	(6,786)	51,181
Net change in unrealised appreciation	<u>(184,256)</u>	<u>(177,389)</u>
Net change in financial assets at fair value through profit or loss	<u>(191,042)</u>	<u>(126,208)</u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The table overleaf shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where all the model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs. Fair value measurements are disclosed below by the source of inputs using the following three-level hierarchy:

Level 1	Level 2	Level 3
Quoted prices (unadjusted) in active markets for identical assets or liabilities.	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some instances, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest input level that is significant to the fair value measurement in its entirety.

Investments in Level 2 include both Participatory Notes and listed equity securities held via affiliated investment companies.

The underlying investments categorised in Level 3 of the hierarchy are those securities whose price is not available in observable markets, or whose prices were stale (not pricing on an exchange for some time). These investments are reviewed on a monthly basis by the Manager's Valuation Committee and the results reported to the Board on a regular basis. The Manager considers the appropriateness of the valuation inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

3. FINANCIAL
ASSETS AT FAIR
VALUE THROUGH
PROFIT OR LOSS
(CONTINUED)

The following table summarises the valuation of the Fund's securities using the fair value hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 31st December 2015			
Investment in equity securities	871,476	106,437	–
Participatory notes	–	10,799	–
Investee Funds	–	–	17,129
	<u>871,476</u>	<u>117,236</u>	<u>17,129</u>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At 30th June 2015			
Investment in equity securities	1,040,330	124,738	–
Participatory notes	–	12,436	–
Investee Funds	–	–	18,760
	<u>1,040,330</u>	<u>137,174</u>	<u>18,760</u>

The valuation techniques used for the Level 3 investments are detailed below:

	31 st December 2015 \$'000	30 th June 2015 \$'000
Valuation basis for Investee Funds		
Administrator's Net Asset value	17,016	18,210
Most recently traded price	113	550
	<u>17,129</u>	<u>18,760</u>

As at 31st December 2015 there were four holdings classified as Level 3 investments. Three holdings in Investee Funds were valued using the most recently available valuation statements as received from the respective general partner/manager/administrator, updated to include subsequent cash flows. The remaining holding was classified Level 3 due to low recent trading volumes. No liquidity discount was deemed necessary.

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following table summarises the change in value associated with Level 3 financial instruments carried at fair value for the six months ended 31st December 2015 and the year ended 30th June 2015:

	31st December 2015 \$'000	30th June 2015 \$'000
Opening balance	18,760	19,680
Net purchases	–	–
Realised gain/(loss)	–	–
Net change in unrealised depreciation	<u>(1,631)</u>	<u>(920)</u>
Closing balance	<u>17,129</u>	<u>18,760</u>

Unrealised losses as at 31st December 2015 amounting to \$8,282,000 (30th June 2015: unrealised losses of \$6,651,000) related to Level 3 securities. Gains and losses (realised and unrealised) included in the Statement of Comprehensive Income for the period are reported in 'Net change in financial assets at fair value through profit or loss'. There were no movements between the levels during the period.

4. COSTS OF INVESTMENT TRANSACTIONS

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

	31st December 2015 \$'000	31st December 2014 \$'000
Acquiring	<u>273</u>	<u>407</u>
Disposing	<u>170</u>	<u>380</u>
	<u>443</u>	<u>787</u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

CONTINUED

5. SEGMENT INFORMATION

The Directors, after having considered the way in which internal reporting is provided to them, are of the opinion that the Fund continues to be engaged in a single segment of business, being the provision of a diversified portfolio of investments in emerging markets.

All of the Funds' activities are interrelated, and each activity is dependant on the others. Accordingly, all significant operating decisions are based upon analysis of the Fund operating in one segment.

The financial positions and results from this segment are equivalent to those per the financial statements of the Fund as a whole, as internal reports are prepared on a consistent basis in accordance with the measurement and recognition principles of IFRS.

As at 31st December 2015 and 30th June 2015, the Fund has no assets classified as non-current assets. A full breakdown of the Fund's financial assets at fair value through profit and loss is shown in the Country exposure of the Fund's portfolio on page I4.

The Fund is domiciled in Guernsey. All of the Fund's income from investment is from entities in countries or jurisdictions other than Guernsey.

PERFORMANCE RECORD

Date	Fund NAV (\$)	FX Rate (£/\$)	Fund NAV (£)	MSCI EM (TR) (\$)	MSCI EM (TR) (£)	Percentage	Percentage
						increase from 6 th July 1989	increase from 30 th June 1989
29.12.89	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
30.12.94	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
29.12.95	1.46	1.55	0.94	567.01	364.99	190.54	225.31
28.06.96	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
29.12.00	1.47	1.50	0.98	458.26	306.40	205.32	173.09
29.06.01	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
28.06.02	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
30.12.05	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
29.12.06	5.92	1.96	3.02	1,476.63	754.15	836.49	572.16
29.06.07	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
30.06.09	5.47	1.65	3.32	1,316.39	799.36	928.94	612.46
31.12.09	7.40	1.62	4.58	1,729.96	1,070.52	1,318.22	854.14
30.06.10	7.26	1.49	4.85	1,625.46	1,085.95	1,403.59	867.90
31.12.10	9.12	1.56	5.84	2,062.04	1,320.72	1,710.43	1,077.14
30.06.11	9.20	1.61	5.73	2,083.30	1,297.12	1,675.77	1,056.11
30.12.11	7.64	1.56	4.91	1,687.30	1,084.10	1,421.11	866.25
29.06.12	8.06	1.57	5.14	1,756.77	1,119.89	1,492.04	898.14
31.12.12	9.15	1.62	5.65	2,001.60	1,231.60	1,645.11	997.71
29.03.13	9.16	1.52	6.04	1,965.85	1,295.71	1,772.37	1,054.85
30.06.13	8.51	1.52	5.61	1,813.50	1,195.69	1,640.05	965.70
28.09.13	8.99	1.62	5.55	1,920.46	1,185.91	1,621.52	956.99
31.12.13	9.16	1.66	5.53	1,956.22	1,181.12	1,615.08	952.71
31.03.14	9.17	1.67	5.50	1,949.08	1,169.11	1,604.32	942.01
30.06.14	9.88	1.71	5.78	2,079.79	1,216.36	1,691.92	984.12
30.09.14	9.45	1.62	5.83	2,009.95	1,239.83	1,707.46	1,005.04
31.12.14	8.98	1.56	5.76	1,920.69	1,231.81	1,684.36	997.89
31.03.15	8.96	1.48	6.03	1,964.49	1,323.34	1,771.63	1,079.47
30.06.15	8.99	1.57	5.72	1,980.54	1,259.32	1,671.85	1,022.42
30.09.15	7.54	1.51	4.98	1,628.39	1,075.02	1,442.77	858.15
31.12.15	7.58	1.47	5.14	1,640.30	1,112.90	1,493.93	891.91

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.

NAV figures are based on the last traded price for investments.

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