



**Fidelity**<sup>TM</sup>  
INTERNATIONAL

# FIDELITY ASIAN VALUES PLC

Half-Yearly Report for the  
six months ended 31 January 2022

An aerial photograph of a city street. The top portion shows a pedestrian crossing with a zebra pattern and a person walking. Below this, a multi-lane road is filled with cars of various colors (white, black, red, green, blue) moving in the same direction. White dashed lines separate the lanes, and white arrows on the right side of the road indicate the direction of traffic. The overall scene is a high-angle, top-down view of urban traffic.

## Investment Objective and Overview

The Company's objective is to achieve capital growth principally from the stockmarkets of the Asian Region excluding Japan.

Asia is the world's fastest-growing economic region, offering investors a potentially unparalleled long-term opportunity. Fidelity Asian Values PLC provides shareholders with a differentiated equity exposure to Asian markets. The Portfolio Manager, Nitin Bajaj, achieves this differentiation by favouring undervalued small and medium-sized companies as this allows him to find mispriced and quality businesses, the "winners of tomorrow", before they become well known. He utilises Fidelity's Asia-based analyst team and believes the current market environment offers an unprecedented opportunity to invest in high quality Asian smaller companies at attractive valuations.

Kate Bolsover, Chairman,  
Fidelity Asian Values PLC

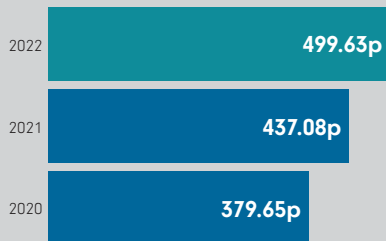
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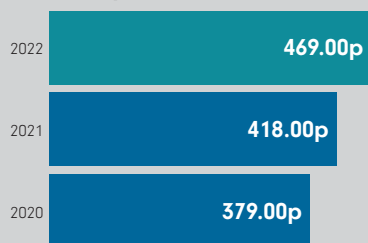
## Portfolio Manager's Half-Yearly Review

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### Net Asset Value per Ordinary Share as at 31 January



### Ordinary Share Price as at 31 January



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## At a Glance

Six months ended 31 January 2022

**Net Asset Value  
("NAV") per Ordinary  
Share total return<sup>1,2</sup>**

**+2.2%**

(31 January 2021: +22.5%)

**Ordinary Share Price  
total return<sup>1,2</sup>**

**-1.1%**

(31 January 2021: +27.7%)

**Comparative  
Index<sup>1,3</sup>**

**-1.0%**

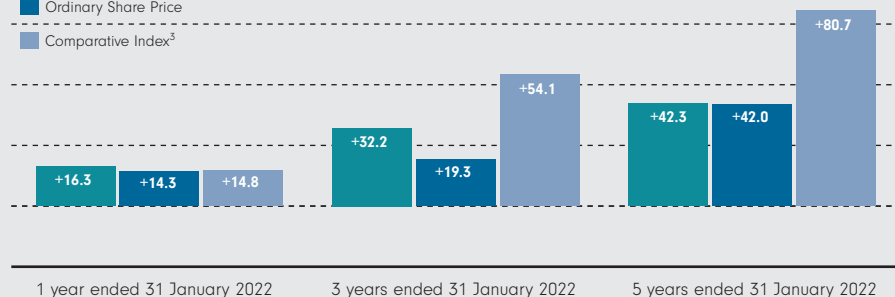
(31 January 2021: +20.0%)

### Standardised Performance Total Return (%)<sup>1</sup>

■ NAV per Ordinary Share

■ Ordinary Share Price

■ Comparative Index<sup>3</sup>



Sources: Fidelity and Datastream.

Past performance is not a guide to future returns.

1 Includes reinvested income.

2 Alternative Performance Measures. See Glossary of Terms on page 33.

3 MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in Sterling terms).

## Summary of Results

Assets	31 January 2022	31 July 2021
Gross Asset Exposure <sup>1</sup>	£370.0m	£375.1m
Total Shareholders' Funds	£365.6m	£364.1m
NAV per Ordinary Share <sup>2</sup>	499.63p	497.50p
Gearing <sup>2,3</sup>	1.2%	3.0%
<b>Share Price and Discount Data</b>		
Ordinary Share Price at the period end	469.00p	483.00p
Period high	505.00p	506.00p
Period low	458.00p	333.00p
(Discount) to NAV per Ordinary Share at period end <sup>2</sup>	(6.1%)	(2.9%)
(Discount period low)/Premium period high	(0.2%)	2.6%
(Discount) period high	(8.9%)	(11.9%)
<b>Results for the six months ended 31 January</b>	<b>2022</b>	<b>2021</b>
Revenue Return per Ordinary Share <sup>2</sup>	4.30p	2.57p
Capital Return per Ordinary Share <sup>2</sup>	6.64p	78.21p
Total Return per Ordinary Share <sup>2</sup>	10.94p	80.78p

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

2 Alternative Performance Measures. See Glossary of Terms on page 33.

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

## Summary of the key aspects of the Investment Policy

- The Portfolio Manager invests in securities of companies which he considers have fundamental value that has not been recognised by the market.
- The Company is not restricted in terms of size or industry of companies included in the portfolio and may invest in unlisted securities.
- The Company may also invest into other transferable securities, collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management and investment purposes.
- The Company operates a variable management fee arrangement. The variable element of the fee is calculated by reference to its Benchmark Index (see Glossary of Terms on page 33 for details of the Benchmark Index).

# Portfolio Manager's Half-Yearly Review

## Performance Review

Over the six month period ended 31 January 2022, the net asset value ("NAV") of Fidelity Asian Values PLC rose by 2.2% while the share price fell by 1.1%, compared with a fall of 1.0% in the Comparative Index (the MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in Sterling terms)).

One of the major recent features of the investment landscape across Asia has been the material outperformance of small-cap companies relative to large-cap companies. This has been true during the six month period to 31 January 2022, but the trend really started to take root in March 2020 and looks like a partial mean reversion from what happened between 2016 and 2019 when large-cap companies significantly outperformed small-cap companies. During the last twelve months, on a sectoral basis, we have also seen significant declines in highly priced large-cap companies as well as good earnings delivery from cheaper sectors in the market such as financials, commodities, telecommunications and energy. We have also started to see a similar phenomenon in smaller-cap equities since the start of the calendar year.

However, scratch a little deeper and a large discrepancy can be seen within Asia's smaller companies, where there has been a disproportionate outperformance of small-cap growth versus small-cap value. Small-cap growth companies are now trading at a premium of over 100% to small-cap value companies - a level we last saw in 1999-2000. Given our small-cap value-oriented focus, this market backdrop has been a big headwind for us.

A silver lining to this is that it means we are able to buy some very good businesses without too much competition. In all this, our process has remained unchanged. We continue to believe that fundamental analysis and owning good businesses where the valuation leaves sufficient margin of safety is the most time-tested way to make money in the stock market over the long term.

## Company's NAV and Comparative Index returns (as at 31 January 2022)

	NAV total return (Cumulative) (%)	Comparative Index total return (%)
<b>Tenure (since 1 April 2015)</b>	+87.8	+63.9
<b>5 Years</b>	+42.3	+49.2
<b>3 Years</b>	+32.2	+44.4
<b>1 Year</b>	+16.3	+14.8
<b>6 Months</b>	+2.2	-1.0
<b>3 Months</b>	+0.1	-3.0

Source: Fidelity International.



**Key Contributors over six months (as at 31 January 2022)**

Order	Security	Average Active Weight (%)	Gain/Loss (%)	Contribution to Relative Returns (%)
<b>Top 5</b>				
1	China Overseas Land & Investment	+1.2	+49.1	+0.5
2	Power Grid Corporation of India	+1.3	+36.9	+0.4
3	KEI Industries	+1.0	+55.1	+0.4
4	Federal Bank	+1.3	+19.1	+0.3
5	Tech Mahindra	+1.1	+27.7	+0.3
<b>Total</b>				<b>+1.9</b>

Source: Fidelity International.

**Key Detractors over six months (as at 31 January 2022)**

Order	Security	Average Active Weight (%)	Gain/Loss (%)	Contribution to Relative Returns (%)
<b>Top 5</b>				
1	China Yongda Automobile Services Holdings	+2.4	-29.3	-0.8
2	Chaowei Power	+0.6	-39.4	-0.4
3	Alibaba Group Holding	+0.8	-35.8	-0.4
4	Chow Sang Sang Holdings International	+2.0	-17.0	-0.4
5	Taiwan Union Technology	+1.5	-18.2	-0.3
<b>Total</b>				<b>-2.3</b>

Source: Fidelity International.

You will note from the tables above that most of the detractors are from China, while most of the contributors are from India. This is more of a reflection of the state of the stock markets in these two countries rather than due to business performance. However, I am finding more opportunities in China where the market has declined due to structural reasons (policy changes) and cyclical reasons (slowing economic cycle).

The notable exception to the above trend was China Overseas Land & Investment which is a government-owned housebuilder in China

and will be a big beneficiary of the turmoil in the private sector from housebuilders such as Evergrande, etc.

**Market Environment - Conflict between Russia and Ukraine**

Russia invaded Ukraine on 24 February 2022. The conflict is first and foremost a human tragedy but given its global ramifications, it would be remiss to not reflect briefly on the possible implications for the Company. While the direct impact of the conflict on the Company's holdings is relatively limited, the situation is fluid and changing rapidly, and we

## Portfolio Manager's Half-Yearly Review continued

are therefore limited in the conclusions that we can currently draw. However, it is apparent that sanctions impacting Russian companies are likely to be in place for some time and further market volatility is to be expected. Supply chain issues and inflationary pressures are also likely to persist and these will almost certainly complicate the already difficult task that central banks were facing in trying to tackle inflation.

In terms of positioning, I am reducing positions and/or selling out of stocks which have not yet declined but where I believe companies may not have the pricing power to face an inflationary shock (e.g. energy and coal companies in India). I am also selectively adding some stocks where prices have declined in anticipation of an inflationary shock but where the franchise has a long history of delivering through various inflationary regimes, for example HDFC Bank. I am also increasing holdings in companies that have cost pass

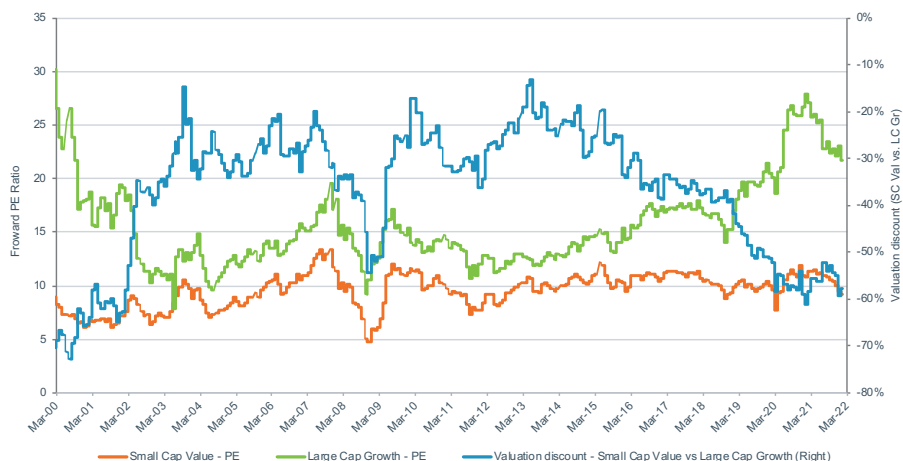
through mechanisms built into their business models such as utility stocks.

### Investment strategy

The last couple of years in the markets have been unprecedented, as the world moved from the pandemic to a government funded liquidity boom. This led to extreme levels of speculation in what were perceived as growth equities. We have started to see a correction in some of these excesses in the last few months.

As can be seen from the charts below and on the next page, smaller value companies continue to trade at a very wide valuation discount to growth stocks (both large and small companies). As I have said before, the valuation set up is very similar to the tech bubble of 2000, making the opportunity for small-cap value stock picking to be even greater than usual.

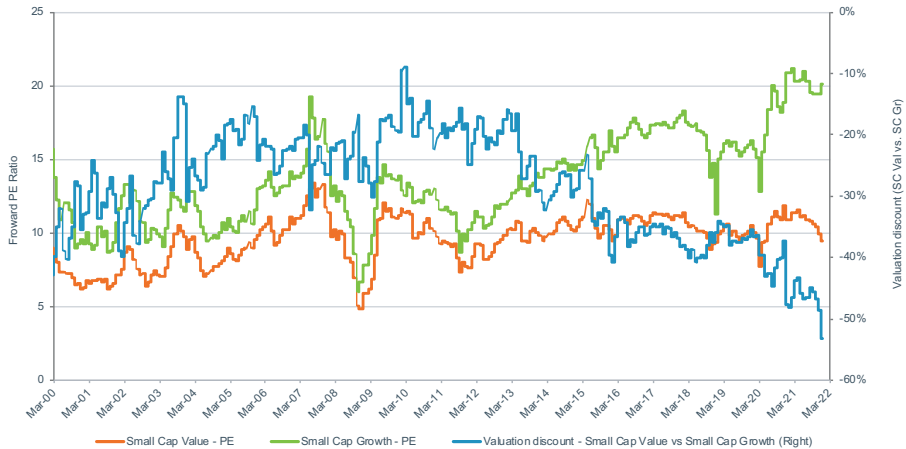
### Valuation Dispersion (20 Years) – Asian Small-Cap Value vs Asian Large-Cap Growth



Source: Refinitiv Factset, February 2022. Price to Earnings (P/E) Ratio is a measure for valuing a company's share price versus its earnings. Low PE can indicate that a company may currently be undervalued.



## Valuation Dispersion (20 Years) – Asian Small-Cap Value vs Asian Small-Cap Growth



Source: Refinitiv Factset, February 2022. Price to Earnings (P/E) Ratio is a measure for valuing a company's share price versus its earnings. Low PE can indicate that a company may currently be undervalued.

The extreme valuations have been caused by a wall of money - created by governments across the globe in response to the pandemic - all chasing the same stocks in the market. With inflation running at 7% in the US, which is the highest level since the 1980s, and interest rates at zero, essentially the governments are telling everyone, including savers, to go out and borrow. And this is what they have been doing. For instance, the ratio of margin debt (the amount that investors can borrow to buy stocks) to GDP is at an all-time high. During the tech bubble, it also peaked at 3%; and at the time of the housing bubble, it spiked to around 3%. It is now at a staggering 4.5%. These levels are not just high in the US - we are seeing this in countries across the globe. I don't want to call this a bubble, but it certainly does feel like one.

Even in markets where valuations are stretched, we are also seeing businesses trading very cheaply, creating opportunities for patient

investors. We own a portfolio of businesses which are dominant in their industries, earn good returns on capital and are available at attractive valuations. I am excited about the stocks we hold in the portfolio, and the following fundamentals apply to the Company:

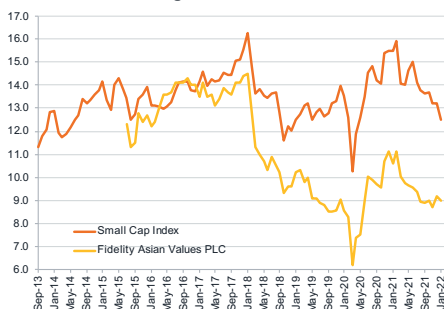
- Return on Equity of 14.4% versus 12.0% for the Comparative Index
- Price to earnings: 9.0x versus 12.5x for the Comparative Index
- Dividend yield of 3.5% versus 2.2% for the Comparative Index

# Portfolio Manager's Half-Yearly Review continued

## Fund Valuation

Higher quality businesses at a lower price

### Lower Price to Earnings Ratio vs. indices



### Higher Return on Equity vs. indices



Source: Fidelity International, Refinitiv FactSet, 31 January 2022. Index: MSCI AC Asia ex Japan Small-Cap Index

Price to Earnings (P/E) Ratio is a measure for valuing a company's share price versus its earnings. Price to Earnings based on FY1 estimates. Low P/E can indicate that a company may currently be undervalued. Price to Book (P/B) Ratio is a measure for valuing a company's share price versus its book value. Low P/B can indicate that a company may currently be undervalued.

In conclusion, a few key messages are worth highlighting. We are in an experimental world with untried economic and monetary policies. There is no playbook for this and we do not know how this will end. So, we have to stay vigilant and we have to be nimble.

The stock market continues to be two-paced and very bifurcated, where on the one hand, we have extreme valuations driven by speculative behaviour, and on the other hand, there are stocks which are completely ignored. This is creating opportunities in markets such as those in Asia which are in a better shape

than the West, but not risk-free. In order to take advantage of these opportunities, the Company's gearing has increased from 1.2% as of 31 January 2022 to around 8% as of the date of this report. Against this backdrop, I feel confident about the businesses we own, but I will continue to remain watchful in this ever-changing market environment.

## Nitin Bajaj

Portfolio Manager

20 April 2022

# Twenty Largest Holdings

as at 31 January 2022

The Asset Exposures shown below measure exposure to market price movements as a result of owning shares, equity linked notes and derivative instruments. The Fair Value is the actual value of the portfolio. Where a contract for difference ("CFD") is held, the Fair Value reflects the profit or loss on the contract since it was opened and is based on how much the share price of the underlying share has moved.

	Asset Exposure £'000	% <sup>1</sup>	Fair Value £'000
<b>Long Exposures – shares unless otherwise stated</b>			
<b>China Yongda Automobiles Services Holdings (shares and long CFD)</b>			
Investment holding company engaged in the sale of passenger vehicles and provision of related services	8,013	2.2	6,180
<b>Federal Bank</b>			
Private sector bank	7,657	2.1	7,657
<b>Arwana Citramulia</b>			
Ceramics manufacturer	7,606	2.1	7,606
<b>Focus Media Information Technology (shares and equity linked notes)</b>			
Advertising solution provider	7,134	1.9	7,134
<b>Chow Sang Sang Holdings International (shares and long CFD)</b>			
Jewellery retailer	6,962	1.9	6,658
<b>Sinotrans (shares and long CFD)</b>			
Logistics, storage and terminal services provider	6,918	1.9	5,458
<b>Axis Bank</b>			
Private sector bank	6,676	1.8	6,676
<b>Texwinca Holdings</b>			
Production and sales of dyed yarns and knitted fabrics	6,554	1.8	6,554
<b>Indofood CBP Sukses Makmur</b>			
Producer of packaged food products	6,201	1.7	6,201
<b>Shinhan Financial Group</b>			
Financial holding company	6,038	1.6	6,038
<b>Powertech Technology</b>			
Provider of turnkey services for chip probing, packaging and testing	5,990	1.6	5,990

## Twenty Largest Holdings continued

as at 31 January 2022

	Asset Exposure		Fair Value
	£'000	% <sup>1</sup>	£'000
<b>Taiwan Union Technology</b>			
Provider of professional support, value-added materials and advanced mass lamination service to the global electronics industry	5,900	1.6	5,900
<b>Granules India</b>			
Pharmaceutical manufacturing company	5,518	1.5	5,518
<b>PTC India</b>			
Provider of power trading solutions in India	5,426	1.5	5,426
<b>Qingdao Port International</b>			
Provider of port services	5,388	1.5	5,388
<b>Shriram Transport Finance</b>			
Provider of hire purchase and lease finance for medium and heavy commercial vehicles	5,373	1.5	5,373
<b>Elite Material</b>			
Manufacturer and distributor of base materials for circuit boards	5,322	1.5	5,322
<b>Gold Road Resources</b>			
Gold production and exploration company	5,277	1.4	5,277
<b>Japfa</b>			
Industrial agri-food company	4,606	1.3	4,606
<b>Pacific Textile Holdings (shares and long CFD)</b>			
Manufacturer of customised knitted fabric	4,600	1.3	3,334
<b>Twenty largest long exposures</b>	<b>123,159</b>	<b>33.7</b>	<b>118,296</b>
Other long exposures	241,711	66.1	234,931
<b>Total long exposures before futures and hedges (153 holdings)</b>	<b>364,870</b>	<b>99.8</b>	<b>353,227</b>

	Asset Exposure		Fair Value
	£'000	% <sup>1</sup>	£'000
<b>Add: long futures</b>			
MSCI All Countries Asia ex Japan Index Future 18/03/2022	4,162	1.2	(213)
<b>Less: hedging exposures</b>			
S&P CNX Nifty Index 31/03/2022 (put option)	(4,998)	(1.4)	365
<b>Total long exposures after the netting of hedges</b>	<b>364,034</b>	<b>99.6</b>	<b>353,379</b>
<b>Add: short exposures</b>			
Short CFDs (6 holdings)	5,933	1.6	352
<b>Gross Asset Exposure<sup>2</sup></b>	<b>369,967</b>	<b>101.2</b>	
Forward Currency Contracts			(24)
<b>Portfolio Fair Value<sup>3</sup></b>			<b>353,707</b>
Net current assets (excluding derivative assets and liabilities)			11,919
<b>Total Shareholders' Funds/Net Assets</b>			<b>365,626</b>

1 Asset Exposure expressed as a percentage of Total Shareholders' Funds.

2 Gross Asset Exposure comprises market exposure to investments of £353,441,000 plus market exposure to derivative instruments of £16,526,000.

3 Portfolio Fair Value comprises investments of £353,441,000 plus derivative assets of £779,000 less derivative liabilities of £513,000 (per the Balance Sheet on page 20).

# Interim Management Report

## Board Changes

Timothy Scholefield stepped down from the Board at the conclusion of the Annual General Meeting ("AGM") on 3 December 2021.

Sally Macdonald was appointed to the Board on 1 January 2022. She has over 36 years' experience in asset management covering the UK and Asian markets at various investment houses including Sanwa International, Lazard Brothers Asset Management, Canada Life, Morley Fund Managers, Dalton Strategic Partnership and City of London Investment Management. She is a Director of JP Morgan Japanese Investment Trust and a Trustee of Helping the Burmese Delta. She was, until recently, Head of Asian Equities at Marlborough Fund Managers.

As part of the Board's succession plan, Matthew Sutherland was also appointed to the Board on 1 January 2022. Mr. Sutherland has 32 years' experience of working in financial markets, primarily as an equity analyst and head of research, of which the last 24 years were spent in Asia covering Asian markets. Prior to retiring from full-time employment in 2016, he worked for Fidelity International, running its substantial and highly-regarded Asian equity research team of over 70 analysts out of Hong Kong and Tokyo covering all the Asian stock markets. Prior to joining Fidelity, he was Country Head for HSBC Securities in Taiwan and worked for BNP Paribas in Manila. Since retiring from full-time employment, Mr. Sutherland has pursued an interest in the art world, receiving a first-class honours degree in History of Art in 2020 and an MA in Art Market and Appraisal in 2021.

Having completed his nine year tenure on the Board, Grahame Stott will step down from the Board at the Company's AGM in November 2022. Clare Brady will replace him as Chair of

the Audit Committee in accordance with the Board's succession plan.

## Discount Management and Share Repurchases

The Board operates an active discount management policy, the primary purpose of which is to reduce discount volatility. Repurchases of ordinary shares are made at the discretion of the Board, within guidelines set by it and in light of prevailing market conditions. Shares will only be repurchased when it results in an enhancement to the NAV of the ordinary shares. In order to assist in managing the discount, the Board has shareholder approval to hold in Treasury any ordinary shares repurchased by the Company, rather than cancelling them. Any shares held in Treasury would only be re-issued at NAV per share or at a premium to NAV per share.

There continues to be turmoil in the world's financial markets and at times the Company's discount has been commensurately volatile. It remained in single digits during the reporting period and the Company did not carry out any share repurchases. However, since the end of the reporting period, as the discount widened into double digits, the Company repurchased 138,532 shares into Treasury.

## Principal Risks and Uncertainties

The Board, with the assistance of the Manager (FIL Investment Services (UK) Limited), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company fall into the following categories: market, economic and political risks; discount control risk; cybercrime risk; investment performance risk; key person



risk; environmental, social and governance (ESG) risk; and pandemic risk. Other risks facing the Company include tax and regulatory risks and operational (service providers) risks. Information on each of these risks can be found in the Strategic Report section of the Annual Report for the year ended 31 July 2021 which can be found on the Company's pages of the Manager's website at [www.fidelity.co.uk/asianvalues](http://www.fidelity.co.uk/asianvalues).

While the principal risks and uncertainties are the same as those at the previous year end, the uncertainty has been heightened by the Russia and Ukraine conflict. The quantum of risks has changed, and continues to change. The Board remains vigilant in monitoring such risks.

A key emerging risk that the Board has identified is climate change. It is one of the most critical emerging issues confronting asset managers and their investors. The Board notes that the Manager has integrated ESG considerations, including climate change, into the Company's investment process. The Board will continue to monitor this.

Risks from emerging new variants of COVID-19 continue, but the fight against the virus gets stronger with each passing year as vaccination and booster rates increase and treatment for those affected improves. Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long-term investment. These risks are somewhat mitigated by the investment trust structure of the Company which means that no forced sales need to take place to deal with any redemptions. Therefore, investments in the Company's portfolio can be held over a longer time horizon.

The Manager carries on reviewing its business continuity plans and its operational

resilience strategies on an ongoing basis. It continues to take all reasonable steps in meeting its regulatory obligations and to assess operational risks, the ability to continue operating and the steps it needs to take to serve and support its clients, including the Board. The Manager has appropriate business continuity plans in place and the provision of services has continued to be supplied without interruption during the pandemic and continues to do so.

Investment team key activities, including those of portfolio managers, analysts and trading/support functions, have continued to perform well despite the operational challenges posed when working from home or when split team arrangements were in place.

The Company's other third party service providers have also implemented similar measures to ensure that business disruption is kept to a minimum.

### **Transactions with the Manager and Related Parties**

The Manager has delegated the Company's portfolio management and company secretariat services to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 12 to the Financial Statements on page 28.

### **Going Concern Statement**

The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio, its expenditure and cash flow projections. The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) and the projected income

## Interim Management Report continued

and expenditure, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and can continue in operational existence for a period of at least twelve months from the date of this Half-Yearly Report.

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

This conclusion also takes into account the Board's assessment of the ongoing risks from COVID-19 and evolving variants as set out on the previous page.

Continuation votes are held every five years and the next continuation vote will be put to shareholders at the AGM in 2026.

By Order of the Board

**FIL Investments International**

20 April 2022

# Directors' Responsibility Statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- a) the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council's Standard, FRS 104: Interim Financial Reporting; and
- b) the Portfolio Manager's Half-Yearly Review on pages 4 to 8 and the Interim Management Report on pages 12 to 14 include a fair review of the information required by DTR 4.2.7R and 4.2.8R.

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

The Half-Yearly Report was approved by the Board on 20 April 2022 and the above responsibility statement was signed on its behalf by Kate Bolsover, Chairman.

# Income Statement

for the six months ended 31 January 2022

		Six months ended 31 January 2022 unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains on investments		-	5,093	5,093
(Losses)/gains on derivative instruments		-	(795)	(795)
Income	4	5,391	-	5,391
Investment management fees	5	(1,301)	372	(929)
Other expenses		(466)	-	(466)
Foreign exchange gains/(losses)		-	807	807
<b>Net return on ordinary activities before finance costs and taxation</b>		<b>3,624</b>	<b>5,477</b>	<b>9,101</b>
Finance costs		(93)	-	(93)
<b>Net return on ordinary activities before taxation</b>		<b>3,531</b>	<b>5,477</b>	<b>9,008</b>
Taxation on return on ordinary activities	6	(386)	(620)	(1,006)
<b>Net return on ordinary activities after taxation for the period</b>		<b>3,145</b>	<b>4,857</b>	<b>8,002</b>
<b>Return per ordinary share</b>	7	<b>4.30p</b>	<b>6.64p</b>	<b>10.94p</b>

The Company does not have any other comprehensive income. Accordingly the net return on ordinary activities after taxation for the period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

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

Six months ended 31 January 2021 unaudited			Year ended 31 July 2021 audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	54,689	54,689	-	94,254	94,254
-	3,675	3,675	-	6,975	6,975
4,017	-	4,017	10,842	-	10,842
(1,052)	292	(760)	(2,272)	649	(1,623)
(389)	-	(389)	(768)	(3)	(771)
-	(1,095)	(1,095)	-	(1,671)	(1,671)
2,576	57,561	60,137	7,802	100,204	108,006
(143)	-	(143)	(287)	-	(287)
2,433	57,561	59,994	7,515	100,204	107,719
(548)	(134)	(682)	(774)	(3,380)	(4,154)
1,885	57,427	59,312	6,741	96,824	103,565
2.57p	78.21p	80.78p	9.20p	132.09p	141.29p

# Statement of Changes in Equity

for the six months ended 31 January 2022

	Notes	Share capital £'000	Share premium account £'000
<b>Six months ended 31 January 2022 (unaudited)</b>			
<b>Total shareholders' funds at 31 July 2021</b>		<b>18,895</b>	<b>50,501</b>
Net return on ordinary activities after taxation for the period		-	-
Dividend paid to shareholders	8	-	-
<b>Total shareholders' funds at 31 January 2022</b>		<b>18,895</b>	<b>50,501</b>
<b>Six months ended 31 January 2021 (unaudited)</b>			
<b>Total shareholders' funds at 31 July 2020</b>		<b>18,895</b>	<b>50,501</b>
Net return on ordinary activities after taxation for the period		-	-
Repurchase of ordinary shares	10	-	-
Dividend paid to shareholders	8	-	-
<b>Total shareholders' funds at 31 January 2021</b>		<b>18,895</b>	<b>50,501</b>
<b>Year ended 31 July 2021 (audited)</b>			
<b>Total shareholders' funds at 31 July 2020</b>		<b>18,895</b>	<b>50,501</b>
Net return on ordinary activities after taxation for the year		-	-
Repurchase of ordinary shares	10	-	-
Dividend paid to shareholders	8	-	-
<b>Total shareholders' funds at 31 July 2021</b>		<b>18,895</b>	<b>50,501</b>



Capital redemption reserve £'000	Other non-distributable reserve £'000	Other reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
3,197	7,367	719	273,107	10,278	364,064
-	-	-	4,857	3,145	8,002
-	-	-	-	(6,440)	(6,440)
3,197	7,367	719	277,964	6,983	365,626
3,197	7,367	3,379	176,283	9,778	269,400
-	-	-	57,427	1,885	59,312
-	-	(2,575)	-	-	(2,575)
-	-	-	-	(6,241)	(6,241)
3,197	7,367	804	233,710	5,422	319,896
3,197	7,367	3,379	176,283	9,778	269,400
-	-	-	96,824	6,741	103,565
-	-	(2,660)	-	-	(2,660)
-	-	-	-	(6,241)	(6,241)
3,197	7,367	719	273,107	10,278	364,064

# Balance Sheet

as at 31 January 2022

Company number 3183919

	Notes	31.01.22 unaudited £'000	31.07.21 audited £'000	31.01.21 unaudited £'000
<b>Fixed assets</b>				
Investments	9	353,441	350,225	287,675
<b>Current assets</b>				
Derivative instruments	9	779	437	633
Debtors		2,144	3,489	3,446
Amounts held at futures clearing houses and brokers		1,609	2,825	1,113
Cash at bank		13,368	14,128	30,161
		17,900	20,879	35,353
<b>Current liabilities</b>				
Derivative instruments	9	(513)	(1,335)	(1,327)
Other creditors		(5,202)	(5,705)	(1,805)
		(5,715)	(7,040)	(3,132)
<b>Net current assets</b>		12,185	13,839	32,221
<b>Net assets</b>		365,626	364,064	319,896
<b>Capital and reserves</b>				
Share capital	10	18,895	18,895	18,895
Share premium account		50,501	50,501	50,501
Capital redemption reserve		3,197	3,197	3,197
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		719	719	804
Capital reserve		277,964	273,107	233,710
Revenue reserve		6,983	10,278	5,422
<b>Total shareholders' funds</b>		365,626	364,064	319,896
<b>Net asset value per ordinary share</b>	11	499.63p	497.50p	437.08p

# Notes to the Financial Statements

## 1 Principal Activity

Fidelity Asian Values PLC is an Investment Company incorporated in England and Wales with a premium listing on the London Stock Exchange. The Company's registration number is 3183919, and its registered office is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP. The Company has been approved by HM Revenue & Customs as an Investment Trust under Section 1158 of the Corporation Tax Act 2010 and intends to conduct its affairs so as to continue to be approved.

## 2 Publication of Non-statutory Accounts

The Financial Statements in this Half-Yearly Report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 July 2021 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

## 3 Accounting Policies

### (i) Basis of Preparation

The Company prepares its Financial Statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The Financial Statements are also prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC") in April 2021. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 July 2021.

### (ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Board's assessment of the continuing risks arising from COVID-19 and evolving variants.

# Notes to the Financial Statements continued

## 4 Income

	Six months ended 31.01.22 unaudited £'000	Six months ended 31.01.21 unaudited £'000	Year ended 31.07.21 audited £'000
<b>Investment income</b>			
Overseas dividends	5,074	3,382	9,457
Overseas scrip dividends	111	310	654
	5,185	3,692	10,111
<b>Derivative income</b>			
Dividends received on long CFDs	203	320	720
Interest received on CFDs	2	5	9
	205	325	729
<b>Other interest</b>			
Interest received on collateral and deposits	1	-	2
<b>Total income</b>	<b>5,391</b>	<b>4,017</b>	<b>10,842</b>

No special dividends have been recognised in capital during the period (six months ended 31 January 2021: £3,676,000 and year ended 31 July 2021: £4,103,000).

## 5 Investment Management Fees

	Six months ended 31.01.22 unaudited £'000	Six months ended 31.01.21 unaudited £'000	Year ended 31.07.21 audited £'000
Investment management fees – base (charged to revenue)	1,301	1,052	2,272
Investment management fees – variable (credited to capital)	(372)	(292)	(649)
	929	760	1,623

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

The Company charges base investment management fees at an annual rate of 0.70% of net assets. In addition, there is +/- 0.20% variation fee based on the Company's NAV per share performance relative to the Company's Benchmark Index. Fees are payable monthly in arrears and are calculated on a daily basis.

## 6 Taxation on Return on Ordinary Activities

	Six months ended 31.01.22 unaudited £'000	Six months ended 31.01.21 unaudited £'000	Year ended 31.07.21 audited £'000
Revenue – taxation on overseas dividends	386	548	774
Capital – Indian capital gains tax	620	134	3,380
<b>Total taxation charge for the period</b>	<b>1,006</b>	<b>682</b>	<b>4,154</b>

# Notes to the Financial Statements continued

## 7 Return per Ordinary Share

	<b>Six months ended 31.01.22 unaudited</b>	Six months ended 31.01.21 unaudited	Year ended 31.07.21 audited
Revenue return per ordinary share	<b>4.30p</b>	2.57p	9.20p
Capital return per ordinary share	<b>6.64p</b>	78.21p	132.09p
Total return per ordinary share	<b>10.94p</b>	80.78p	141.29p

The return per ordinary share is based on the net return on ordinary activities after taxation for the period divided by the weighted average number of ordinary shares in issue during the period, as shown below:

	<b>£'000</b>	£'000	£'000
Net revenue return on ordinary activities after taxation	<b>3,145</b>	1,885	6,741
Net capital return on ordinary activities after taxation	<b>4,857</b>	57,427	96,824
Net total return on ordinary activities after taxation	<b>8,002</b>	59,312	103,565

	<b>Number</b>	Number	Number
Weighted average number of ordinary shares held outside Treasury during the period	<b>73,178,879</b>	73,428,741	73,297,971



## 8 Dividends Paid to Shareholders

	Six months ended 31.01.22 unaudited £'000	Six months ended 31.01.21 unaudited £'000	Year ended 31.07.21 audited £'000
Dividend of 8.80 pence per ordinary share paid for the year ended 31 July 2021	6,440	-	-
Dividend of 8.50 pence per ordinary share paid for the year ended 31 July 2020	-	6,241	6,241
	6,440	6,241	6,241

No dividend has been declared in respect of the six months ended 31 January 2022 (six months ended 31 January 2021: £nil).

## 9 Fair Value Hierarchy

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

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

# Notes to the Financial Statements continued

## 9 Fair Value Hierarchy continued

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are as disclosed in the Company's Annual Report for the year ended 31 July 2021 (Accounting Policies Notes 2 (k) and 2 (l) on page 59). The table below sets out the Company's fair value hierarchy:

31 January 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
Investments	347,827	4,161	1,453	353,441
Derivative instrument assets	365	414	–	779
	348,192	4,575	1,453	354,220
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instrument liabilities	(213)	(300)	–	(513)

31 July 2021 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
Investments	346,634	1,869	1,722	350,225
Derivative instrument assets	44	393	–	437
	346,678	2,262	1,722	350,662
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instrument liabilities	(336)	(999)	–	(1,335)

31 January 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
Investments	284,357	2,157	1,161	287,675
Derivative instrument assets	406	227	–	633
	284,763	2,384	1,161	288,308
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative instrument liabilities	–	(1,327)	–	(1,327)

## 10 Share Capital

	31 January 2022 unaudited		31 July 2021 audited		31 January 2021 unaudited	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
<b>Issued, allotted and fully paid</b>						
<b>Ordinary shares of 25 pence each held outside of Treasury</b>						
<b>Beginning of the period</b>	<b>73,178,879</b>	<b>18,295</b>	73,932,107	18,483	73,932,107	18,483
Ordinary shares repurchased into Treasury	-	-	(753,228)	(188)	(742,273)	(186)
<b>End of the period</b>	<b>73,178,879</b>	<b>18,295</b>	73,178,879	18,295	73,189,834	18,297
<b>Ordinary shares of 25 pence each held in Treasury<sup>1</sup></b>						
<b>Beginning of the period</b>	<b>2,402,010</b>	<b>600</b>	1,648,782	412	1,648,782	412
Ordinary shares repurchased into Treasury	-	-	753,228	188	742,273	186
<b>End of the period</b>	<b>2,402,010</b>	<b>600</b>	2,402,010	600	2,391,055	598
<b>Total share capital</b>		<b>18,895</b>		18,895		18,895

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

There were no share repurchases into Treasury during the period (year ended 31 July 2021: £2,660,000 and six months ended 31 January 2021: £2,575,000).

# Notes to the Financial Statements continued

## 11 Net Asset Value per Ordinary Share

	<b>31.01.22 unaudited</b>	31.07.21 audited	31.01.21 unaudited
Total shareholders' funds	<b>£365,626,000</b>	£364,064,000	£319,896,000
Ordinary shares held outside of Treasury at period end	<b>73,178,879</b>	73,178,879	73,189,834
Net asset value per ordinary share	<b>499.63p</b>	497.50p	437.08p

It is the Company's policy that shares held in Treasury will only be reissued at net asset value per ordinary share or at a premium to net asset value per ordinary share and, therefore, shares held in Treasury have no dilutive effect.

## 12 Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management and the role of Company Secretary to FIL Investments International ("FIL"). Both companies are Fidelity group companies.

Details of the fee arrangements are given in Note 5 above. During the period, management fees of £929,000 (six months ended 31 January 2021: £760,000 and year ended 31 July 2021: £1,623,000) and secretarial and administration fees of £38,000 (six months ended 31 January 2021: £38,000 and year ended 31 July 2021: £75,000) were payable to FIL. At the Balance Sheet date, management fees of £157,000 (31 January 2021: £143,000 and 31 July 2021: £156,000) and secretarial and administration fees of £25,000 (31 January 2021: £6,000 and 31 July 2021: £25,000) were accrued and included in other creditors. FIL also provides the Company with marketing services. The total amount payable for these services during the period was £104,000 (six months ended 31 January 2021: £66,000 and year ended 31 July 2021: £124,000). At the Balance Sheet date, marketing services of £13,000 (31 January 2021: £13,000 and 31 July 2021: £25,000) were accrued and included in other creditors.

As at 31 January 2022, the Board consisted of six non-executive Directors (as shown in the Directory on page 31), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £37,000, the Audit Committee Chairman an annual fee of £31,000 and each other Director an annual fee of £26,750. The following members of the Board held shares in the Company: Kate Bolsover 15,452 ordinary shares, Clare Brady 2,500 ordinary shares, Sally Macdonald 2,111 ordinary shares, Grahame Stott 25,000 ordinary shares, Matthew Sutherland 27,859 ordinary shares and Michael Warren 10,000 ordinary shares.

# Shareholder Information

## Investing in Fidelity Asian Values PLC

Fidelity Asian Values PLC is a company listed on the London Stock Exchange and you can buy its shares through a platform, stockbroker, share shop or bank. Fidelity also offers a range of options, so that you may invest in a way that is best for you. Details of how to invest and the latest Key Information Document can be found on the Company's pages of the Manager's website at **[www.fidelity.co.uk/asianvalues](http://www.fidelity.co.uk/asianvalues)**

## CONTACT INFORMATION

Shareholders and Fidelity Platform Investors should contact the appropriate administrator using the contact details given below and in the next column. Links to the websites of major platforms can be found online at **[www.fidelityinvestmenttrusts.com](http://www.fidelityinvestmenttrusts.com)**

## Shareholders on the main share register

Contact Link Group, Registrar to Fidelity Asian Values PLC, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: **[enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)**

Telephone: **0371 664 0300** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales).

Details of individual shareholdings and other information can also be obtained online from the Registrar's Share Portal at **[www.signalshares.com](http://www.signalshares.com)**. Shareholders are able to manage their shareholding online by registering for the Share Portal, a free and secure online access service. Facilities include:

**Account Enquiry** – Shareholders can access their personal shareholding, including share transaction history, dividend payment history and obtain an up-to-date shareholding valuation.

**Amendment of Standing Data** – Shareholders can change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download forms such as change of address, stock transfer and dividend mandate forms as well as buy and sell shares in the Company.

Should you have any queries in respect of the Link Share Portal, contact the helpline on **0371 664 0391** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).

## Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or in writing to: UK Customer Service, Fidelity, PO Box 391, Tadworth KT20 9FU.

Website: **[www.fidelity.co.uk](http://www.fidelity.co.uk)**

**Private investors:** call free on **0800 41 41 10**, 9:00 – 18:00 Monday to Saturday.

**Financial advisers:** call free on **0800 41 41 81**, 8:00 – 18:00, Monday to Friday.

## Shareholder Information continued

### General Enquiries

General enquiries should be made to the Secretary, at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: **01737 834798**

Email: **[investmenttrusts@fil.com](mailto:investmenttrusts@fil.com)**

Website: **[www.fidelityinvestmenttrusts.com](http://www.fidelityinvestmenttrusts.com)**

If you hold Fidelity Asian Values PLC shares in an account provided by Fidelity International, you will receive a report every six months detailing all of your transactions and the value of your shares.

### ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at **[www.sharegift.org.uk](http://www.sharegift.org.uk)**.

Financial Calendar 2022	
31 January 2022	Half-Yearly Period End
April 2022	Announcement of the Half-Yearly Results
April 2022	Publication of the Half-Yearly Report
31 July 2022	Financial Year End
October 2022	Publication of the Annual Report
November 2022	Annual General Meeting

# Directory

## Board of Directors

Kate Bolsover (Chairman)  
Clare Brady (Senior Independent Director)  
Sally Macdonald  
Grahame Stott (Chairman of the Audit Committee)  
Matthew Sutherland  
Michael Warren

## Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited  
Beech Gate  
Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey  
KT20 6RP

## Investment Manager, Secretary and Registered Office

FIL Investments International  
Beech Gate  
Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey  
KT20 6RP  
Email: [investmenttrusts@fil.com](mailto:investmenttrusts@fil.com)

## Banker and Custodian

JPMorgan Chase Bank (London Branch)  
125 London Wall  
London  
EC2Y 5AJ

## Depository

J.P. Morgan Europe Limited  
25 Bank Street  
London  
E14 5JP

## Financial Adviser and Stockbroker

Jefferies International Limited  
100 Bishopsgate  
London  
EC2N 4JL

## Independent Auditor

Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

## Lawyer

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

## Registrar

Link Group  
10th Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

# Data Protection

## General Data Protection Regulation ("GDPR")

### What personal data is collected and how is it used

The Company is an investment trust which is a public limited company and has certain regulatory obligations such as the requirement to send documents to its shareholders, for example, the Annual Report and other documents that relate to meetings of the Company. The Company will therefore collect shareholders' personal data such as names, addresses and identification numbers or investor codes and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity's Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

### Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company's Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company's website at <https://investment-trusts.fidelity.co.uk/security-privacy/>

The Company's agreements with the third party service providers have been updated to be compliant with GDPR requirements. The Company confirms to its shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders' personal data across national borders to Fidelity Group entities operating in the European Economic Area ("EEA"). Where this does occur, the European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity group, but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

### Retention period

We will keep the personal data for as long as is necessary for these purposes and no longer than we are legally permitted to do so.

### Requesting access, making changes to your personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity's UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.



# Glossary of Terms

## AIC

The Association of Investment Companies (“AIC”). The Company is a member of the AIC.

## AIF

Alternative Investment Fund (“AIF”). The Company is an AIF.

## AIFM

Alternative Investment Fund Manager (“AIFM”). The Board has appointed FIL Investment Services (UK) Limited to act as the Company’s AIFM (the Manager).

## AIFMD

The Alternative Investment Fund Managers Directive (“AIFMD”) is a European Union Directive and was implemented on 22 July 2014.

## Alternative Performance Measures

The Company uses the following Alternative Performance Measures which are all defined in this Glossary of Terms:

- Discount/Premium;
- Gearing;
- Net Asset Value (NAV) per Ordinary Share;
- Ongoing Charges;
- Revenue, Capital and Total Returns; and
- Total Return Performance (Net Asset Value Total Return and Share Price Total Return).

## Asset Exposure

The value of an underlying security or instrument to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of derivatives).

## Benchmark Index

The Benchmark Index is used to calculate the Variable Management Fee, in accordance with the European Benchmark Directive. Since 1 February 2020, it is the MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in Sterling terms). Prior to that and since 1 August 2015, it was the MSCI All Countries Asia ex Japan Index (net) total return (in Sterling terms).

## Collateral

Assets provided as security.

## Comparative Index

The MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in Sterling terms) against which the performance of the Company is measured.

## Contract for Difference (CFD)

A contract for difference is a derivative. It is a contract between the Company and an investment house at the end of which the parties exchange the difference between the opening price and the closing price of an underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A contract for difference allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as collateral. The Company may reason that the asset price will rise, by buying (“long” position) or fall, by selling (“short” position). If the Company trades long, dividends are received and interest is paid. If the Company trades short, dividends are paid and interest is received.

## Glossary of Terms continued

### Custodian

An entity that holds (as intermediary) the Company's assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company's [Custodian](#) is JPMorgan Chase Bank.

### Depository

An entity that oversees the custody, cash arrangements and other [AIFM](#) responsibilities of the Company. J.P. Morgan Europe act as the Company's [Depository](#).

### Derivatives

Financial instruments whose value is derived from the value of an underlying asset or other financial instrument. The main categories of [derivatives](#) are [contracts for difference](#), warrants, [futures](#), and [options](#).

### Discount

If the share price of the Company is lower than the [net asset value per ordinary share](#), the Company's shares are said to be trading at a [discount](#). It is shown as a percentage of the [net asset value per ordinary share](#).

### Equity Linked Notes

Debt instruments whose return on investment is linked to specific equities or equity markets. The return on [equity linked notes](#) may be determined by an equity index, a basket of equities, or a single equity.

### Fair Value

The [fair value](#) is the best measure of the realisable value of the investments, including [derivatives](#), at a point in time and this is measured as:

- **Listed investments** – valued at bid prices or last market prices, as available, otherwise at published price quotations;

- **Unlisted investments** – valued using an appropriate valuation technique in the absence of an active market;
- **Contracts for difference** – valued as the difference between the settlement price of the contract and the underlying shares in the contract (unrealised gains or losses);
- **Futures and options** – valued at the quoted trade price for the contract; and
- **Forward currency contracts** – valued at the appropriate quoted forward foreign exchange rate ruling at the Balance Sheet date.

### Fidelity International and Fidelity

FIL Limited and its subsidiary group companies including FIL Investment Services (UK) Limited and FIL Investments International which act as [AIFM](#), Secretary and [Investment Manager](#).

### Forward Currency Contract

Agreement to buy or sell a currency at a specified future date and at a pre-agreed price.

### Futures

Agreements to buy or sell a stated amount of a security at a specific future date and at a pre-agreed price.

### Gearing

The economic exposure of the portfolio to its underlying assets (either gross or net) in excess of total net assets. It represents the additional exposure to the market above [Shareholders' Funds](#).

### Gross Asset Exposure

The value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic

value of the exposure in the underlying asset of the **derivatives**). This is the sum total of all **Asset Exposures**.

### Gross Gearing

**Gross Asset Exposure** in excess of **Net Assets**.

### Growth Stocks

**Growth stocks** are those companies which are considered to have the potential to outperform the overall market over time because of their future potential.

### Hedging

A strategy aimed at minimising or eliminating the risk or loss through adverse movements normally involving taking a position in a **derivative** such as **future** or **option**.

### Independent Valuer

Kroll (formerly Duff & Phelps) who provide an objective and independent assessment of value of unlisted and hard to price assets.

### Investment Manager

FIL Investments International.

### Manager

FIL Investment Services (UK) Limited is the appointed **Manager** under the Alternative Investment Fund Managers' Directive ("AIFMD") and it has delegated the portfolio management of assets to FIL Investments International.

### Net Assets or Net Asset Value (NAV)

Sometimes also described as "shareholders' funds", net assets represent the total value of the Company's assets less the total value of its liabilities. For valuation purposes it is common to express the **net asset value** on a per ordinary share basis.

### Net Asset Value per Ordinary Share

The **net asset value** divided by the number of ordinary shares in issue.

### Net Gearing

**Net Market Exposure** in excess of **Net Assets**.

### Net Market Exposure

**Net Market Exposure** is the total of all long exposures, less short exposures and less exposures **hedging** the portfolio.

### Ongoing Charges

Total operational expenses (excluding finance costs and taxation) incurred by the Company as a percentage of average daily **net asset values** for the reporting period.

### Options

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

### Portfolio Manager

Nitin Bajaj is the appointed **Portfolio Manager** for the Company and is responsible for managing the Company's assets.

### Premium

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

### Registrar

An entity that manages the Company's shareholders register. The Company's **Registrar** is Link Group.

# Glossary of Terms continued

## Reserves

- **Share premium account** represents the amount by which the proceeds from the issue of new ordinary shares or the issue of ordinary shares on the exercise of rights attached to subscription shares, exceeded the nominal value of those ordinary shares. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Capital redemption reserve** maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Other non-distributable reserve** represents amounts transferred from the warrant reserve in prior years with High Court approval. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Other reserve** represents amounts transferred from the share premium account and the capital redemption reserve in prior years with High Court approval. It is not distributable by way of dividend. It can be used to fund share repurchases.
- **Capital reserve** represents realised gains and losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It is distributable by way of dividend and can be used to fund share repurchases.
- **Revenue reserve** represents retained revenue surpluses recognised in the revenue column of the Income Statement. It is distributable by way of dividend.

## Return

The **return** generated in a given period from investments:

- **Revenue return** – reflects the dividends and interest from investments and other income net of expenses, finance costs and taxation;
- **Capital return** – reflects the return on capital, excluding any revenue return; and
- **Total return** – reflects the aggregate of revenue and capital return.

## Shareholders' Funds

**Shareholders' funds** are also described as **net asset value** and represent the total value of the Company's assets less the total value of its liabilities as shown in the balance sheet.

## Total Return Performance

The return on the share price or **net asset value per ordinary share** taking into account the rise and fall of share prices and dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional shares (for share price total return) or the Company's assets (for **net asset value** total return).

## Treasury Shares

Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not receive dividends, have no voting rights and are excluded from the **net asset value per ordinary share** calculation.

## Value Stocks

**Value stocks** are usually companies that are currently trading below what they are really worth and will thus theoretically provide a superior return.



To find out more about Fidelity Asian Values PLC visit our website at [www.fidelity.co.uk/asianvalues](http://www.fidelity.co.uk/asianvalues) where you can read articles and watch videos on the Company.



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