

# Fidelity Asian Values PLC

Half-Yearly Report

For the 6 months ended 31 January 2016



## Contents

---

Investment Objective and Performance Summary	1
Financial Summary	2
Interim Management Report	3
Directors' Responsibility Statement	6
Twenty Largest Investments	7
Condensed Income Statement	10
Condensed Statement of Changes in Equity	12
Condensed Balance Sheet	14
Notes to the Condensed Financial Statements	15
Shareholder Information	20
Glossary of Terms	22

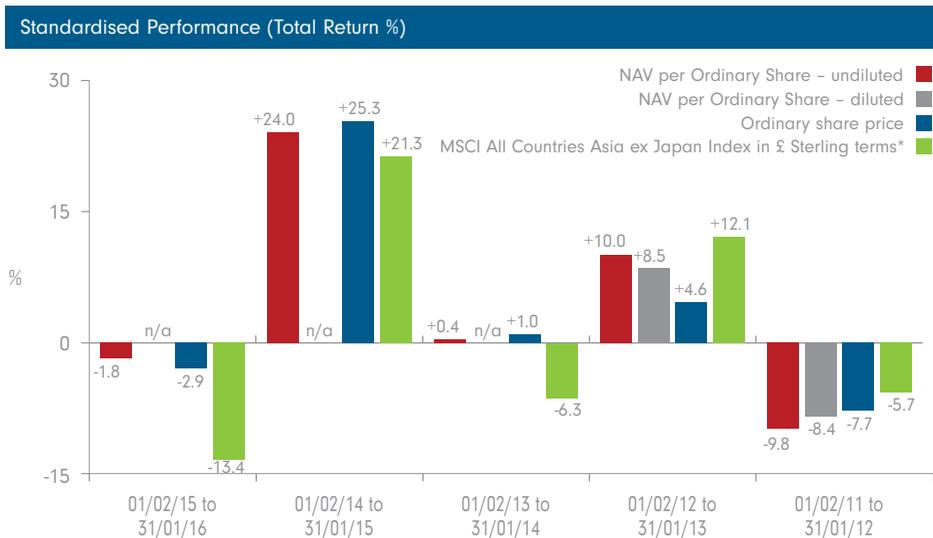
---

# Investment Objective and Performance Summary

To achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan).

## Performance for the six months ended 31 January 2016 (Total Return)

	Six months ended 31 January 2016
Net Asset Value ("NAV") per Ordinary Share (undiluted)	+3.1%
Ordinary Share Price	+1.2%
MSCI All Countries Asia ex Japan Index in £ Sterling terms*	-6.6%



\* The Company's Comparative Index from 1 August 2015. Prior to that date it was the MSCI All Countries Far East ex Japan Index (net) in £ Sterling terms

Sources: Fidelity and Datastream

Past performance is not a guide to future returns



The Company is a member of the Association of Investment Companies

# Financial Summary

	31 January 2016	31 July 2015
<b>Assets</b>		
Total Gross Asset Exposure <sup>1</sup>	£179.1m	£162.9m
Shareholders' Funds	£183.1m	£178.9m
NAV per Ordinary Share - undiluted	271.28p	265.14p
Gearing <sup>2</sup>	-2.2%	-9.0%
<b>Share price and Discount data</b>		
Ordinary Share Price at period end	237.75p	236.88p
Period high	247.00p	284.00p
Period low	197.25p	223.00p
Discount to NAV at period end	12.4%	10.7%
Period high	14.4%	13.3%
Period low	7.8%	7.5%
<b>Results for the six months to 31 January</b>		
	2016	2015
Revenue return per Ordinary Share	2.05p	0.22p
Capital return per Ordinary Share	6.09p	23.34p
Total return per Ordinary Share	8.14p	23.56p
<b>Total returns (includes reinvested income) for the six months to 31 January</b>		
	2016	2015
NAV per Ordinary Share - undiluted	+3.1%	+9.2%
Ordinary Share Price	+1.2%	+10.8%
MSCI All Countries Asia ex Japan Index in £ Sterling terms <sup>3</sup>	-6.6%	+8.2%

<sup>1</sup> The value of the portfolio exposed to market price movements

<sup>2</sup> Total Gross Asset Exposure less than Shareholders' Funds

<sup>3</sup> The Company's Comparative Index from 1 August 2015. Prior to that date it was the MSCI All Countries Far East ex Japan Index (net) in £ Sterling terms

Sources: Fidelity and Datastream

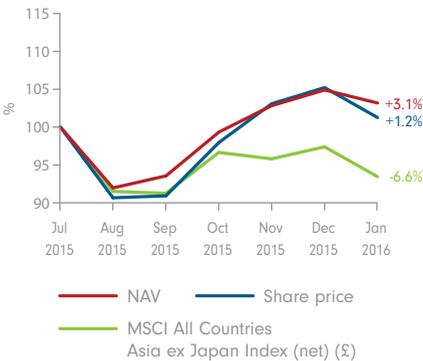
Past performance is not a guide to future returns

# Interim Management Report

## PERFORMANCE

Over the six months to 31 January 2016, the Company's net asset value strongly outperformed the MSCI All Countries Asia ex Japan Index (the Company's Comparative Index). The Company's NAV returned 3.1%, compared with a fall of 6.6% for the Company's Comparative Index. Share price return was 1.2%, the discount having widened from 10.7% at the start of the period to 12.4% at the end (all figures in £ Sterling terms and on a total return basis). While the numbers are encouraging, it should be noted that six months is a short period and the Portfolio Manager's investment horizon is typically three to five years.

Total return performance for the six months to 31 January 2016



Sources: Fidelity and Datastream

## MARKETS

The ebb and flow of markets resulting from normal business cycles was evident in the six-month period ended 31 January 2016 as most equity market indices declined due to concern regarding sustainability of the existing economic direction in China, and its resultant impact on the rest of the world. However, due to the weakness in £ Sterling, the decline in Asian equities in £ Sterling terms was less than in local currencies. Surprisingly, small-cap equities outperformed large-cap equities in Asia

during this period. This may have been due to large cap indices being dominated by commodity and financial industries.

## PORTFOLIO REVIEW

The Company's outperformance relative to the Comparative Index was driven by strong stock selection. The key contributors and detractors to performance are outlined below.

### KEY CONTRIBUTORS:

During the six-month period, the most rewarding holdings were New Oriental Education & Technology, Power Grid Corporation of India and HM Sampoerna.

- **New Oriental Education & Technology** is the largest after school tutoring service in China with a strong competitive position and pricing power. The business had been going through a period of substantial investment last year leading to low margins. As margins started to increase, the market took notice of the stock.
- **Power Grid Corporation of India** is a government-owned monopoly business with strong earnings growth benefiting from a stable regulatory regime. It has a history of generating strong returns over cycles and is at an attractive valuation.
- **HM Sampoerna** is majority-owned by Philip Morris. The company is one of the largest cigarette-makers in Indonesia and has been gaining market share due to the strength of its brands. The highly cash generative business is run efficiently and enjoys strong pricing power. The position was sold in January as the stock price rallied and its valuation became expensive.

### KEY DETRACTORS:

Positions that had a negative impact on performance during the period under review include International Housewares Retail, Slater & Gordon and China Mengniu Dairy.

# Interim Management Report

- **International Housewares Retail** has not performed as well as was hoped but remains a high conviction position. It is a Hong Kong based retail chain focused on house wares. It has more than a 50% share in the Hong Kong market and more than a 10% share in the Singapore market. As a result of its understanding of its customer base, sourcing ability and logistics network, it maintains a strong position in both markets and is substantially larger than the second largest player. Its competitive position is much stronger in Hong Kong, where it has been operating for 25 years and which accounts for more than 100% of its profits, as its operations in Singapore and China are losing money.
- **Slater & Gordon** was a relatively small position after it was reduced in the middle of 2015 to mitigate the unfavourable impact from the news flow relating to Quindell's accounting practices. Towards the end of the year the position was sold in light of expectations of a potential regulatory change in the UK which would dramatically reduce the number of claims available for the company to process.
- **China Mengniu Dairy** was held for its strong position in the Chinese market where per capita milk consumption is only 25% of the world's average. The government's unprecedented focus on dairy quality after recent milk contamination issues has been driving out small players. However, due to the current deflationary environment, volume growth and price hikes have been difficult, while promotion costs and store rollouts are eroding margins. As a result, the position was liquidated.

## INVESTMENT STRATEGY

Over the last six months, the Company's net exposure to cash was reduced from 9.0% as at 31 July 2015 to 2.2% as at 31 January 2016, as the Portfolio Manager found more investment

opportunities across the region, particularly in China and India.

For example, a holding in Ascendas India Trust was added to the portfolio. This is a Singapore-listed business trust that owns and develops real estate in India for business use. The trust is favoured for its strong portfolio of properties and high yields. The trust is acquiring new properties and seeing positive rental revisions in cities like Bangalore. In India, the Portfolio Manager also initiated a new position in Mphasis, an IT services company owned by Hewlett Packard, at an attractive valuation. After a decline in business from its parent company, it is focusing its efforts on acquiring new customers and improving its margins.

In China, a position in Anhui Expressway was added. This company operates and develops toll expressways and highways in China's Anhui province. It has a highly cash generative business model, and is also profiting from the tailwind of positive policy changes that would ensure a healthy 8% return. After recent consolidation, its parent company will become the only toll road platform in the Anhui province which supports stable toll road business growth.

## OUTLOOK

Ongoing accommodative monetary policies, weak commodity prices and reforms in key Asian economies should continue to underpin a positive outlook for the region. Although economic growth in the region is likely to moderate in line with slowing growth in China, it will still be very attractive compared to the rest of the world. Most investors see the slowdown in the Chinese economy as a negative development, despite the focus on the quality of growth rather than the quantity, and this is expected to keep markets volatile in the near term. In the current market correction, stocks are being sold off

# Interim Management Report

indiscriminately, with many high quality stocks with strong long-term outlooks being sold down along with the low quality ones. As a result, Asian valuations are near, or in some cases, below the 2007 global financial crisis levels. This is a promising backdrop for bottom-up stock pickers and there are diverse investment opportunities across a wide range of markets in Asia that offer exceptional growth potential at attractive valuations.

## CHANGE OF BENCHMARK

As explained in the Annual Report for the year ended 31 July 2015 and with effect from 1 August 2015, the Company adopted the MSCI All Countries Asia ex Japan Index as its Comparative Index. As this Index is widely used by the Company's peers, the Board felt that it was more appropriate as a comparative index. In particular, this Index includes India, an Asian market, and one in which the Portfolio Manager is likely to find significant investment opportunities for shareholders.

## CHANGE TO THE COMPANY'S INVESTMENT POLICY

Following the appointment of Nitin Bajaj as the Company's Portfolio Manager and in order to enhance investment returns and provide greater flexibility in how he can implement his stock selection strategy, the Board sought and received approval by shareholders at the Annual General Meeting on 30 November 2015, to extend the ways in which derivatives can be used by the Company and to clarify and make certain consequential changes to the Company's investment policy. The Board will continue to maintain guidelines in respect of the net market exposure, the purpose of which is to aim to limit an increase in NAV volatility although this may not be possible in extreme market conditions. Full details of the changes are in the Circular dated 21 October 2015.

## OTHER MATTERS

### Board Changes

Following the retirement of William Knight from the Board at the conclusion of the Annual General Meeting on 30 November 2015, Philip Smiley was appointed as Senior Independent Director. The Board was also pleased to welcome Timothy Scholefield as a non-executive Director of the Company on 30 September 2015. He was subsequently elected by shareholders at the Annual General Meeting on 30 November 2015.

### Fee arrangements

With effect from 1 August 2015, the Company's annual management charge ("AMC") changed to a tiered pricing structure. The AMC is now charged at a rate of 0.90% on the Company's first £200 million of gross assets and then at a rate of 0.85% on any gross assets above £200 million. Prior to this, the AMC was charged at 1% of gross assets. At the same time, the secretarial and administration fee was fixed at £75,000 per annum.

### Treasury Shares

At the Annual General Meeting on 30 November 2015, shareholders approved the use of Treasury shares by the Company. Ordinary shares repurchased by the Company up to a maximum of 5% of the issued share capital of the Company will either be held in Treasury or cancelled. Any shares held in Treasury would only be re-issued at a premium to NAV per share.

During the six months to 31 January 2016, no ordinary shares had been repurchased for holding in Treasury or for cancellation and none have been repurchased as at the date of this report.

# Interim Management Report

## Principal risks and uncertainties

The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key risks that the Company faces.

The Board believes that the principal risks and uncertainties faced by the Company continue to fall in the following categories: market risk; performance risk; discount controls risk; gearing risk; currency risk; tax and regulatory risks; and operational risks. Information on each of these can be found in the Strategic Report section of the Annual Report for the year ended 31 July 2015.

## Related party transactions

There have been no related party transactions during the six month period to 31 January 2016 that have materially affected the financial position or the performance of the Company.

## Going concern

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements as outlined in the Annual Report for the year ended 31 July 2015.

Continuation votes are held every five years and the next continuation vote will be put to shareholders at this year's Annual General Meeting.

By Order of the Board

**FIL Investments International**

Secretary

29 March 2016

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm to the best of their knowledge that:

- a) the condensed set of Financial Statements contained within the Half-Yearly Financial Report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half-Yearly Financial Reports' and gives a true and fair view of the assets, liabilities, financial position and net return of the Company as required by the UK Listing Authority Disclosure and Transparency Rules ("DTR") 4.2.4R; and
- b) the Interim Management Report includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

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

The Half-Yearly Financial Report was approved by the Board on 29 March 2016 and the above responsibility statement was signed on its behalf by Kate Bolsover, Chairman.

## Twenty Largest Investments as at 31 January 2016

The Gross Asset Exposures shown below measure exposure to market price movements as a result of owning shares and derivative instruments. The Fair Values shown below measure the actual value on the Balance Sheet.

	Gross Asset Exposure £'000	% <sup>1</sup>	Fair Value £'000
<b>Taiwan Semiconductor Manufacturing<sup>2</sup> – Taiwan</b> Integrated circuit related products developer, manufacturer and distributor	7,882	4.3	3,999
<b>Power Grid Corporation of India – India</b> Operator of the Indian national electricity grid	7,495	4.1	7,495
<b>Religare Health Trust – Singapore</b> Hospital operator	5,228	2.9	5,228
<b>Tisco Financial Group – Thailand</b> Auto finance bank	5,103	2.8	5,103
<b>New Oriental Education &amp; Technology – China</b> Educational services provider	4,818	2.6	4,818
<b>WPG Holding – Taiwan</b> Semiconductor and core components distributor	4,165	2.3	4,165
<b>Zhejiang Supor Cookware<sup>2</sup> – China</b> Cookware manufacturer and distributor	3,848	2.1	1,866
<b>LT Group – Philippines</b> Banking, beverages, spirits, tobacco and property development group	3,696	2.0	3,696
<b>HDFC Bank – India</b> Private sector bank	3,551	1.9	3,551
<b>G8 Education – Australia</b> Day care centre operator	3,542	1.9	3,542
<b>Ascendas India Trust – Singapore</b> Owner and developer of real estate in India for business use	3,348	1.8	3,348
<b>Zhaopin – China</b> Careers website operator	3,072	1.7	3,072
<b>WT Microelectronics – Taiwan</b> Semiconductor products distributor	2,944	1.6	2,944

## Twenty Largest Investments as at 31 January 2016

	Gross Asset Exposure £'000	% <sup>1</sup>	Fair Value £'000
<b>Cognizant Technology Solutions – USA</b> Information technology consulting and applications provider	2,823	1.5	2,823
<b>SK Hynix – South Korea</b> Semiconductor and memory chip manufacturer and supplier	2,704	1.5	2,704
<b>Supalai – Thailand</b> Residential property developer	2,648	1.4	2,648
<b>Mapletree Commercial Trust – Singapore</b> Real estate investment trust	2,450	1.3	2,450
<b>International Housewares Retail – Hong Kong</b> Housewares retail chain	2,297	1.3	2,297
<b>Essel Propack – India</b> Tube packaging manufacturer	2,274	1.3	2,274
<b>Gudang Garam – Indonesia</b> Cigarettes manufacturer and distributor	2,142	1.2	2,142
<b>Twenty Largest Investments</b>	<b>76,030</b>	<b>41.5</b>	<b>70,165</b>
<b>Other Investments</b>	<b>103,108</b>	<b>56.3</b>	<b>102,753</b>
<b>Total Gross Asset Exposure</b>	<b>179,138</b>	<b>97.8</b>	
<b>Total Portfolio Fair Value<sup>3</sup></b>			<b>172,918</b>
Net Current Assets			10,163
<b>Shareholders' Funds</b>			<b>183,081</b>

<sup>1</sup> Gross Asset exposure expressed as a percentage of Shareholders' Funds

<sup>2</sup> Investment is via shares and a long Contract for Difference ("CFD"). The CFD provides exposure to movements in the underlying share price in excess of the fair value

<sup>3</sup> Total Portfolio Fair Value comprises £172,766,000 of investments plus £189,000 of derivative assets and less £37,000 of derivative liabilities, as shown on the Balance Sheet on page 14

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

# Condensed Income Statement

		six months ended 31 January 2016 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains on investments at fair value through profit or loss		-	3,139	3,139
Gains on derivative instruments at fair value through profit or loss		-	205	205
Income	3	2,766	-	2,766
Investment management fee		(822)	-	(822)
Other expenses		(359)	-	(359)
Exchange gains on other net assets		10	700	710
<b>Net return before finance costs and taxation</b>		<u>1,595</u>	<u>4,044</u>	<u>5,639</u>
Finance costs		(13)	-	(13)
<b>Net return on ordinary activities before taxation</b>		<u>1,582</u>	<u>4,044</u>	<u>5,626</u>
Taxation on return on ordinary activities	4	(197)	65	(132)
<b>Net return on ordinary activities after taxation for the period</b>		<u>1,385</u>	<u>4,109</u>	<u>5,494</u>
<b>Return per ordinary share</b>	5	<u>2.05p</u>	<u>6.09p</u>	<u>8.14p</u>

There are no gains and losses other than those reported in this Income Statement. The total column of the Income Statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

six months ended 31 January 2015 unaudited			year ended 31 July 2015 audited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
-	14,626	14,626	-	1,589	1,589
-	1,199	1,199	-	4,352	4,352
1,600	-	1,600	4,527	-	4,527
(1,020)	-	(1,020)	(2,018)	-	(2,018)
(320)	-	(320)	(622)	-	(622)
24	271	295	24	19	43
284	16,096	16,380	1,911	5,960	7,871
(66)	-	(66)	(101)	-	(101)
218	16,096	16,314	1,810	5,960	7,770
(71)	(343)	(414)	(287)	(566)	(853)
147	15,753	15,900	1,523	5,394	6,917
0.22p	23.34p	23.56p	2.26p	7.99p	10.25p

# Condensed Statement of Changes in Equity

	Note	share capital £'000
<b>Six months ended 31 January 2016 (unaudited)</b>		
<b>As at 1 August 2015</b>		16,872
Net return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	6	-
<b>As at 31 January 2016</b>		<u>16,872</u>
<b>Six months ended 31 January 2015 (unaudited)</b>		
<b>As at 1 August 2014</b>		16,872
Net return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	6	-
<b>As at 31 January 2015</b>		<u>16,872</u>
<b>Year ended 31 July 2015 (audited)</b>		
<b>As at 1 August 2014</b>		16,872
Net return on ordinary activities after taxation for the year		-
Dividend paid to shareholders	6	-
<b>As at 31 July 2015</b>		<u>16,872</u>

share premium account £'000	capital redemption reserve £'000	other non- distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
20,232	3,197	7,367	8,613	120,496	2,160	178,937
-	-	-	-	4,109	1,385	5,494
-	-	-	-	-	(1,350)	(1,350)
<u>20,232</u>	<u>3,197</u>	<u>7,367</u>	<u>8,613</u>	<u>124,605</u>	<u>2,195</u>	<u>183,081</u>

20,232	3,197	7,367	8,613	115,102	1,379	172,762
-	-	-	-	15,753	147	15,900
-	-	-	-	-	(742)	(742)
<u>20,232</u>	<u>3,197</u>	<u>7,367</u>	<u>8,613</u>	<u>130,855</u>	<u>784</u>	<u>187,920</u>

20,232	3,197	7,367	8,613	115,102	1,379	172,762
-	-	-	-	5,394	1,523	6,917
-	-	-	-	-	(742)	(742)
<u>20,232</u>	<u>3,197</u>	<u>7,367</u>	<u>8,613</u>	<u>120,496</u>	<u>2,160</u>	<u>178,937</u>

# Condensed Balance Sheet

Company No. 3183919

	Notes	31.01.16 unaudited £'000	31.07.15 audited £'000	31.01.15 unaudited £'000
<b>Fixed assets</b>				
Investments at fair value through profit or loss	7	<u>172,766</u>	<u>162,858</u>	<u>183,447</u>
<b>Current assets</b>				
Derivative assets at fair value through profit or loss	7	189	-	3,935
Debtors		2,917	3,737	1,476
Amounts held in margin accounts		329	-	-
Cash at bank		<u>8,203</u>	<u>14,366</u>	<u>972</u>
		<u>11,638</u>	<u>18,103</u>	<u>6,383</u>
<b>Creditors</b>				
Derivative liabilities at fair value through profit or loss	7	(37)	-	(727)
Other creditors		<u>(1,286)</u>	<u>(2,024)</u>	<u>(1,183)</u>
		<u>(1,323)</u>	<u>(2,024)</u>	<u>(1,910)</u>
<b>Net current assets</b>		<u>10,315</u>	<u>16,079</u>	<u>4,473</u>
<b>Net assets</b>		<u>183,081</u>	<u>178,937</u>	<u>187,920</u>
<b>Capital and reserves</b>				
Share capital	8	16,872	16,872	16,872
Share premium account		20,232	20,232	20,232
Capital redemption reserve		3,197	3,197	3,197
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		8,613	8,613	8,613
Capital reserve		124,605	120,496	130,855
Revenue reserve		<u>2,195</u>	<u>2,160</u>	<u>784</u>
<b>Total equity shareholders' funds</b>		<u>183,081</u>	<u>178,937</u>	<u>187,920</u>
<b>Net asset value per ordinary share</b>	9	<u>271.28p</u>	<u>265.14p</u>	<u>278.45p</u>

# Notes to the Condensed Financial Statements

## 1 RESULTS

---

The Condensed Financial Statements in this half-yearly financial report have not been audited by the Company's Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act").

The figures and financial information for the year ended 31 July 2015 are extracted from the latest published financial statements of the Company and do not constitute the statutory accounts for that year. Those financial statements have been 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.

## 2 ACCOUNTING POLICIES

---

The Condensed Financial Statements have been prepared on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP"), issued by the Association of Investment Companies in November 2014. The current financial year, ending 31 July 2016, is the first in which the Company has applied FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Company has early adopted the amendments to FRS 102: Fair value hierarchy disclosures, issued by the Financial Reporting Council ("FRC") in March 2016. These Condensed Financial Statements are the first which have been prepared in accordance with FRS 104: Interim Financial Reporting, issued by the FRC in March 2015.

As a result of the adoption of the revised UK GAAP and SORP, presentation formats have been amended where appropriate. The Reconciliation of Movements in Shareholders' Funds has been renamed the Statement of Changes in Equity and a Cash Flow Statement has not been presented. The Company is exempt from presenting a Cash Flow Statement as a Statement of Changes in Equity is presented and substantially all of the Company's investments are highly liquid and are carried at market value. The net return on ordinary activities after taxation for the period and total shareholders' funds remain unchanged from what was reported under the former UK GAAP. Prior period figures have not required restatement and the accounting policies applied to these financial statements are consistent with those disclosed in the financial statements for the year ended 31 July 2015.

# Notes to the Condensed Financial Statements

	six months ended 31.01.16 unaudited £'000	six months ended 31.01.15 unaudited £'000	year ended 31.07.15 audited £'000
<b>3 INCOME</b>			
<b>Income from investments</b>			
Overseas dividends	2,601	1,392	4,021
Overseas scrip dividends	159	42	325
Overseas interest	-	-	16
	<u>2,760</u>	<u>1,434</u>	<u>4,362</u>
<b>Income from derivative instruments</b>			
Dividends from long CFDs	-	165	162
<b>Other interest</b>			
Interest on deposits	6	1	3
<b>Total income</b>	<u>2,766</u>	<u>1,600</u>	<u>4,527</u>
	six months ended 31.01.16 unaudited £'000	six months ended 31.01.15 unaudited £'000	year ended 31.07.15 audited £'000
<b>4 TAXATION ON RETURN ON ORDINARY ACTIVITIES</b>			
Revenue – taxation charged on overseas dividends	197	71	287
Capital – Indian capital gains tax (credited)/ charged	(65)	343	566
	<u>132</u>	<u>414</u>	<u>853</u>

# Notes to the Condensed Financial Statements

	six months ended 31.01.16 unaudited £'000	six months ended 31.01.15 unaudited £'000	year ended 31.07.15 audited £'000
--	--	--	---

## 5 RETURN PER ORDINARY SHARE

Revenue return per ordinary share	2.05p	0.22p	2.26p
Capital return per ordinary share	6.09p	23.34p	7.99p
Total return per ordinary share	8.14p	23.56p	10.25p

The returns per ordinary share are based on net returns on ordinary activities after taxation and the weighted average number of ordinary shares in issue during the period. The returns for the six months ended 31 January 2016 were revenue return £1,385,000 (six months ended 31 January 2015: £147,000 and year ended 31 July 2015: £1,523,000), capital return £4,109,000 (six months ended 31 January 2015: £15,753,000 and year ended 31 July 2015: £5,394,000) and total return £5,494,000 (six months ended 31 January 2015: £15,900,000 and year ended 31 July 2015: £6,917,000). The weighted average number of ordinary shares in issue for the six months ended 31 January 2016 was 67,488,213 (six months ended 31 January 2015: 67,488,213 and year ended 31 July 2015: 67,488,213).

	six months ended 31.01.16 unaudited £'000	six months ended 31.01.15 unaudited £'000	year ended 31.07.15 audited £'000
--	--	--	---

## 6 DIVIDENDS PAID TO SHAREHOLDERS

Dividend of 2.00 pence per ordinary share paid on 10 December 2015 in respect of the year ended 31 July 2015	1,350	-	-
Dividend of 1.10 pence per ordinary share paid on 16 December 2014 in respect of the year ended 31 July 2014	-	742	742
	1,350	742	742

No dividend has been declared in respect of the six months to 31 January 2016.

# Notes to the Condensed Financial Statements

## 7 FAIR VALUE HIERARCHY

The Financial Reporting Council defines a fair value hierarchy that classifies financial instruments measured at fair value at one of three levels, according to the relative reliability of the inputs used to measure their fair value.

<b>Classification</b>	<b>Valued by reference to</b>
Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The table below sets out the fair value hierarchy of the Company's financial instruments held at fair value on the Balance Sheet:

	31 January 2016 unaudited		31 July 2015 audited		31 January 2015 unaudited	
	Level 1 £'000	Level 2 £'000	Level 1 £'000	Level 2 £'000	Level 1 £'000	Level 2 £'000
<b>Financial instruments held at fair value</b>						
Fixed assets – investments in listed equities	172,766	-	162,858	-	183,447	-
Derivative assets – long CFDs	-	189	-	-	-	3,935
Derivative liabilities – long CFDs	-	(23)	-	-	-	(727)
Derivative liabilities – written put options	-	(14)	-	-	-	-
	<u>172,766</u>	<u>152</u>	<u>162,858</u>	<u>-</u>	<u>183,447</u>	<u>3,208</u>

# Notes to the Condensed Financial Statements

	31.01.16 unaudited		31.07.15 audited		31.01.15 unaudited	
	number of shares	£'000	number of shares	£'000	number of shares	£'000
<b>8 SHARE CAPITAL</b>	<hr/>					
<b>Ordinary shares of 25 pence each</b> – issued, allotted and fully paid						
<b>At the beginning of the period</b>	67,488,213	16,872	67,488,213	16,872	67,488,213	16,872
<b>At the end of the period</b>	67,488,213	16,872	67,488,213	16,872	67,488,213	16,872

## 9 NET ASSET VALUE PER ORDINARY SHARE

---

The net asset value per ordinary share is based on net assets of £183,081,000 (31 July 2015: £178,937,000 and 31 January 2015: £187,920,000) and on 67,488,213 (31 July 2015: 67,488,213 and 31 January 2015: 67,488,213) ordinary shares, being the number of ordinary shares in issue at the period end.

# Shareholder Information

## INVESTING IN FIDELITY ASIAN VALUES PLC

Fidelity offers a range of options, so that you can invest in the way that is best for you. Details of how to invest can be found on Fidelity's website at [www.fidelity.co.uk/its](http://www.fidelity.co.uk/its).

As Fidelity Asian Values PLC is a company listed on the London Stock Exchange you can also buy its shares through a stockbroker, share shop or bank.

## CONTACT INFORMATION

**Private investors** call free on:

0800 41 41 10

9am to 6pm, Monday to Saturday.

**Financial advisers** call free on:

0800 41 41 81

8am to 6pm, Monday to Friday.

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

**Existing shareholders** who have a specific query regarding their holding or need to provide updated information, for example a change of address, should contact the appropriate administrator.

**Holders of ordinary shares:**

Capita Asset Services, Registrars to Fidelity Asian Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300, calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am-5.30pm, Monday to Friday excluding public holidays in England and Wales).

Email: [shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk)

Details of individual shareholdings and other information can also be obtained from the Registrar's website: [www.capitaassetservices.com](http://www.capitaassetservices.com).

**Fidelity Share Plan investors:**

Fidelity Investment Trust Share Plan, PO Box 12062, Mellon House, Ingrave Road, Brentwood, Essex, CM14 9LX. Telephone: 0345 358 1107 (calls to this number are charged at your standard geographic rate from a BT landline. Other telephone service providers' costs may vary).

**Fidelity ISA investors:**

Fidelity, using the freephone numbers given opposite, or by writing to: UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.

**General enquiries**

FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: 01732 361144

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

## FINANCIAL CALENDAR 2016

<b>31 January</b>	- Half-Yearly period end
<b>29 March</b>	- Announcement of Half-Yearly results to 31 January
<b>March</b>	- Posting of Half-Yearly report
<b>31 July</b>	- Financial year end
<b>October</b>	- Publication of Annual Report
<b>December</b>	- Annual General Meeting

# Shareholder Information

## BOARD, MANAGER AND ADVISORS

### Board of Directors

Kate Bolsover (Chairman)  
Philip Smiley (Senior Independent Director)  
Grahame Stott (Chairman of the Audit Committee)  
Timothy Scholefield  
Michael Warren

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

FIL Investment Services (UK) Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9DZ

### Portfolio Manager, Secretary and Registered Office

FIL Investments International  
Beech Gate  
Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey  
KT20 6RP

### Financial Adviser and Stockbroker

Stifel Nicolaus Europe Ltd  
150 Cheapside  
London  
EC2V 6ET

### Independent Auditor

Ernst & Young LLP  
25 Churchill Place  
London  
E14 5RB

### 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

### Registrar

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### Lawyer

Charles Russell Speechly  
6 New Street Square  
London  
EC4A 3LX

# Glossary of Terms

## AIF

Alternative Investment Fund. The Company is an AIF.

## AIFM

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

## AIFMD

The Alternative Investment Fund Managers Directive is a European Union Directive implemented on 22 July 2014.

## COMPARATIVE INDEX

MSCI All Countries Asia ex Japan Index in £ Sterling terms total return.

## 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 margin. 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.

## 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.

## DEPOSITARY

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

## DERIVATIVES

Financial instruments (such as futures, [options](#) and [Contracts For Difference](#)) whose value is derived from the value of an underlying asset.

## DISCOUNT

If the share price of the Company is lower than the [net asset value](#) per share, the Company's shares are said to be trading at a [discount](#). The [discount](#) is shown as a percentage of the [net asset value](#). The opposite of a [discount](#) is a [premium](#). It is more common for an investment trust to trade at a [discount](#) than a [premium](#).

## FAIR VALUE

The **fair value** is the best estimate of the 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, where available, otherwise at published price quotations;
- **Contracts For Difference** – valued as the difference between the settlement price of the contract and the value of the contract (unrealised gains or losses); and
- **Options** – valued at the quoted trade price for the contract.

## GEARING

**Gearing** describes the level of the Company's borrowing and is expressed as a percentage of **shareholders' funds**. It reflects the amount of exposure the Company uses to invest in the market. It can be obtained through the use of bank loans, bank overdrafts or **Contracts For Difference** in order to increase the Company's exposure to investments. If assets rise in value, **gearing** magnifies the return to shareholders. Correspondingly, if the assets fall in value, **gearing** magnifies the fall. **Gearing** reflects the amount of leverage the Company uses to invest in the market. **Contracts For Difference** are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

## GEARING PERCENTAGE

In a simple example, if a company has £100 million of net assets and a total portfolio of £108 million, with £8 million of borrowings (either via bank loans or long derivatives) then the **shareholders' funds** are 8% geared. Normally, the higher the **gearing percentage**, the more sensitive the Company's shares will be to the movements up and down in the value of the investment portfolio.

## GROSS ASSET EXPOSURE

A measure of the Company's total equity exposure. It is calculated as the total of all long exposures (less the total of any exposures hedging the portfolio) plus the total of all short exposures.

## NET ASSET VALUE (NAV)

**Net asset value** is sometimes also described as "**shareholders' funds**", and represents 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 share basis.

## NET MARKET EXPOSURE

A measure of the Company's net equity exposure. It is calculated as the total of all long exposures (less the total of any exposures hedging the portfolio) less the total of all short exposures.

## 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.

# Glossary of Terms

## PORTFOLIO MANAGER

Nitin Bajaj is the Company's appointed **Portfolio Manager** 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 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**. The opposite of a **premium** is a **discount**.

## REGISTRAR

An entity that manages the Company's shareholder register. The Company's **registrar** is Capita Asset Services.

## RETURN

The return generated in the period from the 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 returns; and
- **Total Return** reflects the aggregate of revenue and capital returns in the period.

## 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.

## TOTAL RETURN PERFORMANCE

The return on the ordinary share price or **net asset value** per share taking into account the rise and fall of ordinary share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional ordinary 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 pay dividends, have no voting rights and are excluded from the **net asset value** calculation.





Fidelity, Fidelity Worldwide Investment, the Fidelity Worldwide Investment logo and **F** symbol are trademarks of FIL Limited

Printed on FSC® certified paper.

100% of the inks used are vegetable oil based 95% of press chemicals are recycled for further use and on average 99% of any waste associated with this production will be recycled.

The FSC® logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council®.

This document is printed on Cocoon Silk; a paper made using 50% recycled fibre from genuine waste paper and 50% virgin fibre.

The unavoidable carbon emissions generated during the manufacture and delivery of this document, have been reduced to net zero through a verified, carbon offsetting project.

