

# Fidelity Asian Values PLC

## Half-Yearly Report

For the 6 months ended 31 January 2014



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# Objective and Highlights

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 2014

	Six months ended 31 January 2014
Net Asset Value ("NAV") per Ordinary Share Total Return – undiluted	-1.6%
Ordinary Share Price Total Return	-2.7%
MSCI All Countries Far East Free ex Japan Index (net) Total Return – in UK sterling terms	-6.0%

## One Year Performance (on a total return basis) (%)

	01/02/13 to 31/01/14	01/02/12 to 31/01/13	01/02/11 to 31/01/12	01/02/10 to 31/01/11	01/02/09 to 31/01/10
NAV per ordinary share – undiluted	+0.4	+10.0	-9.8	+33.5	+72.7
Ordinary share price	+1.0	+4.6	-7.7	+30.3	+68.3
MSCI All Countries Far East Free ex Japan Index (net) Total Return – in UK sterling terms	-6.3	+12.1	-5.7	+27.7	+51.1

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

# Financial Summary

	31 January 2014	31 July 2013	% change
<b>Assets</b>			
Total portfolio exposure <sup>1</sup>	£169.9m	£167.4m	+1.5
Shareholders' funds	£152.5m	£155.8m	-2.1
NAV per ordinary share – undiluted	225.56p	230.24p	-2.0
Gearing <sup>2</sup>	11.4%	7.4%	

## Stockmarket data

Ordinary share price at period end	198.00p	204.50p	-3.2
Period high	220.00p	216.00p	
Period low	190.50p	171.25p	
Discount to NAV at period end – undiluted	12.2%	11.2%	
Period high	13.7%	13.9%	
Period low	6.5%	8.9%	

## Results for the six months to 31 January – see pages 10 and 11

	2014	2013
Revenue return per ordinary share	1.00p	0.25p
Capital (loss)/return per ordinary share	(4.60p)	29.77p
Total (loss)/return per ordinary share	(3.60p)	30.02p

## Total returns (includes reinvested income) for the six months to 31 January

	2014	2013
NAV per ordinary share – undiluted	-1.6%	+16.1%
Ordinary share price	-2.7%	+12.6%
MSCI All Countries Far East Free ex Japan Index (net) <sup>3</sup>	-6.0%	+12.3%

<sup>1</sup> The total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

<sup>2</sup> Total portfolio exposure in excess of Shareholders' funds

<sup>3</sup> In UK sterling terms

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

## PERFORMANCE

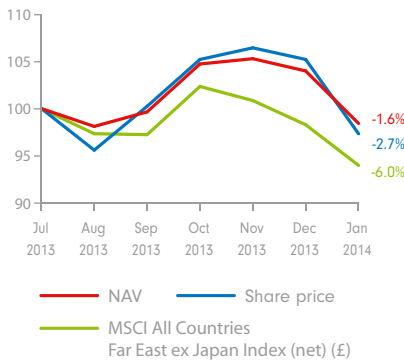
Over the six months to 31 January 2014, the net asset value of Fidelity Asian Values PLC fell by 1.6%, compared with a decline of 6.0% for the MSCI All Countries Far East ex Japan Index. In the same period the share price fell by 2.7%, which resulted in the share price discount widening from 11.2% to 12.2%. (All figures in UK sterling terms and on a total return basis).

## MARKETS

Far East ex Japan equities declined over the review period. Investors worried about the impact of a reduction in the US Federal Reserve's bond buying programme. In addition, whilst economic data from China was mixed, signs of slowing growth in the overall economy dampened investor sentiment. Tightening liquidity in China also contributed to a rise in volatility as regulators toughened their stance to contain credit growth. Meanwhile, an improvement in the US economy, signs of early stage recovery in the Eurozone, and continued momentum of growth in Japan led to a reversal in investment flows in favour of developed markets.

From a country perspective, Indonesia was the worst performer as a sharp rise in current account deficit and currency depreciation amid slowing growth resulted in a sell-off. Political uncertainty fuelled a decline in Thailand. Markets in China and Hong Kong also edged lower but performed relatively better than the regional average. This was on account of bold reform plans announced in China which included a greater role for the private sector, together with more focus on improving the quality of life. Defensive sectors such as telecommunications, healthcare, utilities and consumer staples, underperformed cyclicals as investor risk appetite was fuelled by a rise in global growth expectations. The consumer discretionary sector ended in positive territory, mainly driven by South Korea and China based companies. Automobile producers, retailers and casino operators which benefit from changing consumer preferences, mainly in China, rose strongly. Information technology ("IT") was the best performing sector, driven by a rise in smartphone usage which led to growth in internet usage, benefiting online games producers and online intermediaries.

Total return performance for the six months to 31 January 2014



Sources: Fidelity and Datastream

## PORTFOLIO REVIEW

The Company's outperformance relative to the Index was driven by favourable positioning in the IT sector and rewarding stock selection in the industrials sector.

A non-index holding in online real estate portal SouFun Holdings was the single largest contributor. The firm delivered better-than-expected earnings growth and benefited from optimism about growth in China's property market. Additionally, share price gains were fuelled by expectations of growth in its e-commerce segment and new initiatives, such as mobile monetisation and the launch of financial products. Meanwhile, internet and mobile games and instant messaging services provider Tencent

# Half-Yearly Report as at 31 January 2014

Holdings also surged due to better-than-expected performance, driven by socially-enabled mobile games. Within industrials, diamond processing machinery producer Sarine Technologies was driven by its technological advantage over competitors, rising demand in India and China and rising share of recurring earnings. The company is likely to introduce new products which could further boost revenue. Holdings in Haitian International, a plastic moulding machine producer, also added value as a recovery in demand in China helped deliver better-than-expected earnings growth. The share price in Pacific Basin Shipping rose as management took advantage of attractive vessel prices to expand capacity ready for an upturn in shipping rates. Elsewhere, consumer discretionary and materials also enhanced performance. New Oriental Education and Technology Group delivered higher margin growth by focusing on its learning centre efficiency and was supported by a potential upturn in enrolment. In materials, a fall in interest costs bolstered Nine Dragons Paper Holdings.

Conversely, a position in TPK Holding proved disappointing as the firm provided subdued earnings guidance in the wake of a fall in touch screen prices and a decline in notebook shipments. An overweight stance in Hong Kong based real estate manager Wharf Holdings also eroded value. The company delivered healthy half-yearly earnings growth, but declined against the backdrop of an uncertain outlook for growth in China, which might result in weak consumer confidence and spending.

Exposure to the consumer discretionary and materials sectors was increased during the period. Within consumer discretionary, a new position was introduced in South Korea based retailer Shinsegae, mainly due to attractive valuations. The recovery currently underway in developed markets and an increasing orientation towards consumption in Asia is likely to help boost the export oriented South Korean economy as well as consumer confidence.

A new holding in Australia based Fairfax Media was introduced for its robust balance sheet and the potential for growth in digital subscription and marketing revenues. Within the materials sector, a stake was built in SIMS Metal Management as the new management is likely to drive cost efficiencies required to turnaround the business. On the other hand, the underweight position in the banking sector increased after a holding in Bank of China was sold, with the proceeds being utilised to buy shares in Ping An Insurance which is likely to benefit from financial sector reforms in China. Exposure to industrials also declined with the closure of the stake in Keppel Corp which had limited upside potential.

## OUTLOOK

A series of reforms announced by the government in China will support its transition into a domestic consumption-driven economy, with a focus on revitalising the private sector and speeding up urbanisation. Meanwhile, signs of a synchronised improvement in the key economies of the US, Europe and Japan bodes well for Asian exporters, particularly in South Korea and Taiwan. The Asian region has an exceptional long-term structural growth story and we are confident that these markets will reward investors over time. The trend of industrialisation, urbanisation and the subsequent increase in wealth and income are very attractive to investors, and there are many companies who can take advantage of this.

## ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

The Alternative Investment Fund Managers Directive ("AIFMD") is a European Directive that affects investment funds which are managed or promoted within the European Union. Under the terms of the Directive the Company will be required to appoint an Alternative Investment Fund Manager ("AIFM"). Whilst the implementation date for the Directive was July 2013 the Financial Conduct Authority ("FCA") has permitted a

transitional period of one year. The Board has reviewed the impact of the Directive on the Company's operations and has decided in principle to appoint FIL Investment Services (UK) Limited (part of Fidelity Worldwide Investments) as its AIFM, before the end of the transitional period on 22 July 2014.

An additional requirement of the AIFMD is to appoint a depositary on behalf of the Company who will oversee the custody and cash arrangements and other AIFM responsibilities of the Company. To this end the Board has agreed in principle to appoint J.P. Morgan Europe Limited to act as the Company's depositary. J.P. Morgan Europe Limited is part of the same group of companies as JPMorgan Chase Bank, who currently act and will continue to act as the Company's bankers and custodians.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall in the following categories: market risk; performance risk; gearing risk; currency risk; income-dividends risk; share price, NAV and discount volatility risk; tax and regulatory risk; and operational risk. Information on each of these was given in the Business Review section of the Annual Report for the year ended 31 July 2013.

## 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 2013.

## By order of the Board

FIL Investments International  
28 March 2014

# 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';
- b) the Half-Yearly report narrative on pages 3 to 5 (constituting the interim management report) include a fair review of the information required by Rule 4.2.7R of the FCA's Disclosure and Transparency Rules and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 31 January 2014 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

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 28 March 2014 and the above responsibility statement was signed on its behalf by Hugh Bolland, Chairman.



## Twenty Largest Investments as at 31 January 2014

Country	Investment	Exposure £'000	Fair Value <sup>1</sup> £'000	Total Exposure <sup>2</sup> %
CHINA	<b>Tencent Holdings<sup>3</sup></b> Provides internet, mobile and telecommunications, value-added services.	10,021	6,632	5.9
	<b>China Mobile</b> Provides mobile telecommunications and related services.	8,042	8,042	4.7
	<b>Nine Dragons Paper Holdings</b> Manufactures and sells packaging, pulp, recycled printing and writing paper and high value speciality paper products.	5,811	5,811	3.4
	<b>Lenovo Group</b> Develops, manufactures and markets technology products including personal computers, notebooks and smart phones.	4,813	4,813	2.8
	<b>Ping An Insurance</b> A leading Chinese insurance company.	3,607	3,607	2.1
	<b>Geely Auto Holdings</b> Researches, produces, markets and sells automobile and related components in China.	3,091	3,091	1.8
	<b>ENN Energy Holdings</b> Operates gas pipeline infrastructure and distributes and sells piped and bottled gas in China.	3,009	3,009	1.8

<sup>1</sup> Fair value represents the carrying value in the Balance Sheet on page 14

<sup>2</sup> % of the total exposure of the investment portfolio, including exposure to the investments underlying the long contracts for difference ("CFDs")

<sup>3</sup> Investment is via equities and long CFDs

## Twenty Largest Investments as at 31 January 2014

Country	Investment	Exposure £'000	Fair Value <sup>1</sup> £'000	Total Exposure <sup>2</sup> %
HONG KONG	<b>Techtronic Industries</b> Manufactures and sells electrical and electronic products.	6,729	6,729	4.0
	<b>AIA Group<sup>3</sup></b> Provides products and services to individuals and businesses for their insurance, protection, savings, investment and retirement needs.	5,740	4,161	3.4
	<b>Luk Fook Holdings International</b> Sources, designs, wholesales and retails a variety of jewellery and other related products.	4,475	4,475	2.6
	<b>Wharf Holdings<sup>3</sup></b> Holding company of a group with interests in property, communications, media, entertainment and logistics.	4,266	965	2.5
	<b>Samsonite International</b> Designs, manufactures and distributes luggage and other travel accessories.	4,073	4,073	2.4
SINGAPORE	<b>Sarine Technologies</b> Develops, manufactures, markets and sells precision technology products for the planning, processing, evaluation and measurement of diamonds and gemstones.	7,320	7,320	4.3

<sup>1</sup> Fair value represents the carrying value in the Balance Sheet on page 14

<sup>2</sup> % of the total exposure of the investment portfolio, including exposure to the investments underlying the long contracts for difference ("CFDs")

<sup>3</sup> Investment is via equities and long CFDs

## Twenty Largest Investments as at 31 January 2014

Country	Investment	Exposure £'000	Fair Value <sup>1</sup> £'000	Total Exposure <sup>2</sup> %
SOUTH KOREA	<b>Samsung Electronics<sup>3</sup></b> Provides communication products. It operates through five business divisions: communication, semiconductor, digital media, liquid crystal display and home appliances.	10,054	2,234	5.9
	<b>LG Household and Healthcare<sup>3</sup></b> Manufactures household goods, cosmetics and beverages.	5,559	2,376	3.3
	<b>Hotel Shilla</b> Operates hotels and duty free shops.	4,826	4,826	2.8
	<b>Amorepacific</b> A leading cosmetics and pharmaceuticals group.	3,786	3,786	2.2
	<b>Shinhan Financial Group</b> Banking group with banking, credit card, security and life insurance businesses.	2,989	2,989	1.8
TAIWAN	<b>Taiwan Semiconductor Manufacturing</b> Researches, develops, manufactures and distributes integrated circuit related products, including wafer manufacture and testing, mask production and packaging components.	7,909	7,909	4.7
	<b>Asustek Computer</b> Manufactures and distributes computers, communication and electronic consumer products.	3,822	3,822	2.3
<b>Twenty Largest Investments</b>		<b>109,942</b>	<b>90,670</b>	<b>64.7</b>
<b>Other Investments</b>		<b>59,968</b>	<b>59,968</b>	<b>35.3</b>
<b>Total Portfolio (including long CFDs)</b>		<b>169,910</b>	<b>150,638</b>	<b>100.0</b>

<sup>1</sup> Fair value represents the carrying value in the Balance Sheet on page 14

<sup>2</sup> % of the total exposure of the investment portfolio, including exposure to the investments underlying the long contracts for difference ("CFDs")

<sup>3</sup> Investment is via equities and long CFDs

# Income Statement

		for the six months ended 31.01.14 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
(Losses)/gains on investments designated at fair value through profit or loss		-	(3,337)	(3,337)
Gains/(losses) on derivative instruments held at fair value through profit or loss		-	560	560
Income	2	1,951	-	1,951
Investment management fee		(882)	-	(882)
Other expenses		(290)	-	(290)
Exchange (losses)/gains on other net assets		(57)	(336)	(393)
Exchange (losses)/gains on loans		-	-	-
<b>Net return/(loss) before finance costs and taxation</b>		<b>722</b>	<b>(3,113)</b>	<b>(2,391)</b>
Finance costs		(52)	-	(52)
<b>Net return/(loss) on ordinary activities before taxation</b>		<b>670</b>	<b>(3,113)</b>	<b>(2,443)</b>
Taxation on return/(loss) on ordinary activities	3	5	-	5
<b>Net return/(loss) on ordinary activities after taxation for the period</b>		<b>675</b>	<b>(3,113)</b>	<b>(2,438)</b>
<b>Return/(loss) per ordinary share</b>				
Undiluted	4	1.00p	(4.60p)	(3.60p)
Diluted	4	n/a	n/a	n/a

A Statement of Total Recognised Gains and Losses has not been prepared as 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 year.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice ("SORP") issued in January 2009.

for the year ended 31.07.13 audited			for the six months ended 31.01.13 unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
-	24,955	24,955	-	17,437	17,437
-	(1,140)	(1,140)	-	(32)	(32)
2,981	-	2,981	1,310	-	1,310
(1,485)	-	(1,485)	(674)	-	(674)
(592)	-	(592)	(299)	-	(299)
(35)	299	264	(9)	(58)	(67)
-	(312)	(312)	-	102	102
869	23,802	24,671	328	17,449	17,777
(135)	-	(135)	(84)	-	(84)
734	23,802	24,536	244	17,449	17,693
(109)	-	(109)	(99)	-	(99)
625	23,802	24,427	145	17,449	17,594
1.05p	40.01p	41.06p	0.25p	29.77p	30.02p
1.05p	39.99p	41.04p	n/a	n/a	n/a

# Reconciliation of Movements in Shareholders' Funds

	Notes	share capital £'000
<b>Opening shareholders' funds: 1 August 2012</b>		14,981
Issue of ordinary shares on exercise of rights attached to subscription shares	7	3
Repurchase of ordinary shares	7	(676)
Net return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	5	-
<b>Closing shareholders' funds: 31 January 2013</b>		<u>14,308</u>
<b>Opening shareholders' funds: 1 August 2012</b>		14,981
Exercise of rights attached to subscription shares and conversion into ordinary shares	7	(1)
Issue of ordinary shares on exercise of rights attached to subscription shares	7	2,864
Repurchase of ordinary shares	7	(924)
Net return on ordinary activities after taxation for the year		-
Dividend paid to shareholders	5	-
<b>Closing shareholders' funds: 31 July 2013</b>		<u>16,920</u>
Repurchase of ordinary shares	7	(17)
Net (loss)/return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	5	-
<b>Closing shareholders' funds: 31 January 2014</b>		<u>16,903</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
1,218	2,224	7,367	15,977	73,992	1,325	117,084
20	-	-	-	-	-	23
-	676	-	(4,946)	-	-	(4,946)
-	-	-	-	17,449	145	17,594
-	-	-	-	-	(596)	(596)
<u>1,238</u>	<u>2,900</u>	<u>7,367</u>	<u>11,031</u>	<u>91,441</u>	<u>874</u>	<u>129,159</u>
1,218	2,224	7,367	15,977	73,992	1,325	117,084
-	1	-	-	-	-	-
19,014	-	-	-	-	-	21,878
-	924	-	(6,964)	-	-	(6,964)
-	-	-	-	23,802	625	24,427
-	-	-	-	-	(596)	(596)
<u>20,232</u>	<u>3,149</u>	<u>7,367</u>	<u>9,013</u>	<u>97,794</u>	<u>1,354</u>	<u>155,829</u>
-	17	-	(144)	-	-	(144)
-	-	-	-	(3,113)	675	(2,438)
-	-	-	-	-	(744)	(744)
<u>20,232</u>	<u>3,166</u>	<u>7,367</u>	<u>8,869</u>	<u>94,681</u>	<u>1,285</u>	<u>152,503</u>

# Balance Sheet

Company No. 3183919

	Notes	31.01.14 unaudited £'000	31.07.13 audited £'000	31.01.13 unaudited £'000
<b>Fixed assets</b>				
Investments designated at fair value through profit or loss		<u>150,946</u>	<u>151,273</u>	<u>134,645</u>
<b>Current assets</b>				
Derivative assets held at fair value through profit or loss		1,887	736	-
Debtors		545	1,217	3,408
Amounts held in margin accounts		805	856	-
Cash at bank		<u>1,138</u>	<u>4,220</u>	<u>2,761</u>
		<u>4,375</u>	<u>7,029</u>	<u>6,169</u>
<b>Creditors</b>				
Derivative liabilities held at fair value through profit or loss		(2,195)	(1,604)	(32)
Bank loans	6	-	-	(9,461)
Other creditors		<u>(623)</u>	<u>(869)</u>	<u>(2,162)</u>
		<u>(2,818)</u>	<u>(2,473)</u>	<u>(11,655)</u>
<b>Net current assets/(liabilities)</b>		<u>1,557</u>	<u>4,556</u>	<u>(5,486)</u>
<b>Total net assets</b>		<u>152,503</u>	<u>155,829</u>	<u>129,159</u>
<b>Capital and reserves</b>				
Share capital	7	16,903	16,920	14,308
Share premium account		20,232	20,232	1,238
Capital redemption reserve		3,166	3,149	2,900
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		8,869	9,013	11,031
Capital reserve		94,681	97,794	91,441
Revenue reserve		<u>1,285</u>	<u>1,354</u>	<u>874</u>
<b>Total equity shareholders' funds</b>		<u>152,503</u>	<u>155,829</u>	<u>129,159</u>
<b>Net asset value per ordinary share</b>				
Undiluted	8	225.56p	230.24p	225.69p
Diluted	8	<u>n/a</u>	<u>n/a</u>	<u>219.91p</u>



# Cash Flow Statement

	six months ended 31.01.14 unaudited £'000	year ended 31.07.13 audited £'000	six months ended 31.01.13 unaudited £'000
<b>Operating activities</b>			
Investment income received	1,833	2,293	894
Income received from long CFDs	21	44	-
Investment management fee paid	(880)	(1,451)	(332)
Directors' fees paid	(61)	(128)	(67)
Other cash payments	(233)	(457)	(214)
<b>Net cash inflow from operating activities</b>	<b>680</b>	<b>301</b>	<b>281</b>
<b>Finance costs</b>			
Interest paid on long CFDs and bank loans	(51)	(166)	(87)
<b>Net cash outflow from finance costs</b>	<b>(51)</b>	<b>(166)</b>	<b>(87)</b>
<b>Financial investments</b>			
Purchase of investments	(43,238)	(113,823)	(50,986)
Disposal of investments	40,700	110,751	55,598
<b>Net cash (outflow)/inflow from financial investments</b>	<b>(2,538)</b>	<b>(3,072)</b>	<b>4,612</b>
<b>Derivative activities</b>			
Payments on long CFD positions closed	-	(272)	-
Movements on amounts held at brokers	51	(856)	-
<b>Net cash inflow/(outflow) from derivative activities</b>	<b>51</b>	<b>(1,128)</b>	<b>-</b>
<b>Dividend paid to shareholders</b>	<b>(744)</b>	<b>(596)</b>	<b>(596)</b>
<b>Net cash (outflow)/inflow before financing</b>	<b>(2,602)</b>	<b>(4,661)</b>	<b>4,210</b>
<b>Financing</b>			
Repurchase of ordinary shares	(144)	(7,190)	(5,172)
Exercise of rights attached to subscription shares	-	21,878	12
Net cash outflow from bank loans repaid	-	(9,875)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(144)</b>	<b>4,813</b>	<b>(5,160)</b>
<b>(Decrease)/increase in cash</b>	<b>(2,746)</b>	<b>152</b>	<b>(950)</b>

# Notes to the Financial Statements

## 1 ACCOUNTING POLICIES

The half-yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements for the year ended 31 July 2013.

## 2 INCOME

### Income from investments designated at fair value through profit or loss

	31.01.14 unaudited £'000	31.07.13 audited £'000	31.01.13 unaudited £'000
Overseas dividends	1,739	2,703	1,084
Overseas scrip dividends	121	234	226
	<u>1,860</u>	<u>2,937</u>	<u>1,310</u>

### Income from derivative instruments

Dividends from long CFDs	91	44	-
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### Total Income

	<u>1,951</u>	<u>2,981</u>	<u>1,310</u>
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	31.01.14 unaudited £'000	31.07.13 audited £'000	31.01.13 unaudited £'000
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## 3 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

### Overseas taxation credit/(charge)

Revenue	5	(109)	(99)
Capital	-	-	-
Total	<u>5</u>	<u>(109)</u>	<u>(99)</u>

	31.01.14 unaudited	31.07.13 audited	31.01.13 unaudited
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## 4 RETURN/(LOSS) PER ORDINARY SHARE

### Undiluted

Revenue	1.00p	1.05p	0.25p
Capital	(4.60p)	40.01p	29.77p
Total	<u>(3.60p)</u>	<u>41.06p</u>	<u>30.02p</u>

### Diluted

Revenue	n/a	1.05p	n/a
Capital	n/a	39.99p	n/a
Total	<u>n/a</u>	<u>41.04p</u>	<u>n/a</u>

# Notes to the Financial Statements

## 4 RETURN/(LOSS) PER ORDINARY SHARE (CONTINUED)

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The undiluted returns/(losses) per ordinary share are based on net returns/(losses) on ordinary activities after taxation and the weighted average number of ordinary shares in issue for the six months ended 31 January 2014. The returns for the six months were; revenue return £675,000 (31.07.13: £625,000; 31.01.13: £145,000), capital loss £3,113,000 (31.07.13: return £23,802,000; 31.01.13: return £17,449,000) and total loss £2,438,000 (31.07.13: return £24,427,000; 31.01.13: return £17,594,000). The undiluted weighted average number of ordinary shares in issue for the six months ended 31 January 2014 is 67,610,974 (31.07.13: 59,496,253; 31.01.13: 58,605,547).

There are no diluted returns per ordinary share for the six months ended 31 January 2014 because there were no subscription shares in issue during the period.

The diluted returns per ordinary share for the year ended 31 July 2013 were based on the net returns on ordinary activities after taxation for that year of: revenue return £625,000; capital return £23,802,000 and total return £24,427,000 and on the weighted average number of ordinary shares in issue during the year, increased to include the potential number of ordinary shares that could have been issued at the beginning of the year on the exercise of rights attached to the subscription shares. For the purposes of calculating this number of potential ordinary shares, the excess of the average ordinary share price during the period over the 191 pence exercise price of a subscription share was multiplied by the number of subscription share rights in issue. The number of potential ordinary shares represents the number of ordinary shares that could have been purchased at the average ordinary share price with this excess amount. The weighted average number of ordinary shares in issue during the year on this diluted basis was 59,515,839.

There were no diluted returns per ordinary share for the six months ended 31 January 2013 because the average ordinary share price during the period was below the 191 pence exercise price of a subscription share.

## 5 DIVIDENDS

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No dividend has been declared in respect of the current period. The dividend payment of £744,000 shown in the Reconciliation of Movements in Shareholders' Funds for the six months ended 31 January 2014, is the final dividend for the year ended 31 July 2013 of 1.10 pence per ordinary share paid on 6 December 2013. The dividend payment of £596,000 shown in the Reconciliation of Movements in Shareholders' Funds for the year ended 31 July 2013 and for the six months ended 31 January 2013, is the final dividend for the year ended 31 July 2012 of one penny per ordinary share paid on 6 December 2012.

## 6 BANK LOANS

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The Company had entered into a two year revolving credit facility with Scotiabank Europe PLC for an amount of up to US\$15,000,000 on 28 February 2012 and the full amount was drawn down until it was repaid on 28 February 2013 and the credit facility cancelled. The Company currently uses long CFDs to achieve gearing.

# Notes to the Financial Statements

	31.01.14 unaudited shares	31.07.13 audited shares	31.01.13 unaudited shares
<b>7 SHARE CAPITAL</b>			
<b>Issued, allotted and fully paid:</b>			
<b>Ordinary shares of 25 pence each</b>			
<b>Beginning of the period</b>	67,680,213	59,918,781	59,918,781
Issue of ordinary shares on exercise of rights attached to subscription shares	-	11,454,432	11,922
Repurchase of ordinary shares	(70,000)	(3,693,000)	(2,703,000)
<b>End of the period</b>	<u>67,610,213</u>	<u>67,680,213</u>	<u>57,227,703</u>
<b>Subscription shares of 0.01 pence each<sup>1</sup></b>			
<b>Beginning of the period</b>	-	11,454,432	11,454,432
Exercise of rights attaching to subscription shares and conversion into ordinary shares	-	(11,454,432)	(11,922)
<b>End of the period</b>	<u>-</u>	<u>-</u>	<u>11,442,510</u>
	31.01.14 unaudited £'000	31.07.13 audited £'000	31.01.13 unaudited £'000
<b>Issued, allotted and fully paid:</b>			
<b>Ordinary shares of 25 pence each</b>			
<b>Beginning of the period</b>	16,920	14,980	14,980
Issue of ordinary shares on exercise of rights attached to subscription shares	-	2,864	3
Repurchase of ordinary shares	(17)	(924)	(676)
<b>End of the period</b>	<u>16,903</u>	<u>16,920</u>	<u>14,307</u>
<b>Subscription shares of 0.01 pence each<sup>1</sup></b>			
<b>Beginning of the period</b>	-	1	1
Exercise of rights attaching to subscription shares and conversion into ordinary shares	-	(1)	-
<b>End of the period</b>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Total share capital</b>	<u>16,903</u>	<u>16,920</u>	<u>14,308</u>

<sup>1</sup> Each subscription share gave the holder the right, but not the obligation, to subscribe for one ordinary share upon payment of 191 pence per share, on the last business day of each month, up to the last business day of May 2013. On 3 June 2013 the Company appointed a Final Subscription Trustee, who exercised on behalf of the subscription shareholders, all of the outstanding subscription share rights on the same terms and sold the resulting ordinary shares in the market.

# Notes to the Financial Statements

## 8 NET ASSET VALUE PER ORDINARY SHARE

The undiluted net asset value per ordinary share is based on net assets of £152,503,000 (31.07.13: £155,829,000; 31.01.13: £129,159,000) and on 67,610,213 (31.07.13: 67,680,213; 31.01.13: 57,227,703) ordinary shares, being the number of ordinary shares in issue at the period end.

There is no diluted net asset value per ordinary share at 31 January 2014 or at 31 July 2013 because all the rights attached to subscription shares were exercised during the year ended 31 July 2013. The diluted net asset value per ordinary share for the period ended 31 January 2013 was calculated on the basis of what the financial position would have been, had all the rights attached to the 11,442,510 subscription shares in issue at that date, been exercised on that date. This basis of calculation is in accordance with guidelines laid down by the Association of Investment Companies.

## 9 INVESTMENT TRANSACTION COSTS

Investment transaction costs are incurred in the acquisition and disposal of investments. These are included in the (losses)/gains on investments designated at fair value through profit or loss in the capital column of the Income Statement as summarised below:

	31.01.14 unaudited £'000	31.07.13 audited £'000	31.01.13 unaudited £'000
Purchases	69	385	103
Sales	98	592	193
	<u>167</u>	<u>977</u>	<u>296</u>

## 10 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 31 January 2014 and 31 January 2013, which are unaudited, constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The figures and financial information for the year ended 31 July 2013 are extracted from the latest published financial statements. These financial statements, on which the Independent Auditor gave an unqualified report, have been delivered to the Registrar of Companies.

# Investor Information

## 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 investors** 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 10p per minute plus network extras)

8.30am to 5.30pm, Monday to Friday.

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 24035, 12 Blenheim Place,  
Edinburgh EH7 9DD.

Telephone: 0845 358 1107

(calls cost 3.95p per minute from a BT landline dependent on the tariff. Other telephone service providers' costs may vary.)

**Fidelity ISA investors:**

Fidelity, using the freephone numbers given, or by writing to:

UK Customer Service, Worldwide Investment,  
Oakhill House, 130 Tonbridge Road,  
Hildenborough, Tonbridge,  
Kent TN11 9DZ

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

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

Telephone: 01732 361144

Fax: 01737 836892

<http://www.fidelity.co.uk/its>

## FINANCIAL CALENDAR 2014

31 January	- Half-Yearly period end
28 March	- Announcement of Half-Yearly results to 31 January
April	- Posting of Half-Yearly report
31 July	- Financial year end
October	- Publication of Annual Report
November	- Annual General Meeting

## BOARD OF DIRECTORS

Hugh Bolland (Chairman)  
William Knight  
(Senior Independent Director)  
Grahame Stott  
(Audit Committee Chairman)  
Kate Bolsover  
Philip Smiley

## MANAGER, SECRETARY AND REGISTERED OFFICE

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

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88 Wood Street  
London  
EC2V 7QR

## INDEPENDENT AUDITOR

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Chartered Accountants  
and Registered Auditor  
30 Finsbury Square  
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EC2P 2YU

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125 London Wall  
London  
EC2Y 5AJ

## REGISTRARS

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The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

## LAWYERS

Slaughter and May  
One Bunhill Row  
London  
EC1Y 8YY

Speechly Bircham LLP  
6 New Street Square  
London  
EC4A 3LX

# Glossary of Terms

## BENCHMARK INDEX

MSCI All Countries Far East Free ex Japan Index (net).

## 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. A company may reason that the asset price will rise, by buying ("long" position) or fall by selling ("short" position). If a company trades long, dividends are received and interest is paid. If a company trades short, dividends are paid and interest is received. The Company only intends to use long [Contracts For Difference](#).

## 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;
- Unlisted investments valued using an appropriate valuation technique in the absence of an active market; and
- [Contracts For Difference](#) valued as the difference between the settlement price of the contract and the value of the contract (unrealised gains or losses).

## GEARING

[Gearing](#) describes the level of the Company's borrowing and is expressed as a percentage. 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 stocks. 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 the Company has £100 million of net assets and £8 million of borrowings (either via bank loans or long [Contracts For Difference](#)) then the [Shareholders' funds](#) are 8% geared. Normally, the higher the [gearing percentage](#), the more sensitive the Company's investment trust's shares will be to the movements up and down in the value of the investment portfolio.

## 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.

## 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](#).

## 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.

## SHARE REPURCHASES

An increasingly popular way for investment trust companies to return cash to their shareholders is through offering to repurchase a proportion of shares currently held. Companies seek the permission of shareholders to do so at their annual general meetings allowing them to repurchase a proportion of their total shares (up to 14.99%) in the market at prices below the prevailing [net asset value](#) per share. This process is also used to enhance the [net asset value](#) per share and to reduce the [discount](#) to [net asset value](#).

## 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 PORTFOLIO EXPOSURE

The value of the fixed asset investments at [fair value](#) plus the [fair value](#) of the underlying securities within the [Contracts For Difference](#).

## 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).

# Investing in Fidelity Asian Values PLC

## FURTHER INFORMATION

The Fidelity Individual Savings Account ("ISA") and Junior ISA are offered and managed by Financial Administration Services Limited. The Fidelity Investment Trust Share Plan is managed by FIL Investments International. Both companies are authorised and regulated by the Financial Conduct Authority. The Fidelity Investment Trust Share Plan is administered by Bank of New York Mellon and shares will be held in the name of Bank of New York Nominees Limited.

The value of savings and eligibility to invest in an ISA will depend on individual circumstances and all tax rules may change in the future. Fidelity investment trusts are managed by FIL Investments International. Fidelity only gives information about its own products and services and does not provide investment advice based on individual circumstances. Should you wish to seek advice, please contact a Financial Adviser.

Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than older developed markets.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity.

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# Warning To Shareholders

## SHARE FRAUD WARNING

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority ("FCA") has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

## PROTECT YOURSELF

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the FCA Register at **[www.fca.org.uk/register](http://www.fca.org.uk/register)** to ensure they are authorised.
3. Use the details on the FCA Register to contact the firm.
4. Call the FCA Consumer Helpline on **0800 111 6768** if there are no contact details on the Register or you are told they are out of date.
5. Search the FCA's website for a list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

## REPORT A SCAM

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at **[www.fca.org.uk/scams](http://www.fca.org.uk/scams)**, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0800 111 6768**.

**If you have already paid money to share fraudsters you should contact Action Fraud on**

**0300 123 2040**



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