FIDELITY ASIAN VALUES PLC

FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2024

Highlights:

- During the twelve-month period ended 31 July 2024, Fidelity Asian Values PLC reported a Net Asset Value (NAV) return of +3.2% and ordinary share price total return of -1.7%.
- The benchmark index, the MSCI All Countries Asia ex Japan Small Cap Index, produced a total return of +13.7% over the same timeframe.
- The Board has announced a final dividend of 14.5 pence per share.

Contacts

For further information, please contact:

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FINANCIAL HIGHLIGHTS

Assets as at 31 July	2024	2023
Gross Asset Exposure	£442.9m	£440.8m
Net Market Exposure	£416.2m	£413.7m
Total Shareholders' Funds	£392.0m	£394.6m
NAV per Ordinary Share[1]	551.66p	549.33p
Gross Gearing[1]	13.0%	11.7%
Net Gearing[1]	6.2%	4.9%
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Share Price and Discount data at 31 July		
Ordinary Share Price at year end	496.00p	520.00p
Year high	542.00p	534.00p
Year low	476.00p	423.00p
Discount to NAV per Ordinary Share at year end[1]	(10.1%)	(5.3%)
(Discount) year low/Premium	(2.2%)	0.8%
(Discount) year high	(11.9%)	(12.9%)
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Results for the year ended 31 July		
Revenue Return per Ordinary Share[1]	14.24p	15.17p
Capital Return per Ordinary Share[1]	2.06p	39.95p
	---------------	---------------
Total Return per Ordinary Share[1]	16.30p	55.12p
	=========	=========
Ongoing Charges for the year to 31 July	0.95%	0.96%
Variable Element of Management Fee[3]	0.19%	0.07%
Ongoing Charges including Variable Element of Management Fee for the year to 31 July[1]	1.14%	1.03%
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1 Alternative Performance Measures. See below

2 The variable element of the management fee is calculated over a rolling three year period with reference to the Benchmark Index.

CHAIRMAN'S STATEMENT

This is my first Annual Report for the Company, having taken over as Chairman from Kate Bolsover at the last AGM in November 2023. As Kate noted in her Chairman's Statement in last year's report, your Portfolio Managers Nitin Bajaj and Ajinkya Dhavale have delivered periods of significant outperformance since Nitin's appointment in April 2015. However, as we all know, the value of equity investments can go down as well as up, and there is no avoiding the fact that the year ended 31 July 2024 has been a relatively disappointing one for the Company and its shareholders.

In the year under review, the Net Asset Value ("NAV") total return was +3.2%, while the Comparative Index (the MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in sterling terms)) returned +13.7%. The total return to shareholders was -1.7% owing to a widening in the share price discount to NAV, which moved from 5.3% on 1 August 2023 to 10.1% at the period end.

During the period, Ajinkya Dhavale was appointed as the Company's Co-Portfolio Manager to support and closely work alongside the Portfolio Manager, Nitin Bajaj. Ajinkya's appointment helps to strengthen the investment process and manage key person risk.

Nitin and Ajinkya's investment style is bottom-up, contrarian and value-focused. In simple terms this means they focus on individual company fundamentals and seek to avoid crowded trades where high company valuations may limit further upside. While this style has historically delivered differentiated investment returns, it can also lead to periods of underperformance when extreme momentum is driven by investors focusing on a narrow range of areas, as has been the case recently in countries, sectors and themes such as India, technology and artificial intelligence (AI).

You will find detailed information on the portfolio and its performance in the Portfolio Managers' Review in the following section. In brief, however, your Portfolio Managers feel that many Indian companies, and technology stocks – particularly those related to AI – are overvalued, and they have been focusing their attention more on China, where they see attractive value opportunities, particularly in companies serving the domestic consumer. With China having been very out of favour among investors in the post-Covid period, the 'caged upside' in these companies has yet to be realised, and we believe that these stocks – selected through the same rigorous, consistent and research-intensive investment process that has delivered such good long-term returns for the Company – should achieve their potential in time.

As a Board, we are cognisant of the geopolitical risks around investing in China, given potential higher US trade tariffs and the impact of 'de-globalisation', and this has in part informed our decision to limit the aggregate China and Hong Kong exposure. The portfolio's focus on more domestic names should limit the influence of global factors on these companies.

BOARD STRATEGY DAY

As incoming Chairman of what is a relatively 'new' Board following a number of retirements and appointments in recent years, I was keen that we should 'get back to basics' and explore the factors that the independent non-executive directors of an investment company can and should be influencing. To this end, we undertook a strategy day earlier in 2024, where we reassessed discount management, competitor analysis, the rationale and mechanics of the variable management fee and its allocation to capital or revenue reserves, trading policy and liquidity considerations, and the implementation of and compliance with investment limits. One of the outcomes of the strategy day was the abovementioned decision to combine China and Hong Kong under a single investment limit, where previously there was a limit for each market, meaning that exposure could be significantly higher. While Nitin and Ajinkya are very much bottom-up investors, who select stocks based on company fundamentals and valuation rather than place of business or country of listing, as a Board we feel that the application of such limits is helpful in ensuring the portfolio remains diversified and that risks are not overly concentrated in any one area.

DUE DILIGENCE TRIP

The whole Board normally visits Asia on a due diligence trip every other year. As incoming Chairman, I have been fortunate to visit the investment team in Singapore in the 'off' year, to deepen my understanding of how Fidelity's large team of analysts, portfolio managers and other professionals work together to benefit the shareholders of the Company. With some 60 analysts across the region, each assigned a sector or subsector, there is an enormous volume of potential investment ideas, but the bar for inclusion in your Company's portfolio is high, and I observed a healthy dynamic of rigorous challenge with plenty of lively debate between Nitin and the broader team. Having also sat in on meetings with investee companies, I was encouraged by the depth of the conversations and the collaborative feel of the interactions, with challenging questions answered well and a warm but professional relationship in evidence.

DISCOUNT MANAGEMENT AND SHARE REPURCHASES

With geopolitical tensions remaining high in a year also filled with notable global election activity, market conditions have continued to be unsettled, leading to a degree of volatility in the Company's share price discount to NAV, which ranged during the period between 2.2% at its narrowest and 11.9% at its widest, finishing the year at 10.1%. Between 13 October 2023 and 31 July 2024, the Board approved the repurchase of 768,780 ordinary shares (1.0% of the issued share capital) for holding in Treasury, at a cost of £3,826,000. Since then and up to the date of this report, 687,461 shares have been repurchased as part of the Company's active and ongoing discount management strategy. The primary purpose of share buybacks is to limit discount volatility, and at the AGM in November 2024 the Board will seek shareholder approval to renew the annual authority to repurchase up to 14.99% or allot up to 10% of the ordinary shares in issue.

The timing of repurchases of ordinary shares are made at the discretion of the Broker, within guidelines set by the Board and considering prevailing market conditions. Shares will only be repurchased in the market at prices below the prevailing NAV per ordinary share, thereby resulting in an accretive enhancement to the NAV per ordinary share. The shares repurchased are currently held in Treasury and would only be reissued at NAV per ordinary share or at a premium to NAV per ordinary share. The Board will consider cancelling shares when the percentage of shares held in Treasury exceeds 10% of the total issued share capital.

MARKETING AND PROMOTION

Your Board is keenly aware that share buybacks alone are unlikely to eliminate a persistent discount to NAV; discounts are a function of supply and demand and, as such, increasing demand is at least as important as absorbing excess supply. As well as appointing a new director, Lucy Costa Duarte, who has a strong track record in marketing and distribution, we continue to allocate significant resources to marketing in order to increase shareholder value. Through Fidelity's sales and marketing teams and internal and external PR partners, we have been working to increase the Company's profile through digital and print advertising, sponsorship, events, direct marketing and press coverage. We also work with a third-party research provider, Kepler Partners, to produce regular notes on the Company, which are distributed widely and made available on the Company's website. The focus on reaching both retail and professional (wealth manager) audiences is evident in the makeup of our share register, with 40% of our shares owned by direct investors through platforms, and 49% (up 4% over five years) by wealth managers on behalf of their clients.

DIVIDEND

Your Portfolio Managers invest principally for long-term capital growth, but their value-oriented investment style tends to lead them towards unleveraged, cash-generative businesses that may themselves be able to pay rising dividends. In the last two years your Board has declared substantially higher dividends (14.0 pence per share in 2022 and 14.5 pence per share in 2023), compared with less than 9.0 pence per share in the three preceding years. We noted at the time that shareholders should not assume that such dividends would continue in the future.

The Board is recommending a final dividend of 14.5 pence per share for the year ended 31 July 2024 for approval by shareholders at the AGM to be held on 21 November 2024. We would reiterate, however, that income is an output rather than an aim of the investment process, and that no guarantees can be offered as to the level of any future dividends.

GEARING

Your Company can borrow additional money to invest on behalf of its shareholders, known as gearing. This can enhance returns for shareholders although, conversely, in falling markets, it can amplify losses. The Company's formal gearing policy allows for maximum gross asset exposure of 140% of NAV (up to 130% in long positions and a maximum of 10% in short positions); however, your Board has set a goal for net market exposure to be in a range of 90% to 115% in normal market conditions. The level of gross gearing is directly proportional to the investment opportunities that your Portfolio Managers see. When they are optimistic about the outlook and there is a good supply of compelling investment ideas, then the Company will tend to be more geared. At the period end, gross gearing was 13.0% (2023: 11.7%) and net gearing was 6.2% (2023: 4.9%). This remains at the historically high end of the range during Nitin's tenure, and, while the impact of gearing was slightly negative in the period under review, its level underlines the Portfolio Managers' belief in the prospects for the Company's investments. While higher than the long-term average level, gearing is not objectively 'high', particularly on a net basis, but instead reflects a degree of cautious optimism. Rather than using bank borrowing (which is often deployed across a portfolio on a pro-rata basis), the gearing is achieved using contracts for difference ("CFDs"), which, as a type of derivative, are implemented on a stock-by-stock basis. Each year, your Board reviews the use of CFDs, and we have again concluded that at the present time they remain a more efficient and flexible form of financing than either secured or unsecured debt, as well as enabling your Portfolio Managers to be fleet of foot in the deployment of gearing. We are fortunate that Fidelity has the infrastructure and capability to allow the use of CFDs in the portfolio; few other management groups can offer this.

USE OF SHORT POSITIONS

Fidelity's capability in derivative instruments is also what allows your Portfolio Managers to 'short' stocks, which has again had a positive impact on returns in the year under review. A short position is taken on the view that the price of a stock or the value of an index will go down rather than up. Short positions are limited to a maximum of 10% of the portfolio and do not usually exceed 10 stocks; however, while relatively small in scope, this additional tool has materially added to performance since its introduction in late 2019. Total short exposure as at 31 July 2024 was 3.4% of net assets (2023: 3.4%).

BOARD OF DIRECTORS

Kate Bolsover stood down at the AGM in November 2023 after nine years of outstanding service as Chairman. As I stepped into the role of Chairman, Matthew Sutherland assumed my previous position as Senior Independent Director. Sally Macdonald has taken on the role of Chairman of the Management Engagement Committee from Michael Warren who will retire from the Board at the forthcoming AGM, when he will have served for 10 years. We are grateful to Michael for having stayed on an extra year in order to ensure a good handover of the institutional and historical knowledge of the Company. In June 2024 we welcomed Lucy Costa Duarte to the Board. Lucy is Investment Director for International Biotechnology Trust plc ('IBT') at Schroders and has a wealth of experience in marketing investment trusts, as well as previously having headed the emerging markets equity capital markets team at Citigroup. She will stand for election at the AGM in November.

As I noted above, there has been a significant number of retirements from and appointments to the Board in the past few years. Following Michael Warren's retirement, I will be the longest-serving director, at five years, and we should now be entering a period of board stability. Your Board has a diversity of backgrounds and, we feel confident that we have an appropriate mix of skills to ensure the Company's continued good governance.

ANNUAL GENERAL MEETING

The AGM of the Company will be held at 11.00 am on Thursday, 21 November 2024 at 4 Cannon Street, London EC4M 5AB (nearest tube stations are St Paul's or Mansion House) and for those shareholders who are unable to attend the meeting in person, we will live-stream the formal business and presentations of the meeting via the Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting.

Nitin Bajaj, the Portfolio Manager and Ajinkya Dhavale, the Co-Portfolio Manager, will be making a presentation to shareholders highlighting the achievements and challenges of the year past and the prospects for the year to come. They and the Board will be very happy to answer any questions that shareholders may have.

Copies of their presentation can be requested by email at **investmenttrusts@fil.com** or in writing to the Secretary at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Please note that investors on platforms, such as Fidelity Personal Investing, Hargreaves Lansdown, Interactive Investor or AJ Bell Youinvest, will need to request attendance at the AGM in accordance with the policies of your chosen platform. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we would welcome your online participation as a guest. Once you have accessed **https://web.lumiagm.com** from your web browser on a tablet or computer, you will need to enter the **Lumi Meeting ID** which is **159-339-971**. You should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

OUTLOOK

Although the year under review has been a difficult one performance-wise, Nitin and Ajinkya continue to see good prospects for their portfolio of undervalued, quality businesses. With much of the investing world continuing to be in thrall to all things AI, your Portfolio Managers' positioning in unloved and overlooked areas arguably carries limited downside potential, compared to other areas of the market, with the possibility of significant upside, as has been seen in previous years. As a contrarian strategy, there may be times when the portfolio is sailing into the wind, but Nitin and Ajinkya remain very disciplined and are sticking to their proven long-term investment process. You can read below more on their views and how they are expressing them in the portfolio.

CLARE BRADY
Chairman
10 October 2024

PORTFOLIO MANAGERS' REVIEW

Nitin Bajaj was appointed as the Portfolio Manager of Fidelity Asian Values PLC on 1 April 2015. He is based in Singapore and has over 22 years' investment experience. He is also the Portfolio Manager for the Fidelity Asian Smaller Companies Fund as well as the Fidelity China Focus Fund. He first joined Fidelity in 2003 as an Investment Analyst and then took over the Fidelity India Special Situations Fund and subsequently started the Fidelity India Value Fund. He managed these funds until November 2012, when Fidelity decided to sell its India business.

Ajinkya Dhavale has been appointed as the Company's Co-Portfolio Manager to support and closely work alongside Nitin Bajaj. He has extensive experience in Asian markets and companies and shares a common investment approach and complementary investment experience with the Portfolio Manager. He has over 16 years of investment experience. He originally joined Fidelity as an analyst in 2013, covering the Auto, Cement, Telecommunications and Property sectors and is Co-Portfolio Manager of the Fidelity Asian Smaller Companies Fund.

QUESTION 1
How has the Company performed in the year to 31 July 2024?

ANSWER

During the year ended 31 July 2024, the Company's net asset value ("NAV") rose 3.2% as compared to the 13.7% total return from the Comparative Index (the MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in sterling terms)). The total share price return was -1.7% due to the widening of the discount to NAV.

Overall, our stock selection contributed positively to the Company's relative performance versus the Comparative Index. However, our market selection remained a drag against the backdrop of continued divergence in country performance.

Our investment process is driven by owning good businesses run by managements we trust and investing in them only when we have ample margin of safety – this often leads us to take contrarian positions as it is easier to find undervalued businesses in countries which are out of favour with investors. Following this philosophy, we have a significant percentage of our portfolio in China and Hong Kong and Indonesia compared to the index but in all these markets small caps saw a sharp fall in share prices and underperformed the regional small cap index. Conversely, India, where our portfolio has a large underweight due to valuation concerns, rose strongly and outperformed the index.

Chart 1: Country attribution over 12 months to 31 July 2024

	Average weight (%)			Cumulative returns	Contribution to relative returns (%)		
	Company (%)	Index (%)	Relative (%)	Index (%)	Stock selection	Market selection	Total
China + Hong Kong	+40.6	+13.1	+27.5	-2.8	+4.6	-10.8	-6.2
India	+18.6	+31.0	-12.4	+49.9	-1.0	-3.6	-4.6
Indonesia	+14.6	+2.2	+12.4	-14.9	+2.4	-3.8	-1.4
Korea (South)	+9.1	+15.6	-6.5	-3.4	+1.0	+1.2	+2.2
Australia	+5.2	+0.0	+5.2	0.0	-0.4	0.0	-0.4
Singapore	+3.3	+5.0	-1.7	0.0	+0.5	+0.2	+0.7
Taiwan	+1.4	+25.8	-24.4	+18.0	+1.2	-1.0	+0.2
Other Countries	+10.3	+7.4	+2.9	+0.1	-0.8	+0.7	-0.1
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Total Primary Assets	**+103.0**	**+100.0**	**+3.0**				**-9.6**
Cash & others	-3.0	0.0	-3.0				-0.9
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Total	100.0	100.0	0.0				-10.5
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Note: The table above uses figures calculated as a percentage of net assets.

Source: Fidelity International, 31 July 2024. Index: MSCI All countries Asia ex Japan Small Cap Index (net) total return (in sterling terms).

QUESTION 2

What stocks have been the main contributors and detractors to performance during the period and why?

ANSWER

It was not surprising that our top three contributors relative to the Index during the 12-month period were from India while our largest relative detractors were all from China and Hong Kong as it was very much in line with country performance within Asian small caps.

In India, our holdings in the country's largest power trading company **PTC India** was a key contributor. It reported strong volume growth particularly for higher margin long-term trades. Exposure to **Granules India** added value as the small cap pharmaceuticals company continued to increase its leadership in high volume products such as paracetamol and new launches in higher margin drugs. Similarly, India's 4th largest mortgage financier **LIC Housing Finance** benefited from its access to low-cost funds helping it focus mainly on prime borrowers and maintain high returns on equity and strong asset quality. We continue to like all of them but trimmed exposure on strong performance and reduced the margin of safety.

Most of the detractors in China and Hong Kong operate in consumption and housing driven sectors where near-term weakness in demand led to earnings downgrade as well as multiple deratings. For instance, Hong Kong-listed **Galaxy Entertainment Group** which is the second largest casino operator in Macau hurt returns due to increased competition and Chinese consumption recovery being slower than we had anticipated. However, tourism spending remains one of the most interesting areas in China given rising incomes, changing demographics and attractive valuations for Macau based casinos. Similarly, our holding in drug retailer **Yixintang Pharmaceutical**, which has a leadership in Yunnan province, fell on the back of the introduction of a price comparison system. We continue to like its structural medium to long-term prospects as it consolidates in a fragmented sector. It provides low double-digit Return on Equity ("ROE") which is a measure of the prospective return against the value of the shares, and trades about 8 times its 12 month forward earnings, which is a measure of the price of the shares against the likely future profits. Meanwhile, the biggest detractor **China Overseas Grand Oceans** is one of the country's leading property developers focused on tier 3 cities that is gaining market share as weaker players are going out of business. It trades below 0.2x its book value, which is a measure of the price of the shares versus the value of the assets of the company. It provides about a 9% dividend yield.

While these companies have detracted from performance over the 12-month review period, their valuations reflect earnings expectations that are at trough levels providing us a significant margin of safety and upside potential.

QUESTION 3
The Company's portfolio is overweight in China. Why do you prefer investment in China compared to other countries in the Asian region?

ANSWER
We do not invest in countries, we invest in businesses. Our higher exposure to China is driven by the bottom up security selection in a range of well-financed and well-run businesses where their current valuations provide a sufficient margin of safety compared to most other markets in the Asian region.

We understand the concerns investors have about China's geopolitical issues, its property downcycle and weak consumption trends. In our opinion, the housing cycle downturn has been absorbed in a large measure and its negative impact on the economy will be felt to a lower extent next year. This is part of an economic cycle correction, but sound businesses will still be around, likely to be in better shape and emerge stronger as the cycle recovers. Given current valuations, there is significant upside on owning these businesses over a 3-year horizon. The cycle in China is not too dissimilar to the US cycle post the housing crisis in 2007 or the economic downcycle in India between 2011 and 2013.

In our opinion, China has created one of the best infrastructures in the world – both human and physical. The foundations are strong and hence our belief that the weakness we see currently is cyclical rather than structural. We believe in good businesses, run by competent and honest people and buying them at cheap prices. We are finding quite a few of these in China today and hence the significant overweight position in China.

QUESTION 4
Looking beyond China, where do you currently see the best opportunities?

ANSWER
Beyond China, Indonesia is one place that is providing opportunities to own a good mix of growth and quality businesses at attractive valuations as the market has lagged most of Asia over the last year. It is the third largest economy in the region after China and India with a strong demographic profile with tailwinds for consumption shifts as well as infrastructure development. The country has been more prudent with its public finances than other countries in the region. Our exposure to Indonesia is diversified across financials, building materials, industrials and consumer businesses that offer fairly high and sustainable returns at sufficient margin of safety. Indonesia has some of the strongest banking franchises with conservative underwriting culture. They have stable asset quality and benefit from structural growth as penetration levels are increasing from low levels. The consumer companies owned in Indonesia are also high-quality franchises with market leadership. This gives them strong pricing power and ability to generate margins that are higher than global peers over the long term.

We have also been adding exposure to businesses in Korea. The country's 'value up' programme that pushes for governance reforms should yield positive outcomes from Korean corporates. We have selectively been adding positions in companies where there is considerable margin of safety built into current valuations to limit the downside, but potential for gains is immense if their management teams improve total shareholder returns through higher dividends and buybacks.

QUESTION 5
Small cap value stocks continue to outperform small cap growth stocks over the longer term. What has driven this and do you expect the pattern to continue?

ANSWER
Small cap value stocks have performed better than small cap growth stocks over the last 25+ years. This is essentially because the small cap value stocks have grown earnings faster than small cap growth stocks.

Over 80% of our portfolio remains in these value stocks as we believe they will continue to do better based on their superior earnings growth and higher cash returns in terms of dividends.

QUESTION 6
How do you view macro and geopolitical events and the effects they will have on your portfolio?

ANSWER
Macro and geopolitical events are not central to our decision-making but we realise we cannot ignore them entirely, as companies exist within business cycles and they are impacted by geopolitical events. So, we try to factor both into our decision-making predominantly at single stock level and at portfolio risk level. These give us guard rails rather than being the main driver of decision-making. Stock picking is the mainstay of the investment process. This has been its strength, and we feel we are better placed if we 'stick to our knitting'.

For instance, we are aware of the tensions between the USA and China and feel that this is a long-term trend but it is beyond our expertise to predict specific events that can trigger near-term market responses. Therefore, we continue to follow our process and have chosen to focus more on opportunities in domestic-demand led Chinese businesses rather than the businesses that derive significant revenues from the US market.

At the same time, it is helpful to reiterate that macroeconomic factors are cyclical - they come and go – if we can construct a diversified portfolio of good businesses run by competent and honest management teams and invest at a price that leaves sufficient margin of safety, we should over time be able to generate returns for our investors over the medium to long term.

QUESTION 7
How does the Company consider governance and stewardship?

ANSWER
The investment process centres around good businesses managed by good people available at a good price, which implies that we actively look for a business that solves a problem for its consumers. The 'good people' behind a business respect law and regulation and take care of their employees, customers, the environment, and shareholders, as well as managing their businesses responsibly. We strongly believe that only an honest and competent management team will drive the business towards creating value over the long term. It is unlikely that a management team that has not focused on shareholder returns over the last 15-20 years will suddenly start putting the shareholder at the heart of what they do.

Fidelity International is a signatory of the UK Stewardship Code that sets globally recognised standards of stewardship for investors saving money on behalf of UK savers and pensioners. We support the Code's aim of encouraging big investors to focus on promoting good corporate governance at the companies they invest in.

Fidelity's stewardship activities support the responsible allocation of the Company's assets in two main ways: by informing the investment process at the research and investment decision-making stages, and through leveraging our ownership position in companies with the aim of effecting positive corporate change.

QUESTION 8
What is your approach to gearing and short positions? And what impact have they had on returns during the year and over the longer term?

ANSWER
The level of gearing in the Company remains a function of the number of investment ideas we find. It increases when we see more ideas than money and it reduces (or we keep a higher cash balance) when we do not find as many ideas.

Gearing has recently increased as we have found investments in China, a market which has been out of favour with investors. However, valuations in many other parts are not as attractive. India remains expensive leading us to reduce exposure in this market.

QUESTION 9
What are some of the points that are important to remind the holders of the Company?

ANSWER
We own businesses that are better quality than the market and are currently priced at cheaper valuations than the market. This has been the bed rock of our investment process for over a decade. The portfolio's Return on Equity ("ROE") remains at a premium to the market while the Price to Earnings ratios of our holdings are at a significant discount.

The ROE metric of the portfolio is higher than that of the market implying the Company is generating superior returns for each pound of shareholder's equity than the market. Further the blended Price to Earnings ratio of our holdings is at a significant discount which implies that we are paying a lower price for each potential pound of future earnings by our portfolio companies compared to the market as a whole.

This is driven by our historically high exposure to China, Hong Kong and Indonesia where businesses are undervalued versus their long-term returns potential, as well as due to our low exposure to India, given valuations in the Indian small cap segment are extremely expensive.

We do not predict market movements and have come to understand that markets are seldom rational in their short-term responses. Thus, we consistently focus on investing in good businesses, run by good management teams that are available at a suitable margin of safety. This is the approach that has stood the test of time generating sustainable performance for the Company in the long run and should do the same in the next few years.

NITIN BAJAJ	**AJINKYA DHAVALE**
Portfolio Manager	**Co-Portfolio Manager**

10 October 2024

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

As required by provisions 28 and 29 of the 2018 UK Corporate Governance Code, the Board has a robust ongoing process for identifying, evaluating and managing the principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency and liquidity. The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investment Services (UK) Limited (the "Manager")), 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 that the Company faces.

The Board considers the risks listed below as the principal risks and uncertainties faced by the Company.

PRINCIPAL RISKS

1. Economic, Political and Market Risks

Trend (*from previous year*): Increased

Description and Impact

- The Company and its assets may be affected by economic and market risks. These are market downturns, interest rate movements, deflation/inflation, exchange rate movements and market shocks. Inflation and economic instability are potentially impacting investors' risk appetite.
- The Company is exposed to several geopolitical risks. The fast-changing global geopolitical landscape is largely shaped by the ongoing effects of war conflicts, deglobalisation trends and significant supply disruption. The Middle East and Russia are significant net exporters of oil, natural gas and a variety of soft commodities and supply limitations have fuelled global inflation and

Mitigation

- The Company's portfolio is made up mainly of listed securities. The Portfolio Managers' success or failure to protect and increase the Company's assets against the economic, political and market background is core to the Company's continued success. Their investment philosophy of stock-picking and investing in attractively valued companies aims to outperform the Comparative Index over time. The Board is provided with a detailed investment review which covers material economic, political and market risks and legislative changes at each Board meeting.
- The Board has oversight of the Company's portfolio, regularly reviews the impact of gearing and

economic instability, specifically within Western nations. Macro-economic uncertainty continues to impact Western investment appetite. Conflict in the Middle East provides another source of emerging geopolitical risk and economic instability.

- China's outlook for 'controlled stabilisation' remains intact, supported by targeted policy measures. The expanding strength of the global industrial cycle is benefitting China's exports, which are once again becoming the main driver of growth alongside capex, while growth of consumption remains subdued. Whilst investment from mainland China has increased significantly, driven by favourable government policies and the high dividends available from some Hong Kong shares, China's vulnerabilities remain, with risks related to the global outlook and geopolitical tensions including the possibility of global trade conflict, ongoing tensions between South Korea and North Korea, South China Sea dispute and implications of China-Taiwan relations.
- As the year progresses, political risks could increase, heading towards the US elections during late 2024, which coupled with ongoing geopolitical conflicts, could lead to higher volatility for broader markets, and oil in particular, as well as risk of changes in foreign policies across the globe.
- Most of the Company's assets and income are denominated in currencies other than sterling which is the Company's functional and presentation currency. As a result, movements in exchange rates may affect the sterling value of its assets and income.

derivatives, and has comfort that the portfolio is sufficiently diversified by sector and number of holdings.

- Risks to which the Company is exposed to in the market and currency risk category are included in Note 17 to the Financial Statements together with summaries of the policies for managing these risks. It is the Company's policy not to hedge the underlying currencies of the holdings in the portfolio but rather to take the currency risk into consideration when making investment decisions.

2. Investment Performance Risk (including the use of Derivatives and Gearing)

Trend (*from previous year*): Unchanged

Description and Impact

- The achievement of the Company's investment performance objective relative to the market requires the taking of risk, such as investment strategy, asset allocation and stock selection, and may lead to NAV and share price underperformance compared to the Comparative Index and/ or peer group companies.
- Continued underperformance could lead to the Company and its objective becoming unattractive to investors.
- The Company gears using derivatives including long CFDs which provide greater flexibility and are generally cheaper than bank loans. The principal risk is that the Portfolio Managers fail to use gearing effectively, resulting in a failure to outperform in a rising market or to underperform in a falling market.
- Derivative instruments are used to enhance investment returns, as well as for hedging and efficient portfolio management purposes. There is a risk that the use of derivatives may lead to higher volatility in the NAV and the share price than might otherwise be the case.

Mitigation

- The Investment Manager is responsible for actively monitoring the portfolio selected in accordance with the asset allocation parameters and seeks to ensure that individual stocks meet an acceptable risk/reward profile.
- The Board reviews Fidelity's compliance with agreed investment restrictions; investment performance and risk; relative performance; the portfolio's risk profile; and whether appropriate strategies are employed to mitigate any negative impact of substantial changes in the markets. The Board also regularly canvasses major shareholders for their views with respect to company matters.
- The Board has put in place policies and limits to control the Company's use of derivatives and exposures. These are monitored daily by the Manager's Compliance team and regular reports are provided to the Board. Further detail on derivative instruments risk is included in Note 17 to the Financial Statements.
- The Board regularly considers the level of gearing and gearing risk. The Investment Policy sets the gearing limits within which the Manager must operate and the Board regularly considers the level of gearing and gearing risk.

3. Changes in Legislation, Taxation or Regulation

Trend (*from previous year*): Increased

Description and Impact

- Changes in legislation, taxation or regulation, or other external influence that require changes to the investment trust structure of the Company are a significant risk for the Company.
- A breach of Section 1158 of the Corporation Tax Act 2010 could lead to a loss of investment trust status resulting in the Company being subject to tax on capital gains.
- There have been increased concerns about investment cost disclosures and their impact on the industry. More recently, however, it should be noted that the government and regulator have announced a temporary exemption for investment companies from the EU cost disclosure requirements.

Mitigation

- The Board and Manager closely monitor regulatory, taxation and legislative changes, with developments impacting the Company summarised in the form of regular reporting to the Board.
- The Manager monitors Section 1158 status to ensure any issues are escalated to the Board and addressed promptly.
- The Manager participates in industry discussions regarding regulatory changes impacting investment companies, and regulatory developments continue to be monitored and managed by FIL through active lobbying and negotiations as well as a robust change management process.

4. Cybercrime and Information Security

Trend (*from previous year*): Increased

Description and Impact

- Cybersecurity risk from cyberattacks or threats to the functioning of global markets and to the Manager's own business model, including its and the Company's outsourced suppliers.
- Risk of cybercrime such as phishing, remote access threats, extortion, and denial-of-service attacks from geopolitically motivated parties.

Mitigation

- The risk is monitored by the Board with the help of the Manager's global cybersecurity team and their extensive Strategic Cyber and Information Security programme and assurances from outsourced suppliers.
- The Manager has established a comprehensive framework of information security policies and standards which provide a structured approach to identify, prevent, and respond to information security threats. The Company's other service providers also have similar measures in place.
- Key performance indicators and metrics have been developed by the Manager to monitor the overall efficacy of cybersecurity processes and controls and to further enhance the Manager's cybersecurity strategy and operational resilience.

5. Business Continuity and Crisis Management

Trend (*from previous year*): Increased

Description and Impact

- There continues to be focus from financial services regulators around the world on the contingency plans of regulated financial firms, particularly given the prevalence of hybrid working arrangements.
- Business process disruption risk from continued threats of cyberattacks, geopolitical threats and natural events, such as earthquakes, resulting in financial and/or reputational impact to the Company, affecting the functioning of the business.

Mitigation

- The Manager has Business Continuity and Crisis Management Frameworks in place to deal with business disruption and assure operational resilience. The Board has been assured that the Manager has appropriate business continuity plans and the provision of services has continued to be supplied without significant interruption.
- The Company relies on several third-party service providers, principally the Registrar, Custodian and Depositary. They are all subject to a risk-based programme of internal audits by the Manager and their own internal controls reports are received by the Manager on behalf of the Board on an annual basis. The findings are presented to the Board and any concerns are investigated by the Manager. The third-party service providers have also confirmed the implementation of appropriate measures to ensure business disruption is minimised.

6. Competition Risks and Marketplace Threats Impacting Business Growth

Trend (*from previous year*): Increased

Description and Impact

- Threats facing the Company include external pressures affecting the Company's ability to maintain and grow the business, and a loss of shareholders if the demand for investment trusts decline and the demand for passive funds and holistic/digital finance offerings continue to increase, particularly within the current market environment of increased M&A activity.

Mitigation

- The Board, the Company's Broker and Manager closely monitor the peer group and industry activity, and an annual review of strategy is undertaken by the Board, to ensure that the Company continues to offer a relevant product to shareholders.

7. Level of Discount to Net Asset Value

Trend (*from previous year*): Increased

Description and Impact

- Due to the nature of investment companies, the price of the Company's shares and its discount to NAV are factors which are not completely within the Company's control.
- In considering the risk that the discount to NAV poses to shareholder value and returns, both the absolute level of the discount and the amount relative to the Company's peer group and the wider market are considered.

Mitigation

- The Board reviews the investment strategy, investment performance and the marketing approach, given the influence of all these factors on the discount.
- The Company's share price, NAV and discount volatility are monitored daily by the Manager and the Company's Broker and considered by the Board on a regular basis. The demand for shares can be influenced through good performance and an active investor relations programme.
- Repurchases of ordinary shares are made at the discretion of the Board, within guidelines set by the Board, and considering prevailing market conditions.

8. Operational Risks

Trend (*from previous year*): Increased

Description and Impact

- Operational risks include financial losses or reputational damage from inadequate internal processes, people and systems or from external parties and events.

Mitigation

- Fidelity's Operational Risk Management Framework is designed to pro-actively prevent, identify and manage operational risks inherent in most activities.
- Fidelity uses robust systems and procedures dedicated to its operational processes. Its risk management structure is designed according to the FCA's three lines of defence model.

9. Key Person Risk

Trend (*from previous year*): Decreased

Description and Impact

- Loss of the Portfolio Manager, Co-Portfolio Manager or other key individuals could lead to potential performance and/or operational issues.
- The Portfolio Manager, Nitin Bajaj, has a differentiated style in relation to his peers. This style is intrinsically linked with the Company's investment philosophy and strategy and, therefore, the Company has a key person dependency on him.

Mitigation

- The Company has a Co-Portfolio Manager, Ajinkya Dhavale, who supports the Portfolio Manager, and has extensive experience in the Asian markets and companies and shares a common investment approach and complementary investment experience with the Portfolio Manager. The Portfolio Manager is also supported by an Investment Director, Himalee Bahl, as a primary spokesperson for the Company. This helps strengthen the investment process.
- The Manager identifies key dependencies which are then addressed through succession plans,

- There is also a risk that the Manager has inadequate succession plans for other key operational individuals.

particularly for portfolio managers.

10. Environmental, Social and Governance ("ESG") Risks

Trend (*from previous year*): Decreased

Description and Impact

- Investor expectations and/or regulatory requirements related to ESG factors of the underlying investee companies and the portfolio are not perceived to be met.
- Whilst the Company is not labelled as an ESG product, reputational damage to the Company may arise from perception in the marketplace.

Mitigation

- Whilst the investment portfolio does not target or employ any set limit on ESG investments, the Portfolio Managers are expected to engage with companies where sustainability issues arise.
- Fidelity carries out ESG considerations at the fundamental research level.
- The Portfolio Managers and analysts carry out additional quantitative and qualitative analysis of potential investments to form a view on ESG characteristics of every investee company.
- The Manager has developed an ESG investment risk oversight framework to reinforce its Investment Risk Policy to set minimum controls.

EMERGING RISKS

The Audit Committee continues to identify any new emerging risks and take any action necessary to mitigate their potential impact. The risks identified are placed on the Company's risk matrix and appropriately graded. This process, together with the policies and procedures for the mitigation of existing and emerging risks, is updated and reviewed regularly in the form of comprehensive reports by the Audit Committee. The Board determines the nature and extent of any risks it is willing to take to achieve its strategic objectives.

Climate change, which refers to a large scale shift in the planet's weather patterns and average temperatures, continues to be a key emerging issue as well as a principal risk confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of changing weather patterns. Extreme weather events can potentially impact the operations of investee companies, their supply chains and their customers. 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 how this may impact the Company as a risk to investment valuations and potentially to shareholder returns. The Board, together with the Manager, is also monitoring the emerging risk posted by the rapid advancement of artificial intelligence (AI) and technology and how it may threaten the Company's activities and its potential impact on the portfolio and investee companies. Although advances in computing power mean that AI is a powerful tool that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

EMERGING RISKS – MANAGER'S ROLE

The Manager also has responsibility for risk management for the Company. It works with the Board to identify and manage the principal risks and emerging risks and uncertainties to ensure that the Board can continue to meet its UK corporate governance obligations.

ANNUAL REVIEW OF FULL RISK REGISTER

The Company has a full risk register which includes less material risks which the Board reviews at least annually.

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 and 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 and expenditure, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and continue in operational existence for the foreseeable future. The Board has, therefore, concluded that the Company has adequate resources to continue to adopt the going concern basis for the period to 31

October 2025 which is at least twelve months from the date of approval of the Financial Statements. This conclusion also takes into account the Board's assessment of the ongoing risks from significant geopolitical and market events.

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

The prospects of the Company over a period longer than twelve months can be found in the Viability Statement below.

VIABILITY STATEMENT

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve-month period required by the "Going Concern" basis above. The Company is an investment trust with the objective of achieving long-term capital growth. The Board considers long-term to be at least five years, and accordingly, the Directors believe that five years is an appropriate investment horizon to assess the viability of the Company, although the life of the Company is not intended to be limited to this or any other period.

In making an assessment on the viability of the Company, the Board has considered the following:

- The ongoing relevance of the investment objective in prevailing market conditions;
- The Company's level of gearing;
- The Company's NAV and share price performance versus its Comparative Index;
- The principal and emerging risks and uncertainties facing the Company and their potential impact as set out above;
- The Company's continuation vote;
- The future demand for the Company's shares;
- The Company's share price discount to the NAV;
- The liquidity of the Company's portfolio;
- The level of income generated by the Company; and
- Future income and expenditure forecasts.

The Board regularly reviews the investment policy and considers that it remains appropriate, subject to a proposed change to the non-Asian investment limit outlined in the Notice of AGM.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years based on the following considerations:

- The Investment Manager's compliance with the Company's investment objective and policy, its investment strategy and asset allocation;
- The Company's portfolio mainly comprises readily realisable securities which can be sold to meet funding requirements if necessary;

- The Board's discount management policy; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets.

In preparing the Financial Statements, the Directors have considered the impact of climate change, as detailed above and below. The Board has also considered the impact of regulatory changes, ongoing geopolitical tensions, and how these may affect the Company.

In addition, the Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement above.

A continuation vote takes place every five years. There is a risk that shareholders do not vote in favour of the continuation of the Company during periods when performance of the Company's NAV and share price is poor. The last continuation vote was at the Company's AGM held on 3 December 2021. The next continuation vote will take place at the AGM in 2026.

PROMOTING THE SUCCESS OF THE COMPANY

Under Section 172(1) of the Companies Act 2006, the Directors of a company must act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster relationships with the Company's suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

As an externally managed investment trust, the Company has no employees or physical assets, and a number of the Company's functions are outsourced to third parties. The key outsourced function is the provision of investment management services by the Manager, but other professional service providers support the Company by providing administration, custodial, banking and audit services. The Board considers the Company's key stakeholders to be the existing and potential shareholders, the external appointed Manager and other third-party professional service providers. The Board considers that the interest of these stakeholders is aligned with the Company's objective of delivering long-term capital growth to investors, in line with the Company's stated investment objective and strategy, while providing the highest standards of legal, regulatory and commercial conduct.

The Board, with the Portfolio Managers, sets the overall investment strategy and reviews this at an annual strategy day which is separate from the regular cycle of board meetings. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, whether in the maximum size of individual holdings, the use of derivatives, the level of gearing and others. These limits and guidelines are regularly monitored and reviewed. The Board receives regular reports from the Company's Broker which covers market activity, and how the Company compares with its peers.

The Board places great importance on communication with shareholders. The Annual General Meeting ("AGM") provides the key forum for the Board and the Portfolio Managers to present to the shareholders on the Company's performance and future plans and the Board encourages all shareholders to attend either in person or virtually and raise any questions or concerns. The Chairman and other Board members are available to meet shareholders as appropriate. Shareholders may also communicate with Board members at any time by writing to them at the Company's registered office at FIL Investments International, Beech Gate, Millfield Lane, Tadworth, Surrey KT20 6RP or via the Company Secretary in writing at the same address or by email at **investmenttrusts@fil.com**. The Portfolio Managers meet with major shareholders, potential investors, stock market analysts, journalists and other commentators during the year. These communication opportunities help inform the Board in considering how best to promote the success of the Company over the long term.

The Board seeks to engage with the Manager and other service providers and advisers in a constructive and collaborative way, promoting a culture of strong governance, while encouraging open and constructive debate, in order to ensure appropriate and regular challenge and evaluation. This aims to enhance service levels and strengthen relationships with service providers, with a view to ensuring shareholders' interests are best served, by maintaining the highest standards of commercial conduct while keeping cost levels competitive.

Whilst the Company's direct operations are limited, the Board recognises the importance of considering the impact of the Company's investment strategy on the wider community and environment. The Board believes that a proper consideration of ESG issues aligns with the investment objective to deliver long-term capital growth, and the Board's review of the Manager includes an assessment of their ESG approach.

In addition to ensuring that the Company's investment objective was being pursued, key decisions and actions taken by the Directors during the reporting year, and up to the date of this report, have included:

- As part of the Board's succession plans, the appointment of Lucy Costa Duarte to the Board as non-executive Director with effect from 1 June 2024;
- Authorising the repurchase of 768,780 ordinary shares up to the date of this Annual Report in line with the Board's discount management policy; and
- The decision to recommend the payment of a final dividend of 14.5 pence per ordinary share.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law they have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the reporting period.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the Company and the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report, a Corporate Governance Statement and a Directors' Remuneration Report that comply with that law and those regulations.

The Directors have delegated to the Manager the responsibility for the maintenance and integrity of the corporate and financial information included on the Company's pages of the Manager's website at **www.fidelity.co.uk/asianvalues**. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of the Financial Statements may differ from legislation in their own jurisdictions.

The Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit of the Company;

- The Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces; and

- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Statement of Directors' Responsibilities was approved by the Board on 10 October 2024 and signed on its behalf by:

CLARE BRADY
Chairman

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2024

		Year ended 31 July 2024			Year ended 31 July 2023		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	10	–	10,399	10,399	–	29,025	29,025
(Losses)/gains on derivative instruments	11	–	(5,073)	(5,073)	–	1,781	1,781
Income	3	17,605	–	17,605	17,773	–	17,773
Investment management fees	4	(2,749)	(744)	(3,493)	(2,644)	(281)	(2,925)
Other expenses	5	(992)	–	(992)	(988)	–	(988)
Foreign exchange gains		–	107	107	–	1,089	1,089
Net return on ordinary activities before finance costs and taxation		13,864	4,689	18,553	14,141	31,614	45,755
Finance costs	6	(2,473)	–	(2,473)	(1,997)	–	(1,997)
Net return on ordinary activities before taxation		11,391	4,689	16,080	12,144	31,614	43,758
Taxation on return on ordinary activities	7	(1,203)	(3,215)	(4,418)	(1,238)	(2,882)	(4,120)
Net return on ordinary activities after taxation for the year		10,188	1,474	11,662	10,906	28,732	39,638
Return per ordinary share	8	14.24p	2.06p	16.30p	15.17p	39.95p	55.12p

The Company does not have any other comprehensive income. Accordingly, the net return on ordinary activities after taxation for the year is also the total comprehensive income for the year 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 year and all items in the above statement derive from continuing operations.

The Notes below form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2024

	“ Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
Total shareholders' funds at 31 July 2023		18,895	50,501	3,197	7,367	299,562	15,055	394,577
Net return on ordinary activities after taxation for the year		–	–	–	–	1,474	10,188	11,662
Repurchase of ordinary shares	14	–	–	–	–	(3,826)	–	(3,826)
Dividend paid to shareholders	9	–	–	–	–	–	(10,399)	(10,399)
		---------------	---------------	---------------	---------------	---------------	---------------	---------------
Total shareholders' funds at 31 July 2024		18,895	50,501	3,197	7,367	297,210	14,844	392,014
		=========	=========	=========	=========	=========	=========	=========
Total shareholders' funds at 31 July 2022		18,895	50,501	3,197	7,367	273,448	14,215	367,623
Net return on ordinary activities after taxation for the year		–	–	–	–	28,732	10,906	39,638
Repurchase of ordinary shares	14	–	–	–	–	(2,618)	–	(2,618)
Dividend paid to shareholders	9	–	–	–	–	–	(10,066)	(10,066)
		---------------	---------------	---------------	---------------	---------------	---------------	---------------
Total shareholders' funds at 31 July 2023		18,895	50,501	3,197	7,367	299,562	15,055	394,577
		=========	=========	=========	=========	=========	=========	=========

The Notes below form an integral part of these Financial Statements.

BALANCE SHEET AS AT 31 JULY 2024
Company number 03183919

	Notes	2024 £'000	2023 £'000
Fixed assets			
Investments	10	378,577	377,631
Current assets			
Derivative instruments	11	1,297	1,758
Debtors	12	4,379	3,556
Amounts held at futures clearing houses and brokers		4,413	3,820
Cash at bank		9,070	13,029
		19,159	22,163
Current liabilities			
Derivative instruments	11	(2,045)	(1,665)
Other creditors	13	(3,242)	(3,552)
Bank overdrafts		(435)	–
		(5,722)	(5,217)
Net current assets		13,437	16,946
Net assets		392,014	394,577
Capital and reserves			
Share capital	14	18,895	18,895
Share premium account	15	50,501	50,501
Capital redemption reserve	15	3,197	3,197
Other non-distributable reserve	15	7,367	7,367
Capital reserve	15	297,210	299,562
Revenue reserve	15	14,844	15,055
Total shareholders' funds		392,014	394,577
Net asset value per ordinary share	16	551.66p	549.33p

The Financial Statements above and below were approved by the Board of Directors on 10 October 2024 and were signed on its behalf by:

CLARE BRADY
Chairman

The Notes below form an integral part of these Financial Statements.

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 ACCOUNTING POLICIES

The Company has prepared its Financial Statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council ("FRC"). The Financial Statements have also been 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 July 2022. 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.

a) Basis of accounting – The Financial Statements have been prepared on a going concern basis and under the historical cost convention, except for the measurement at fair value of investments and derivative instruments. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 October 2025 which is at least twelve months from the date of approval of these Financial Statements. In making their assessment the Directors have reviewed income and expense projections, reviewed the liquidity of the investment portfolio and considered the Company's ability to meet liabilities as they fall due. This conclusion also takes into account the Director's assessment of the risks faced by the Company as detailed in the Going Concern Statement above.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as a principal and an emerging risk as set out above, and have concluded that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with FRS 102, investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the balance sheet date. Investments which are unlisted are priced using market-based valuation approaches. All investments therefore reflect the market participants view of climate change risk on the investments held by the Company.

The Company's Going Concern Statement in the Strategic Report above takes account of all events and conditions up to 31 October 2025, which is at least twelve months from the date of approval of these Financial Statements.

b) Significant accounting estimates and judgements – The preparation of the Financial Statements requires the use of estimates and judgements. These estimates and judgements affect the reported amounts of assets and liabilities at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates.

The key sources of estimation and uncertainty relate to the fair value of the unlisted investments.

Judgements

The Directors consider whether each fair value is appropriate following detailed review and challenge of the pricing methodology. The judgement applied in the selection of the methodology used (see Note 2 (k)) for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Manager's Fair Value Committee ("FVC"), with support from the external valuer and Fidelity's unlisted investments specialists, for detailed review and appropriate challenge by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. When no recent primary or secondary transaction in the company's shares have taken place, the fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The estimates involved in the valuation process may include the following:

(i) the selection of appropriate comparable companies. Comparable companies are chosen on the basis of their business characteristics and growth patterns;

(ii) the selection of a revenue metric (either historical or forecast);

(iii) the selection of an appropriate illiquidity discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;

(iv) the estimation of the likelihood of a future exit of the position through an initial public offering ("IPO") or a company sale;

(v) the selection of an appropriate industry benchmark index to assist with the valuation; and

(vi) the calculation of valuation adjustments derived from milestone analysis and future cash flows (i.e. incorporating operational success against the plans/forecasts of the business into the valuation).

As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in the Other Price Risk Sensitivity in Note 17, to illustrate the effect on the Financial Statements of an over or under estimation of fair value.

The risk of an over or under estimation of fair value is greater when methodologies are applied using more subjective inputs.

c) Segmental reporting – The Company is engaged in a single segment business and, therefore, no segmental reporting is provided.

d) Presentation of the Income Statement – In order to reflect better the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement. The net revenue return after taxation for the year is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1159 of the Corporation Tax Act 2010.

e) Income – Income from equity investments is accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. Overseas dividends are accounted for gross of any tax deducted at source. Amounts are credited to the revenue column of the Income Statement. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised in the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital column of the Income Statement. Special dividends are treated as a revenue receipt or a capital receipt depending on the facts and circumstances of each particular case.

Derivative instrument income received from dividends on long contracts for difference ("CFDs") are accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. The amount net of tax is credited to the revenue column of the Income Statement.

Interest received on CFDs, collateral and bank deposits are accounted for on an accruals basis and credited to the revenue column of the Income Statement. Interest received on CFDs represent the finance costs calculated by reference to the notional value of the CFDs.

f) Investment management fees and other expenses – Investment management fees and other expenses are accounted for on an accruals basis and are charged as follows:

- The base investment management fee is allocated in full to revenue;

- The variable investment management fee, is charged/credited to capital as it is based on the performance of the net asset value per share relative to the Benchmark Index; and

- All other expenses are allocated in full to revenue with the exception of those directly attributable to share issues or other capital events.

g) Functional currency and foreign exchange – The functional and reporting currency of the Company is UK sterling, which is the currency of the primary economic environment in which the Company operates. Transactions denominated in foreign currencies are reported in UK sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated in the rates of exchange ruling at the Balance Sheet date. Foreign exchange gains and losses arising on the translation are recognised in the Income Statement as a revenue or a capital item depending on the nature of the underlying item to which they relate.

h) Finance costs – Finance costs comprise interest on bank overdrafts and finance costs paid on CFDs, which are accounted for on an accruals basis, and dividends paid on short CFDs, which are accounted for on the date on which the obligation to incur the cost is established, normally the ex-dividend date. Finance costs are charged in full to the revenue column of the Income Statement.

i) Taxation – The taxation charge represents the sum of current taxation and deferred taxation.

Current taxation is taxation suffered at source on overseas income less amounts recoverable under taxation treaties. Taxation is charged or credited to the revenue column of the Income Statement, except where it relates to items of a capital nature, in which case it is charged or credited to the capital column of the Income Statement. Where expenses are allocated between revenue and capital any tax relief in respect of the expenses is allocated between revenue and capital returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period. The Company is an approved Investment Trust under Section 1158 of the Corporation Tax Act 2010 and is not liable for UK taxation on capital gains.

Deferred taxation is the taxation expected to be payable or recoverable on timing differences between the treatment of certain items for accounting purposes and their treatment for the purposes of computing taxable profits. Deferred taxation is based on tax rates that have been enacted or substantively enacted when the taxation is expected to be payable or recoverable. Deferred tax assets are only recognised if it is considered more likely than not that there will be sufficient future taxable profits to utilise them.

j) Dividend paid – Dividends payable to equity shareholders are recognised when the Company's obligation to make payment is established.

k) Investments – The Company's business is investing in financial instruments with a view to profiting from their total return in the form of income and long-term capital growth. This portfolio of investments is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided on that basis to the Company's Board of Directors. Investments are measured at fair value with changes in fair value recognised in profit or loss, in accordance with the provisions of both Section 11 and Section 12 of FRS 102. The fair value of investments is initially taken to be their cost and is subsequently measured as follows:

- Listed investments are valued at bid prices, or last market prices, depending on the convention of the exchange on which they are listed; and

- Unlisted investments are not quoted, or are not frequently traded, and are stated at the best estimate of fair value. The Manager's Fair Value Committee ("FVC"), which is independent of the Portfolio Managers' team, meets quarterly to determine the fair value of unlisted investments. These are based on the principles outlined in Note 2 (b).

The unlisted investments are valued at fair value following a detailed review and appropriate challenge by the Directors of the pricing methodology proposed by the FVC.

The FVC provide a recommendation of fair values to the Directors based on recognised valuation techniques that take account of the cost of the investment, recent arm's length transactions in the same or similar investments and financial performance of the investment since purchase. Consideration is given to the input received from the Fidelity International analyst that covers the company, the external valuer and Fidelity's unlisted investments specialist.

In accordance with the AIC SORP, the Company includes transaction costs, incidental to the purchase or sale of investments, within gains on investments in the capital column of the Income Statement and has disclosed these costs in Note 10.

l) Derivative instruments – When appropriate, permitted transactions in derivative instruments are used. Derivative transactions into which the Company may enter include long and short CFDs, futures, options and forward currency contracts. Derivatives are classified as other financial instruments and are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value as follows:

- Long and short CFDs – the difference between the strike price and the value of the underlying shares in the contract;
- Futures – the difference between the contract price and the quoted trade price;
- Forward currency contracts – valued at the appropriate quoted forward foreign exchange rate ruling at the Balance Sheet date; and
- Options – the quoted trade price for the contract.

Where transactions are used to protect or enhance income, if the circumstances support this, the income and expenses derived are included in net income in the revenue column of the Income Statement. Where such transactions are used to protect or enhance capital, if the circumstances support this, the income and expenses derived are included in gains on derivative instruments in the capital column of the Income Statement. Any positions on such transactions open at the year end are reflected on the Balance Sheet at their fair value within current assets or current liabilities.

m) Debtors – Debtors include securities sold for future settlement, amounts receivable on the settlement of derivatives, accrued income, taxation recoverable and other debtors and prepayments incurred in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer) they are classified as current assets. If not, they are presented as non-current assets. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

n) Amounts held at futures clearing houses and brokers – These are amounts held in segregated accounts as collateral on behalf of brokers and are carried at amortised cost.

o) Other creditors – Other creditors include securities purchased for future settlement, Indian capital gains tax payable, short CFD dividends payable, investment management fees, secretarial and administration fees and other creditors and expenses accrued in the ordinary course of business. If payment is due within one year or less (or in the normal operating cycle of the business, if longer) they are classified as current liabilities. If not, they are presented as non-current liabilities. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

p) Capital reserve – The following are accounted for in the capital reserve:

- Gains and losses on the disposal of investments and derivative instruments;
- Changes in the fair value of investments and derivative instruments held at the year end;
- Foreign exchange gains and losses of a capital nature;
- Variable element of management fee;
- Dividends receivable which are capital in nature;

- Other expenses which are capital in nature; and

- Taxation charged or credited relating to items which are capital in nature.

Technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 02/17BL, guidance on the determination of realised profits and losses in the context of distributions under the Companies Act 2006, states that changes in the fair value of investments which are readily convertible to cash, without accepting adverse terms at the Balance Sheet date, can be treated as realised. Capital reserves realised and unrealised are shown in aggregate as capital reserve in the Statement of Changes in Equity and the Balance Sheet. At the Balance Sheet date, the portfolio of the Company consisted of investments listed on a recognised stock exchange and derivative instruments contracted with counterparties having an adequate credit rating, and the portfolio was considered to be readily convertible to cash, with the exception of the level 3 investments which had unrealised investment holding losses of £1,088,000 (2023: losses of £899,000). See Note 17 for further details on the level 3 investments.

3 INCOME

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
Investment income		
Overseas dividends	14,009	14,847
Overseas scrip dividends	172	266
Interest on securities	584	164
	14,765	15,277
Derivative income		
Dividends received on long CFDs	1,797	1,743
Interest received on CFDs	462	258
	2,259	2,001
Other interest		
Interest received on collateral and bank deposits	581	495
Total income	17,605	17,773

Special dividends of £1,827,000 have been recognised in capital during the year (2023: £420,000).

4 INVESTMENT MANAGEMENT FEES

	Year ended 31 July 2024			Year ended 31 July 2023		
	Revenue £'000	Capital[1] £'000	Total £'000	Revenue £'000	Capital[1] £'000	Total £'000
Investment management fees	2,749	744	3,493	2,644	281	2,925

1 For the calculation of the variable management fee, the Company's NAV return was compared to the Benchmark Index return on a rolling three year basis.

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

The Company charges base investment management fees to revenue 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 ordinary share performance relative to the Company's Benchmark Index which is charged/credited to capital. Fees are payable monthly in arrears and are calculated on a daily basis.

5 OTHER EXPENSES

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
Allocated to revenue:		
AIC fees	21	21
Custody fees	73	85
Depositary fees	31	30
Directors' expenses	54	35
Directors' fees[1]	189	193
Legal and professional fees	189	161
Marketing expenses	172	195
Printing and publication expenses	73	86
Registrars' fees	44	38
Secretarial and administration fees payable to the Investment Manager	75	75
Sundry other expenses	20	21
Fees payable to the Company's Independent Auditor for the audit of the Financial Statements	51	48
	992	988

1 Details of the breakdown of Directors' fees are disclosed in the Directors' Remuneration Report.

6 FINANCE COSTS

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
Interest on bank overdrafts	1	2
Interest paid on CFDs	2,147	1,788
Dividends paid on short CFDs	325	207
	2,473	1,997

7 TAXATION ON RETURN ON ORDINARY ACTIVITIES

	Year ended 31 July 2024			Year ended 31 July 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
a) Analysis of the taxation charge for the year						
Overseas taxation	1,203	–	1,203	1,238	–	1,238

Indian capital gains tax	–	3,215	3,215	–	2,882	2,882
	---------------	---------------	---------------	---------------	---------------	---------------
Taxation charge for the year (see Note 7b)	1,203	3,215	4,418	1,238	2,882	4,120
	=========	=========	=========	=========	=========	=========

b) Factors affecting the taxation charge for the year

The taxation charge for the year is lower than the standard rate of UK corporation tax for an investment trust company of 25.00% (2023: 25.00%). A reconciliation of the standard rate of UK corporation tax to the taxation charge for the year is shown below:

	Year ended 31 July 2024			Year ended 31 July 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return on ordinary activities before taxation	11,391	4,689	16,080	12,144	31,614	43,758
Net return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25.00% (2023: blended rate of 21.01%)	2,848	1,172	4,020	2,551	6,642	9,193
Effects of:						
Capital gains not taxable[1]	–	(1,358)	(1,358)	–	(6,701)	(6,701)
Income not taxable	(3,464)	–	(3,464)	(3,137)	–	(3,137)
Excess management expenses	620	186	806	586	59	645
Expense relief for overseas taxation	(4)	–	(4)	–	–	–
Overseas taxation	1,203	–	1,203	1,238	–	1,238
Indian capital gains tax[2]	–	3,215	3,215	–	2,882	2,882
	---------------	---------------	---------------	---------------	---------------	---------------
Taxation charge for the year (see Note 7a)	1,203	3,215	4,418	1,238	2,882	4,120
	=========	=========	=========	=========	=========	=========

1 The Company is exempt from UK corporation tax on capital gains as it meets the HM Revenue & Customs criteria for an investment company set out in Section 1159 of the Corporation Tax Act 2010.

2 The Indian capital gains tax charge is composed of £1,081,000 (2023: £527,000) paid in the period and £2,134,000 (2023: £2,355,000) deferred until such time as the Indian investments are sold.

c) Deferred taxation

A deferred tax asset of £9,432,000 (2023: £8,626,000), in respect of excess management expenses of £35,457,000 (2023: £32,235,000) and excess interest paid of £2,271,000 (2023: £2,271,000), has not been recognised as it is unlikely that there will be sufficient future taxable profits to utilise these expenses.

The UK corporation tax rate increased from 19% to 25% from 1 April 2023. The rate of 25% has been applied to calculate the unrecognised deferred tax asset for the current year (2023: 25.00%).

8 RETURN PER ORDINARY SHARE

	Year ended 31.07.24	Year ended 31.07.23
Revenue return per ordinary share	14.24p	15.17p
Capital return per ordinary share	2.06p	39.95p
	---------------	---------------
Total return per ordinary share	16.30p	55.12p
	=========	=========

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

	£'000	£'000
Net revenue return on ordinary activities after taxation	10,188	10,906
Net capital return on ordinary activities after taxation	1,474	28,732
	---------------	---------------
Net total return on ordinary activities after taxation	11,662	39,638
	=========	=========

	Number	Number
Weighted average number of ordinary shares held outside of Treasury	71,551,097	71,912,335
	=========	=========

9 DIVIDENDS PAID TO SHAREHOLDERS

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
Dividend paid		
Dividend of 14.5 pence per ordinary share paid for the year ended 31 July 2023	10,399	–
Dividend of 14.0 pence per ordinary share paid for the year ended 31 July 2022	–	10,066
	---------------	---------------
	10,399	10,066
	=========	=========
Dividend proposed		
Dividend proposed of 14.5 pence per ordinary share for the year ended 31 July 2024	10,204	–
Dividend proposed of 14.5 pence per ordinary share for the year ended 31 July 2023	–	10,415
	---------------	---------------
	10,204	10,415
	=========	=========

The Directors have proposed the payment of a dividend for the year ended 31 July 2024 of 14.5 pence per ordinary share which is subject to approval by shareholders at the Annual General Meeting on 21 November 2024 and has not been included as a liability in these Financial Statements. If approved, the dividend will be paid on 6 December 2024 to shareholders on the register at the close of business on 8 November 2024 (ex-dividend date 7 November 2024).

10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 £'000	2023 £'000
Listed investments	378,517	376,751
Unlisted investments	60	880
	---------------	---------------
Investments at fair value	378,577	377,631
	=========	=========
Opening book cost	374,514	336,727
Opening investment holding gains	3,117	2,118
	---------------	---------------

Opening fair value	377,631	338,845
	=========	=========
Movements in the year		
Purchases at cost	217,080	209,419
Sales – proceeds	(226,533)	(199,658)
Gains on investments	10,399	29,025
	---------------	---------------
Closing fair value	378,577	377,631
	=========	=========
Closing book cost	406,135	374,514
Closing investment holding (losses)/gains	(27,558)	3,117
	---------------	---------------
Closing fair value	378,577	377,631
	=========	=========

The Company received £226,533,000 (2023: £199,658,000) from investments sold in the year. The book cost of these investments when they were purchased was £185,459,000 (2023: £171,632,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Investment transaction costs

Transaction costs incurred in the acquisition and disposal of investments, which are included in the gains on the investments above, were as follows:

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
Purchases transaction costs	249	311
Sales transaction costs	410	416
	---------------	---------------
	659	727
	=========	=========

11 DERIVATIVE INSTRUMENTS

	Year ended 31.07.24 £'000	Year ended 31.07.23 £'000
(Losses)/gains on derivative instruments		
Realised (losses)/gains on long CFD positions closed	(6,842)	393
Realised gains/(losses) on short CFD positions closed	2,417	(876)
Realised losses on futures contracts closed	(62)	(109)
Realised gains on options contracts closed	1,136	951
Realised gains on forward currency contracts	–	118
Movement in investment holding (losses)/gains on long CFDs	(2,113)	1,016
Movement in investment holding gains/(losses) on short CFDs	909	(261)
Movement in investment holding (losses)/gains on futures	(162)	270
Movement in investment holding (losses)/gains on options	(356)	233
Movement in investment holding gains on forward currency contracts	–	46
	---------------	---------------

	(5,073)	1,781
	=========	=========

	2024 Fair value £'000	2023 Fair value £'000
Derivative instruments recognised on the Balance Sheet		
Derivative instrument assets	1,297	1,758
Derivative instrument liabilities	(2,045)	(1,665)
	---------------	---------------
	(748)	93
	=========	=========

	2024		2023	
	Fair value £'000	Asset exposure £'000	Fair value £'000	Asset exposure £'000
At the year end the Company held the following derivative instruments:				
Long CFDs	(1,315)	48,144	798	44,089
Long future	–	–	172	4,061
Call options (long exposure)	208	2,805	–	–
Put options	–	–	(156)	1,466
Short CFDs	373	12,995	(536)	10,586
Short future	–	–	(10)	1,292
Call options (short exposure)	(14)	374	(175)	1,705
	---------------	---------------	---------------	---------------
	(748)	64,318	93	63,199
	=========	=========	=========	=========

12 DEBTORS

	2024 £'000	2023 £'000
Securities sold for future settlement	2,733	1,366
Amounts receivable on settlement of derivatives	66	162
Accrued income	1,162	1,572
Taxation recoverable	302	315
Other debtors and prepayments	116	141
	---------------	---------------
	4,379	3,556
	=========	=========

13 OTHER CREDITORS

	2024 £'000	2023 £'000
Securities purchased for future settlement	201	598
Indian capital gains tax payable	2,134	2,355

Amounts payable on short CFD dividends	214	–
Creditors and accruals	693	599
	---------------	---------------
	3,242	3,552
	=========	=========

14 SHARE CAPITAL

	2024 Number of shares	2024 Nominal value £'000	2023 Number of shares	2023 Nominal value £'000
Issued, allotted and fully paid				
Ordinary shares of 25 pence each held outside of Treasury				
Beginning of the year	71,829,336	17,958	72,398,336	18,100
Ordinary shares repurchased into Treasury	(768,780)	(192)	(569,000)	(142)
	---------------	---------------	---------------	---------------
End of the year	71,060,556	17,766	71,829,336	17,958
	=========	=========	=========	=========
Ordinary shares of 25 pence each held in Treasury[1]				
Beginning of the year	3,751,553	937	3,182,553	795
Ordinary shares repurchased into Treasury	768,780	192	569,000	142
	---------------	---------------	---------------	---------------
End of the year	4,520,333	1,129	3,751,553	937
	=========	=========	=========	=========
Total share capital		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.

The cost of ordinary shares repurchased into Treasury during the year was £3,826,000 (2023: £2,618,000).

15 CAPITAL AND RESERVES

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
At 1 August 2023	18,895	50,501	3,197	7,367	299,562	15,055	394,577
Gains on investments (see Note 10)	–	–	–	–	10,399	–	10,399
Losses on derivative instruments (see Note 11)	–	–	–	–	(5,073)	–	(5,073)
Foreign exchange gains	–	–	–	–	107	–	107
Investment management fees (see Note 4)	–	–	–	–	(744)	–	(744)
Indian capital gains tax (see Note 7)	–	–	–	–	(3,215)	–	(3,215)
Revenue return on ordinary activities after taxation for the year	–	–	–	–	–	10,188	10,188
Dividend paid to shareholders (see Note 9)	–	–	–	–	–	(10,399)	(10,399)
Repurchase of ordinary shares (see Note 14)	–	–	–	–	(3,826)	–	(3,826)
	---------------	---------------	---------------	---------------	---------------	---------------	---------------
At 31 July 2024	18,895	50,501	3,197	7,367	297,210	14,844	392,014

	=========	=========	=========	=========	=========	=========	=========
At 1 August 2022	18,895	50,501	3,197	7,367	273,448	14,215	367,623
Gains on investments (see Note 10)	–	–	–	–	29,025	–	29,025
Gains on derivative instruments (see Note 11)	–	–	–	–	1,781	–	1,781
Foreign exchange gains	–	–	–	–	1,089	–	1,089
Investment management fees (see Note 4)	–	–	–	–	(281)	–	(281)
Indian capital gains tax (see Note 7)	–	–	–	–	(2,882)	–	(2,882)
Revenue return on ordinary activities after taxation for the year	–	–	–	–	–	10,906	10,906
Dividend paid to shareholders (see Note 9)	–	–	–	–	–	(10,066)	(10,066)
Repurchase of ordinary shares (see Note 14)	–	–	–	–	(2,618)	–	(2,618)
	---------------	---------------	---------------	---------------	---------------	---------------	---------------
At 31 July 2023	18,895	50,501	3,197	7,367	299,562	15,055	394,577
	=========	=========	=========	=========	=========	=========	=========

The capital reserve balance at 31 July 2024 includes investment holding losses of £27,558,000 (2023: gains of £3,117,000) as detailed in Note 10. See Note 2 (p) for further details. The revenue and capital reserves are distributable by way of dividend.

16 NET ASSET VALUE PER ORDINARY SHARE

The calculation of the net asset per ordinary share is based on the total shareholders' funds divided by the number of ordinary shares held outside of Treasury.

	2024	2023
Total shareholders' funds	£392,014,000	£394,577,000
Ordinary shares held outside of Treasury at year end	71,060,556	71,829,336
Net asset value per ordinary share	551.66p	549.33p
	===========	===========

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.

17 FINANCIAL INSTRUMENTS

Management of risk

The Company's investing activities in pursuit of its investment objective involve certain inherent risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Board with the assistance of the Manager, has developed a risk matrix which, as part of the internal control process, identifies the risks that the Company faces. Principal risks identified are economic, political and market, investment performance (including the use of derivatives and gearing), changes in legislation, taxation or regulation, cybercrime and information security, business continuity and crisis management, competition and marketplace threats impacting business growth, level of discount to NAV, operational, key person and environmental, social and governance ("ESG"). Risks are identified and graded in this process, together with steps taken in mitigation, and are updated and reviewed on an ongoing basis. These risks and how they are identified, evaluated and managed are shown in the Strategic Report.

This Note refers to the identification, measurement and management of risks potentially affecting the value of financial instruments. The Company's financial instruments may comprise:

- Equity shares (listed and unlisted), equity linked notes and corporate bonds held in accordance with the Company's investment objective and policies;

- Derivative instruments which comprise CFDs, forward currency contracts, futures and options on listed stocks and equity indices; and

- Cash, liquid resources and short-term debtors and creditors that arise from its operations.

The risks identified arising from the Company's financial instruments are market price risk (which comprises interest rate risk, foreign currency risk and other price risk), liquidity risk, counterparty risk, credit risk and derivative instruments risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies are consistent with those followed last year.

Market price risk
Interest rate risk
The Company principally finances its operations through its share capital and reserves. In addition, the Company has gearing through the use of derivative instruments. The level of gearing is reviewed by the Board and the Portfolio Managers. The Company is exposed to a financial risk arising as a result of any increases in interest rates associated with the funding of the derivative instruments.

Interest rate risk exposure
The values of the Company's financial instruments that are exposed to movements in interest rates are shown below:

	2024 £'000	2023 £'000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	49,459	43,291
Bank overdrafts	435	–
	49,894	43,291
Exposure to financial instruments that earn interest		
Short CFDs – exposure plus fair value	13,368	10,050
Cash at bank	9,070	13,029
Amounts held at futures clearing houses and brokers	4,413	3,820
	26,851	26,899
Net exposure to financial instruments that bear interest	(23,043)	(16,392)

Foreign currency risk
The Company's net return on ordinary activities after taxation for the year and its net assets can be affected by foreign exchange rate movements because the Company has income, assets and liabilities which are denominated in currencies other than the Company's functional currency which is UK sterling. The Portfolio Managers may seek to manage exposure to currency movements by using forward and spot foreign exchange contracts. The Company can also be subject to short-term exposure to exchange rate movements, for example, between the date when an investment is purchased or sold and the date when settlement of the transaction occurs.

Three principal areas have been identified where foreign currency risk could impact the Company:

- Movements in currency exchange rates affecting the value of investments and derivative instruments;
- Movements in currency exchange rates affecting short-term timing differences; and

- Movements in currency exchange rates affecting income received.

Currency exposure of financial assets
The currency exposure profile of the Company's financial assets is shown below:

	2024				
	Investments at fair value	Long exposure to derivative instruments[1]	Debtors[2]	Cash at bank	Total
Currency	£'000	£'000	£'000	£'000	£'000
Hong Kong dollar	85,219	42,392	648	–	128,259
Indian rupee	67,191	–	4,493	19	71,703
Indonesian rupiah	62,226	–	–	–	62,226
US dollar	41,115	3,358	2,307	8,851	55,631
South Korean won	51,091	–	14	89	51,194
Australian dollar	18,557	3,223	926	–	22,706
Singapore dollar	10,789	1,976	–	–	12,765
Taiwan dollar	11,113	–	301	86	11,500
Chinese renminbi	9,900	–	–	–	9,900
Philippine peso	6,928	–	3	–	6,931
Thai baht	4,109	–	–	–	4,109
Sri Lankan rupee	3,959	–	–	–	3,959
Other overseas currencies	6,380	–	–	–	6,380
UK sterling	–	–	100	25	125
	---------------	---------------	---------------	---------------	---------------
	378,577	50,949	8,792	9,070	447,388
	=========	=========	=========	=========	=========

1 The exposure to the market of long CFDs and call options.

2 Debtors include amounts held at futures clearing houses and brokers.

	2023				
	Investments at fair value	Long exposure to derivative instruments[1]	Debtors[2]	Cash at bank	Total
Currency	£'000	£'000	£'000	£'000	£'000
Hong Kong dollar	105,426	28,575	1,517	89	135,607
Indian rupee	82,090	–	3,260	1,351	86,701
US dollar	27,358	14,980	2,077	11,289	55,704
Indonesian rupiah	51,868	–	–	–	51,868
South Korean won	33,540	12	7	–	33,559
Australian dollar	19,017	3,303	–	213	22,533
Singapore dollar	12,934	2,746	–	–	15,680
Taiwan dollar	14,861	–	377	–	15,238

Chinese renminbi	14,109	–	–	87	14,196
Philippine peso	4,361	–	–	–	4,361
Malaysian ringgit	3,832	–	–	–	3,832
Sri Lankan rupee	3,423	–	–	–	3,423
Other overseas currencies	4,812	–	11	–	4,823
UK sterling	–	–	127	–	127
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	377,631	49,616	7,376	13,029	447,652
	=========	=========	=========	=========	=========

1 The exposure to the market of long CFDs long futures and put options.

2 Debtors include amounts held at futures clearing houses and brokers.

Currency exposure of financial liabilities

The Company principally finances its investment activities through its ordinary share capital and reserves. The Company's financial liabilities comprise short positions on derivative instruments and other payables. The currency profile of these financial liabilities is shown below:

	2024			
Currency	Short exposure to derivative instruments[1] £'000	Other creditors £'000	Bank overdrafts £'000	Total £'000
US dollar	9,665	230	–	9,895
Hong Kong dollar	3,704	216	435	4,355
Indian rupee	–	2,134	–	2,134
UK sterling	–	630	–	630
Korean won	–	31	–	31
Singapore dollar	–	1	–	1
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	13,369	3,242	435	17,046
	=========	=========	=========	=========

1 The exposure to the market of short CFDs and call options.

	2023			
Currency	Short exposure to derivative instruments[1] £'000	Other creditors £'000	Bank overdrafts £'000	Total £'000
US dollar	12,957	233	–	13,190
Indian rupee	–	2,355	–	2,355
Hong Kong dollar	626	41	–	667
Korean won	–	326	–	326
Indonesian rupiah	–	64	–	64
Singapore dollar	–	1	–	1

UK sterling	–	532	–	532
	---------------	---------------	---------------	---------------
	13,583	3,552	–	17,135
	=========	=========	=========	=========

1 The exposure to the market of short CFDs, short futures and call options.

Other price risk

Other price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Board meets quarterly to consider the asset allocation of the portfolio and the risk associated with particular industry sectors within the parameters of the investment objective.

The Portfolio Managers are responsible for actively monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk/reward profile. Other price risks arising from derivative positions, mainly due to the underlying exposures, are estimated using Value at Risk and Stress Tests as set out in the Company's internal Risk Management Process Document.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's assets mainly comprise readily realisable securities and derivative instruments which can be sold easily to meet funding commitments if necessary. Short-term flexibility, if required, is achieved by the use of a bank overdraft.

Liquidity risk exposure

At 31 July 2024, the undiscounted gross cash outflows of the financial liabilities were all repayable within one year and consisted of derivative instrument liabilities of £2,045,000 (2023: £1,665,000), other creditors of £3,242,000 (2023: £3,552,000) and bank overdrafts of £435,000 (2023: £nil).

Counterparty risk

Certain derivative instruments in which the Company may invest are not traded on an exchange but instead will be traded between counterparties based on contractual relationships, under the terms outlined in the International Swaps and Derivatives Association's ("ISDA") market standard derivative legal documentation. These are known as Over the Counter ("OTC") trades. As a result, the Company is subject to the risk that a counterparty may not perform its obligations under the related contract. In accordance with the risk management process which the Manager employs, the Manager will seek to minimise such risk by only entering into transactions with counterparties which are believed to have an adequate credit rating at the time the transaction is entered into, by ensuring that formal legal agreements covering the terms of the contract are entered into in advance, and through adopting a counterparty risk framework which measures, monitors and manages counterparty risk by the use of internal and external credit agency ratings and by evaluating derivative instrument credit risk exposure.

For OTC and exchange traded derivative transactions, collateral is used to reduce the risk of both parties to the contract. Collateral is managed on a daily basis for all relevant transactions.

At 31 July 2024, £405,000 (2023: £793,000) was held by the brokers in cash denominated in US dollars in a segregated collateral account on behalf of the Company, to reduce the credit risk exposure of the Company. This collateral comprised: HSBC Bank plc £288,000 (2023: £124,000), Goldman Sachs International £117,000 (2023: £233,000) and J.P. Morgan Securities plc £nil (2023: £436,000).

£4,413,000 (2023: £3,820,000), shown as amounts held at futures clearing houses and brokers on the Balance Sheet, was held by the Company in a segregated collateral account, on behalf of the brokers, to reduce the credit risk exposure of the brokers. This collateral is comprised of: UBS AG £3,019,000 (2023: £3,346,000) in cash, J.P. Morgan Securities plc £1,394,000 (2023: £nil) in cash and Morgan Stanley & Co International plc £nil (2023: £474,000) in cash.

Credit risk

Financial instruments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or other financial difficulties. All transactions are carried out with brokers that have been approved by the Manager and are settled on a delivery versus payment basis. Limits are set on the amount that may be due from any one broker and are kept under review by the Manager. Exposure to credit risk arises on unsettled security transactions and derivative instrument contracts and cash at bank.

Derivative instruments risk

The risks and risk management processes which result from the use of derivative instruments, are set out in a Risk Management Process Document. Derivative instruments are used by the Manager for the following purposes:

- To gain unfunded long exposure to equity markets, sectors or single stocks. Unfunded exposure is exposure gained without an initial flow of capital;
- To hedge equity market risk using derivatives with the intention of at least partially mitigating losses in the exposures of the Company's portfolio as a result of falls in the equity market; and
- To position short exposures in the Company's portfolio. These uncovered exposures benefit from falls in the prices of shares which the Portfolio Managers believes to be over valued. These positions, therefore, distinguish themselves from other short exposures held for hedging purposes since they are expected to add risk to the portfolio.

RISK SENSITIVITY ANALYSIS

Interest rate risk sensitivity analysis

Based on the financial instruments held and interest rates at 31 July 2024, an increase of 1.00% in interest rates throughout the year, with all other variables held constant, would have decreased the net return on ordinary activities after taxation for the year and decreased the net assets of the Company by £230,000 (2023: decreased the net return and decreased the net assets by £164,000). A decrease of 1.00% in interest rates throughout the year would have had an equal but opposite effect.

Foreign currency risk sensitivity analysis

Based on the financial instruments held and currency exchange rates as at the Balance Sheet date, with all other variables held constant, a 10% strengthening of the UK sterling exchange rate against other currencies would have decreased the Company's net return on ordinary activities after taxation for the year and decreased the net assets (2023: decreased the net return and decreased the net assets) by the following amounts:

	2024	2023
Currency	£'000	£'000
Hong Kong dollar	11,264	12,267
Indian rupee	6,324	7,668
Indonesian rupiah	5,657	4,709
South Korean won	4,651	3,021
US dollar	4,158	3,865
Australian dollar	2,064	2,048
Singapore dollar	1,160	1,425
Taiwan dollar	1,045	1,385
Chinese renminbi	900	1,291
Philippine peso	630	396
Thai baht	374	277
Sri Lankan rupee	360	311
Other overseas currencies	580	509
	39,167	39,172

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Based on the financial instruments held and currency exchange rates as at the Balance Sheet date, with all other variables held constant, a 10% weakening of the UK sterling exchange rate against other currencies would have increased the Company’s net return on ordinary activities after taxation for the year and increased the net assets (2023: increased the net return and increased the net assets) by the following amounts:

	2024	2023
Currency	£’000	£’000
Hong Kong dollar	13,767	14,993
Indian rupee	7,730	9,372
Indonesian rupiah	6,914	5,756
South Korean won	5,685	3,693
US dollar	5,082	4,724
Australian dollar	2,523	2,504
Singapore dollar	1,418	1,742
Taiwan dollar	1,278	1,693
Chinese renminbi	1,100	1,577
Philippine peso	770	485
Thai baht	457	338
Sri Lankan rupee	440	380
Other overseas currencies	709	623
	---------------	---------------
	47,873	47,880
	===========	===========

Other price risk – exposure to investments sensitivity analysis

Based on the listed investments held and share prices at 31 July 2024, an increase of 10% in share prices, with all other variables held constant, would have increased the Company’s net return on ordinary activities after taxation for the year and increased the net assets of the Company by £37,852,000 (2023: increased the net return and increased the net assets by £37,675,000). A decrease of 10% in share prices would have had an equal and opposite effect.

An increase of 10% in the valuation of unlisted investments held at 31 July 2024 would have increased the Company’s net return on ordinary activities after taxation for the year and increased the net assets of the Company by £6,000 (2023: increased the net return and increased the net assets by £88,000). A decrease of 10% in the valuation would have had an equal and opposite effect.

Other price risk – net exposure to derivative instruments sensitivity analysis

Based on the derivative instruments held and share prices at 31 July 2024, an increase of 10% in the share prices underlying the derivative instruments, with all other variables held constant, would have increased the Company’s net return on ordinary activities after taxation for the year and increased the net assets of the Company by £3,758,000 (2023: increased the net return and increased the net assets by £3,603,000). A decrease of 10% in share prices would have had an equal and opposite effect.

Fair Value of Financial Assets and Liabilities

Financial assets and liabilities are stated in the Balance Sheet at values which are not materially different to their fair values. As explained in Notes 2 (k) and (l), investments and derivative instruments are shown at fair value. In the case of cash at bank, book value approximates to fair value due to the short maturity of the instruments.

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
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	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
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

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 explained in Notes 2 (k) and (l). The table below sets out the Company's fair value hierarchy:

		2024		
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	£'000	£'000	£'000	£'000
Investments	358,503	19,028	1,046	378,577
Derivative instrument assets	131	1,166	–	1,297
	358,634	20,194	1,046	379,874
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(14)	(2,031)	–	(2,045)

		2023		
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	£'000	£'000	£'000	£'000
Investments	367,312	9,439	880	377,631
Derivative instrument assets	172	1,586	–	1,758
	367,484	11,025	880	379,389
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(341)	(1,324)	–	(1,665)

The table below sets out the movements in level 3 financial instruments during the year:

	Year ended 31.07.24	Year ended 31.07.23
	£'000	£'000
Beginning of the year	880	1,591
Transfers into level 3 at cost – Interojo[1]	1,404	–

Transfers out of level 3 at cost – Tuhu Car[2]	(1,049)	–
Movement in investment holding losses	(189)	(711)
End of the year	1,046	880

1 Financial instruments are transferred into level 3 on the date they are suspended or when they have not traded for thirty days.

2 Financial instruments are transferred out of level 3 when they become listed.

Below are details of the four investments which fall into level 3 of which the first two investments are unlisted and the latter two are suspended from trading.

Chime Biologics

Chime Biologics is a China-based Contract Development and Manufacturing Organization (CDMO) that provides a solution supporting customers from early-stage biopharmaceutical development through to late-stage clinical and commercial manufacturing and is an unlisted company. The valuation at 31 July 2024 is based on the company's financial information, the macro-environment and the Probability-Weighted Expected Return Model ("PWERM"). As at 31 July 2024, its fair value was £60,000 (2023: £69,000).

Eden Biologics

Eden Biologics develops biosimilars and is also engaged in providing process development and contract manufacturing solutions to the biopharmaceutical industry and is an unlisted company. On 26 February 2018, the company voluntarily delisted from the Taipei Exchange. In September 2023, there was a potential voluntary liquidation of the company which was subsequently postponed indefinitely. The company is attempting to restructure, and the future outcome is uncertain. Given the distressed nature of the company a decision was made for the price to be written down to nil as of the 16 April 2024. As at 31 July 2024, its fair value was £nil (2023: £40,000).

Interojo

Interojo is a Korean-based company that manufactures and markets contact lenses. The company was suspended from trading on the Korean Stock Exchange on 8 April 2024 due to the auditors being unable to give an unqualified audit opinion on stock valuation concerns. The valuation at 31 July 2024 is based on a 20% discount of the suspended price. As at 31 July 2024, its fair value was £986,000 (2023: £1,842,000).

Salt Lake Potash

Salt Lake Potash is a mineral exploration company. The company was suspended from trading on the Australian Stock Exchange on 27 July 2021 and in October 2021 it announced that it would be entering voluntary administration. As at 31 July 2024, its fair value was £nil (2023: £nil).

18 CAPITAL RESOURCES AND GEARING

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital and reserves, as disclosed in the Balance Sheet above and any gearing, which is managed by the use of derivative instruments. Financial resources are managed in accordance with the Company's investment policy and in pursuit of its investment objective, both of which are detailed in the Strategic Report. The principal risks and their management are disclosed in the Strategic Report and in Note 17.

The Company's gross and net gearing at the year end is set out above:

	2024			
	Gross gearing		Net gearing	
	Asset exposure £'000	%[1]	Asset exposure £'000	%[1]
Investments	378,577	96.6	378,577	96.6
Long CFDs	48,144	12.3	48,144	12.3

Call options (long exposure)	2,805	0.7	2,805	0.7
Total long exposures	429,526	109.6	429,526	109.6
Short CFDs	12,995	3.3	(12,995)	(3.3)
Call options (short exposure)	374	0.1	(374)	(0.1)
Gross asset exposure/net market exposure	442,895	113.0	416,157	106.2
Shareholders' funds	392,014		392,014	
Gearing[2]		13.0%		6.2%

1 Asset exposure to the market expressed as a percentage of shareholders' funds.

2 Gearing is the amount by which gross asset exposure/net market exposure exceeds shareholders' funds expressed as a percentage of shareholders' funds.

	2023			
	Gross gearing Asset exposure £'000	%[1]	Net gearing Asset exposure £'000	%[1]
Investments	377,631	95.7	377,631	95.7
Long CFDs	44,089	11.2	44,089	11.2
Long future	4,061	1.0	4,061	1.0
Put options	1,466	0.4	1,466	0.4
Total long exposures	427,247	108.3	427,247	108.3
Short CFDs	10,586	2.7	(10,586)	(2.7)
Call options	1,705	0.4	(1,705)	(0.4)
Short future	1,292	0.3	(1,292)	(0.3)
Gross asset exposure/net market exposure	440,830	111.7	413,664	104.9
Shareholders' funds	394,577		394,577	
Gearing[2]		11.7%		4.9%

1 Asset exposure to the market expressed as a percentage of shareholders' funds.

2 Gearing is the amount by which gross asset exposure/net market exposure exceeds shareholders' funds expressed as a percentage of shareholders' funds.

19 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 ("FII"). Both companies are Fidelity group companies.

Details of the current fee arrangements are given in the Directors' Report. During the year, management fees of £3,493,000 (2023: £2,925,000), and secretarial and administration fees of £75,000 (2023: £75,000) were payable to FII. At the Balance Sheet date, management fees of £277,000 (2023: £292,000), and secretarial and administration fees of £6,200 (2023: £25,000) were accrued and included in other creditors. FII also provides the Company with marketing services. The total amount payable for these services during the year was £172,000 (2023: £195,000). At the Balance Sheet date, marketing services of £77,000 (2023: £nil) were accrued and included in other creditors.

Disclosures of the Directors' interests in the ordinary shares of the Company and Director's fees and taxable expenses relating to reasonable travel expenses payable to the Directors are given in the Directors' Remuneration Report. In addition to the fees and taxable expenses disclosed in the Directors' Remuneration Report, £19,000 (2023: £20,000) of employers' National Insurance contributions were paid by the Company. At the Balance Sheet date, Directors' fees of £20,000 (2023: £16,000) were accrued and payable.

ALTERNATIVE PERFORMANCE MEASURES

DISCOUNT/PREMIUM

The discount/premium is considered to be an Alternative Performance Measure. It is the difference between the NAV per ordinary share of the Company and the ordinary share price and is expressed as a percentage of the NAV per ordinary share. Details of the Company's discount/premium are on the Financial Highlights above.

GEARING

Gearing (both Gross and Net) is considered to be an Alternative Performance Measure. See Note 18 for details of the Company's gearing.

NET ASSET VALUE ("NAV") PER ORDINARY SHARE

The NAV per ordinary share is considered to be an Alternative Performance Measure. See the Balance Sheet above and Note 16 for further details.

ONGOING CHARGES

Th ongoing charges ratio is considered to be an Alternative Performance Measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and other expenses expressed as a percentage of the average net asset values throughout the year.

	2024 £'000	2023 £'000
Investment management fees (£'000)	2,749	2,644
Other expenses (£'000)	992	988
Ongoing charges (£'000)	3,741	3,632
Variable element of management fee (£'000)	744	281
Average net assets (£'000)	392,271	377,729
Ongoing charges ratio	0.95%	0.96%
Ongoing charges ratio including variable element of management fee	1.14%	1.03%

REVENUE, CAPITAL AND TOTAL RETURNS PER SHARE

Revenue, capital and total returns per share are considered to be Alternative Performance Measures. See the Income Statement above and Note 8 for further details.

TOTAL RETURN PERFORMANCE

Total return performance is considered to be an Alternative Performance Measure. NAV per ordinary share total return includes reinvestment of the dividend in the NAV of the Company on the ex-dividend date. The ordinary share price total return includes the reinvestment of the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAV per ordinary share and ordinary share price of the Company and the impact of the dividend reinvestments and the total returns for the years ended 31 July 2024 and 31 July 2023.

2024	Net asset value per ordinary share	Ordinary share price
31 July 2023	549.33p	520.00p
31 July 2024	551.66p	496.00p
Change in year	+0.4%	-4.6%
Impact of dividend reinvestment	+2.8%	+2.9%
	------------------	------------------
Total return for the year	+3.2%	-1.7%
	===========	===========

2023	Net asset value per ordinary share	Ordinary share price
31 July 2022	507.78p	458.00p
31 July 2023	549.33p	520.00p
Change in year	+8.2%	+13.5%
Impact of dividend reinvestment	+3.2%	+3.8%
	------------------	------------------
Total return for the year	+11.4%	+17.3%
	===========	===========

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 July 2024 are an abridged version of the Company's full Annual Report and Financial Statements, which have been approved and audited with an unqualified report. The 2023 and 2022 statutory accounts received unqualified reports from the Company's Auditor and did not include any reference to matters to which the Auditor drew attention by way of emphasis without qualifying the reports and did not contain a statement under s.498 of the Companies Act 2006. The statutory accounts for 2023 and 2022 have been delivered to the Registrar of Companies. The 2024 Financial Statements will be filed with the Registrar of Companies in due course.

A copy of the above results announcement will be available on the Company's website at www.fidelity.co.uk/asianvalues within two working days.

A copy of the Annual Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at:
www.morningstar.co.uk/uk/NSM

The Annual Report will be posted to shareholders later this month and additional copies will be available from the registered office of the Company and on the

Company's website: www.fidelity.co.uk/asianvalues where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

ENDS