

FIDELITY ASIAN VALUES PLC

FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2025

Highlights:

- The Board has announced a final dividend of 20.5 pence per share, an increase of 41.4% from 2024.
- During the twelve-month period ended 31 July 2025, Fidelity Asian Values PLC reported a Net Asset Value (NAV) return of +12.4% and ordinary share price total return of +17.0%.
- The Comparative Index, the MSCI All Countries Asia ex Japan Small Cap Index, produced a total return of +7.1% over the same timeframe.
- Taiwan Semiconductor Manufacturing Company, De Grey Mining and Crystal International were the top three contributors to performance relative to the Index.

Contacts

For further information, please contact:

George Bayer
Company Secretary
FIL Investments International

0207 961 4240

FINANCIAL HIGHLIGHTS

Assets as at 31 July	2025	2024
Gross Asset Exposure	£470.2m	£442.9m
Net Market Exposure	£416.6m	£416.2m
Total Shareholders' Funds	£402.7m	£392.0m
NAV per Ordinary Share ¹	604.69p	551.66p
Gross Gearing ¹	16.8%	13.0%
Net Gearing ¹	3.4%	6.2%
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Share Price and Discount data at 31 July		
Ordinary Share Price at year end	564.00p	496.00p
Year high	566.00p	542.00p
Year low	454.00p	476.00p
Discount to NAV per Ordinary Share at year end ¹	6.7%	10.1%
(Discount) year low/Premium	14.5%	11.9%
(Discount) year high	6.7%	2.2%
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Results for the year ended 31 July		
Revenue Return per Ordinary Share ¹	22.51p	14.24p
Capital Return per Ordinary Share ¹	40.34p	2.06p
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Total Return per Ordinary Share ¹	62.85p	16.30p
	=====	=====
Ongoing Charges for the year to 31 July	0.95%	0.95%
Variable Element of Management Fee ³	0.14%	0.19%
Ongoing Charges including Variable Element of Management Fee for the year to 31 July ¹	1.09%	1.14%
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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

I am delighted to report that the year ended 31 July 2025 has been a rewarding one for our shareholders, both in absolute terms and relative to the Comparative Index (the MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in sterling terms)).

In the year under review, the Company’s net asset value (“NAV”) total return was +12.4% (2024: +3.2%), while the Comparative Index saw a total return of +7.1% (2024: +13.7%). The share price total return to shareholders was +17.0% (2024: -1.7%), assisted by a narrowing in the share price discount to NAV, which moved from 10.1% on 31 July 2024 to 6.7% at the year end.

It may seem somewhat remarkable that a year that has seen so many negative headlines globally – from escalating military conflicts to trade wars – could have turned out so positively for our shareholders in terms of investment performance. The fact that your Company has been able to do so well against a backdrop of turmoil and extreme volatility speaks to the fact that the fund offers investors excellent risk diversification. Many of its portfolio holdings are focused on serving their domestic markets and are therefore not very exposed to global trade. While US trade tariffs have sparked a decline in the dollar, your Company has relatively little US dollar exposure, which has proved beneficial. Furthermore, Nitin Bajaj and Ajinkya Dhavale (your Portfolio Managers) focus on finding well managed businesses with strong competitive niches, stable balance sheets and little debt, which has had an insulating effect. This is enhanced when investor sentiment turns away from higher-risk, potentially higher-reward situations. The Portfolio Managers’ strategy has served shareholders very well over the longer-term: over five years to the end of July 2025, the Company’s cumulative NAV total return of 87.2% has beaten the Comparative Index by 15.3%, while the share price total return of 92.1% has done even better, outperforming the Index by 21.3%.

You will find detailed information on the Company’s portfolio and its performance in the Portfolio Managers’ Review below. In brief, however, their strategy remains bottom- up, contrarian and value-focused, which has led them in recent years to focus more on well-managed Chinese companies and less so on India, where a spike in investor interest has seen valuations rise to levels that your Portfolio Managers see as inflated and unsustainable.

BOARD STRATEGY DAY

Last year, as your incoming Chairman, I arranged for the Board to undertake a strategy day where we went back to basics to explore all the factors that independent non-executive directors of an investment company can and should be influencing. This year – which has been a busy one in the investment trust world in terms of both the market backdrop and the level of corporate activity – we decided to repeat this worthwhile exercise. Among the topics for discussion were the competitive landscape, trends towards consolidation in the investment company market, discount management, distribution, dividends, fees and charges. As I outline elsewhere in this statement, several actions have been taken as a result of these discussions, including a more proactive pace of share buybacks, and a change in cost allocation that facilitates the payment of an increased dividend to shareholders.

Market consolidation continues to be a theme at the forefront of many investors’ minds, with size increasingly being seen as a key factor in attracting the interest of professional investors, such as wealth managers, as well as being beneficial in terms of economies of scale. We are encouraged by the Company’s position of strength in the market, and while your Board notes the Company’s net assets have passed the £400m level, we continue to scan the horizon for opportunities to optimise the position of your Company.

DUE DILIGENCE TRIP

In March 2025, the Board visited Asia on its two-yearly due diligence trip. We began the visit in Singapore, where Nitin and Ajinkya are based, meeting with them and members of the wider Fidelity team, including analysts, traders, risk managers and capital markets experts, as part of our responsibility for overseeing the Company’s investment approach and portfolio management functions. Once again, we were impressed by the team’s strength and depth, and by the quality of the analyst team’s ideas and the rigour of their approach. In a focused and differentiated portfolio, new investment ideas have to be particularly compelling in order to make the cut, and it was most illuminating to observe the level of constructive challenge between Nitin, Ajinkya and the wider team when discussing potential portfolio purchases. We joined Fidelity’s locally based teams in Singapore, Shanghai, Guangzhou and Shenzen for internal and external company meetings. Your portfolio has a relatively large exposure to Chinese companies, so it was important for us to scrutinise the attractions of these businesses and the analytical rigour underpinning our investments on behalf of both our shareholders and the Board. We met with companies from a range of sectors and were impressed by the calibre of their management teams and governance standards, their focus on shareholder value and long-ranging vision, their focus on balance sheet strength, and competitive and creative mindsets even across traditional businesses. As a result of this trip, we can confidently confirm that we believe the Company is in the best possible hands.

DISCOUNT MANAGEMENT AND SHARE REPURCHASES

Global stock markets have remained unsettled during the year under review. Consequently, share price discounts to NAV across the investment trust universe have remained wide by historical standards, averaging 14.9% in the 12 months to 31 July 2025. Against this backdrop, your Company’s discount to NAV has also seen a degree of volatility, ranging from 14.5% at its widest to 6.7% at its narrowest. In aggregate, however, the discount narrowed over the year, from 10.1% at the prior year end to 6.7% on 31 July 2025. It has also been substantially narrower on average compared with the Company’s Asia Pacific Smaller Companies peer group, at 9.8% versus 14.8% for the peers. Over the course of the year, the Company repurchased 4,463,497 ordinary shares (6.3% of the issued share capital; 1.0% in 2024), at a cost of £22.5m. Since then and up to the latest practicable date of this document, 2,362,486 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 Annual General Meeting (“AGM”) on 26 November 2025 the Board will seek shareholder approval to renew the annual authority to repurchase up to 14.99% or, in the event that the shares are trading at a premium to the Company’s NAV, to 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, there-by adding to the NAV per ordinary share. In the reporting year, share repurchases added 0.7% to the NAV (2024: 0.1%). Until 31 July 2025, shares repurchased were held in Treasury and these can only be reissued at NAV per ordinary share or at a premium to NAV per ordinary share. By the year end, shares held in Treasury exceeded 10% of the total issued share capital, and so the Board decided that with effect from 1 August 2025, all shares repurchased will be for cancellation, and this has been the case for all share repurchases carried out since that date. In addition, since the year end, 822,911 shares already held in Treasury have been cancelled.

MARKETING AND PROMOTION

Your Board remains 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 I mentioned last year, our newest Director, Lucy Costa Duarte, has a strong track record in marketing and distribution. During the review year, she undertook a ‘deep dive’ into Fidelity’s marketing and PR strategy to understand if it represents good value for money and is demonstrating returns. Her work gave the Board confidence that Fidelity is doing the right things to maintain and increase your Company’s profile. We have discussed the allocation of resources and made some small changes, but her feedback on the overall marketing and PR picture was overwhelmingly positive.

While some coverage comes as a direct result of the efforts of Fidelity and external PR partners, in other cases it arises naturally as a consequence of your Company’s strong long-term track record. We were very pleased this year to have been included on the Association of Investment Companies’ annual ‘ISA millionaires’ list for a third consecutive time. This list looks at the returns that investors could have achieved by investing their full ISA allowance each year since ISAs were introduced in 1999 (and reinvesting any dividends). A total investment of £326,560 in your Company over the period from 6 April 1999 to 31 January 2025 would have grown to £1,128,271 – an impressive result that illustrates the value of investing for the long-term. While returns from equity investments are always likely to fluctuate, your Company’s enduring presence on this list – even in a period of relatively poor performance such as the previous year – underscores the rewards available to patient long-term investors in differentiated strategies.

During the year, we have continued to work with Fidelity and external partners to increase the Company’s profile through digital and print advertising, sponsorship, events, direct marketing and press coverage. A third-party research provider, Kepler Partners, produces 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 managers) audiences is evident in the makeup of our share register, with 39% of our shares owned by direct investors through platforms, and 47% by wealth managers on behalf of their clients.

DIVIDEND

The Board is pleased to recommend a final dividend of 20.5 pence per share for the year ended 31 July 2025, which represents a 41.4% increase over the previous year, for approval by shareholders at the AGM to be held on 26 November 2025. The dividend will be paid on 11 December 2025.

Partly in response to shareholder feedback, during the year your Board took a careful look at the allocation of costs between the Company’s revenue and capital accounts. Historically, 100% of management fees and finance costs have been charged to the revenue account. However, as the investment strategy principally targets capital growth, we felt it was right to consider whether a greater allocation to the capital account would be more appropriate. Having discussed the matter at our Board strategy day (see above) and undertaken a detailed review of our peers both among Asia Pacific Smaller Companies investment trusts and in the wider Asia Pacific sector, we concluded that we should change the allocation to a 75:25 split between the capital and revenue accounts. The removal of 75% of the management fees and finance costs from the revenue account has resulted in a step-change in the level of dividends proposed for the year ended 31 July 2025.

We would remind shareholders that portfolio dividend income continues to be an output rather than an aim of the investment process, and accordingly the level of future dividends for the Company’s shareholders may vary.

Your Portfolio Managers invest principally for long-term capital growth of your investment, but their value-oriented investment style tends to lead them towards unleveraged and cash- generative businesses. The increase achieved in portfolio dividend income together with the re-allocation of costs referred to above has resulted in the dividend per share declared by the Company more than doubling over the last four years.

GEARING

As an investment trust, your Company has the ability to deploy additional money (through borrowing or the use of derivative instruments) to invest on behalf of its shareholders, known as gearing. This can enhance returns for investors when performance is positive, although, on the flipside, it can also amplify losses in a falling market. 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 16.8% (2024: 13.0%) and net gearing was 3.4% (2024: 6.2%).

Rather than using bank borrowing (which can be expensive depending on the prevailing interest rate environment and is often deployed across a portfolio on a pro-rata basis), the Company’s gearing is achieved using contracts for difference (“CFDs”). These are a type of derivative instrument, implemented on a stock-by-stock basis, allowing Nitin and Ajinkya to get additional exposure to their best ideas. 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 over 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. Ajinkya, in particular, has a strong background in this area. 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 Company’s portfolio and do not usually exceed 10 stocks. However, while relatively small in scope, this additional tool has materially added to the Company’s performance since its introduction in late 2019, and particularly so in the year under review, to the tune of 0.4%. Total short exposure as at 31 July 2025 was 6.7% of net assets (2024: 3.4%).

BOARD OF DIRECTORS

Following Michael Warren’s retirement at last year’s Annual General Meeting (“AGM”) in November 2024 and Lucy Costa Duarte’s election at that AGM, there have been no changes to the Board in the period under review. We can now look forward to a prolonged period of stability under the current group of Directors, whose tenures to date range from one to six years. While we believe that your Board has a good mix of essential qualities and a diverse set of relevant backgrounds, it is a worthwhile discipline to undergo external challenge and assessment to ensure that we have all the appropriate skills necessary to ensure the good governance of your Company. As such, and in line with best practice, we have been undergoing a third-party board effectiveness review, the results of which will have been considered and decided upon by the time of the 2025 AGM. We remain open to challenge and committed to listening to and doing the best job for our shareholders, something we hope is evident in measures such as the active management of the Company’s discount to NAV and our careful consideration of cost allocation, and its attendant effect on your Company’s dividend (see ‘Dividend’ section above). Part of the Board’s remit is to represent the views of the Company’s shareholders, and we would like to encourage you to engage with the Board either by contacting us via the Company Secretary or by attendance at the AGM.

ARTICLES OF ASSOCIATION

The Board has undertaken its scheduled review of the Company’s Articles of Association (the “Articles”) with assistance from our external legal adviser. The changes proposed to the Articles are set out in the Directors’ Report section of the Annual report. Shareholders will be asked to approve these changes at the AGM on 26 November 2025.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Board has also reviewed the Company’s Investment Objective and Investment Policy and we are proposing two minor amendments. The wording of the restriction in relation to unlisted investments has been simplified and it is also proposed to move the reference to the Comparative Index from the Investment Objective to the Investment Policy. These changes are set out in Directors’ Report section of the Annual report. Shareholders will be asked to approve these changes at the AGM on 26 November 2025.

ANNUAL GENERAL MEETING

The AGM of the Company will be held at 11.00 am on Wednesday, 26 November 2025. The meeting will once again be a hybrid format, with online attendance available, however I hope to see as many of you as possible in person on the day. Full details of the meeting are below and in the Notice of Meeting in the Annual Report. Items of special business to be proposed at the AGM are detailed in the Directors’ Report section of the Annual Report.

OUTLOOK

Nitin and Ajinkya are fundamentally bottom-up investors, which means their investment decisions are informed by detailed company analysis rather than the prevailing market mood. And so, while the geopolitical backdrop is fractious, your Portfolio Managers remain commit- ted to their proven long-term investment approach. They continue to see good prospects for their portfolio of undervalued, quality businesses, about which you can read more in their review that follows. In an uncertain world, those with the courage to continue to steer their course are surely most likely to reach their desired destination.

CLARE BRADY

Chairman

16 October 2025

ANNUAL GENERAL MEETING – WEDNESDAY, 26 NOVEMBER 2025 AT 11:00 AM

The AGM of the Company will be held at **11.00 am on Wednesday, 26 November 2025** at 4 Cannon Street, London EC4M 5AB (nearest tube stations are St Paul’s or Mansion House) and virtually via the online Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting in the Annual Report.

For those shareholders unable to attend in person, we will live-stream the formal business and presentations of the meeting online.

Nitin Bajaj and Ajinkya Dhavale, the Portfolio Managers, will be making a presentation to shareholders discussing the performance of the past year and the prospects for the year to come. The Portfolio Managers 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.

Properly registered shareholders joining the AGM virtually will be able to vote on the proposed resolutions. Please see Note 9 to the Notes to the Notice of Meeting in the Annual Report for details on how to vote virtually. Investors viewing the AGM online will be able to submit live written questions to the Board and the Portfolio Manager and these will be addressed at an appropriate juncture during the meeting.

Further information and links to the Lumi platform may be found on the Company's website at **www.fidelity.co.uk/asianvalues**. On the day of the AGM, in order to join electronically and ask questions via the Lumi platform, shareholders will need to connect to the website **https://meetings.lumiconnect.com**.

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. They may request that you submit electronic votes in advance of the meeting. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome your online participation as a guest. Once you have accessed **https://meetings.lumiconnect.com** from your web browser on a tablet, smartphone or computer, you will need to enter the **Lumi Meeting ID** which is **100-596-124-635**. 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.

Further information on how to vote across the most common investment platforms is available at the following link: <https://www.theaic.co.uk/how-to-vote-your-shares>

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 23 years of 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, the Company's Co-Portfolio Manager, supports and works closely with 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 17 years of investment experience. He originally joined Fidelity as an Investment Analyst in 2011, covering the Auto, Cement, Telecommunications and Property sectors. He is also Co-Portfolio Manager of the Fidelity Asian Smaller Companies Fund.

QUESTION 1

How has the Company performed in the year to 31 July 2025?

ANSWER

As mentioned in the Chairman's statement, over the year ended 31 July 2025, the Company's net asset value ("NAV") total return was +12.4% versus the Comparative Index (MSCI All Countries Asia ex Japan Small Cap Index (net) total return (in sterling Terms)) return of +7.1%. The share price total return for the year was +17.0% due to a narrowing of the discount to NAV.

Our investment process is centred on owning good businesses which are run by trustworthy management teams and buying them only when we have an ample margin of safety, meaning that we consider the market value of the company to be lower than its intrinsic value. This strategy often leads us to adopt contrarian positions, as undervalued businesses are more likely to be found in sectors or geographies that are out of favour. Following this philosophy, we currently have a significant portion of the Company's portfolio allocated to China and Indonesia, while exposure to India and Taiwan is substantially lower than the Index. Geographic exposures reflect bottom up stock picking and had a positive impact on performance as the market began to recognise the intrinsic value of several Chinese holdings we own.

The Company has benefited from its allocation to Chinese equities over the last year. Although the companies we own in China did well compared to the rest of Asia, they underperformed the Chinese market, which was predominantly driven by highly valued, more speculative areas such as technology, biotechnology and new consumption themes. Most of our holdings in China are concentrated in sectors such as consumer goods, real estate and industrials. Stock selection in Indonesia proved unrewarding in the past year, as the country remained overlooked by investors despite strong economic fundamentals, albeit in the context of political volatility. We have largely maintained our positioning in our preferred holdings given their favourable risk-reward profile over the medium to long-term.

In our opinion, 12 months (whether good or bad) is a short period of time over which to judge a portfolio's performance. It must be put in the context of longer-term performance, in line with our longer-term investment horizon. Since Nitin took over the management of the Company's assets in 2015, the share price total return has been +163.2%, or +9.8% annualised, versus the MSCI All Country Asia ex Japan Small Cap Index (net) total return (in sterling terms) of +105%, +7.2% annualised.

Question 2

What stocks have been the main drivers of performance during the 12-month review period and why?

Answer

Our list of top contributors relative to the Index during the 12-month period was well diversified across markets and sectors, with Taiwan Semiconductor Manufacturing Company ("TSMC"), De Grey Mining, and Crystal International making up the top three.

- **TSMC**, the world's largest semiconductor foundry, emerged as the leading contributor over the period. Its shares advanced after the company reported record-breaking financial results, showcasing its ability to capitalise on the AI boom.
- **De Grey Mining**, a mid-sized Australia-listed gold miner, was acquired at a premium by Northern Star Resources. We owned De Grey Mining as its assets included the world-class Hemi Gold project under development – giving us leverage to both development upside as well as the gold price.
- **Crystal International** produces apparel at its factories mostly located in Vietnam, for renowned brands such as UNIQLO, Levi's and GAP. We have owned Crystal for several years, and it has been a consistent performer as management has executed well and our entry valuation at a P/E ratio of 6x was very reasonable.

Meanwhile, our largest relative detractors were all from India and Indonesia, the two markets that lagged the regional Asian small cap index over the past year.

- **Axis Bank**, the third largest private sector bank in India, was the most significant detractor as the lender saw an increase in non-performing assets. Its management has taken steps to strengthen underwriting standards, while the bank continues to trade at relatively low valuations compared to peers. We continue to own the position and have increased it when its share price weakened.
- **IndusInd Bank**, India’s fifth-largest private sector bank, performed poorly because of weaknesses in underwriting that our due diligence did not fully identify. This is a reminder that no matter how deep our due diligence process is, there are always things that can go wrong, which is why buying businesses whose valuations offer a margin of safety is very important. We continue to hold the stock as it trades at about a 20% discount to its book value.
- **Bank Negara** has performed well in past years but did poorly in the last 12 months. This was due to profit pressure from increased competition for deposits, as well as a mild deterioration in asset quality in Indonesia. We continue to own shares in Bank Negara given its solid franchise and a valuation that offers a healthy margin of safety.

Question 3
How have you utilised the Company’s structure as an investment trust this year? Has it been beneficial?

Answer
A key benefit of the structure is the ability to hold smaller, less liquid names, without needing to manage potential outflows. We have also continued to utilise gearing and the derivative toolset available to the Company, which proved beneficial over the last 12 months. Our level of gearing 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.

In the last 12 months, the Company’s average net exposure was 103.3%. We had +13.7% average exposure to long stock futures over the review period, which contributed 250 basis points to the Company’s relative performance. The short book, where we had -3.9% average exposure, contributed 38 basis points. Meanwhile, our stock holdings (+93.6% average exposure) made a +356 basis points positive contribution. These performance contributions are all relative to the Company’s Comparative Index.

Question 4
US import tariffs announced in 2025 have been a consideration this year. What impact have tariffs had or not had on the Company’s portfolio during the review period?

Answer
So far, the impact on our portfolio has been marginal, as tariffs have only just started taking effect. Our primary concern is that tariffs and related uncertainties present a real risk to global growth. They are likely to affect both the level of consumption in the US and corporate capital investment decisions worldwide.

We continue to look for both risks and opportunities that may arise from the change in global trading order and structures.

Question 5
The Company’s portfolio is still overweight in China. How does the regulatory landscape in China affect how you find investment opportunities there?

Answer
Regulatory changes take place in all markets around the world. In the current environment, since April 2025, the rate and pace of regulatory change has been particularly notable in the US.

Our experience in China has been that government policy aims to support public welfare. Businesses that operate within the rules and do not exploit their customers tend not to face much interference in the operation of their company.

China’s industrial policy is very focused on capacity creation and provides a platform for Chinese companies to strive for global competitiveness. This has led to oversupply and hyper-competition in a large number of industries. However, this is a well-advertised and slow-moving phenomenon, hence we are able to incorporate such factors into our analytical framework when conducting our research on companies.

Question 6
Are there any areas in China that are more attractive today than they were last year?

Answer
Yes, in our opinion there are many companies in China that still trade significantly below intrinsic value. Some of these are just small traditional businesses (advertising, recruitment, event management, dairy farms, etc.) that have tended to be overlooked by the market, while others are in areas going through a cyclical downturn, such as property, consumer staples and industrials.

Having said that, performance of the Chinese equity market over the last year has been dominated by thematic exposures. Sectors that are currently in vogue, such as AI-driven technology, biotechnology and electric vehicles, have experienced significant gains. In contrast, sectors we consider more aligned to the ‘real economy’, including consumer goods, real estate and industrials, have not gained much.

Consequently, this selective rally has widened the intersectoral valuation gap within Chinese small cap equities. The chart below illustrates how the disparity between the sector with the highest forward Price to Book ratio and the one with the lowest has become more pronounced, especially in the past six months.

While the market has been enthused by these new-age sectors, we have continued to find good businesses with a meaningful margin of safety in more traditional sectors.

Question 7
Looking beyond China, where do you currently see the best opportunities?

Answer
We continue to find promising investment opportunities in Indonesia. Indonesia is the third largest economy in the region, following China and India, with a strong demographic profile, prudent management of public finances and very strong household balance sheets. Our exposure to Indonesia is well diversified across sectors such as financials, building materials, industrials and consumer businesses, all of which support sustainable returns with a sufficient margin of safety.

Additionally, as bottom-up investors, we continue to uncover idiosyncratic investment opportunities in other parts of the region. For instance, in Taiwan, we have invested in **Pacific Hospital Supply Company**, a manufacturer of medical consumables. Despite being a small player, its new management is driving market share growth at a pace faster than the c.US\$80bn industry, which typically grows at a mid-single-digit rate. The stock trades at 16x its projected 2026 earnings and offers a 5% dividend yield.

Similarly, in Thailand, we hold a position in **Mega Lifesciences**, a manufacturer of generic medicines. Most of its revenue stems from ‘nutraceuticals’ or wellness drugs, with the remainder from prescription drugs and over-the-counter medicines. The company’s strong distribution network across ASEAN, together with its product pipeline and in-house manufacturing, confers competitive advantages, resulting in higher margins compared with peers. Its management is more agile and flexible than multinational competitors, enhancing its effectiveness in sales and promotions. The stock trades at 12x its projected 2026 earnings, with a 5.5% dividend yield.

Question 8
How do you assess current valuations relative to historical averages? Is now an interesting time for Asia?

Answer
The average valuation for the MSCI AC Asia ex Japan Small Cap Index is now above its historical average and cannot be considered empirically ‘cheap’. However, this average level masks a wide variation between value stocks and growth stocks, as shown in the chart below.

This dispersion in valuation can also be observed between the valuation of stocks we own and the market average. The P/E of the fund is 10.4x while that of the market is 17x. This reflects Fidelity’s deep research network, which enables us to find high quality businesses that are currently being overlooked by other investors.

Question 9
What key risks do you face in the current environment, and how do you mitigate these in the Company’s portfolio?

Answer
Macro and geopolitical events are not central to our decision-making, but we realise we cannot ignore them entirely, especially in the current environment. Companies exist within business cycles, and they are impacted by geopolitical events. Therefore, we try to factor both these into our decision-making, predominantly at the single stock level but also at the portfolio risk level. These give us guardrails rather than being the main driver of decision-making. Stock picking is the mainstay of the investment process and has always been its strength, and we feel we are better placed if we ‘stick to our knitting’ rather than becoming distracted by world events.

Question 10
Finally, looking forward, what are the things that excite you the most that you would like to share with shareholders?

Answer
We are excited by the team we work with – both the regional analyst team at Fidelity and especially the small cap team. Our performance is in part an outcome of the hard work and insights of Fidelity’s research team, and we are grateful for their help.

We also feel comfortable with our portfolio. We own a basket of good quality businesses, as evidenced by their return on equity (ROE), and we own them at a significant discount to market valuations. Think of it as owning a house that provides you with a higher rental income at a substantially lower capital cost than the neighbourhood. Who would not want that?

We do not have a forecast of market returns, and we do not wish to indulge in such speculation. Instead, we continue to focus on investing in good businesses, led by competent and honest management teams, available at a valuation that offers a suitable margin of safety. This time-tested approach has delivered sustainable performance for the Company over the long-term, and we are confident that it will continue to do so well into the future.

NITIN BAJAJ Portfolio Manager 16 October 2025	AJINKYA DHAVALÉ Co-Portfolio Manager
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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. Emerging markets are less established and more volatile than developed markets. They involve higher risks, particularly market, credit, illiquid security, legal, custody, valuation, and currency risks, and are more likely to experience risks that in developed markets are associated with unusual market conditions.
- The Company is exposed to several geopolitical risks. The geopolitical landscape continues to change globally and is largely shaped by the ongoing effects of war conflicts, tariff wars, 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 economic instability, specifically within Western nations. Macro-economic uncertainty continues to impact Western

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 derivatives, and has comfort that the portfolio is sufficiently diversified by sector, country 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 below together with summaries of the policies for managing these risks. It is the Company’s policy not to hedge the

- investment appetite.
- China’s outlook for ‘controlled stabilisation’ remains intact, supported by targeted policy measures. China’s growth stabilisation is more credible post-deal (i.e. the government’s commitment to implementing strategic economic measures to achieve steady growth and economic resilience): the agreement with the U.S. reduces pressure on China to deliver new fiscal easing. Exports and industrial activities continue to outperform despite the slower than expected recovery in domestic demand. 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. The legal rights of investors in mainland China are uncertain, government intervention is common and unpredictable, some of the major trading and custody systems are unproven, and all types of investments are likely to have comparatively high volatility and greater liquidity and counterparty risks.
- Heightened tensions between the U.S. and global trading partners, particularly China, continue to impact the markets. The US/China relationship is also impacted by the dynamic of the balance between national security and economic interests and could lead to higher volatility, sanctions for broader markets, technology 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.

2. Competition Risks and Marketplace Threats Impacting Business Growth

Trend (*from previous year*): Increased

Description and Impact

- There is increased activity around mergers and acquisitions across the investment company marketplace and alternative investment offerings (including passive vehicles) which could influence the demand for the Company’s shares.
- There is a risk of costly shareholder activism in the investment company sector, pursuing goals that may not be in the interests of most shareholders.

3. Changes in Legislation, Taxation or Regulation

Trend (*from previous year*): Increased

Description and Impact

- Changes in legislation, taxation or regulation, or other external influences 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. There is a risk that the FCA’s proposed Consumer Composite Investment (CCI) regime may make investment companies more complex for consumers and other investors to understand and increase the regulatory burden imposed on the sector if it proceeds with some of the proposals as drafted.

4. 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.
- While the Company’s discount has narrowed in recent months, there has been significantly increased market focus on this issue across the wider investment trust sector over the past year.

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

Trend (*from previous year*): Decreased

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 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

underlying currencies of the holdings in the portfolio but rather to take the currency risk into consideration when making investment decisions.

Mitigation

- The Board, the Company’s Broker and the Manager closely monitor industry activity, the peer group and the share register.
- An annual review of strategy is undertaken by the Board to ensure that the Company continues to offer a relevant product to investors. There are also pre-emptive preparations in the event of an activist investor approach.

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 Fidelity through active lobbying and negotiations as well as a robust change management process.

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.
- Discretionary repurchases of ordinary shares are made within guidelines set by the Board, and considering prevailing market conditions.

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 takes comfort from the work of the Portfolio Construction and Advisory team in reviewing and challenging the portfolio.
- 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.

- 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.

6. Cybercrime and Information Security

Trend (*from previous year*): Increased

Description and Impact

- Cybersecurity risk increased use of artificial intelligence (AI) and 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 highly organised criminal networks and sophisticated ransomware operators, including threats such as service disruption/extortion attacks (DDoS, ransomware), financial theft and data breaches, regulatory non-compliance, reputational damage/loss of customer trust. The threat environment continues to evolve rapidly, including the heightened potential threat from nation state backed threat actor due to geopolitical tensions from the current wars in Ukraine and Gaza. Ransomware continues to increase globally and is also becoming a supply chain risk.

7. Business Continuity and Crisis Management

Trend (*from previous year*): Decreased

Description and Impact

- Business process disruption risk from continued threats of cyberattacks, geopolitical events, outages, fire events and natural disasters, resulting in financial and/or reputational impact to the Company affecting the functioning of the business.
- The Company relies on a number of third-party service providers, principally the Registrar, Custodian and Depositary who may be subject to cybercrime.

8. Operational Risks

Trend (*from previous year*): Stable

Description and Impact

- Financial losses or reputational damage from inadequate or failed internal processes, people and systems or from external parties and events.

9. Key Person Risk

Trend (*from previous year*): Stable

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

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 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. AI can provide asset managers powerful tools, such as enhancing data analysis risk management, trading strategies, operational efficiency and client servicing, all of which can lead to better investment outcomes and more efficient operations. However, with these advances in computer power that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

The Board and the Manager regularly consider other emerging risks which may continue to evolve from unforeseen geopolitical and economic events.

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 and emerging risks and related uncertainties to ensure that the Board can continue to meet its UK corporate

- 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 below.
- 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. The Board regularly considers the level of gearing and gearing risk.

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 framework ensures consistency in Fidelity's security measures, enhances its ability to adapt to evolving/emerging threats, and compliance with changing regulatory requirements. 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.

Mitigation

- Fidelity has Business Continuity and Crisis Management Frameworks in place to deal with business disruption and assure operational resilience.
- All third-party service providers are subject to a risk-based programme of risk oversight and internal audits by the Manager and their own internal controls reports are received on an annual basis and any concerns are investigated.

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.

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, particularly for portfolio managers.

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 2026 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 global geopolitical and market events and regulatory changes that could impact the Company's performance, prospects and operations.

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 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.

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 and potential emerging risks from the use of artificial intelligence, as detailed above. The Board has also considered the impact of regulatory changes, ongoing geopolitical tensions and unforeseen market events, 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 and are set out in the Annual Report.

The Board receives regular reports from the Company's Broker which covers market activity, and how the Company compares with its peers in its sector on performance, discount and share repurchase activity, an analysis of the Company's share register and market trends.

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 and considers the Manager's 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:

- The decision to seek shareholder approval at the forthcoming AGM to amend the Company's Investment Objective and Investment Policy;
- The decision to allocate 75% of the base management fee and finance costs to capital and 25% to revenue with effect from 1 August 2024;
- The decision to seek shareholder approval at the AGM to update the Company's Articles of Association;
- Carrying out an audit tender as the current Auditor will have been in place for 10 years in November this year.
- The decision to once again hold a hybrid AGM this year in order to make it more accessible and improve the shareholder experience;
- Authorising the repurchase of 6,825,983 ordinary shares since 1 August 2024 and up to the latest practicable date of this document in line with the Board's discount management policy;
- The decision to repurchase shares for cancellation rather than into Treasury with effect from 1 August 2025. Since that date, 822,911 shares already held in Treasury have been cancelled; and
- The decision to recommend the payment of a final dividend of 20.5 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 16 October 2025 and signed on its behalf by:

CLARE BRADY
Chairman

INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2025

	Notes	Year ended 31 July 2025			Year ended 31 July 2024		
		Revenue £’000	Capital £’000	Total £’000	Revenue £’000	Capital £’000	Total £’000
Gains on investments	10	–	21,141	21,141	–	10,399	10,399
Gains/(losses) on derivative instruments	11	–	12,024	12,024	–	(5,073)	(5,073)
Income	3	19,419	–	19,419	17,605	–	17,605
Investment management fees	4	(673)	(2,577)	(3,250)	(2,749)	(744)	(3,493)
Other expenses	5	(963)	(6)	(969)	(992)	–	(992)
Foreign exchange (losses)/gains		–	(761)	(761)	–	107	107
		-----	-----	-----	-----	-----	-----
Net return on ordinary activities before finance costs and taxation		17,783	29,821	47,604	13,864	4,689	18,553
Finance costs	6	(688)	(2,065)	(2,753)	(2,473)	–	(2,473)
		-----	-----	-----	-----	-----	-----
Net return on ordinary activities before taxation		17,095	27,756	44,851	11,391	4,689	16,080
		=====	=====	=====	=====	=====	=====
Taxation on return on ordinary activities	7	(1,563)	85	(1,478)	(1,203)	(3,215)	(4,418)
Net return on ordinary activities after taxation for the year		15,532	27,841	43,373	10,188	1,474	11,662
Return per ordinary share	8	22.51p	40.34p	62.85p	14.24p	2.06p	16.30p
		=====	=====	=====	=====	=====	=====

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 2025

		Share capital	Share premium account	Capital redemption reserve	Other non– distributable reserve	Capital reserve	Revenue reserve	Total shareholders’ funds
	Notes	£’000	£’000	£’000	£’000	£’000	£’000	£’000
Total shareholders’ funds at 31 July 2024		18,895	50,501	3,197	7,367	297,210	14,844	392,014
Net return on ordinary activities after taxation for the year		–	–	–	–	27,841	15,532	43,373
Repurchase of ordinary shares	14	–	–	–	–	(22,532)	–	(22,532)
Dividend paid to shareholders	9	–	–	–	–	–	(10,147)	(10,147)
		-----	-----	-----	-----	-----	-----	-----
Total shareholders’ funds at 31 July 2025		18,895	50,501	3,197	7,367	302,519	20,229	402,708
		=====	=====	=====	=====	=====	=====	=====
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
		=====	=====	=====	=====	=====	=====	=====

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

BALANCE SHEET AS AT 31 JULY 2025

Company number 03183919

	Notes	2025 £’000	2024 £’000
Fixed assets			
Investments	10	377,051	378,577
	-----	-----	-----
Current assets			
Derivative instruments	11	2,278	1,297
Debtors	12	1,839	4,379
Amounts held at futures clearing houses and brokers		2,674	4,413
Cash and cash equivalents		25,407	9,070
		-----	-----
		32,198	19,159
		=====	=====
Current liabilities			
Derivative instruments	11	(2,045)	(2,045)
Other creditors	13	(4,494)	(3,242)
Bank overdrafts		(2)	(435)
		-----	-----
		(6,541)	(5,722)
		=====	=====
Net current assets		25,657	13,437
		-----	-----
Net assets		402,708	392,014
		=====	=====
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	302,519	297,210
Revenue reserve	15	20,229	14,844
		-----	-----
Total shareholders’ funds		402,708	392,014
		=====	=====
Net asset value per ordinary share	16	604.69p	551.66p
		=====	=====

The Financial Statements above and below were approved by the Board of Directors on 16 October 2025 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 that is listed 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 2026, 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 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 above takes account of all events and conditions up to 31 October 2026 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, bank deposits, collateral and money market funds 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:

- With effect from 1 August 2024, the base investment management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital returns from the Company's portfolio of investments. Prior to 1 August 2024, the base investment management fee were allocated in full to revenue;
- The variable investment management fee continues to be 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 continue to be 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. With effect from 1 August 2024, finance costs are allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital returns from the Company's portfolio of investments. Prior to 1 August 2024, finance costs were allocated in full to revenue.

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 on behalf of brokers as collateral against open derivative contracts. These are carried at amortised cost.

o) Cash and cash equivalents – Cash and cash equivalents may comprise cash at bank and money market funds which are short-term, highly liquid and are readily convertible to a known amount of cash. These are subject to an insignificant risk of changes in value.

p) Other creditors – Other creditors include securities purchased for future settlement, amounts payable for repurchase of shares, 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.

q) 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;
- With effect from 1 August 2024, 75% of base investment management fees;
- With effect from 1 August 2024, 75% of finance costs;
- Dividends receivable which are capital in nature;
- Taxation charged or credited relating to items which are capital in nature; and
- Other expenses 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 gains of £1,676,000 (2024: losses of £1,088,000). See Note 17 below for further details on the level 3 investments.

3 INCOME

	Year ended	Year ended
	31.07.25	31.07.24
	£’000	£’000

Investment income

Overseas dividends	15,258	14,009
Overseas scrip dividends	40	172
Interest on securities	625	584
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	15,923	14,765
	=====	=====

Derivative income

Dividends received on long CFDs	2,529	1,797
Interest received on CFDs	360	462
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	2,889	2,259
	=====	=====

Other interest

Interest received on bank deposits, collateral and money market funds	607	581
	-----	-----
Total income	19,419	17,605
	=====	=====

No special dividends have been recognised in capital during the year (2024: £1,827,000).

4 INVESTMENT MANAGEMENT FEES

	Year ended 31 July 2025			Year ended 31 July 2024		
	Revenue ¹	Capital ¹	Total	Revenue ¹	Capital ¹	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fees – base	673	2,020	2,693	2,749	–	2,749
Investment management fees – variable ²	–	557	557	–	744	744
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	673	2,577	3,250	2,749	744	3,493
	=====	=====	=====	=====	=====	=====

1 As disclosed in Note 2, base investment management fees for the year ended 31 July 2025 are charged 25% to revenue and 75% to capital. For the year ended 31 July 2024, base investment management fees were charged 100% to revenue.

2 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 ("FIL"). Both companies are Fidelity group companies.

FII charges base investment management fees at an annual rate of 0.70% of net assets. In addition, there is +/- 0.20% variation fee based on the Company's NAV per 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 31.07.25 £'000	Year ended 31.07.24 £'000
Allocated to revenue:		
AIC fees	18	21
Custody fees	72	73
Depositary fees	31	31
Directors' expenses	72	54
Directors' fees ¹	190	189
Legal and professional fees	120	189
Marketing expenses	181	172
Printing and publication expenses	89	73
Registrars' fees	40	44
Secretarial and administration fees payable to the Investment Manager	75	75
Sundry other expenses	17	20
Fees payable to the Company's Independent Auditor for the audit of the Financial Statements ²	58	51
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	963	992

	=====	=====
Allocated to capital:		
Legal and professional fees	6	–
	-----	-----
Other expenses	969	992
	=====	=====

- 1 Details of the breakdown of Directors’ fees are disclosed in the Directors’ Remuneration Report in the Annual Report.
- 2 Included in the current year's audit fee is an amount of £3,750 in respect of additional scope of work relating to the transition of reporting functions to JP Morgan and has been settled by the Manager (FIL Investment Services (UK) Limited). This amount has been offset against sundry other expenses for 2025 in the table above.

6 FINANCE COSTS

	Year ended 31 July 2025			Year ended 31 July 2024		
	Revenue ¹	Capital ¹	Total	Revenue ¹	Capital ¹	Total
	£’000	£’000	£’000	£’000	£’000	£’000
Interest on bank overdrafts	7	22	29	1	–	1
Interest paid on CFDs	447	1,340	1,787	2,147	–	2,147
Dividends paid on short CFDs	234	703	937	325	–	325
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	688	2,065	2,753	2,473	–	2,473
	=====	=====	=====	=====	=====	=====

- 1 As disclosed in Note 2, finance costs for the year ended 31 July 2025 are charged 25% to revenue and 75% to capital. For the year ended 31 July 2024, finance costs were charged 100% to revenue.

7 TAXATION ON RETURN ON ORDINARY ACTIVITIES

	Year ended 31 July 2025			Year ended 31 July 2024		
	Revenue	Capital	Total	Revenue	Capital	Total
	£’000	£’000	£’000	£’000	£’000	£’000
a) Analysis of the taxation charge for the year						
Overseas taxation	1,563	–	1,563	1,203	–	1,203
Indian capital gains tax	–	(85)	(85)	–	3,215	3,215
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Taxation charge for the year (see Note 7b)	1,563	(85)	1,478	1,203	3,215	4,418
	=====	=====	=====	=====	=====	=====

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% (2024: 25%). A reconciliation of the standard rate of UK corporation tax to the taxation charge for the year is shown below:

	Year ended 31 July 2025			Year ended 31 July 2024		
	Revenue	Capital	Total	Revenue	Capital	Total
	£’000	£’000	£’000	£’000	£’000	£’000
Net return on ordinary activities before taxation	17,095	27,756	44,851	11,391	4,689	16,080
Net return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25%						
(2024: rate of 25%)	4,274	6,939	11,213	2,848	1,172	4,020
Effects of:						
Capital gains not taxable ¹	–	(8,101)	(8,101)	–	(1,358)	(1,358)
Income not taxable	(3,780)	–	(3,780)	(3,464)	–	(3,464)
Expenses not deductible	–	511	511	–	–	–
Excess management expenses	(494)	651	157	620	186	806
Expense relief for overseas taxation	–	–	–	(4)	–	(4)
Overseas taxation	1,563	–	1,563	1,203	–	1,203
Indian capital gains tax ²	–	(85)	(85)	–	3,215	3,215
	-----	-----	-----	-----	-----	-----
Taxation charge for the year (see Note 7a)	1,563	(85)	1,478	1,203	3,215	4,418
	=====	=====	=====	=====	=====	=====

- 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 £581,000 (2024: charge of £1,081,000) credited in the year and £496,000 (2024: £2,134,000) deferred until such time as the Indian investments are sold.

c) Deferred taxation

A deferred tax asset of £9,589,000 (2024: £9,432,000), in respect of excess management expenses of £36,087,000 (2024: £35,457,000) and excess interest paid of £2,271,000 (2024: £2,271,000), has not been recognised as it is unlikely that there will be sufficient future taxable profits to utilise these expenses.

8 RETURN PER ORDINARY SHARE

	Year ended 31.07.25	Year ended 31.07.24
Revenue return per ordinary share	22.51p	14.24p
Capital return per ordinary share	40.34p	2.06p
	-----	-----
Total return per ordinary share	62.85p	16.30p
	=====	=====

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 held outside of Treasury during the year, as shown below:

	£'000	£'000
Net revenue return on ordinary activities after taxation	15,532	10,188
Net capital return on ordinary activities after taxation	27,841	1,474
Net total return on ordinary activities after taxation	43,373	11,662
	=====	=====
	Number	Number
Weighted average number of ordinary shares held outside of Treasury	69,010,726	71,551,097
	=====	=====

9 DIVIDENDS PAID TO SHAREHOLDERS

	Year ended 31.07.25 £'000	Year ended 31.07.24 £'000
Dividend paid		
Dividend of 14.5 pence per ordinary share paid for the year ended 31 July 2024	10,147	–
Dividend of 14.5 pence per ordinary share paid for the year ended 31 July 2023	–	10,399
	-----	-----
	10,147	10,399
	=====	=====
Dividend proposed		
Dividend of 20.5 pence per ordinary share proposed for the year ended 31 July 2025	13,168	–
Dividend of 14.5 pence per ordinary share proposed for the year ended 31 July 2024	–	10,204
	-----	-----
	13,168	10,204
	=====	=====

The Directors have proposed the payment of a dividend for the year ended 31 July 2025 of 20.5 pence per ordinary share which is subject to approval by shareholders at the Annual General Meeting on 26 November 2025 and has not been included as a liability in these Financial Statements. If approved, the dividend will be paid on 11 December 2025 to shareholders on the register at the close of business on 14 November 2025 (ex-dividend date 13 November 2025).

10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 £'000	2024 £'000
Listed investments	371,717	378,517
Unlisted investments	5,334	60
	-----	-----
Investments at fair value	377,051	378,577
	=====	=====
Opening book cost	406,135	374,514
Opening investment holding (losses)/gains	(27,558)	3,117

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Opening fair value	378,577	377,631
	=====	=====
Movements in the year		
Purchases at cost	209,010	217,080
Sales – proceeds	(231,677)	(226,533)
Gains on investments	21,141	10,399
	-----	-----
Closing fair value	377,051	378,577
	=====	=====
Closing book cost	377,392	406,135
Closing investment holding losses	(341)	(27,558)
	-----	-----
Closing fair value	377,051	378,577
	=====	=====

The Company received £231,677,000 (2024: £226,533,000) from investments sold in the year. The book cost of these investments when they were purchased was £237,753,000 (2024: £185,459,000). 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	Year ended
	31.07.25	31.07.24
	£’000	£’000
Purchases transaction costs	241	249
Sales transaction costs	338	410
	-----	-----
	579	659
	=====	=====

11 DERIVATIVE INSTRUMENTS

	Year ended	Year ended
	31.07.25	31.07.24
	£’000	£’000
Gains/(losses) on derivative instruments		
Realised gains/(losses) on long CFD positions closed	9,504	(6,842)
Realised gains on short CFD positions closed	1,245	2,417
Realised gains/(losses) on futures contracts closed	718	(62)
Realised (losses)/gains on options contracts closed	(467)	1,136
Realised gains on forward currency contracts	70	–
Movement in investment holding gains/(losses) on long CFDs	1,143	(2,113)
Movement in investment holding gains on short CFDs	112	909
Movement in investment holding losses on futures	(129)	(162)
Movement in investment holding losses on options	(172)	(356)
	-----	-----
	12,024	(5,073)
	=====	=====
	2025	2024
	Fair value	Fair value
	£’000	£’000
Derivative instruments recognised on the Balance Sheet		
Derivative instrument assets	2,278	1,297
Derivative instrument liabilities	(2,045)	(2,045)
	-----	-----
	233	(748)

			=====	=====
	2025		2024	
	Fair value	Asset	Fair value	Asset
	£'000	exposure	£'000	exposure
At the year end the Company held the following derivative instruments:		£'000		£'000
Long CFDs	(172)	66,384	(1,315)	48,144
Call options (long exposure)	–	–	208	2,805
Short CFDs	485	21,913	373	12,995
Short futures	(129)	2,353	–	–
Put options (short exposure)	96	2,143	–	–
Call options (short exposure)	(47)	394	(14)	374
	-----	-----	-----	-----
	233	93,187	(748)	64,318
	=====	=====	=====	=====
12 DEBTORS				
			2025	2024
			£'000	£'000
Securities sold for future settlement			108	2,733
Amounts receivable on settlement of derivatives			699	66
Accrued income			874	1,162
Taxation recoverable			28	302
Other debtors and prepayments			130	116
			-----	-----
			1,839	4,379
			=====	=====
13 OTHER CREDITORS				
			2025	2024
			£'000	£'000
Securities purchased for future settlement			2,449	201
Amounts payable for repurchase of shares			172	–
Indian capital gains tax payable			496	2,134
Amounts payable on short CFD dividends			442	214
Finance costs payable			18	–
Creditors and accruals			917	693
			-----	-----
			4,494	3,242
			=====	=====
14 SHARE CAPITAL				
	2025		2024	
	Number of	Nominal	Number of	Nominal
	shares	value	shares	value
	£'000	£'000	£'000	£'000
Issued, allotted and fully paid				
Ordinary shares of 25 pence each held outside of Treasury				
Beginning of the year	71,060,556	17,766	71,829,336	17,958
Ordinary shares repurchased into Treasury	(4,463,497)	(1,116)	(768,780)	(192)
	-----	-----	-----	-----
End of the year	66,597,059	16,650	71,060,556	17,766
	=====	=====	=====	=====
Ordinary shares of 25 pence each held in Treasury ¹				
Beginning of the year	4,520,333	1,129	3,751,553	937

Ordinary shares repurchased into Treasury	4,463,497	1,116	768,780	192
	-----	-----	-----	-----
End of the year	8,983,830	2,245	4,520,333	1,129
	=====	=====	=====	=====
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 £22,532,000 (2024: £3,826,000).

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 2024	18,895	50,501	3,197	7,367	297,210	14,844	392,014
Gains on investments (see Note 10)	–	–	–	–	21,141	–	21,141
Gains on derivative instruments (see Note 11)	–	–	–	–	12,024	–	12,024
Foreign exchange gains	–	–	–	–	761	–	761
Investment management fees (see Note 4)	–	–	–	–	(2,577)	–	(2,577)
Other expenses (see Note 5)	–	–	–	–	(6)	–	(6)
Finance cost (see Note 6)	–	–	–	–	(2,065)	–	(2,065)
Indian capital gains tax (see Note 7)	–	–	–	–	85	–	85
Revenue return on ordinary activities after taxation for the year	–	–	–	–	–	15,532	15,532
Dividend paid to shareholders (see Note 9)	–	–	–	–	–	(10,147)	(10,147)
Repurchase of ordinary shares (see Note 14)	–	–	–	–	(22,532)	–	(22,532)
	-----	-----	-----	-----	-----	-----	-----
At 31 July 2025	18,895	50,501	3,197	7,367	302,519	20,229	402,708
	=====	=====	=====	=====	=====	=====	=====
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
	=====	=====	=====	=====	=====	=====	=====

The capital reserve balance at 31 July 2025 includes investment holding losses of £341,000 (2024: losses of £27,558,000) as detailed in Note 10. See Note 2 (q) 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 value per ordinary share is based on the total shareholders’ funds divided by the number of ordinary shares held outside of Treasury.

	2025	2024
Total shareholders’ funds	£402,708,000	£392,014,000
Ordinary shares held outside of Treasury at year end	66,597,059	71,060,556
Net asset value per ordinary share	604.69p	551.66p
	=====	=====

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. Risks are identified and graded in this process, together with steps taken in mitigation, and are updated and reviewed on an ongoing basis. Risks identified are shown above.

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:

	2025 £’000	2024 £’000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	66,556	49,459
Bank overdrafts	2	435
	-----	-----
	66,558	49,894
	=====	=====
Exposure to financial instruments that earn interest		
Short CFDs – exposure plus fair value	22,398	13,368
Cash and cash equivalents	25,407	9,070
Amounts held at futures clearing houses and brokers	2,674	4,413
	-----	-----
	50,479	26,851
	=====	=====
Net exposure to financial instruments that bear interest	(16,079)	(23,043)
	=====	=====

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:

	2025
Long exposure to	Cash

	Investments at fair value	derivative instruments ¹	Debtors ²	and cash equivalents ³	Total
Currency	£'000	£'000	£'000	£'000	£'000
Hong Kong dollar	97,377	54,327	881	615	153,200
US dollar	33,706	12,057	546	23,939	70,248
Indonesian rupiah	66,419	–	108	–	66,527
Indian rupee	48,177	–	1,892	47	50,116
South Korean won	48,834	–	706	–	49,540
Taiwan dollar	25,682	–	106	–	25,788
Australian dollar	16,507	–	84	–	16,591
Thai baht	11,614	–	–	–	11,614
Singapore dollar	9,626	–	–	–	9,626
Sri Lankan rupee	6,161	–	–	–	6,161
Vietnamese dong	5,456	–	–	–	5,456
Philippine peso	4,875	–	60	–	4,935
Other overseas currencies	1,657	–	–	806	2,463
UK sterling	960	–	130	–	1,090
	-----	-----	-----	-----	-----
	377,051	66,384	4,513	25,407	473,355
	=====	=====	=====	=====	=====

- 1
The exposure to the market of long CFDs.
- 2
Debtors include amounts held at futures clearing houses and brokers.
- 3
Cash and cash equivalents are made up of £5,689,000 cash at bank and £19,718,000 held in Fidelity Institutional Liquidity Fund.

	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.

Currency exposure of financial liabilities
The currency profile of these financial liabilities is shown below:

	Short exposure to
	2025

Currency	derivative instruments ¹	Other creditors	Bank overdrafts	Total
	£'000	£'000	£'000	£'000
US dollar	17,697	1,496	–	19,193
South Korean won	3,366	135	–	3,501
Hong Kong dollar	2,666	18	–	2,684
Australian dollar	1,944	–	–	1,944
Indian rupee	1,130	496	–	1,626
Indonesian rupiah	–	916	–	916
Thai baht	–	320	–	320
Vietnamese dong	–	303	–	303
Singapore dollar	–	99	–	99
UK sterling	–	711	2	713
	-----	-----	-----	-----
	26,803	4,494	2	31,299
	=====	=====	=====	=====

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

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

1 The exposure to the market of short CFDs 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 2025, 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 (2024: £2,045,000), other creditors of £4,494,000 (2024: £3,242,000) and bank overdrafts of £2,000 (2024: £435,000).

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.

COLLATERAL

	2025		2024	
	collateral received £'000	collateral pledged £'000	collateral received £'000	collateral pledged £'000
HSBC Bank plc	–	121	288	–
Goldman Sachs International Ltd	181	–	117	–
UBS AG	–	2,553	–	3,019
J.P. Morgan Securities plc	1,073	–	–	1,394
Morgan Stanley & Co. International Ltd	242	–	–	–
	-----	-----	-----	-----
Total	1,496	2,674	405	4,413
	=====	=====	=====	=====

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 INSTRUMENT RISK

The risks and risk management processes which result from the use of derivative instruments, are set out in a documented 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 2025, 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 £161,000 (2024: decreased the net return and decreased the net assets by £230,000). 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 (2024: decreased the net return and decreased the net assets) by the following amounts:

Currency	2025 £'000	2024 £'000
Hong Kong dollar	13,683	11,264
Indonesian rupiah	5,965	5,657
US dollar	4,641	4,158
Indian rupee	4,408	6,324
South Korean won	4,185	4,651
Taiwan dollar	2,344	1,045
Australian dollar	1,331	2,064
Thai baht	1,027	374
Singapore dollar	866	1,160
Sri Lankan rupee	560	360
Vietnamese dong	468	279
Philippine peso	449	630
Other overseas currencies	223	1,201
	-----	-----
	40,150	39,167
	=====	=====

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 (2024: increased the net return and increased the net assets) by the following amounts:

	2025	2024
Currency	£’000	£’000
Hong Kong dollar	16,724	13,767
Indonesian rupiah	7,290	6,914
US dollar	5,673	5,082
Indian rupee	5,388	7,730
South Korean won	5,115	5,685
Taiwan dollar	2,865	1,278
Australian dollar	1,627	2,523
Thai baht	1,255	457
Singapore dollar	1,059	1,418
Sri Lankan rupee	685	440
Vietnamese dong	573	341
Philippine peso	548	770
Other overseas currencies	274	1,468
	-----	-----
	49,076	47,873
	=====	=====

OTHER PRICE RISK – EXPOSURE TO INVESTMENTS SENSITIVITY ANALYSIS

Based on the listed investments held and share prices at 31 July 2025, 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 £37,172,000 (2024: increased the net return and increased the net assets by £37,852,000). 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 2025, 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 £533,000 (2024: increased the net return and increased the net assets by £6,000). 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 2025, 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 £3,958,000 (2024: increased the net return and increased the net assets by £3,758,000). 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 and cash equivalents, 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:

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	£’000	£’000	£’000	£’000
Investments	366,943	4,774	5,334	377,051
Derivative instrument assets	124	2,154	–	2,278
	-----	-----	-----	-----
	367,067	6,928	5,334	379,329
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				

Derivative instrument liabilities	(157)	(1,888)	–	(2,045)
	=====	=====	=====	=====
		2024		
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
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)
	=====	=====	=====	=====

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

	2025	2024
	£'000	£'000
Beginning of the year	1,046	880
Purchase at cost – ByteDance	3,001	–
Sales proceeds – ByteDance	(86)	–
Sales gain – ByteDance	13	–
Transfers into level 3 at cost – Interojo ¹	–	1,404
Transfers out level 3 at cost – Interojo ²	(1,404)	–
Transfers out of level 3 at cost – Tuhu Car ²	–	(1,049)
Movement in investment holding gain/(losses)	2,764	(189)
	-----	-----
End of the year	5,334	1,046
	=====	=====

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 three investments are unlisted and the latter one is suspended from trading.

BYTEDANCE

ByteDance is a technology company that develops applications for smart phones and is an unlisted company. The valuation is based on the company’s financial performance, the macro-environment and benchmarking the position to a range of comparable market data. As at 31 July 2025, its fair value was £5,281,000.

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 2025 is based on the company’s financial information, the macro-environment and the Probability-Weighted Expected Return Model (“PWERM”). As at 31 July 2025, its fair value was £53,000 (2024: £60,000).

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 2025, its fair value was £nil (2024: £nil).

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 2025, its fair value was £nil (2024: £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 section of the Annual report. The principal risks and their management are disclosed above.

The Company’s gross and net gearing at the year end is set out below:

	2025			
	Gross gearing		Net gearing	
	Asset exposure		Asset exposure	
	£'000	% ¹	£'000	% ¹
Investments	377,051	93.6	377,051	93.6
Long CFDs	66,384	16.5	66,384	16.5
	-----	-----	-----	-----
Total long exposures	443,435	110.1	443,435	110.1
	=====	=====	=====	=====
Short CFDs	21,913	5.5	(21,913)	(5.5)
Short Futures	2,353	0.6	(2,353)	(0.6)
Put options (short exposure)	2,143	0.5	(2,143)	(0.5)
Call options (short exposure)	394	0.1	(394)	(0.1)
	-----	-----	-----	-----
Gross asset exposure/net market exposure	470,238	116.8	416,632	103.4
	=====	=====	=====	=====
Shareholders' funds	402,708		402,708	
	=====		=====	
Gearing²		16.8%		3.4%
		=====		=====

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.

	2024			
	Gross gearing		Net gearing	
	Asset exposure		Asset exposure	
	£'000	% ¹	£'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	
	=====		=====	
Gearing²		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.

19 TRANSACTIONS WITH THE MANAGERS AND RELATED PARTIES

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

Details of the current fee arrangements are given in the Directors' Report in the Annual Report. During the year, the following expenses were payable to FIL:

31 July	31 July
2025	2024
£'000	£'000

Management fees	3,250	3,493
Secretarial and administration fees	75	75
Marketing services ¹	181	172
	=====	=====

1 Marketing services includes costs paid to FII to reimburse it for third party costs it has incurred on behalf of the Company in providing marketing services.

At the Balance Sheet date, the following balances payable to FII were accrued and included in other creditors:

	31 July	31 July
	2025	2024
	£’000	£’000
Management fees	217	277
Secretarial and administration fees	44	6
Marketing services	–	77
	=====	=====

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 the Annual Report. In addition to the fees and taxable expenses disclosed in the Directors’ Remuneration Report, £21,000 (2024: £19,000) of employers’ National Insurance contributions were paid by the Company. At the Balance Sheet date, Directors’ fees of £17,000 (2024: £20,000) were accrued and payable.

ALTERNATIVE PERFORMANCE MEASURES

The Company uses the following as Alternative Performance Measures which are all defined in the Glossary of Terms in the Annual Report.

DISCOUNT/PREMIUM

Details of the Company’s discount are in the Financial Highlights above.

GEARING

See Note 18 above for details of the Company’s gearing (both gross and net).

NET ASSET VALUE (“NAV”) PER ORDINARY SHARE

See the Balance Sheet on and Note 16 above for further details.

ONGOING CHARGES RATIO

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.

	2025	2024
Investment management fees (£’000)	2,693	2,749
Other expenses (£’000)	969	992
	-----	-----
Ongoing charges (£’000)	3,662	3,741
	=====	=====
Variable element of management fee (£’000)	557	744
Average net assets (£’000)	386,444	392,271
	-----	-----
Ongoing charges ratio	0.95%	0.95%
	-----	-----
Ongoing charges ratio including variable element of management fee	1.09%	1.14%
	=====	=====

REVENUE, CAPITAL AND TOTAL RETURNS PER SHARE

See the Income Statement and Note 8 above for further details.

TOTAL RETURN PERFORMANCE

The 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 2025 and 31 July 2024.

	Net asset value per ordinary share	Ordinary Share price
2025		
31 July 2024	551.66p	496.00p
31 July 2025	604.69p	564.00p
Change in year	+9.6%	+13.7%
Impact of dividend reinvestment	+2.8%	+3.3%
	-----	-----
Total return for the year	+12.4%	+17.0%
	=====	=====
	Net asset value per ordinary share	Ordinary share price
2024		
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%
	=====	=====

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 July 2025 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 2024 and 2025 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 2024 have been delivered to the Registrar of Companies. The 2025 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