

Fidelity Asian Values PLC

Final Results for the year ended 31 July 2018

Financial Highlights:

- The NAV returned +2.2% (total return) over the year ended 31 July 2018.
- The discount narrowed from 7% to 1.8% over the period, as a result of the strong share price total return of +8.2%.
- The Directors recommend that a dividend of 5.50 pence be paid on 17 December 2018 (an increase of 10% on the prior year).
- The Company adopted the new Variable Management Fee structure with effect from 1 August 2018.

Contacts

For further information, please contact:

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Company Secretary, FIL Investments International

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Chairman's Statement

Fidelity Asian Values PLC provides shareholders with a differentiated equity exposure to Asian Markets. Asia is the world's fastest-growing economic region and the Trust looks to capitalise on this by finding strong businesses, run by trusted people and buying them at a sensible price. The Company, therefore, favours undervalued small and medium sized companies as this allows it to find mispriced businesses, the "winners of tomorrow", before they become well known.

Investment Review

Over the last twelve months, the Company's undiluted net asset value ("NAV") rose by 2.2%. This can be compared to a rise in the Comparative Index of 5.7% (all performance data is on a total return basis). Whilst this underperformance is understandable in the current market environment given Nitin's value based investment approach, it is nonetheless disappointing for shareholders. However, a strong narrowing of the discount from 7.0% to 1.8% has meant that the Company's share price rose by 8.2% over the same period. It is also pleasing that the Company's NAV and share price returns were positive at a time when the overall market environment became more challenging for equities.

Economic and Market Review

In the year under review, equities in Asia Pacific ex Japan generated a positive mid-single digit return in Sterling terms. Lately however, markets in the region have become more volatile because of growing global trade tensions and due to a continued pull-back in China's economic stimulus. The good news is that there were pockets of opportunity and markets experienced a narrow rally.

South Korean equities advanced on the back of political cooperation between the country and China to normalise strained relations. Investor confidence also strengthened amid easing tensions, as historical summits between South Korea, the US and North Korea bolstered hopes for denuclearisation of the Korean Peninsula. The Australian market rose, aided by energy, materials and consumer staple stocks. Additionally, the information technology ("IT") sector was the best performing over the year. In India, optimism around progress on key reforms, improving earnings expectations and a rebound in GDP growth in the six months to December supported sentiment. In a noteworthy development, the government announced a recapitalisation programme for state-owned banks to support credit growth in the economy. Sentiment towards Thai equities also received a boost when the military government announced plans to hold general elections in November 2018 to restore democracy. All sectors in the region except industrials and telecommunications ended in positive territory.

Nitin Bajaj, the Portfolio Manager, will give a fuller explanation of the portfolio and its performance in his Portfolio Manager's Review.

Due Diligence visit to Asia

The Board carried out its bi-annual due diligence visit to Asia in January this year, visiting Hong Kong, Shenzhen, Dongguan and Singapore.

Specifically, in Dongguan we met with and undertook a factory tour of Stella International Holdings Limited, a company that develops, manufactures, retails and distributes footwear products and leather goods. While in Singapore we met with senior management of Ascendas India Trust, a property company which owns seven IT parks and is well positioned to capitalise on the fast growing IT and business process management industries in India.

In addition to meeting economists and commentators who provided a macro view of the region, we spent time with Fidelity's investment, research and oversight teams which helped us to gather "on the ground" information at the portfolio level. Together with Nitin and the relevant Fidelity research analyst, we met with eight companies. This allowed us to watch Nitin and the analysts in action as they discussed and challenged management teams. The depth and quality of research provided by Fidelity is amongst the best in Asia and is undertaken by 57 analysts and 32 portfolio managers. Nitin draws extensively on this pool of talent in making his investment decisions and we remain convinced that this is one of the key points of distinction for your Company.

We were greatly encouraged by what we saw throughout a busy few days and came away with a reinforced view that Asia remains a global economic powerhouse, whose developing countries play an increasing role in the consumption of goods as well as their production. With such a large investible universe in Asia, we remain confident that Fidelity's extensive research capability and Nitin's stock-picking abilities will continue to be put to excellent use in the future.

Gearing

As mentioned above, a narrow rally in the market created stock-picking opportunities and Nitin has been able to top up existing positions and add new ones at more attractive valuations. As a result, the Company's net market exposure has increased from 86.8% (31 July 2017) to 89.6% as at 31 July 2018. Nitin has not felt the need to use gearing extensively during his tenure as the Company's Portfolio Manager. He continues to believe that performance will be driven by stock picking and would only use gearing more significantly in an environment he felt was more opportune.

Currency Hedging

Nitin undertook a currency hedge in May 2018. He had seen a number of opportunities to invest in Philippine equities but had some concerns with the Peso exposure that any such investment might involve. He is not making a speculative decision on the future direction of the currency but rather is seeking to remove some of the currency risk, allowing him the freedom to buy the individual stocks that he finds attractive in the Philippines.

It remains the Company's policy not to hedge currency risk against its own base currency (Sterling); therefore any foreign exchange trade will be pegged against either the US Dollar or another Asian Pacific currency.

Outlook

Asia remains the most dynamic region in the global economy. So, while a value based approach to investing is currently out of favour, we continue to believe that the long term potential to find good companies to invest in remains intact. The region will present stronger growth opportunities than those available elsewhere in the world due to robust domestic demand and an expanding middle class. It is also possible that potential changes in the monetary policy stance of major central banks and geopolitical tensions could lead to market volatility, which would provide Nitin with an opportunity to make further investments.

OTHER MATTERS

Brexit

Given the focus on Brexit, it would be remiss not to include a brief statement in this regard. The Board is mindful of the uncertainty caused by Brexit, and continues to monitor any impact, along with the Manager, on the Company.

Management Fee

As reported in the Half-Yearly Report for the six months ended 31 January 2018, the Board has agreed a new variable fee arrangement with FIL Investment Services (UK) Limited, the Company's Alternative Investment Fund Manager (the "Manager"). The new arrangement has replaced the Company's annual tiered fee structure of 0.90% on gross assets up to £200 million and 0.85% on gross assets over £200 million. The new fee reduces the headline annual base management fee from 0.90% on gross assets to 0.70% of net assets per annum plus a +/- 0.20% variation based on the Company's NAV per share performance relative to the Company's Comparative Index. The maximum fee that the Company will pay is 0.90% of net assets, but if the Company underperforms against the Comparative Index, then the overall fee could fall as low as 0.50% of net assets.

The new fee arrangement has been effective since 1 August 2018 and provides an overall reduction from the current management fee structure. Full details of the new fee calculation are set out in the Directors' Report.

There will be no change in the investment process as a result of the new fee arrangement.

EU Product Regulation

The European Union's Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation, which came into force on 1 January 2018, is aimed at helping retail investors better understand and compare the key features, risks, rewards and costs of different products through a short Key Information Document ("KID"). While the Board welcomes transparency and the spirit in which this regulation was intended, it should be noted that the content of the KID, including methodologies for the calculation and presentation of risks, performance scenarios and costs is laid down by regulation, and does not necessarily reflect the views of the Board.

The forward-looking Performance Scenarios are based on degrees of variation from historic performance, and in our view, are potentially misleading and certainly cannot be guaranteed. The figures in the KID may not reflect the expected returns for the Company and are likely to be higher following periods of strong returns and lower following market falls. It should always be remembered that past performance is not a guide to future performance.

Authority to Allot Shares

As the Company's shares had, at times throughout the previous year, traded close to a premium, the Directors sought and received shareholder approval at last year's Annual General Meeting ("AGM") to increase the authority to issue shares from 5% to 10% of the issued ordinary share capital of the Company, without first offering such shares to existing ordinary shareholders pro rata to their existing holdings. This authority expires at this year's AGM on 13 December 2018 and the Directors are seeking to renew this authority at the forthcoming AGM.

Bonus Issue of Subscription Shares

Following approval of the bonus issue of subscription shares at the Company's AGM on 2 December 2016 on the basis of one subscription share for every five ordinary shares held by qualifying investors, 1,181,189 ordinary shares of 25 pence were issued on 30 November 2017. This was the first subscription date of the conversion rights attached to the subscription shares. As at the date of this Annual Report, there are 12,316,033 subscription shares remaining and these can be exercised in the 25 business days preceding the last business day in November this year and

also in November 2019. The exercise price is equal to the published NAV of 366.88 pence per ordinary share on 2 December 2016 plus a premium of 4% if exercised this year (381.75 pence) and a premium of 7% if exercised in 2019 (392.75 pence).

Share Repurchases and Treasury Shares

No ordinary shares were repurchased for cancellation or for holding in Treasury and no subscription shares were repurchased for cancellation during the year under review and none have been repurchased since the end of the reporting period and as at the date of this report.

Dividend

Subject to shareholders' approval at the forthcoming AGM, the Directors recommend a dividend of 5.50 pence per ordinary share which represents an increase of 10.0% to the 5.00 pence paid in 2017. This dividend will be payable on 17 December 2018 to shareholders on the register at close of business on 12 October 2018 (ex-dividend date 11 October 2018). As the Company's objective is long term capital growth, any revenue surplus is a function of a particular year's business and it should not be assumed that dividends will continue to be paid in the future.

Board of Directors

All Directors are subject to annual re-election at the forthcoming AGM and their biographical details are included in the Annual Report and Accounts to assist shareholders when considering their votes.

Annual General Meeting

The AGM of the Company will be held at 1.30 pm on 13 December 2018 at Fidelity's offices at **25 Cannon Street, London EC4M 5TA** (nearest tube stations are St Paul's or Mansion House). Full details of the meeting are given in the Annual Report and Accounts.

This is our opportunity to meet as many shareholders as possible and I hope therefore that you are able to join us. In addition to the formal business of the meeting, Nitin will be making a presentation on the year's results and the prospects for the Company for the year to come.

Kate Bolsover

Chairman

27 September 2018

Portfolio Manager's Review

Question

What has the market environment been like in the year under review?

Answer

Over the last 12 months, the Asian equities market returned around 8% relative to a long term average of 7-10%. In this sense, it has been a relatively unexceptional year.

What is striking, however, is the degree to which the performance of different investment styles has diverged. Momentum stocks (primarily technology companies) enjoyed an excellent run in 2017 and early 2018. Such fashions dominate markets from time-to-time before fading away. I think we may have witnessed a period like this – good businesses trading at unrealistic and often risky valuations.

Question

What have been the main contributions to performance?

Answer

Performance over the last couple of years has been solid rather than spectacular. As per the table below, my three-year tenure numbers are stronger.

Last year I explained the relative underperformance of the Company to shareholders, which was the result of not owning large technology companies and debt driven cyclical businesses in China. As it turned out, these stocks delivered excellent returns but I simply couldn't see sufficient margin of safety to warrant an investment.

This reporting year the narrative has been similar – but it has been a year of two halves, as per the table below.

Up until January 2018, technology stocks remained in vogue, but since then some of the risks inherent in their business models have attracted greater scrutiny and markets have pulled-backed quite firmly. We have weathered this storm well.

If we look at stock-specific impacts on performance there are a few things to highlight.

We had three situations where companies we owned were acquired at a significant premium (more than 50% on average) – Programme Maintenance Services, Lifecarehealth Group and Zhaopin. All of these represent first-rate businesses, generating significant amounts of cash, in niche areas and had not caught the eye of the wider market. Looking for these sorts of situations is integral to my process.

We also enjoyed significant success with Tianneng Power, Dream International and Texhong Textiles (with all three stocks returning in excess of 50%). These are excellent examples of small companies with talented management teams continuously driving their businesses forward, while generating attractive returns on capital. Finding hidden gems such as these is exciting and consumes most of my team's time, as well as that of the small-cap analyst team at Fidelity.

Less encouragingly I made two basic mistakes, both of which, with hindsight, were avoidable. While I bought G8 Education and Redington India Ltd at attractive prices, I failed to sell them when valuations began to reflect optimistic business conditions (both were up nearly 70% from where I bought them). Lesson learnt.

	Fidelity Asian Values PLC NAV (undiluted)	Large Cap Index¹	Small Cap Index²	Average of Asian Investment Trusts³
Total Return for the three years ended 31 July 2018	+63.2%	+57.0%	+42.2%	+52.5%
Annualised Return for the three years ended 31 July 2018	+17.7%	+16.2%	+12.5%	+15.0%

Sources: Fidelity and Morningstar.

1 Large Cap Index is the MSCI AC Asia ex Japan Index.

2 Small Cap Index is the MSCI AC Asia Pacific ex Japan Small Cap Index Aus capped at 10%.

3 Association of Investment Companies (AIC) sector – Asia Pacific ex Japan peer group excluding income funds (in Sterling terms).

	Fidelity Asian Values PLC NAV (undiluted)	Large Cap Index¹	Small Cap Index²	Average of Asian Investment Trusts³
July 2017 to 31 January 2018	0.9%	9.2%	9.3%	8.4%
February 2018 to 31 July 2018	1.3%	-3.2%	-3.3%	-1.2%

Sources: Fidelity and Morningstar.

1 Large Cap Index is the MSCI AC Asia ex Japan Index.

2 Small Cap Index is the MSCI AC Asia Pacific ex Japan Small Cap Index Aus capped at 10%.

3 Association of Investment Companies (AIC) sector – Asia Pacific ex Japan peer group excluding income funds (in Sterling terms).

Question

Have there been any major changes to your strategy?

Answer

No, there has been no change in my investment process. The financial returns that the Company will be able to generate over the coming five years will largely be driven by the hard work of the team and the consistency of application of our investment philosophy. My process has been built over years of practice, observation and empirical evidence. I do not feel the need to change something that works for me.

In essence what we are trying to do is buy good businesses run by good management teams and to buy them at prices that make sense. To accomplish this, my main areas of focus have always been:

- **The business**

Understanding the business – the key drivers, the industry structure and its history. Unless the industry structure changes, the past will be indicative of what we can expect of the business in the future.

Looking through the financials of the last 10-20 years to understand the historic return on capital and cyclicity.

Gauging the management team on skill and integrity. I only want to invest with honest and trusted management teams.

Being aware of tailwinds or headwinds that a business or an industry may have had in the last 10-15 years, which may distort what the business was able to deliver in that period.

Looking for businesses with economic advantages, histories of decent profitability (even though cyclical) and margins below historic levels. These factors contribute to a business being able to survive turbulent times.

- **Valuation**

The entry price is key as it determines both the base for compounding capital return as well as providing a margin of safety. I look for valuation anomalies, or opportunities to buy a good business at attractive valuations. These are situations where in my opinion the market either ignores or misunderstands certain aspects of the business. I would very rarely buy good businesses when valuations are high because it gives me very little margin of safety. For me investing is as much about protecting downside as it is about participating in the upside.

- **Downside protection**

The key thing is to avoid big mistakes. In my experience, big losses arise from the following situations:

- Blue sky: Untested business models (new technology) or high expectations from a tough business (life insurance, for instance)
- High financial leverage

- Turnaround of a bad business at fair valuation (reputation of management versus reputation of the business)
- High growth companies with low barriers to entry
- Well-discovered stories where the business is still doing well – momentum stocks spring to mind.

Question

What have been the major changes to the portfolio over the period?

Answer

All my decisions in the Company are made at the stock-level – one business at a time. Clearly these will aggregate up to a certain country or sector weighting, but every decision I make is based on the merits of an individual business and I would caution you not to read too much into country and sector weightings.

In terms of positions to highlight, I would mention that I have taken a substantial position in the Indian mortgage space with around 5% of the trust spread across three different companies – Housing Development Finance Corporation, Indiabulls Housing Finance and LIC Housing Finance.

All of these stocks exhibit the traits I look for:

- Each has a significant competitive advantage based on low-cost operations and low borrowing costs;
- They have prudent and trusted management teams which have kept both operating costs as well as non-performing loans in check for long periods of time;
- A growing market – India has less than 10% mortgage/GDP ratio. Comparable ratios in UK are at 60%. These companies can continue to grow for the next decade and beyond. The key will be backing the right management teams who execute in this growing market without taking undue risks.
- Finally, they are available at quite attractive valuations. They easily meet my criteria of having 50% upside over 3 years with limited risks.

Question

To what extent would a stronger dollar affect global growth and the emerging markets? How concerned should investors be about the impact of heightened political risk on trade and growth?

Answer

It is certainly fair to say that political risks have intensified with a new administration in the US, trade wars between the US and China, and Brexit, among many other political changes. It feels as though policy uncertainty is at the highest level it has been in the last 25 years. But it is important to remember the complexity of these developments and there are no certain answers.

The impact of political and economic policy has many forms and occurs at various stages. The first order impacts are transparent and easy to comprehend – for example, a tax on soya exports from the US to China will impact the price of soya beans. This will have a knock-on impact on palm oil, as soya bean oil competes with palm oil. It will also impact animal feed, which uses soya beans as a raw material. Consequently, meat and poultry prices will be high, which will impact inflation and other macro variables. The point I am trying to make is that the world economy is an extremely complex system and we need to be careful about interpretations we draw from any single policy action.

That said, we as investors need to remain alert to the implications of political crosswinds. My framework for considering the potential impact of changing policy focuses on two elements:

- (1) Avoiding businesses where either the risk of policy impact is very high or where the stock market has failed to understand the unintended consequences of such a policy change; and
- (2) Not allowing myself to become frozen with fear, instead remaining vigilant for new opportunities. Markets sometimes punish stocks which are in the eye of the storm of a policy decision. I am especially interested in these scenarios as they can throw up wonderful businesses going through challenging circumstances which are likely to improve with time. These sorts of companies can be excellent investments for the patient investor.

Question

What is your outlook over the next 12 months?

Answer

I agree with Warren Buffet when he says: “forecasts tell you more about the forecaster than the future.” With this in mind, I try to spend my time understanding the businesses that I invest in

rather than forecasting the direction of the economy or the stock market.

The world is uncertain and I expect it to be a bumpy ride over the next 5 years. I am conscious that this is what I said last year, but I remain convinced that in times such as these, it is even more important to own good businesses. They must not be overly reliant on a positive macro environment, and must be run by competent management teams. As investors we must own them at prices which leave enough margin of safety for adverse economic situations. We will continue to work hard to accomplish this.

Nitin Bajaj

Portfolio Manager

27 September 2018

Strategic Report

Principal Risks and Uncertainties and Risk Management

As required by provision C.2.1 of the 2016 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. 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 risks that the Company faces. The risks identified are placed on the Company’s risk matrix and graded appropriately. This process, together with the policies and procedures for the mitigation of risks, is updated and reviewed regularly in the form of comprehensive reports considered by the Audit Committee. The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

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

The Board considers the following as the principal risks and uncertainties faced by the Company. There have been no changes to these since the prior year.

Principal Risks	Description and Risk Mitigation
Market risk	<p>The Company’s assets consist mainly of listed securities and the principal risks are therefore market related such as market downturn, interest rate movements, and exchange rate movements. Political change or protectionism can also impact the Company’s assets, such as a US-led trade war, North Korean conflict and Brexit risks. Further commentary on these risks is contained in the Portfolio Manager’s Review and his success or failure to protect and increase the Company’s assets against this background is core to the Company’s continued success.</p> <p>Risks to which the Company is exposed in the market risk category, are included in Note 17 to the Financial Statements together with summaries of the policies for managing these risks.</p>
Performance risk	<p>The achievement of the Company’s performance objective relative to the market requires the taking of risk, such as strategy, asset allocation and stock selection, and may lead to underperformance of the Comparative Index. The Board reviews the performance of the portfolio against the Comparative Index and that of its competitors and the outlook for the markets with the Portfolio Manager at each Board meeting. It considers the asset allocation of the portfolio and a range of risk measures within the parameters of the investment objective and strategy. The Portfolio Manager is responsible for actively managing and 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 emphasis is on long term performance as the Company risks volatility of performance in the shorter term.</p>
Discount control risk	<p>The price of the Company’s shares and its discount to NAV are factors which are not within the Company’s total control. Some short term influence over the discount may be exercised by the use of share repurchases at acceptable prices within the parameters set by the Board. The Company’s share price, NAV and discount volatility are monitored daily by the Manager and considered by the Board regularly.</p>
Gearing risk	<p>The Company has the option to invest up to the total of any loan facilities or to use CFDs to invest in equities. The principal risk is that while in a rising market the Company will benefit from gearing, in a falling market the impact would be detrimental. Other risks are that the cost of gearing may be too high or that the term of the gearing inappropriate in relation to market conditions. The Company currently has no bank loans and gears through the use of long CFDs which provide greater flexibility and are cheaper than bank loans. The Board regularly considers the level of gearing and gearing risk and sets limits within which the Manager must operate.</p>
Derivatives risk	<p>Derivative instruments are used to enable both the protection and enhancement of investment returns. There is a risk that the use of derivatives may lead to a higher volatility in the NAV and the share price than might otherwise be the case. The Board has put in place policies and limits to control the Company’s use of derivatives and exposures. These are monitored on a daily basis by the Manager’s Compliance team and regular reports are provided to the Board. Further details on derivative instruments risk is included in Note 17 to the Financial Statements.</p>
Currency risk	<p>The functional currency and presentational currency of the Company in which it reports its results is Sterling. Most of its assets and its income are denominated in other currencies. Consequently, it is subject to currency risk on exchange rate movements between Sterling and these other currencies. It is the Company’s current</p>

policy not to hedge currency risks against its own base currency.

Further details can be found in Note 17 to the Financial Statements.

Other risks facing the Company include:

Cybercrime risk

The risk posed by cybercrime is rated as significant and the Board receives regular updates from the Manager in respect of the type and possible scale of cyberattacks. The Manager's technology team has developed a number of initiatives and controls in order to provide enhanced mitigating protection to this ever increasing threat.

Tax and Regulatory risks

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.

The Board monitors tax and regulatory changes at each Board meeting and through active engagement with regulators and trade bodies by the Manager.

Operational risks

The Company relies on a number of third party service providers, principally the Manager, Registrar, Custodian and Depositary. It is dependent on the effective operation of the Manager's control systems and those of its service providers with regard to the security of the Company's assets, dealing procedures, accounting records and the maintenance of regulatory and legal requirements. They are subject to a risk-based programme of internal audits by the Manager. In addition, service providers' own internal control reports are received by the Board on an annual basis and any concerns investigated.

Continuation Vote

A continuation vote takes place every five years. There is a risk that shareholders do not vote in favour of continuation during periods when performance is poor. The next continuation vote will be at the AGM in 2021.

Viability Statement

In accordance with provision C.2.2 of the 2016 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. The Company is an investment trust with the objective of achieving long term capital growth. The Board considers long term to be at least five years, and accordingly, the Directors believe that five years is an appropriate investment horizon to assess the viability of the Company, although the life of the Company is not intended to be limited to this or any other period.

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

- The ongoing relevance of the investment objective in prevailing market conditions;
- The principal risks and uncertainties facing the Company, as set out above, and their potential impact;
- 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 Company's performance has been strong over the five year reporting period to 31 July 2018, with a NAV total return of 89.6%, a share price total return of 110.6% and a Comparative Index return of 66.0%. The Board regularly reviews the investment policy and considers it to be 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 Manager's compliance with the Company's investment objective, its investment strategy and asset allocation;
- The fact that the portfolio comprises sufficient 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 addition, the Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement below. The Company is also subject to a continuation vote at the AGM in 2021 and the Board expect that the vote, when due, will be approved.

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 (being mainly securities which are readily realisable) and its expenditure and cash flow projections, and have concluded that the Company has adequate resources to continue to adopt the going concern basis for at least twelve months from the date of this Annual Report. The prospects of the Company over a period longer than twelve months can be found in the Viability Statement above.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for the period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 assume that the Company will continue in business.

The Directors are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that 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 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.fidelityinvestmenttrusts.com** to the Manager. 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 jurisdictions.

The Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- The Annual 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.

The Directors consider that 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.

Approved by the Board on 27 September 2018 and signed on its behalf by:

Kate Bolsover
Chairman

Income Statement

for the year ended 31 July 2018

	Notes	year ended 31 July 2018			year ended 31 July 2017		
		revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
Gains on investments	10	–	4,084	4,084	–	44,906	44,906
Losses on derivative instruments	11	–	(1,907)	(1,907)	–	(2,376)	(2,376)
Income	3	8,747	–	8,747	8,439	–	8,439
Investment management fees	4	(2,626)	–	(2,626)	(2,500)	–	(2,500)
Other expenses	5	(696)	–	(696)	(725)	(165)	(890)
Foreign exchange gains/(losses)		–	568	568	–	(616)	(616)
Net return on ordinary activities before finance costs and taxation		5,425	2,745	8,170	5,214	41,749	46,963
Finance costs	6	(779)	–	(779)	(407)	–	(407)
Net return on ordinary activities before taxation		4,646	2,745	7,391	4,807	41,749	46,556
Taxation on return on ordinary activities	7	(754)	141	(613)	(707)	(166)	(873)
Net return on ordinary activities after taxation for the year		3,892	2,886	6,778	4,100	41,583	45,683
Basic return per ordinary share	8	5.70p	4.23p	9.93p	6.08p	61.62p	67.70p
Diluted return per ordinary share	8	5.67p	4.20p	9.87p	6.06p	61.43p	67.49p

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 Other 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 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 31 July 2018

	Notes	share	capital	other non-	other	capital	revenue	total
		share capital £'000	premium redemption account reserve £'000	distributable reserve £'000	reserve £'000	reserve £'000	reserve £'000	shareholders' funds £'000
Total shareholders' funds at 31 July 2017		16,872	20,232	3,197	7,367	8,613	218,423	280,191
Net return on ordinary activities after taxation for the year		–	–	–	–	–	2,886	6,778
Issue of ordinary shares on the exercise of rights attached to subscription shares	14	295	4,084	–	–	–	–	4,379
Dividend paid to shareholders	9	–	–	–	–	–	(3,374)	(3,374)
Total shareholders' funds at 31 July 2018		17,167	24,316	3,197	7,367	8,613	221,309	287,974

Total shareholders' funds at 31 July 2016		16,872	20,232	3,197	7,367	8,613	176,840	4,424	237,545
		-----	-----	-----	-----	-----	-----	-----	-----
Net return on ordinary activities after taxation for the year		-	-	-	-	-	41,583	4,100	45,683
Dividend paid to shareholders	9	-	-	-	-	-	-	(3,037)	(3,037)
		-----	-----	-----	-----	-----	-----	-----	-----
Total shareholders' funds at 31 July 2017		16,872	20,232	3,197	7,367	8,613	218,423	5,487	280,191
		=====	=====	=====	=====	=====	=====	=====	=====

The Notes form an integral part of these Financial Statements.

Balance Sheet

as at 31 July 2018

Company number 3183919

	Notes	2018 £'000	2017 £'000
Fixed assets			
Investments	10	273,714	264,076
Current assets			
Derivative instruments	11	1,529	2,829
Debtors	12	2,307	1,766
Amounts held at futures clearing houses and brokers		2,363	1,937
Cash at bank		11,468	14,822
		-----	-----
		17,667	21,354
		-----	-----
Creditors			
Derivative instruments	11	(960)	(1,554)
Other creditors	13	(2,447)	(3,685)
		-----	-----
		(3,407)	(5,239)
		-----	-----
Net current assets		14,260	16,115
		-----	-----
Net assets		287,974	280,191
		-----	-----
Capital and reserves			
Share capital	14	17,167	16,872
Share premium account	15	24,316	20,232
Capital redemption reserve	15	3,197	3,197
Other non-distributable reserve	15	7,367	7,367
Other reserve	15	8,613	8,613
Capital reserve	15	221,309	218,423
Revenue reserve	15	6,005	5,487
		-----	-----
Total shareholders' funds		287,974	280,191
		-----	-----
Net asset value per ordinary share	16	419.36p	415.17p
		-----	-----
Diluted net asset value per ordinary share	16	413.64p	407.77p
		-----	-----

The Financial Statements were approved by the Board of Directors on 27 September 2018 and were signed on its behalf by:

Kate Bolsover

Chairman

The Notes form an integral part of the Financial Statements.

Notes to the Financial Statements

1 Principal Activity

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

2 Accounting Policies

The Company has prepared its Financial Statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council ("FRC"). The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC"), in November 2014 and updated in January 2017 with consequential amendments. 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.

b) Significant accounting estimates and judgements – The Directors make judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The judgements required in order to determine the appropriate valuation methodology of level 3 financial instruments have a risk of causing an adjustment to the carrying amounts of assets. These judgements include making assessments of the possible valuations in the event of a listing or other marketability related risks.

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 income 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 and bank deposits is accounted for on an accruals basis and is credited to the revenue column of the Income Statement.

f) Management fees and other expenses – Management fees and other expenses are accounted for on an accruals basis and are charged in full to the revenue column of the Income Statement.

g) Functional currency and foreign exchange – The Directors, having regard to the Company's share capital and the predominant currency in which its investors operate, have determined its

functional currency to be UK Sterling. UK Sterling is also the currency in which the Financial Statements are presented. 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 at the rates of exchange ruling at the Balance Sheet date. Foreign exchange gains and losses arising on 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 paid on CFDs, which is accounted for on an accruals basis using the effective interest method, and dividends paid on short CFDs, which are accounted for on the date on which the obligation to incur the cost is established, normally the ex-dividend date. Finance costs are charged in full to the revenue column of the Income Statement.

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

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

Deferred taxation is the taxation expected to be payable or recoverable on timing differences between the treatment of certain items for accounting purposes and their treatment for the purposes of computing taxable profits. Deferred taxation is based on tax rates that have been enacted or substantially enacted when the taxation is expected to be payable or recoverable. Deferred taxation 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 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, or otherwise, at fair value based on published price quotations.
- Unlisted investments, are investments which are not quoted, or are not frequently traded, and are stated at the Directors best estimate of fair value. The Manager's Fair Value Committee, which is independent of the Portfolio Manager's team, provide a recommendation of fair values to the Directors based on recognised valuation techniques that take into account the cost of the investment, recent arm's length transactions in the same or similar investments and financial performance of the investment since purchase.

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 those 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 CFDs, forward currency contracts, futures, options and warrants. 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 contract price and the quoted trade price;
- Warrants – the quoted trade price for the contract;
- Options – valued based on similar instruments or the quoted trade price for the contract; and
- Forward currency contracts – valued at the appropriate quoted forward foreign exchange rate ruling at the Balance Sheet date.

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, accrued income and other debtors incurred in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer) they are classified as current assets. If not, they are presented as non-current assets. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

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

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

p) Cash at bank – Cash at bank is subject to an insignificant risk of change in value.

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;
- Dividends receivable which are capital in nature;
- Other expenses which are capital in nature; and
- Taxation charged or credited relating to items which are capital in nature.

As a result of technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 02/10: Guidance on the determination of realised profits and losses in the context of distributions under the Companies Act 2006, 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 investment which had an unrealised investment holding loss of £296 (2017: nil).

3 Income

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Investment income		
Overseas dividends	8,242	8,112
Overseas scrip dividends	299	207
	8,541	8,319
	=====	=====
Derivative income		
Dividends on long CFDs	51	90
Interest on short CFDs	90	13
	141	103
	=====	=====
Other income		

Deposit interest	65	17
	-----	-----
Total income	8,747	8,439
	=====	=====

Special dividends of nil (2017: £2,418,000) have been recognised in capital and classified as realised gains.

4 Investment Management Fees

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
	-----	-----
Investment management fees	2,626	2,500
	=====	=====

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. FIL charged fees at an annual rate of 0.90% on the first £200 million of gross assets and 0.85% on gross assets over £200 million. Fees were paid quarterly in arrears and were calculated on the last business day of March, June, September and December.

5 Other Expenses

	year ended 31 July 2018		year ended 31 July 2017	
	revenue £'000	capital £'000	revenue £'000	capital £'000
AIC fees	20	–	20	–
Custody fees	117	–	111	–
Depositary fees	27	–	25	–
Directors' expenses	26	–	28	–
Directors' fees*	131	–	123	–
Legal and professional fees	63	–	58	–
Marketing expenses	108	–	144	–
Printing and publication expenses	57	–	76	–
Registrars' fees	36	–	30	–
Secretarial and administration fees payable to the Manager	75	–	75	–
Sundry other expenses	12	–	11	–
Fees payable to the Company's Independent Auditor for the audit of the Financial Statements	24	–	24	–
Costs of the subscription share issue	–	–	–	165
	696	–	725	165

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

6 Finance Costs

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Interest paid on long CFDs	362	108
Dividends paid on short CFDs	417	299
	779	407

7 Taxation on Return on Ordinary Activities

	year ended 31 July 2018			year ended 31 July 2017		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
a) Analysis of the taxation charge for the year						
Overseas taxation	754	–	754	707	–	707
Indian capital gains tax (received)/paid	–	(141)	(141)	–	166	166
Total taxation charge for the year (see Note 7b)	754	(141)	613	707	166	873

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 19.00% (2017: 19.67%). A reconciliation of the standard rate of UK corporation tax to the taxation charge for the year is shown below:

	year ended 31 July 2018			year ended 31 July 2017		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
Net return on ordinary activities before taxation	4,646	2,745	7,391	4,807	41,749	46,556
Net return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.00% (2017: 19.67%)	883	521	1,404	946	8,212	9,158

Effects of:						
Capital gains not taxable*	–	(521)	(521)	–	(8,212)	(8,212)
Income not taxable	(1,587)	–	(1,587)	(1,528)	–	(1,528)
Excess management expenses	600	–	600	543	–	543
Excess interest paid	109	–	109	56	–	56
Overseas taxation expensed	(5)	–	(5)	(17)	–	(17)
Overseas taxation	754	–	754	707	–	707
Indian capital gains tax (received)/paid	–	(141)	(141)	–	166	166
	-----	-----	-----	-----	-----	-----
Total taxation charge for the year (see Note 7a)	754	(141)	613	707	166	873
	=====	=====	=====	=====	=====	=====

* The Company is exempt from UK taxation 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.

c) Deferred taxation

A deferred tax asset of £3,905,000 (2017: £3,270,000), in respect of excess management expenses of £19,503,000 (2017: £16,346,000) and excess interest paid of £3,466,000 (2017: £2,892,000), 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 July 2018			year ended 31 July 2017		
	revenue	capital	total	revenue	capital	total
Basic return per ordinary share	5.70p	4.23p	9.93p	6.08p	61.62p	67.70p
Diluted return per ordinary share	5.67p	4.20p	9.87p	6.06p	61.43p	67.49p
	=====	=====	=====	=====	=====	=====

The basic returns per ordinary share are based on the net returns on ordinary activities after taxation for the year: revenue return £3,892,000 (2017: £4,100,000), capital return £2,886,000 (2017: £41,583,000) and total return £6,778,000 (2017: £45,683,000). These returns are divided by the weighted average number of ordinary shares in issue during the year of 68,277,830 (2017: 67,488,213).

The diluted returns per ordinary share reflect the notional dilutive effect that would have occurred if the rights attaching to subscription shares had been exercised and additional ordinary shares had been issued. The returns on ordinary activities after taxation for the year used in the diluted calculation are the same as those for the basic returns above. These returns are divided by the notional weighted average number of ordinary shares in issue during the year of 68,654,259 (2017: 67,695,881). This number of shares reflects the additional number of ordinary shares that could have been purchased at the average ordinary share price for the year with the proceeds from the excess of the subscription share rights exercise price over the average ordinary share price.

9 Dividends Paid to Shareholders

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Dividend paid		
Dividend paid of 5.00 pence per ordinary share for the year ended 31 July 2017	3,374	–
Dividend paid of 4.50 pence per ordinary share for the year ended 31 July 2016	–	3,037
	-----	-----
	3,374	3,037
	=====	=====
Dividend proposed		
Dividend proposed of 5.50 pence per ordinary share for the year ended 31 July 2018	3,777	–
Dividend proposed of 5.00 pence per ordinary share payable for the year ended 31 July 2017	–	3,374
	-----	-----
	3,777	3,374
	=====	=====

The Directors have proposed the payment of a dividend for the year ended 31 July 2018 of 5.50 pence per ordinary share which is subject to approval by shareholders at the Annual General

Meeting and has not been included as a liability in these financial statements. The dividend will be paid on 17 December 2018 to shareholders on the register at the close of business on 12 October 2018 (ex-dividend date 11 October 2018).

10 Investments

	2018 £'000	2017 £'000
Listed investments	273,307	264,076
Unlisted investments	407	–
investments at fair value	273,714	264,076
Opening book cost	222,070	185,226
Opening investment holding gains	42,006	37,198
Opening fair value	264,076	222,424
Movements in the year		
Purchases at cost	169,420	137,251
Sales – proceeds	(163,866)	(140,505)
Sales – gains in the year	32,613	40,098
Movement in investment holding (losses)/gains in the year	(28,529)	4,808
Closing fair value	273,714	264,076
Closing book cost	260,237	222,070
Closing investment holding gains	13,477	42,006
Closing fair value	273,714	264,076
	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Gains on investments for the year		
Gains on sales of investments	32,613	40,098
Investment holding (losses)/gains	(28,529)	4,808
	4,084	44,906

Investment transaction costs

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

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Purchase transaction costs	342	293
Sales transaction costs	404	365
	746	658

The portfolio turnover rate for the year was 62.7% (2017: 55.2%).

11 Derivative Instruments

	year ended 31.07.18 £'000	Year ended 31.07.17 £'000
Net losses on derivative instruments		
Realised gains on long CFD positions closed	1,332	907
Realised losses on short CFD positions closed	(2,426)	(1,260)
Realised losses on futures contracts closed	(123)	–
Realised losses on options contracts closed	(200)	(74)
Realised gains on forward currency contracts closed	224	–
Movement in investment holding (losses)/gains on long CFDs	(1,364)	83
Movement in investment holding gains/(losses) on short CFDs	1,317	(683)
Movement in investment holding gains on futures	60	–
Movement in investment holding losses on options	(757)	(1,349)
Movement in investment holding losses on forward currency contracts	(95)	–
Movement in investment holding gains on warrants	125	–
	-----	-----
	(1,907)	(2,376)
	=====	=====

	2018 fair value £'000	2017 fair value £'000
	1,529	2,829
	(960)	(1,554)
	-----	-----
	569	1,275
	=====	=====

Derivative instruments recognised on the Balance Sheet

Derivative instrument assets	1,529	2,829
Derivative instrument liabilities	(960)	(1,554)
	-----	-----
	569	1,275
	=====	=====

	fair value £'000	2018 gross asset exposure £'000	fair value £'000	2017 gross asset exposure £'000
At the year end the Company held the following derivative instruments				
Long CFDs	(167)	2,726	1,197	3,009
Short CFDs	365	13,620	(952)	14,099
Short future	–	–	(60)	1,094
Warrants	125	125	–	–
Put options (hedging exposure)	341	(4,918)	1,090	(8,583)
Forward currency contracts (hedging exposure)	(95)	(95)	–	–
	-----	-----	-----	-----
	569	11,458	1,275	9,619
	=====	=====	=====	=====

12 Debtors

	2018 £'000	2017 £'000
Securities sold for future settlement	1,381	1,089
Accrued income	849	562
Other debtors	77	115
	-----	-----
	2,307	1,766
	=====	=====

The Directors consider that the carrying amount of debtors approximate to their fair value.

13 Other Creditors

	2018 £'000	2017 £'000
Securities purchased for future settlement	1,952	3,083
Creditors and accruals	495	602
	<u>2,447</u>	<u>3,685</u>

14 Share Capital

	2018		2017	
	number of shares	£'000	number of shares	£'000
Issued, allotted and fully paid				
Ordinary shares of 25 pence each held outside Treasury				
Beginning of the year	67,488,213	16,872	67,488,213	16,872
Ordinary shares issued	1,181,189	295	–	–
End of the year	<u>68,669,402</u>	<u>17,167</u>	<u>67,488,213</u>	<u>16,872</u>
Issued, allotted and fully paid				
Subscription shares of 0.001 pence				
Beginning of the year	13,497,222	–	–	–
Subscription shares issued	–	–	13,497,222	–
Cancellation of subscription shares on the exercise of rights	(1,181,189)	–	–	–
End of the year	<u>12,316,033</u>	<u>–</u>	<u>13,497,222</u>	<u>–</u>
Total share capital		<u>17,167</u>		<u>16,872</u>

A bonus issue of subscription shares to ordinary shareholders on the basis of one subscription share for every five ordinary shares held took place on 5 December 2016. Each subscription share gives the holder the right, but not the obligation, to subscribe for one ordinary share upon payment of the subscription price. The subscription price is based on the published unaudited NAV per ordinary share at 2 December 2016, plus a premium depending upon the year in which the right is exercised. The subscription share rights can be exercised annually in the 25 business days prior to the relevant subscription date (on which the exercises would take effect). The subscription dates, subscription prices and premiums are as follows:

	Subscription date	Subscription price	Premium
First subscription date	30 November 2017	370.75p	1%
Second subscription date	30 November 2018	381.75p	4%
Final subscription date	29 November 2019	392.75p	7%

After the final exercise date of 29 November 2019, the Company will appoint a trustee who will exercise any rights remaining that have not been exercised by shareholders, providing that by doing so a profit can be realised. To realise a profit the sale proceeds from selling the resulting ordinary shares in the market would need to be in excess of the 392.75 pence per share price of exercising the rights, plus any related expenses and fees. Any resulting profit will be paid to the holders of those outstanding subscription shares, unless the amount payable to an individual holder is less than £5, in which case such sum shall be retained for the benefit of the Company.

Subscription shares carry no rights to vote, to receive a dividend or to participate in the winding up of the Company.

During the year the Company issued 1,181,189 ordinary shares (year ended 31 July 2017: nil) on the exercise of rights attached to subscription shares. The subscription share price of 370.75 pence per ordinary share issued represented a premium of 345.75 pence per share over the 25 pence nominal value of each share. The total premium received in the year on the issue of ordinary shares of £4,084,000 (year ended 31 July 2017: nil) was credited to the share premium account.

15 Reserves

The “share premium account” represents the amount by which the proceeds, from the issue of ordinary shares on the exercise of rights attached to subscription shares, exceeded the nominal value of those ordinary shares. It is not distributable by way of dividend. It cannot be used to fund share repurchases.

The “capital redemption reserve” maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It is not distributable by way of dividend. It cannot be used to fund share repurchases.

The “other non-distributable reserve” represents amounts transferred from the warrant reserve in prior years with High Court approval. It is not distributable by way of dividend. It cannot be used to fund share repurchases.

The “other reserve” represents amounts transferred from the share premium account and the capital redemption reserve in prior years with High Court approval. It is not distributable by way of dividend. It can be used to fund share repurchases.

The “capital reserve” reflects realised gains or losses on investments and derivative instruments sold, unrealised increases and decreases in the fair value of investments and derivative instruments held and other income and costs recognised in the capital column of the Income Statement. Refer to Notes 10 and 11 for information on investment holding gains/(losses) included in this reserve. It can be used to fund share repurchases and it is distributable by way of dividend. The Board has stated that it has no current intention to pay dividends out of capital.

The “revenue reserve” represents retained revenue surpluses recognised through the revenue column of the Income Statement. It is distributable by way of dividend.

16 Net Asset Value per Ordinary Share

The basic net asset value per ordinary share is based on net assets of £287,974,000 (2017: £280,191,000) and on 68,669,402 (2017: 67,488,213) ordinary shares, being the number of ordinary shares of 25 pence each held outside Treasury in issue at the year end.

The diluted net asset value per ordinary share reflects the potential dilution in the net asset value per ordinary share if the rights of the 12,316,033 subscription shares in issue had been exercised on 31 July 2018 at the next exercise date price of 381.75 pence per share. The basis of the calculation is in accordance with the guidelines laid down by the AIC.

The net asset value per ordinary share and the diluted net asset value per ordinary share are published by the London Stock Exchange on a daily basis.

17 Financial Instruments

Management of risk

The Company’s investing activities in pursuit of its investment objective involve certain inherent risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Board with the assistance of the Manager, has developed a risk matrix which, as part of the internal control process, identifies the risks that the Company faces. Principal risks identified are market, performance, discount control, gearing, derivatives and currency risks. Other risks identified are cybercrime, tax and regulatory and operational risks, including those relating to third party service providers covering investment management, marketing and business development, company secretarial, fund administration and operations and support functions. 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 in the Strategic Report.

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

- Equity shares held in accordance with the Company’s investment objective and policies;
- Derivative instruments which comprise CFDs, forward currency contracts, warrants, futures and options on equity indices; and
- Cash, liquid resources and short term receivables and payables 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 instrument 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 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 Manager. The Company is exposed to a financial risk 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:

	2018 £'000	2017 £'000
Exposure to financial instruments that earn interest		
Cash at bank	11,468	14,822
Short CFDs – exposure plus fair value	13,985	13,147
Amounts held at futures clearing houses and brokers	2,363	1,937
	-----	-----
	27,816	29,906
	=====	=====
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	2,893	1,812
	-----	-----
Net exposure to financial instruments that earn interest	24,923	28,094
	=====	=====

Foreign currency risk

The Company's net return on ordinary activities after taxation 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 Manager 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 from exchange rate movements, for example, between the date when an investment is purchased or sold and the date when the 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 profile of the Company's financial assets is shown below:

					2018
Currency	investments at fair value £'000	long exposure to derivative instruments ¹ £'000	debtors ² £'000	cash at bank £'000	total £'000
Hong Kong dollar	69,051	750	246	–	70,047
Indian rupee	47,488	(72)	1,858	244	49,518
South Korean won	29,436	(2,870)	4	47	26,617
Indonesian rupiah	24,627	–	161	–	24,788
Taiwan dollar	22,623	–	424	187	23,234
Australian dollar	18,546	–	208	–	18,754
Philippine peso	17,932	–	–	–	17,932

US dollar	6,313	(95)	1,656	8,430	16,304
Singapore dollar	12,371	–	–	–	12,371
Thai baht	10,958	125	34	–	11,117
Sri Lanka rupee	7,320	–	–	–	7,320
Other overseas currencies	6,050	–	–	2,495	8,545
UK Sterling	999	–	79	65	1,143
	<u>273,714</u>	<u>(2,162)</u>	<u>4,670</u>	<u>11,468</u>	<u>287,690</u>

1 The exposure to the market of long CFDs and warrants after the netting of hedging exposures.

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

					2017
	investments at fair value £'000	long exposure to derivative instruments ¹ £'000	debtors ² £'000	cash at bank £'000	total £'000
Currency					
Indian rupee	51,520	(1,079)	1,659	21	52,121
Taiwan dollar	34,214	3,009	387	1,623	39,233
Hong Kong dollar	41,209	(4,327)	90	762	37,734
South Korean won	30,140	(3,177)	–	7	26,970
Australian dollar	24,846	–	–	36	24,882
US dollar	8,090	–	1,400	11,493	20,983
Philippine peso	17,380	–	–	–	17,380
Singapore dollar	15,967	–	6	–	15,973
Indonesian rupiah	15,739	–	46	–	15,785
Thai baht	9,959	–	–	–	9,959
Malaysian ringgit	2,705	–	–	–	2,705
Other overseas currencies	10,851	–	–	685	11,536
UK Sterling	1,456	–	115	195	1,766
	<u>264,076</u>	<u>(5,574)</u>	<u>3,703</u>	<u>14,822</u>	<u>277,027</u>

1 The exposure to the market of long CFDs after the netting of hedging exposures.

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

Currency exposure of financial liabilities

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

				2018
		short exposure to derivative instruments £'000	other creditors £'000	total £'000
Currency				
Hong Kong dollar		5,681	1,442	7,123
US dollar		5,277	54	5,331
Australian dollar		2,662	–	2,662
Other overseas currencies		–	601	601
UK Sterling		–	350	350

	13,620	2,447	16,067
	=====	=====	=====
			2017
	short		
	exposure to		
	derivative	other	
	instruments	creditors	total
	£'000	£'000	£'000
Currency			
Hong Kong dollar	5,960	1,387	7,347
Australian dollar	3,110	307	3,417
Indian rupee	1,094	249	1,343
US dollar	–	331	331
Other overseas currencies	5,029	1,031	6,060
UK Sterling	–	380	380
	-----	-----	-----
	15,193	3,685	18,878
	=====	=====	=====

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 Manager is 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 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 Derivative Risk Measurement and Management 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 is achieved by the use of a bank overdraft, if required.

Liquidity risk exposure

At 31 July 2018 the undiscounted gross cash outflows of the financial liabilities were all repayable within one year and consisted of derivative instrument liabilities of £960,000 (2017: £1,554,000) and other creditors of £2,447,000 (2017: £3,685,000).

Counterparty risk

Certain of the 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 Dealers Association's ("ISDA") market standard derivative legal documentation. 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 Over The Counter ("OTC") derivative transactions, collateral is used to reduce the risk of both parties to the contract. Collateral is managed on a daily basis for all relevant transactions. At 31 July 2018, £457,000 (2017: £17,000) was held by the brokers in cash in a segregated collateral account on behalf of the Company, to reduce the credit risk exposure of the Company. This collateral comprised of: UBS AG £457,000 (2017: £17,000) held in cash denominated in US dollars. £2,363,000 (2017: £1,937,000), shown as amounts held at futures clearing houses and brokers on the Balance Sheet was held by the Company, in a segregated collateral account, on behalf of the brokers, to reduce the credit risk exposure of the brokers. This collateral is comprised of: HSBC Bank Plc £213,000 (2017: nil) in cash, Morgan Stanley & Co. International Plc £38,000 (2017: nil) in cash and UBS AG £2,112,000 (2017: £1,937,000) in cash.

Credit risk

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

Derivative instruments risk

The risks and risk management processes which result from the use of derivative instruments are set out in a documented Derivative Risk Measurement and Management 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;
- to position short exposures in the Company's portfolio. These uncovered exposures benefit from falls in the prices of shares which the Portfolio Manager 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 2018, an increase of 0.25% in interest rates throughout the year would have increased the return on ordinary activities after taxation for the year and increased the net assets of the Company by £62,000 (2017: £70,000). A decrease of 0.25% 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 the exchange rates ruling at 31 July 2018, a 10% strengthening or weakening of the UK Sterling exchange rate against other currencies would have (decreased)/increased the Company's net return on ordinary activities after taxation for the year and the Company's net assets by the following amounts:

If the UK Sterling exchange rate had strengthened by 10% the impact would have been:

Currency	2018 £'000	2017 £'000
Hong Kong dollar	(5,720)	(2,762)
Indian rupee	(4,482)	(4,616)
South Korean won	(2,420)	(2,452)
Indonesian rupiah	(2,226)	(1,424)
Taiwan dollar	(2,107)	(3,440)
Australian dollar	(1,463)	(1,951)
US dollar	(998)	(1,877)
	<u>(19,416)</u>	<u>(18,522)</u>

If the UK Sterling exchange rate had weakened by 10% the impact would have been:

Currency	2018 £'000	2017 £'000
Hong Kong dollar	6,992	3,376
Indian rupee	5,478	5,642
South Korean won	2,957	2,997
Indonesian rupiah	2,721	1,741
Taiwan dollar	2,575	4,204
Australian dollar	1,788	2,385
US dollar	1,219	2,295

----- 23,730 =====	----- 22,640 =====
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Other price risk – exposure to investments sensitivity analysis

Based on the investments held and share prices at 31 July 2018, 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 £27,371,000 (2017: £26,408,000). A decrease of 10% in share prices 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 2018, an increase of 10% in the share prices underlying the derivative instruments, with all other variables held constant, would have decreased the Company's net return on ordinary activities after taxation for the year and decreased the net assets of the Company by £1,578,000 (2017: £2,077,000). A decrease of 10% in the share prices underlying the derivative instruments 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 Note 2 (k) and (l) above, investments and derivative instruments are shown at fair value. In the case of cash at bank, book value approximates to fair value due to the short maturity of the instruments.

Fair Value Hierarchy

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

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1
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 Note 2 (k) and (l) above. The table below sets out the Company's fair value hierarchy:

	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
Financial assets at fair value through profit or loss				
Investments	273,248	59	407	273,714
Derivative instrument assets	466	1,063	–	1,529
	-----	-----	-----	-----
	273,714	1,122	407	275,243
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(960)	–	(960)
	=====	=====	=====	=====
				2017
	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
Financial assets at fair value through profit or loss				
Investments	259,508	4,568	–	264,076
Derivative instrument assets	789	2,040	–	2,829
	-----	-----	-----	-----
	260,297	6,608	–	266,905
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(60)	(1,494)	–	(1,554)
	=====	=====	=====	=====

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

	year ended 31.07.18 £'000	year ended 31.07.17 £'000
Beginning of the year	–	–
Transfer into level 3 – JHL Biotech Inc ¹	407	–
End of the year	407	–

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

JHL Biotech Inc

JHL Biotech Inc develops biosimilars and is also engaged in providing process development and contract manufacturing solutions to the biopharmaceutical industry. On 26 February 2018, JHL Biotech voluntarily delisted from the Taipei Exchange. During the period from 17 February to 7 April JHL Biotech agreed to purchase shares eligible for sale at the price of TWD 63 per share. The valuation at 31 July 2018 is based on the confirmed buyback offer price of TWD 63.

18 Capital Resources and Gearing

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

The Company's gearing (net cash position) at the year end is set out below:

	2018 gross asset exposure £'000	2017 gross asset exposure £'000
Long exposures to shares and equity linked notes	273,714	264,076
Warrants	125	–
Long CFDs	2,726	3,009
Total long exposures	276,565	267,085
Less: hedging exposure to forward currency contracts	(95)	–
Less: hedging exposure to Index linked put options	(4,918)	(8,583)
Total long exposures after the netting of hedges	271,552	258,502
Short CFDs	13,620	14,099
Short future	–	1,094
Gross Asset Exposure	285,172	273,695
Total Shareholders' Funds	287,974	280,191
Gearing – (net cash position)*	(1.0%)	(2.3%)

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

19 Transactions with the Manager and Related Parties

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

Details of the current fee arrangements are given in the Directors' Report, and in Note 4. During the year management fees of £2,626,000 (2017: £2,500,000) and secretarial and administration fees of £75,000 (2017: £75,000) were payable to FII. At the Balance Sheet date management fees of £222,000 (2017: £220,000) and secretarial and administration fees of £6,000 (2017: £6,000) were accrued and included in other creditors. FII also provides the Company with marketing services. The total amount payable for these services during the year was £108,000 (2017: £144,000). At the Balance Sheet date £11,000 (2017: £3,000) for marketing services was accrued and included in other creditors.

Disclosures of the Directors' interests in the ordinary shares of the Company and Directors' fees and taxable benefits relating to reasonable travel expenses payable to the Directors are given in the Directors' Remuneration Report. The Directors received compensation of £143,000 (2017: £135,000). In addition to the fees and taxable benefits disclosed in the Directors' Remuneration Report, this amount includes £12,000 (2017: £11,000) of employers' National Insurance Contributions paid by the Company.

20 Alternative Performance Measures

Total return is considered to be an alternative performance measure (as defined in the Glossary). NAV and diluted NAV total return includes reinvestment of the dividend in the NAV/diluted NAV of the Company on the ex-dividend date. 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 NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 31 July 2018 and 31 July 2017.

	dividend rate	net asset value per ordinary share – undiluted	net asset value per ordinary share – diluted	share price
Year ended 31 July 2018				
31 July 2017	n/a	415.17	407.77	386.00
19 October 2017	5.00	417.58	409.78	377.00
31 July 2018	n/a	419.36	413.64	412.00
Total return		2.2%	2.7%	8.2%

	dividend rate	net asset value per ordinary share – undiluted	net asset value per ordinary share – diluted	share price
Year ended 31 July 2017				
31 July 2016	n/a	351.98	351.98	313.00
3 November 2016	4.50	392.29	392.29	348.00
31 July 2017	n/a	415.17	407.77	386.00
Total return		19.3%	17.2%	24.9%

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 July 2018 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 2017 and 2018 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 financial information for 2017 is derived from the statutory accounts for 2017 which have been delivered to the Registrar of Companies. The 2018 Financial Statements will be filed with the Registrar of Companies in due course.

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 in October 2018 and additional copies will be available from the registered office of the Company and on the Company's website:

www.fidelityinvestmenttrusts.com

where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.

The Annual General Meeting will be held at 1.30 pm on 13 December 2018 at 25 Cannon Street, London, EC4M 5TA.

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