

Fidelity Asian Values PLC

Half-Yearly Report for the 6 months ended 31 January 2019

Financial Highlights:

- The Company recorded a net asset value (“NAV”) per share total return of -2.8% in the six months to 31 January 2019, while the Comparative Index, the MSCI AC Asia ex Japan Index, returned -4.6%
- The Company's Share Price total return for the six month period was +3.3%. Shares have traded at a sustained premium since December 2018 and the company continues to issue new shares.
- The Company has outperformed the Comparative Index over the last six months and one year, as well as from the commencement of the Portfolio Manager's tenure.

Contacts

For further information, please contact:

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PORTFOLIO MANAGER'S HALF-YEARLY REVIEW

PERFORMANCE REVIEW

Over the six month period ended 31 January 2019, the net asset value ("NAV") of Fidelity Asian Values PLC ("the Company") fell by 2.8%, compared with a decline of 4.6% for the MSCI All Countries Asia ex Japan Index in Sterling terms (the Company's "Comparative Index"). The Company's share price increased by 3.3% over the review period (all figures are on a total return basis). It is pleasing to report that there have been periods where the Company's shares have been trading at a significant premium and therefore, since 31 January 2019 and up to the date of this report, the Company has issued 1,025,000 ordinary shares.

The Company has outperformed the Comparative Index over the last 6 months and one year, as well as since I took over the management of the portfolio when the investment strategy was changed to focus more on small cap companies. However, the Company's returns have lagged the Comparative Index over the two and three year reporting periods (see table below). I believe that while the overall economic cycle has helped, a shift in favour of large cap growth stocks versus value stocks detracted somewhat. A central pillar of my investment process is to minimise losses by investing in good businesses that have strong balance sheets and buying them at a price that leaves enough margin of safety. These kinds of companies can lag the market in big upswings in investors' sentiment. My belief is that this is all part of the market cycle and should even out over time.

	Fidelity Asian Values PLC NAV total return (%)	Comparative Index total return (%)
Tenure (since 1 April 2015)	+53.9	+40.2
3 Years	+53.7	+60.3
2 Years	+7.6	+17.3
1 Year	-1.6	-7.7
6 Months	-2.8	-4.6
	=====	=====

Sources: Fidelity International and Datastream, 31 January 2019.

KEY CONTRIBUTORS AND DETRACTORS OVER THE SIX MONTHS TO 31 JANUARY 2019

	Average Active Weight (%)	Gain/Loss (%)	Contribution to Relative Returns (%)
Top 5 Contributors			
1 BOC Aviation	+2.4	+36.1	+0.9
2 Energy Development Corp	+0.7	+43.3	+0.5
3 China Mobile	+1.4	+18.5	+0.4
4 Bank Rakyat Indonesia	+1.2	+29.1	+0.4
5 Baidu	-1.3	-30.4	+0.4
Total			----- +2.6 =====
Bottom 5 Detractors			
1 Indiabulls Housing Finance	+1.0	-49.6	-0.6
2 Redington India	+1.2	-33.2	-0.4
3 Tianneng Power International	+0.9	-29.8	-0.3
4 Samsung Electronics	-4.9	+1.2	-0.3
5 Interojo	+0.7	-33.3	-0.2
Total			----- -1.8 =====

Source: Fidelity International, 31 January 2019

There are two primary sources of error in investing – errors of omission, that is to say stocks that we do not own which go up in value (such as Samsung Electronics in the table above), and errors of commission, or stocks we do in fact own that go down in value (such as Indiabulls Housing Finance and Redington India). As our objective is to compound absolute returns over time, my primary focus remains on minimising errors of commission over the medium term. We try hard to avoid businesses where we could lose significant amounts of money (such as those with high debt, high multiples, unsustainable earnings, poor management teams and fragile business models), but sometimes the market environment suddenly becomes unfavourable or indeed our analysis might on occasion be inaccurate. In such situations, we try our best to stay objective, and if the facts change, we are ready to change our minds and act accordingly.

In the past six months, the main losses we suffered were from Indiabulls Housing Finance, Redington India and Tianneng Power International as these stocks lagged the broader market. I regard these as temporary losses and I have therefore maintained the Company's holdings in these companies given their attractive valuations, strong underlying businesses and high quality management teams.

INVESTMENT STRATEGY AND OUTLOOK

Since the 2008 financial crisis, we have had an extended period of economic growth and we may see a business cycle downturn in the next three years. As well as the challenging global political climate, this will most likely create headwinds for equity market returns.

Having said that, the recent pull-back in equity markets created some interesting stock-specific opportunities, and over the last six months, I have added companies to the portfolio that are market leaders and which are available at attractive valuations.

Broadly, the Company is managed from an absolute return perspective. Each security is owned for what it might contribute to returns, rather than its inclusion in an index.

As mentioned earlier, I look for companies with strong competitive advantages, good management, and try to buy them at a reasonable price. The core to my investment philosophy is the idea that if we lose less money during market downturns, we should be able to compound money at higher rates in the longer term. Given that Asia has more than 18,000 listed companies, the opportunity to find hidden gems continues to be immense and I, together with the analyst teams at Fidelity, remain vigilant for new opportunities.

NITIN BAJAJ

Portfolio Manager
15 April 2019

INTERIM MANAGEMENT REPORT

MANAGEMENT FEE ARRANGEMENTS

As reported in the Annual Report for the year ended 31 July 2018, the Company has had a new fee arrangement in place since 1 August 2018 which provides an overall reduction from the previous fee. The new fee replaced the Company's previous tiered fee structure (0.90% of gross assets up to £200 million; and 0.85% on gross assets over £200 million) and reduced the headline base management fee of 0.90%/0.85% of **gross assets** to 0.70% of **net assets** per annum with a +/- 0.20% variation based on performance relative to the Comparative Index. The variable element of the fee was effective from 1 November 2018. The maximum fee that the Company will pay under this revised arrangement is 0.90% of net assets. However, if the Company underperforms against the Comparative Index, then the overall fee can fall as low as 0.50% of net assets. There is no change to the investment process as a result of the new fee arrangement.

BONUS ISSUE OF SUBSCRIPTION SHARES

The Company issued 1,213,003 ordinary shares of 25 pence on 30 November 2018 following the second exercise date of the conversion rights attached to the subscription shares. The bonus issue of subscription shares on the basis of one subscription share for every five ordinary shares held by qualifying investors was approved at the Company's Annual General Meeting on 2 December 2016. As at the date of this Half-Yearly Report, there are 11,103,030 subscription shares remaining which can be exercised in the 25 business days preceding the last business day in November 2019 which is the final exercise date. The exercise price is equal to the published NAV of 366.88 pence per ordinary share on 2 December 2016 plus a premium of 7% which equates to an exercise price of 392.75 pence per share.

SHARE ISSUES

The Company's shares have been trading at a sustained level of premium since December 2018, therefore the Board applied for a block listing authority for 6,866,940 ordinary shares which is the maximum allowed under the Company's current authority as approved by shareholders at the Annual General Meeting on 13 December 2018. The block listing was effective on 8 February 2019. Since 11 February and the date of this report, 1,025,000 shares have been issued from this block listing.

SHARE REPURCHASES AND TREASURY SHARES

Repurchases of ordinary shares and subscription shares are made at the discretion of the Board and within guidelines set by it from time to time and in light of prevailing market conditions. Shares will only be repurchased when it results in an enhancement to the NAV of the ordinary shares for the remaining shareholders. In order to assist in managing the discount, the Board has shareholder approval to hold in Treasury any ordinary shares repurchased by the Company, rather than cancelling them. Any shares held in Treasury would only be re-issued at NAV per share or at a premium to NAV per share. Any subscription shares repurchased would be cancelled.

In the six months to 31 January 2019, no ordinary shares were repurchased for cancellation or for holding in Treasury and no subscription shares were repurchased for cancellation. Since the end of the reporting period and as at the date of this report no shares have been repurchased.

PRINCIPAL RISKS AND UNCERTAINTIES

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 Board considers that the principal risks and uncertainties faced by the Company continue to fall in the following categories: market risk; performance risk; discount control risk; gearing risk; derivatives risk; and currency risk. Other risks facing the Company include cybercrime; tax and regulatory; and operational (service providers) risk. The Company is subject to a continuation vote every five years and there is a risk that the vote, when due, may not be approved. Information on each of these risks can be found in the Strategic Report section of the Annual Report for the year ended 31 July 2018 and can be found on the Company's pages of the Manager's website at www.fidelityinvestmenttrusts.com.

These principal risks and uncertainties have not materially changed in the six months to 31 January 2019 and are equally applicable to the remaining six months of the Company's financial year.

TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

The Manager has delegated the Company's portfolio management and the role of Company Secretary to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 12.

GOING CONCERN

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 in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

Continuation votes are held every five years and the next continuation vote will be put to shareholders at the Annual General Meeting in 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- a) the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council's Standard, FRS 104: Interim Financial Reporting; and
- b) the Interim Management Report, together with the Portfolio Manager's Half-Yearly Review, includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

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

The Half-Yearly Report was approved by the Board on 15 April 2019 and the above responsibility statement was signed on its behalf by Kate Bolsover, Chairman.

TWENTY LARGEST HOLDINGS

as at 31 January 2019

The Gross Asset Exposures shown below measure exposure to market price movements as a result of owning shares and derivative instruments. The Balance Sheet Value is the actual value of the portfolio. Where a contract for difference ("CFD") is held, the Balance Sheet Value reflects the profit or loss on the contract since it was opened and is based on how much the share price of the underlying share has moved.

	Gross Asset Exposure £'000	% ¹	Balance Sheet Value £'000
Long Exposures – shares unless otherwise stated			
Power Grid Corporation of India			
Operator of the Indian national electricity grid	8,241	2.9	8,241
Cognizant Technology Solutions (shares and written put options)			
Provider of IT, digital and technology services	7,098	2.5	5,855
Fufeng Group			
Bio-fermentation products manufacturer	6,156	2.2	6,156
China Mobile (long CFD)			
Provider of telecommunication services in China	5,933	2.1	336
BOC Aviation			
Global aircraft operating leasing company	5,811	2.1	5,811
LIC Housing Finance			
Provider of long term finance for construction & renovation of houses & flats for residential purposes	5,794	2.0	5,794
Housing Development Finance Corporation			
Provider of housing finance to individual households and corporates in India	5,193	1.9	5,193
SK Hynix			
Memory semiconductor supplier of dynamic random-access memory chips and flash memory chips	4,983	1.8	4,983
PTC India			
Provider of power trading solutions in India	4,480	1.6	4,480
Sebang Global Battery			
Battery manufacturer	4,376	1.6	4,376
WPG Holdings			
Distributor of semiconductor and core components	4,285	1.5	4,285
Cromwell European Real Estate Investment Trust			
Real estate investment company	4,213	1.5	4,213
Xingda International Holdings			
Manufacturer and trader of radial tire cords, bead wires and other wires	4,200	1.5	4,200

LT Group									
Banking, beverages, spirits, tobacco and property development group				4,088	1.5				4,088
Taiwan Semiconductor Manufacturing Company									
Developer, manufacturer and distributor of semiconductor related products				3,975	1.4				3,975
Redington India									
Distributor of information technology products, mobile handsets and accessories				3,749	1.3				3,749
Convenience Retail Asia									
Convenience store chain operator				3,700	1.3				3,700
Cebu Air									
Airline operator				3,593	1.3				3,593
Arwana Citramulia									
Ceramics manufacturer				3,329	1.2				3,329
First Resources									
Palm oil producer				3,257	1.2				3,257
				=====	=====				=====
Twenty largest long exposures				96,454	34.4				89,614
				=====	=====				=====
Other long exposures				182,935	65.2				180,857
				=====	=====				=====
Total long exposures before hedges (154 holdings)				279,389	99.6				270,471
				=====	=====				=====
Less: hedging exposures									
S&P CNX Nifty Index 10800 June 2019 (put option)				(5,344)	(1.9)				329
S&P CNX Nifty Index 10200 June 2019 (put option)				(1,753)	(0.7)				66
Forward Currency Contracts				(93)	–				(93)
				=====	=====				=====
Total hedging exposures				(7,190)	(2.6)				302
				=====	=====				=====
Total long exposures after the netting of hedges				272,199	97.0				270,773
Add: short exposures									
Short CFDs (15 holdings)				12,228	4.4				705
				=====	=====				=====
Gross Asset Exposure²				284,427	101.4				
				=====	=====				
Portfolio Fair Value³									271,478
Net current assets (excluding derivative assets and liabilities)									9,104
									=====
Total Shareholders' Funds/Net assets									280,582
									=====

1 Gross Asset Exposure is expressed as a percentage of Total Shareholders' Funds.

2 Gross Asset Exposure comprises market exposure to investments of £270,518,000 plus market exposure to derivative instruments of £13,909,000.

3 Portfolio Fair Value comprises investments of £270,518,000 plus derivative assets of £1,846,000 less derivative liabilities of £886,000 (per the Balance Sheet).

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 JANUARY 2019

	Notes	six months ended 31 January 2019 unaudited			six months ended 31 January 2018 unaudited			year ended 31 July 2018 audited		
		revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
(Losses)/gains on investments		–	(10,742)	(10,742)	–	5,213	5,213	–	4,084	4,084
Gains/(losses) on derivative instruments		–	1,159	1,159	–	(2,279)	(2,279)	–	(1,907)	(1,907)
Income	4	3,350	–	3,350	3,466	–	3,466	8,747	–	8,747

Investment management fees	5	(982)	(97)	(1,079)	(1,314)	–	(1,314)	(2,626)	–	(2,626)
Other expenses		(363)	–	(363)	(362)	–	(362)	(696)	–	(696)
Foreign exchange gains/(losses) on cash and cash equivalents		–	51	51	–	(1,037)	(1,037)	–	568	568
Net return/(loss) on ordinary activities before finance costs and taxation		2,005	(9,629)	(7,624)	1,790	1,897	3,687	5,425	2,745	8,170
Finance costs		(349)	–	(349)	(289)	–	(289)	(779)	–	(779)
Net return/(loss) on ordinary activities before taxation		1,656	(9,629)	(7,973)	1,501	1,897	3,398	4,646	2,745	7,391
Taxation on return/(loss) on ordinary activities	6	(272)	–	(272)	(343)	11	(332)	(754)	141	(613)
Net return/(loss) on ordinary activities after taxation for the period		1,384	(9,629)	(8,245)	1,158	1,908	3,066	3,892	2,886	6,778
Basic return/(loss) per ordinary share	7	2.00p	(13.94p)	(11.94p)	1.71p	2.81p	4.52p	5.70p	4.23p	9.93p
Diluted return/(loss) per ordinary share	7	1.99p	(13.84p)	(11.85p)	1.70p	2.80p	4.50p	5.67p	4.20p	9.87p

The Company does not have any other comprehensive income. Accordingly the net return/(loss) on ordinary activities after taxation for the period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

No operations were acquired or discontinued in the period and all items in the above statement derive from continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 JANUARY 2019

	Notes	share capital £'000	share premium account £'000	capital redemption reserve £'000	other non- distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total shareholders' funds £'000
Six months ended 31 January 2019 (unaudited)									
Total shareholders' funds at 31 July 2018		17,167	24,316	3,197	7,367	8,613	221,309	6,005	287,974
Net (loss)/return on ordinary activities after taxation for the period		–	–	–	–	–	(9,629)	1,384	(8,245)
Issue of ordinary shares on the exercise of rights attached to subscription shares	10	303	4,327	–	–	–	–	–	4,630
Dividend paid to shareholders	8	–	–	–	–	–	–	(3,777)	(3,777)
Total shareholders' funds at 31 January 2019		17,470	28,643	3,197	7,367	8,613	211,680	3,612	280,582
Six months ended 31 January 2018 (unaudited)									
Total shareholders' funds at 31 July 2017		16,872	20,232	3,197	7,367	8,613	218,423	5,487	280,191
Net return on ordinary activities after taxation for the period		–	–	–	–	–	1,908	1,158	3,066
Issue of ordinary shares on the exercise of rights attached to subscription shares	10	295	4,084	–	–	–	–	–	4,379
Dividend paid to shareholders	8	–	–	–	–	–	–	(3,374)	(3,374)
Total shareholders' funds at 31 January 2018		17,167	24,316	3,197	7,367	8,613	220,331	3,271	284,262
Year ended 31 July 2018 (audited)									
Total shareholders' funds at 31 July 2017		16,872	20,232	3,197	7,367	8,613	218,423	5,487	280,191
Net return on ordinary activities after taxation for the year		–	–	–	–	–	2,886	3,892	6,778
Issue of ordinary shares on the exercise of rights attached to subscription shares	10	295	4,084	–	–	–	–	–	4,379
Dividend paid to shareholders	8	–	–	–	–	–	–	(3,374)	(3,374)
Total shareholders' funds at 31 July 2018		17,167	24,316	3,197	7,367	8,613	221,309	6,005	287,974

BALANCE SHEET AS AT 31 JANUARY 2019

Company number 3183919

	Notes	31.01.19 unaudited £'000	31.07.18 audited £'000	31.01.18 unaudited £'000
Fixed assets				
Investments	9	270,518	273,714	271,760
Current assets				
Derivative instruments	9	1,846	1,529	2,312
Debtors		2,427	2,307	2,097
Amounts held at futures clearing houses and brokers		1,944	2,363	2,645
Cash at bank		5,537	11,468	11,395
		11,754	17,667	18,449
Creditors				
Derivative instruments	9	(886)	(960)	(2,014)
Other creditors		(804)	(2,447)	(3,933)

		(1,690)	(3,407)	(5,947)
Net current assets		10,064	14,260	12,502
Net assets		280,582	287,974	284,262
Capital and reserves				
Share capital	10	17,470	17,167	17,167
Share premium account		28,643	24,316	24,316
Capital redemption reserve		3,197	3,197	3,197
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		8,613	8,613	8,613
Capital reserve		211,680	221,309	220,331
Revenue reserve		3,612	6,005	3,271
Total shareholders' funds		280,582	287,974	284,262
Net asset value per ordinary share	11	401.51p	419.36p	413.96p
Diluted net asset value per ordinary share	11	400.31p	413.64p	409.06p

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 PUBLICATION OF NON-STATUTORY ACCOUNTS

The Financial Statements in this half-yearly financial report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 July 2018 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 BASIS OF PREPARATION

The Company prepares its Financial Statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The Financial Statements are also 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 February 2018 with consequential amendments. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 July 2018.

Investment management fees and other expenses are accounted for on an accruals basis. The base management fee and other expenses are charged in full to revenue. The variable investment management fee, effective 1 November 2018, is charged to capital as it is based on the performance of the net asset value per share relative to the Comparative Index.

4 INCOME

	six months ended 31.01.19 unaudited £'000	six months ended 31.01.18 unaudited £'000	year ended 31.07.18 audited £'000
Investment income			
Overseas dividends	3,243	3,277	8,242
Overseas scrip dividends	–	130	299
	3,243	3,407	8,541
Derivative income			

Dividends on long CFDs	16	–	51
Interest on short CFDs	55	38	90
	-----	-----	-----
	71	38	141
	=====	=====	=====
Other income			
Deposit interest	36	21	65
	-----	-----	-----
Total income	3,350	3,466	8,747
	=====	=====	=====

5 INVESTMENT MANAGEMENT FEES

	six months ended 31.01.19 unaudited £'000	six months ended 31.01.18 unaudited £'000	year ended 31.07.18 audited £'000
Investment management fees – base (charged to revenue)	982	1,314	2,626
Investment management fees – variable (charged to capital)	97	–	–
	-----	-----	-----
	1,079	1,314	2,626
	=====	=====	=====

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.

From 1 August 2018, the Company adopted a new fee arrangement which reduced the base management fee from 0.90%/0.85% of gross assets to 0.70% of net assets per annum. In addition, with effect from 1 November 2018, there is a +/- 0.20% variation based on performance relative to the Comparative Index. Fees are payable monthly in arrears and are calculated on a daily basis.

Prior to this date, FIL charged portfolio management service 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 calculated on the last business day of March, June, September and December.

Further details of the Management Fee Agreement are given in the Interim Management Report.

6 TAXATION ON ORDINARY ACTIVITIES

	six months ended 31.01.19 unaudited £'000	six months ended 31.01.18 unaudited £'000	year ended 31.07.18 audited £'000
Revenue – taxation on overseas dividends	272	343	754
Capital – Indian capital gains tax received in the period	–	(11)	(141)
	-----	-----	-----
Total taxation charge for the period	272	332	613
	=====	=====	=====

7 RETURN/(LOSS) PER ORDINARY SHARE

	six months ended 31.01.19 unaudited	six months ended 31.01.18 unaudited	year ended 31.07.18 audited
Revenue return per ordinary share – basic	2.00p	1.71p	5.70p
Capital (loss)/return per ordinary share – basic	(13.94p)	2.81p	4.23p
	-----	-----	-----
Total (loss)/return per ordinary share – basic	(11.94p)	4.52p	9.93p
	=====	=====	=====
Revenue return per ordinary share – diluted	1.99p	1.70p	5.67p

Capital (loss)/return per ordinary share – diluted	(13.84p)	2.80p	4.20p
Total (loss)/return per ordinary share – diluted	(11.85p)	4.50p	9.87p

The basic return/(loss) per ordinary share is based on the net return/(loss) on ordinary activities after taxation for the period divided by the weighted average number of ordinary shares held outside of Treasury during the period.

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation for the period	1,384	1,158	3,892
Net capital (loss)/return on ordinary activities after taxation for the period	(9,629)	1,908	2,886
Net total (loss)/return on ordinary activities after taxation for the period	(8,245)	3,066	6,778
	number	number	number
Weighted average number of ordinary shares in issue during the period	69,084,724	67,892,642	68,277,830

The diluted return/(loss) per ordinary share reflect the notional dilutive effect that would have occurred if the rights attached to subscription shares had been exercised and additional ordinary shares had been issued. The net return/(loss) on ordinary activities after taxation for the period used in the diluted calculation are the same as those for the basic return/(loss) above. These returns/(losses) are divided by the notional weighted average number of ordinary shares in issue during the period of 69,592,203 (31 January 2018: 68,222,167, 31 July 2018: 68,654,259). This number of shares reflects the additional number of ordinary shares that could have been purchased at the average ordinary share price for the period with the proceeds from the excess of the subscription share rights exercise price over the average ordinary share price.

8 DIVIDENDS PAID TO SHAREHOLDERS

	six months ended 31.01.19 unaudited	six months ended 31.01.18 unaudited	year ended 31.07.18 audited
Dividend of 5.50 pence per ordinary share paid for the year ended 31 July 2018	3,777	–	–
Dividend of 5.00 pence per ordinary share paid for the year ended 31 July 2017	–	3,374	3,374
	3,777	3,374	3,374

No dividend has been declared in respect of the six months ended 31 January 2019.

9 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 table below sets out the Company's fair value hierarchy:

	31 January 2019			
	unaudited			
	level 1	level 2	level 3	total
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
Investments	270,063	51	404	270,518
Derivative instrument assets	395	1,451	–	1,846
	270,458	1,502	404	272,364
Financial liabilities at fair value through profit or loss				

Derivative instrument liabilities	(186)	(700)	–	(886)
	=====	=====	=====	=====
	31 July 2018 audited			
	level 1	level 2	level 3	Total
	£'000	£'000	£'000	£'000
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)
	=====	=====	=====	=====
	31 January 2018 unaudited			
	level 1	level 2	level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
Investments	265,905	5,855	–	271,760
Derivative instrument assets	353	1,954	–	2,312
	-----	-----	-----	-----
	266,263	7,809	–	274,072
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(6)	(2,008)	–	(2,014)
	=====	=====	=====	=====

10 SHARE CAPITAL

	31 January 2019 unaudited		31 July 2018 audited		31 January 2018 unaudited	
	number of shares	£'000	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 period	68,669,402	17,167	67,488,213	16,872	67,488,213	16,872
Ordinary shares issued	1,213,003	303	1,181,189	295	1,181,189	295
	-----	-----	-----	-----	-----	-----
End of the period	69,882,405	17,470	68,669,402	17,167	68,669,402	17,167
	=====	=====	=====	=====	=====	=====
Issued, allotted and fully paid						
Subscription shares of 0.001 pence						
Beginning of the period	12,316,033	–	13,497,222	–	13,497,222	–
Cancellation of subscription shares on the exercise of rights	(1,213,003)	–	(1,181,189)	–	(1,181,189)	–
End of the period	11,103,030	–	12,316,033	–	12,316,033	–
	=====	=====	=====	=====	=====	=====
Total share capital		17,470		17,167		17,167

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 exercise would take effect). The subscription dates, subscription prices and premia 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 subscription 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 period the Company issued 1,213,003 ordinary shares (year ended 31 July 2018 and six months ended 31 January 2018: 1,181,189 shares) on the exercise of rights attached to subscription shares. The subscription share price of 381.75 pence per ordinary share issued represented a premium of 356.75 pence per share over the 25 pence nominal value of each share. The total premium received in the period on the issue of ordinary shares of £4,327,000 (year ended 31 July 2018 and six months ended 31 January 2018: £4,084,000) was credited to the share premium account.

11 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £280,582,000 (31 July 2018: £287,974,000 and 31 January 2018: £284,262,000) and on 69,882,405 (31 July 2018: 68,669,402 and 31 January 2018: 68,669,402) ordinary shares, being the number of ordinary shares of 25 pence each held outside Treasury at the end of the period.

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 11,103,030 subscription shares in issue had been exercised on 31 January 2019 at the next subscription date price of 392.75 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.

12 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 fee arrangements are given in Note 5 above. During the period, management fees of £1,079,000 (six months ended 31 January 2018: £1,314,000 and year ended 31 July 2018: £2,626,000) and secretarial and administration fees of £38,000 (six months ended 31 January 2018: £38,000 and year ended 31 July 2018: £75,000) were payable to FIL. At the Balance Sheet date, management fees of £202,000 (31 January 2018: £197,000 and 31 July 2018: £222,000) and secretarial and administration fees of £6,000 (31 January 2018: £6,000 and 31 July 2018: £6,000) were accrued and included in other creditors. FIL also provides the Company with marketing services. The total amount payable for these services during the period was £64,000 (six months ended 31 January 2018: £65,000 and year ended 31 July 2018: £108,000). At the Balance Sheet date marketing services of £8,000 (31 January 2018: £32,000 and 31 July 2018: £11,000) were accrued and included in other creditors.

As at 31 January 2019, the Board consisted of five non-executive Directors (as shown in the Directory), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £34,000, the Audit Committee Chairman an annual fee of £28,000 and each other Director an annual fee of £25,000. The following members of the Board held shares in the Company: Kate Bolsover 12,919 ordinary shares and 3,050 subscription shares, Timothy Scholefield 10,000 ordinary shares and 2,000 subscription shares, Philip Smiley 2,500 ordinary shares and 500 subscription shares, Grahame Stott 20,000 ordinary shares and 11,000 subscription shares and Michael Warren, 6,000 ordinary shares and 800 subscription shares.

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

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

The Half-Yearly Report will also be available on the Company's website at 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.