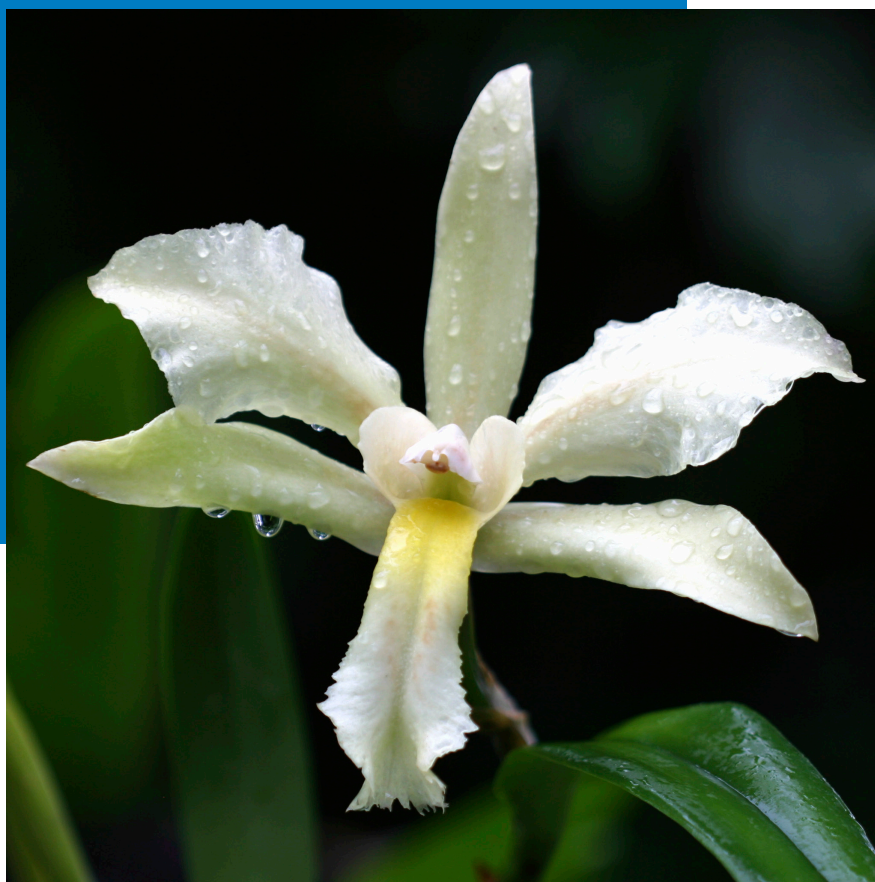


Fidelity Asian Values PLC

Annual Report

For the year ended 31 July 2014



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Objective and Highlights



Mr Hugh Bolland
Chairman

To achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan)

Performance (year to 31 July 2014)

Net Asset Value per Share ("NAV") Total Return **+11.7%**

Ordinary Share Price Total Return **+10.1%**

MSCI All Countries Far East ex Japan Index (net)* Total Return – in UK sterling terms **+5.4%**

As at 31 July 2014

Equity Shareholders' Funds **£172.8m**

Market Capitalisation **£151.2m**

Ordinary Shares of 25p in issue **67,488,213**

Standardised Performance (Total Return %)					
	01/08/2013 to 31/07/2014	01/08/2012 to 31/07/2013	01/08/2011 to 31/07/2012	01/08/2010 to 31/07/2011	01/08/2009 to 31/07/2010
NAV per Share – undiluted	+11.7	+18.4	-14.3	+19.3	+27.8
NAV per Share – diluted	n/a	n/a	-12.3	+16.3	+27.7
Ordinary Share Price	+10.1	+16.8	-12.6	+15.3	+24.3
MSCI All Countries Far East ex Japan Index (net)* – in UK sterling terms	+5.4	+12.0	-6.6	+16.3	+19.8

* The Company's Benchmark Index

Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Financial Summary

	2014	2013
Assets at 31 July		
Total portfolio exposure ¹	£192.3m	£167.4m
Shareholders' funds	£172.8m	£155.8m
NAV per Ordinary Share	255.99p	230.24p
Gearing ²	11.3%	7.4%
Stockmarket data at 31 July		
Ordinary Share Price at year end	224.00p	204.50p
Year high	225.75p	216.00p
Year low	190.50p	171.25p
Discount to NAV at year end	12.5%	11.2%
Year high	13.9%	13.9%
Year low	6.5%	8.9%
Results for the year ended 31 July		
Revenue return per Ordinary Share	1.14p	1.05p
Capital return per Ordinary Share	25.62p	40.01p
Total return per Ordinary Share	26.76p	41.06p
Dividend proposed per Ordinary Share	1.10p	1.10p
Total returns (includes reinvested income) for the year ended 31 July		
NAV per Ordinary Share	+11.7%	+18.4%
Ordinary Share price	+10.1%	+16.8%
MSCI All Countries Far East ex Japan Index (net) ³	+5.4%	+12.0%
Ongoing charges for the year to 31 July⁴		
	1.50%	1.55%

¹ The total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

² Total portfolio exposure in excess of shareholders' funds (see page 16)

³ Benchmark Index, in UK sterling terms

⁴ Ongoing charges (excluding finance costs and taxation) as a percentage of average net asset values for the reporting year (prepared in accordance with methodology recommended by the Association of Investment Companies)

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Chairman's Statement

I am pleased to present the Annual Report of Fidelity Asian Values PLC for the year ended 31 July 2014.

PERFORMANCE

In the year to 31 July 2014, the Net Asset Value ("NAV") per share of the Company increased by 11.7%, compared to a rise of 5.4% in the Benchmark Index. The Ordinary Share price of the Company rose by 10.1% over the year, with the discount widening from 11.2% to 12.5%. (All figures in UK sterling terms and on a total return basis.)

INVESTMENT REVIEW

I would first like to start by mentioning that the Company has been added to the 'Investment Adviser 100 Club' for 2014. The Club identifies the industry's leading funds and asset managers and this is a great achievement for John Lo, the Portfolio Manager. This achievement is, in large, based on the Company's strong short and long term performance.

Asian equities advanced over the year, against the backdrop of falling volatility and relatively low volumes. From a country perspective, South Korea was the best performer as a recovery in developed markets and growth in China consumption proved supportive. Indonesia, on the other hand, was the worst performer given weaker economic fundamentals. A detailed summary of market and sector behaviour is provided in the Portfolio Manager's Review.

INVESTMENTS IN COMPANIES NOT LISTED OR DOMICILED IN ASIA

During the period the Board granted permission to the Portfolio Manager to invest up to 5% in companies which were not listed or domiciled in Asia, provided the investment had a strong Asian rationale. Shortly after this decision, an investment in Bang and Olufsen was initiated. The company has a strong strategy for growth in China but is listed and domiciled in Denmark.

OUTLOOK

Asian economies stand to benefit from a return to growth in developed countries and a consequent pick up in exports. Furthermore, a series of reforms announced by the Chinese government will support its transition into a domestic consumption-driven economy, with a focus on revitalising private sectors and increasing urbanisation. The political environment in Indonesia and India is likely to be positive for the implementation of structural reforms. Nonetheless, any elevated reform expectations would need to be realistically managed and reforms are expected to be gradual. Elsewhere in Asia, South Korea offers strong global brands and good earnings growth prospects at attractive valuations. Overall, there are diverse investment opportunities across a wide range of markets in Asia that offer exceptional growth potential at attractive valuations.

SHARE REPURCHASES

Purchases of ordinary shares for cancellation are made at the discretion of the Board and within guidelines set from time to time by the Board in light of prevailing market conditions. Share repurchases will only be made when they will result in an enhancement to the NAV of ordinary shares for remaining shareholders. Details of ordinary shares repurchased for

cancellation during the year are outlined in Note 13 on page 52. In the year under review a total of 192,000 ordinary shares were repurchased for cancellation.

DIVIDEND

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors recommend a final dividend of 1.10 pence per ordinary share (2013: 1.10 pence). This dividend will be payable on 16 December 2014 to shareholders on the register at close of business on 17 October 2014 (ex-dividend date 16 October 2014). 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 future.

GEARING

The Company continues to gear through the use of Contracts For Difference ("CFDs"). Total portfolio exposure was £192.3m at 31 July 2014, equating to gearing of 11.3%. Further details are provided on page 16.

The costs of using CFDs are currently lower than the costs involved in traditional gearing (i.e. use of debt).

REGULATORY MATTERS

As stated in the Half-Yearly Report, the Board has worked with its advisors in order to achieve compliance with the Alternative Investment Fund Managers Directive ("AIFMD") which came into force on 22 July 2014. As a result the Company has appointed FIL Investment Services (UK) Limited (a Fidelity group company) to act as the Company's Alternative Investment Fund Manager ("the Manager"). FIL Investment Services (UK) Limited has delegated the portfolio management to FIL Investments International which previously acted as the Company's Manager. FIL Investments International will continue to act as Company Secretary.

An additional requirement of the AIFMD was to appoint a depositary on behalf of the Company to oversee custody and cash arrangements. The Company has now appointed J.P.Morgan Europe Limited to act as the Company's Depositary. J.P.Morgan Europe Limited is part of the same group of companies as JP Morgan Chase Bank which acts as the Company's current banker and custodian and will continue to do so.

BOARD SUCCESSION

I will be stepping down at the Annual General Meeting after ten years on the Board, and having been Chairman for four years. I am delighted that Kate Bolsover, who is a highly experienced non-executive Director with a background in investment management, will be succeeding me as Chairman. I have every confidence in her ability to lead the Board and wish her success in the future.

The Board is also pleased to welcome Michael Warren as a new member of the Board with effect from 29 September 2014. Mr Warren has over 30 years' experience within investment services, having both managed money and businesses and run distribution teams.

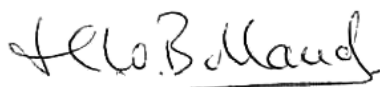
Chairman's Statement

CONTINUATION VOTE

In accordance with the Articles of Association of the Company, the Company is subject to a continuation vote every five years. The next continuation vote will take place at the Annual General Meeting in 2016.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 9 December 2014 at Fidelity's offices at 25 Cannon Street, London EC4M 5TA (St Paul's or Mansion House tube stations) commencing at 11.00 am. All shareholders and Fidelity Savings Plan and ISA Scheme investors are invited to attend. The Portfolio Manager will be making a presentation on the year under review and the immediate prospects for the Company.

A handwritten signature in black ink, reading "H. Bolland", with a horizontal line underneath the name.

Mr Hugh Bolland

Chairman
7 October 2014

Portfolio Manager's Review



FIL INVESTMENT SERVICES (UK) LIMITED

The Company is managed by FIL Investment Services (UK) Limited (which is authorised and regulated by the Financial Conduct Authority). It is part of the FIL Limited group, which, as at 30 June 2014, had total assets under management exceeding £170 billion. FIL Investment Services (UK) Limited has delegated the portfolio management of the Company to FIL Investments International.



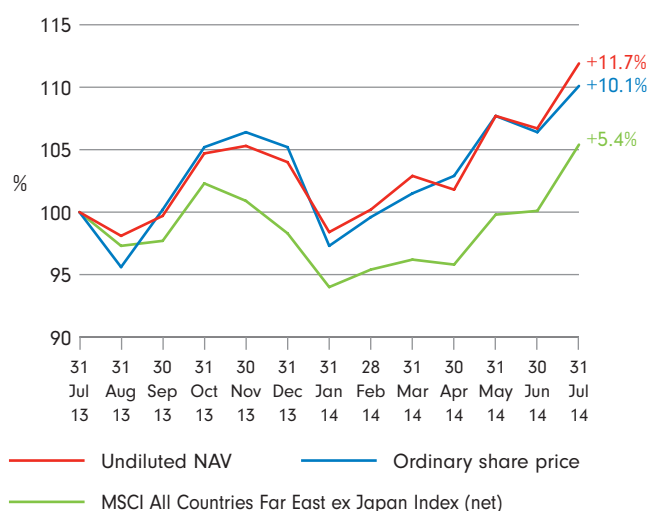
JOHN LO

has been the Company's Portfolio Manager since 1 October 2001. He joined Fidelity in 1993 having worked previously as a consultant with General Portfolio until 1991 and then with Ernst and Young. He gained an MBA (distinction) at Manchester Business School in 1993. John is country head of equity investments with FIL Investment Management (Singapore) Limited and is also involved with the portfolio management of a number of funds investing in Asia.

MARKET REVIEW

Far East ex Japan equities advanced over the year. The government in China unveiled a series of reforms towards the end of 2013 with the aim of realigning the economy to achieve a more sustainable path of growth. This included a greater role for the private sector in resource allocation, and reforms to boost urbanisation. Notably, the government would like to rein in credit expansion without GDP falling significantly below 7.5%. The People's Bank of China announced a targeted cut in reserve requirements for qualified banks to boost the agricultural sector and small and medium enterprises. The acceleration of its second quarter GDP growth reflected the impact of cumulative easing measures unveiled so far this year. The export-oriented economies of South Korea and Taiwan showed signs of improvement due to recovering growth in developed markets. Meanwhile, the US Federal Reserve lifted investor sentiment by suggesting that interest rates are likely to remain at record low levels for a 'considerable time' after the asset purchase programme ends, and issued a broadly encouraging assessment of the US economic outlook. From a country perspective, equities in South Korea rose strongly as a recovery in developed markets and growth in China consumption proved supportive. Indonesia was the worst performer against the backdrop of weak economic fundamentals. Meanwhile, information technology ("IT") was the best performing sector. This was mainly driven by internet based service providers which benefited from changing consumer preferences, as rising internet penetration fuelled robust earnings growth. The rise of smartphones was a key driver of growth for online games producers. The consumer discretionary sector was also lifted higher as rising income and change in consumer preferences boosted earnings. On the other hand, defensively positioned healthcare, telecommunications services providers and energy producers were the worst performing sectors.

Total return performance for the year to 31 July 2014



Sources: Fidelity and Datastream

Past performance is not a reliable indicator of future results

PERFORMANCE REVIEW

Over the year, the Company's performance produced a return of 11.7% compared to the Benchmark's performance return of 5.4%. This was driven by good stock selection in the industrial, consumer discretionary and materials sectors, as well as favourable positioning in the IT space.

Portfolio Manager's Review

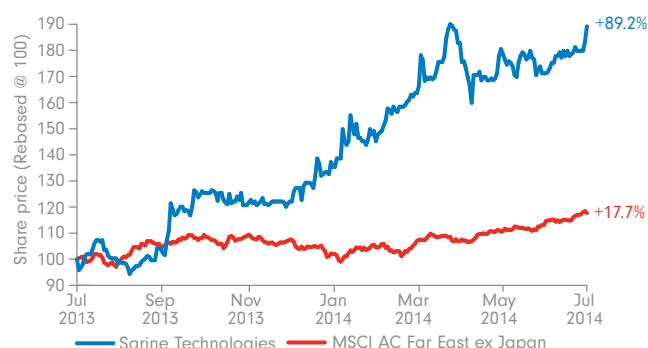
Within industrials, an overweight holding in diamond processing machinery manufacturer Sarine Technologies surged on solid earnings growth. Its shares were supported by strong growth in recurring earnings, an increase in dividends and expectations that the next leg of growth would be driven by new product launches. Its technological lead over its peer group and an absence of meaningful competition underpins its valuation. Meanwhile, China-based online games and social media company Tencent Holdings enhanced performance as a result of robust earnings growth, driven by its online games, social network and advertising businesses. An overweight stance in South Korea-based cosmetics producer and retailer AmorePacific added value. The company benefited from rising sales in China, robust expansion of the high-margin digital channel in its domestic market, and stabilising door-to-door sales. Within

materials, Nine Dragons Paper Holdings rose towards the end of the review period given signs of improvement in China's macroeconomic environment, rising industry consolidation and prospects of a price rise.

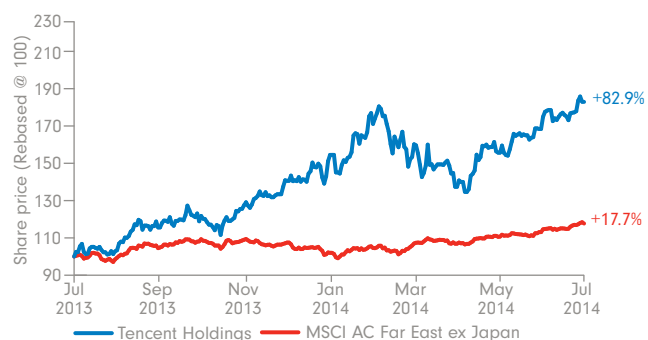
Elsewhere in the portfolio some holdings in technology and financials detracted from performance. A position in touch panel manufacturer TPK was affected by an earnings downgrade following a decline in tablet demand and delays in the launch of new products from key customer Apple. The holding has now been sold. In financials, an overweight position in Ping An, initiated in December 2013, detracted from performance as slowing growth and a rise in trust assets led to concerns over asset quality.

PRINCIPAL CONTRIBUTORS

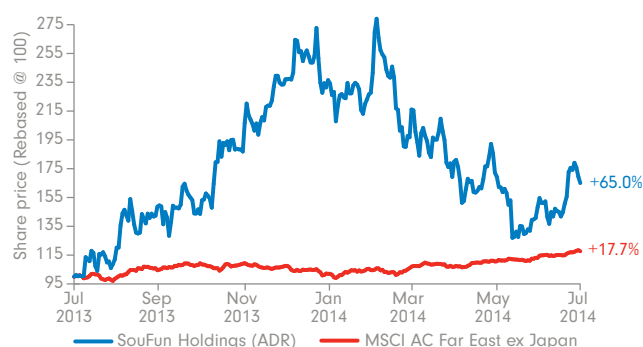
Sarine Technologies is the leading supplier of equipments to process diamonds and gemstones. Its market leadership is driven by its technological edge over its peers. On the financial front, it boasts a healthy balance sheet and consistent dividend policy. Its shares were supported by strong growth in recurring earnings, an increase in dividends and expectations that the next leg of growth would be driven by new product launches. The position was increased over the year by taking advantage of dips in share prices.



Tencent Holdings is the leading mobile/PC gaming and social media services provider in China. The firm is well positioned to cement its stronghold in existing business (PC games) and to expand into new businesses such as mobile games, advertising/e-commerce, and payment services. The long term growth prospects are robust, underpinned by growth in online advertising and online games, as well as potential gains driven by growth in internet finance.

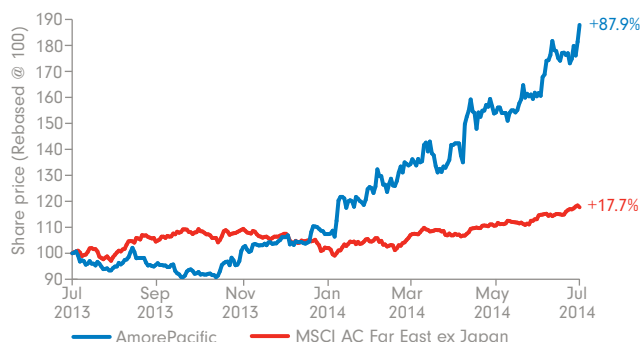


SouFun Holdings is a China-based online real estate advertiser and transaction platform. The company benefited from rising online advertising by small and medium sized property developers and strong growth in listing services (secondary home advertisement). However, most of the position has been sold given near term headwinds. China's real estate industry is feeling pain from developers to agencies due to softer demand, and that is going to have negative cyclical impact on SouFun for at least the next couple of quarters.



Portfolio Manager's Review

AmorePacific is a South Korea-based cosmetics company with around 40% domestic market share. It also has a growing presence in China with a 3-4% share of the Chinese skincare market. Korean beauty brands have become very fashionable in China thanks to the increasing popularity of Korean pop culture there. Korean products have long been perceived to be of good quality and reasonably priced but cultural acceptance has added a 'cool factor' to the brands, which is positive for brand image and ultimately supports pricing. AmorePacific is expected to continue to benefit from this trend through successful product placements and celebrity endorsements.

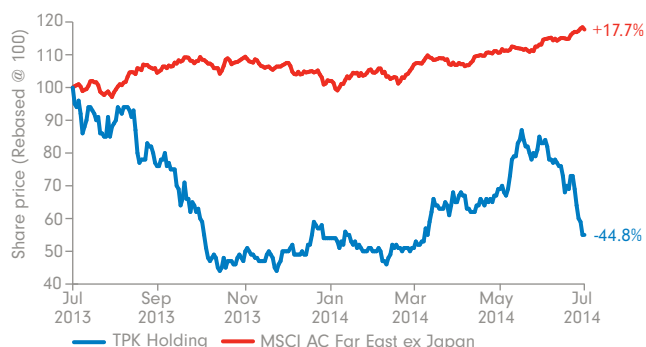


Hotel Shilla is the global number 6 duty free shop operator based in Korea. The firm benefits from strong growth in Korea-bound Chinese tourism. Chinese inbound growth (to Korea) and Shilla's overseas expansion continues to drive earnings strongly. The stock is retained in view of a robust outlook for growth but the overweight position was reduced over the year as current consensus and valuations have already reflected the growth potential.

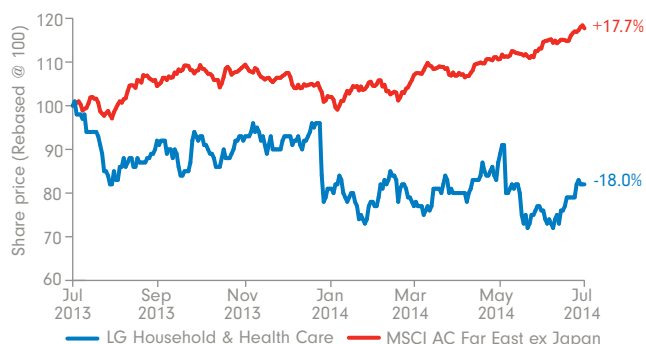


PRINCIPAL DETRACTORS

TPK Holdings is a manufacturer of touch screen panels for personal computers and mobile devices. The stock was purchased amid expectations of higher revenue per unit given larger tablet screen size, a wide range of touch solutions and new product launch by Apple, which constitutes a majority of its revenue. However, weak demand of touch notebooks and increasing competition from low cost peers hampered earnings. The position was sold in the absence of near term catalysts.

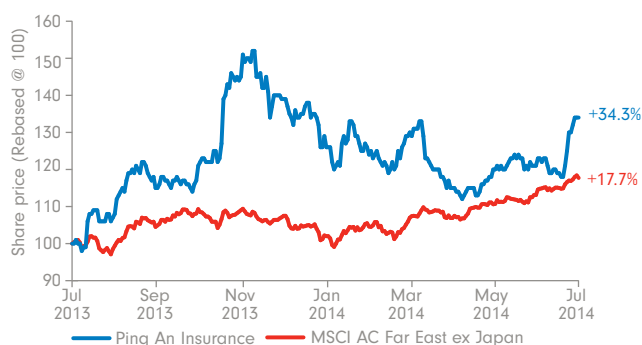


LG Household & Healthcare is the leading consumer goods manufacturer in Korea. It operates in 3 divisions: household goods, cosmetics and beverages. Share prices declined over the year mainly due to slow consumption growth in its domestic Korean market. The Company's guidance for 2014 disappointed as the company reported that its earlier sales and profit growth would be unsustainable. Later, share sale by management, as well as moves to acquire Elizabeth Arden, further weighed on investor sentiment. Nevertheless, an overweight position is retained given attractive growth prospects in China, Japan and South East Asia.

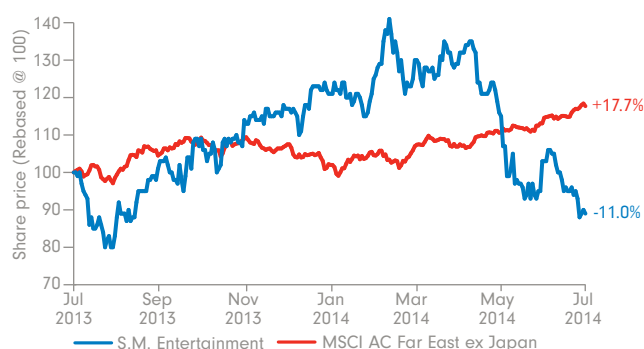


Portfolio Manager's Review

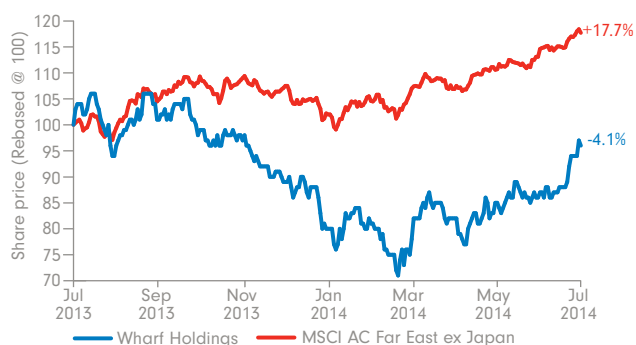
Ping An Insurance is a financial services company in China with life insurance, property & casualty and bank, trust and securities operations. The company has the strongest growth outlook among the large-cap life stocks as a result of its strong agency-led franchise. An overweight position in the stock was introduced in December 2013, mainly driven by the strong prospects for its life insurance business, but the position ended up detracting from performance as slowing growth and a rise in trust assets led to concerns over asset quality. However, the position has been retained given solid overall performance and a robust outlook.



SM Entertainment is a Korea-based entertainment company engaged in music recording and management of artists. Its share price fell during the period following a decline in operating profits reported in its first quarterly earnings report for 2014. This was mainly attributable to the Korean Won appreciation against the yen, alongside lower profits from high-margin celebrity-related products aimed at overseas fans of their stable of artists. However, the holding has been maintained as an agreement with Baidu should provide a stable channel to supply content to the lucrative Chinese market. Additionally, diversification into TV content production and tourism should serve as future growth engines.



Wharf Holdings is a leading property landlord in Hong Kong and is also developing residential and commercial properties in China. The stock is held for its high quality management team, attractive dividend yield, and a positive outlook for growth in China, mainly in the commercial segment where the firm has extensive expertise. The stock has been recovering from earlier falls. In the near term, lacklustre growth in retail sales in Hong Kong, and subdued growth in residential sales in China – as well as lower than expected margins – could weigh on share prices. The completion of Chengdu International Finance Square should boost rental income. Despite weak sales growth, Hong Kong properties continue to attract robust rental growth. Valuations at current levels is inexpensive, and an improvement in sentiment towards China residential real estate could boost the share price.



Portfolio Manager's Review

OUTLOOK

Asia is likely to benefit from the economic recovery that is currently underway in the US and parts of Europe. While there are concerns around the growth outlook in China, this is already priced into the market. On a positive note, improving economic data boosted sentiment and an improving earnings outlook helped to drive stock markets in the region. Corporate earnings and economic growth are likely to remain healthy in Asia. Corporate fundamentals are strong, and valuations are below their long term averages, particularly in North Asia. Over the long term, a sustained structural shift in favour of domestic consumption should continue to support growth in Asia. Driven by powerful demographic factors and rising per capita income, growth in intra-regional trade is likely to be strong. Asian economies are likely to be less dependent on the West than in the past. These factors should also continue to support corporate earnings despite a challenging external environment. Asian companies have large cash reserves and low leverage, which provide a buffer in the event of a global economic downturn. Corporates that can take advantage of changing consumer preferences in Asia, and have pricing power, are a compelling investment opportunity given weaker global growth. For these reasons, we believe that investment in Asia offers investors a good opportunity and we have already begun to see flows returning to Asian markets as investors start looking for investments outside of the US and Europe.

Mr John Lo

Portfolio Manager

7 October 2014

Strategic Report

The Directors have pleasure in presenting the Strategic Report of the Company which replaces and enhances reporting previously included in the 'Business Review' section of the Directors' Report. It provides a review of the Company's business and describes the principal risks and uncertainties it faces. The report includes an analysis of the performance of the Company during the financial year and the position at the year end, its objective, strategy, risks and how these are measured using Key Performance Indicators. The Chairman's Statement and the Portfolio Manager's Review form part of the Strategic Report.

BUSINESS AND STATUS

The Company carries on business as an investment trust and has been accepted as an approved investment trust by HM Revenue & Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company is registered as an investment company under Section 833 of the Companies Act 2006 and operates as such. It is not a close company and has no employees.

OBJECTIVE

The investment objective of the Company is to achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan).

STRATEGY

In order to achieve this objective, the Company has an actively managed portfolio of investments. As an investment company, it is able to gear the portfolio and the Board takes the view that long term returns for shareholders can be enhanced by using gearing in a carefully considered and monitored way.

As part of the strategy, the Board has delegated the management of the portfolio and certain other services. The Portfolio Manager seeks to achieve a capital return on the Company's total assets over the long term in excess of the equivalent return on the MSCI All Countries Far East ex Japan Index (net) which is the Company's Benchmark Index, as expressed in UK sterling. The stock selection approach adopted by the Portfolio Manager is considered to be well suited to achieving this objective.

The Company's objective, strategy and principal activity have remained unchanged throughout the year ended 31 July 2014.

The Board has reviewed the summary of the year's activities and is in agreement with the indications of likely future developments and factors likely to affect these. Details can be found in the Chairman's Statement on pages 3 and 4 and the Portfolio Manager's Review on pages 5 to 9. The Board recognises that investing in equities is a long term process and that the Company's returns will vary from year to year.

INVESTMENT POLICY

The Company primarily invests in a diversified portfolio of securities listed on stockmarkets in the Asian region, but investments may be made in securities listed elsewhere which, in the opinion of the Portfolio Manager, have significant interests in the Asian Region.

In order to diversify the Company's portfolio the Board has set broad guidelines for the Manager, which the Board reserves the right to amend as it sees fit, in respect of the country weightings of the portfolio. Investment of up to 10% of the Company's total assets is permitted in any one company or other investment entity.

The Company principally invests in equities but may also invest in equity related instruments:

- Up to 15% in convertible bonds.
- Up to 10% in warrants.
- Up to 35% in debt or money market instruments or money market funds.
- Up to 5% in securities which are not listed on any stock exchange. However, the Portfolio Manager will not normally make any such investment, except where it is expected that the securities will become listed on a stock exchange in the foreseeable future.
- Up to 15% in other investment funds (whether listed or unlisted) where such funds offer the only practicable means of gaining exposure to a particular market in the Asian Region.

In addition, investment in Non-Voting Depositary Receipts, American Depositary Receipts, Global Depositary Receipts and Equity Linked Notes is permitted by the Board and any such investment being included in the aggregate relevant country weighting. Although it is not expected that the Company will undertake any foreign exchange hedging of its portfolio, it reserves the right to do so.

No material change will be made to the investment policy without shareholder approval.

GEARING

The Company's normal policy is to be geared in the belief that long term investment returns will exceed the costs of gearing. This gearing is obtained through the use of borrowing and/or the use of Contracts For Difference ("CFDs") to obtain exposure to securities selected by the Portfolio Manager. The effect of gearing is to magnify the consequence of market movements on the portfolio. If the portfolio value rises the NAV will be positively impacted, but if it falls the NAV will be adversely impacted. The Board is responsible for setting the guidelines for the level of gearing in the Company and reviews the position on a regular basis.

Strategic Report

It is the policy of the Company that the aggregate exposure of the Company to equities, whether as a result of borrowings or CFDs, will not exceed the value of the total net assets of the Company by more than 30%, at the time the investment is made. It should be stressed that the majority of the Company's exposure to equities will be through direct investment, not via borrowings or CFDs.

DIVIDEND POLICY

As the Company's objective is to achieve long term capital growth, the Board does not expect that dividends will constitute a material element of any return to shareholders. However, in order to continue to qualify as an investment company, the Company is required by Section 1159 of the Corporation Tax Act 2010 to distribute sufficient net income so that it retains no more than 15% of its income.

INVESTMENT MANAGEMENT PHILOSOPHY, STYLE AND PROCESS

The portfolio is primarily built on a stock by stock basis following the Portfolio Manager's assessment of the fundamental value available in individual securities, with geographical weightings largely the result of stock selection, rather than macroeconomic considerations. The charts and graphs provided in this Annual Report should therefore be read with this in mind. The portfolio's geographical weightings may vary significantly from the weightings within its Benchmark Index and the concentration on the identification of fundamental value in individual stocks within the Asian Region may result in investments made against prevalent trends and local conventions. The Portfolio Manager invests in securities of companies which he considers to have fundamental value.

PERFORMANCE

In the year ended 31 July 2014, the Company's Net Asset Value total return was 11.7%, outperforming the MSCI All Countries Far East ex Japan Index (net) which returned 5.4%. Details on trends and factors that may impact the future performance of the Company are included in the Chairman's Statement on pages 3 and 4 and the Portfolio Manager's Review on pages 5 to 9. The Company's ten year Summary of Performance is on page 20. The Ten Largest Investments, the Full Portfolio Listing, including gearing, and the Distribution of the Portfolio are on pages 14 to 19.

RESULTS AND DIVIDENDS

The Company's results are set out in the Income Statement on page 41. The net return after taxation for the year ended 31 July 2014 was £18.1 million, of which the revenue return was £0.8 million.

The Directors recommend that a dividend of 1.10 pence (2013: 1.10 pence) per ordinary share be paid on 16 December 2014 to shareholders who appear on the register as at the close of business on 17 October 2014 (ex-dividend date 16 October 2014).

ATTRIBUTION ANALYSIS

The Attribution Analysis table below shows how the increase in the Company's NAV has been achieved.

Analysis of change in NAV during the year (pence per share)	
NAV as at 31 July 2013	230.24
Impact of:	
Benchmark Index (net)	+12.43
Tax on Index dividends	+0.69
Stock selection	+17.57
Repurchase of ordinary shares	+0.10
Charges	-3.79
Dividend paid	-1.10
Cash	-0.15
NAV as at 31 July 2014	255.99

KEY PERFORMANCE INDICATORS

Given the Company's objective and strategy, the Board has identified the following Key Performance Indicators ("KPIs") against which performance of the Company can be measured and which are comparable to those reported by the other investment trusts.

	Year ended 31 July 2014 %	Year ended 31 July 2013 %
NAV per share total return	+11.7	+18.4
Share price total return	+10.1	+16.8
MSCI All Countries Far East ex Japan Index (net) total return	+5.4	+12.0
Discount to NAV	12.5	11.2
Ongoing charges	1.50	1.55

Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Strategic Report

As well as the KPIs set out on page 11 and the factors contributing to investment results as set out in the Attribution Analysis Table on page 11, the Board also regularly reviews the Company's performance against its peer group of investment companies. The principal risks and uncertainties stated below and on page 13 include descriptions of other performance indicators, their monitoring and management which are important to the business of the Company. Long term performance is also monitored and the Summary of Performance graphs on pages 21 and 22 show this information

PRINCIPAL RISKS AND UNCERTAINTIES

The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The process is regularly reviewed by the Board in accordance with the Financial Reporting Council's "Internal Control: Revised Guidance for Directors".

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. An internal controls report providing an assessment of risks, together with controls to mitigate these risks, is prepared by the Manager and considered by the Audit Committee at each of its meetings.

The Board also determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

The Alternative Investment Fund Managers Directive ("AIFMD") came into effect on 22 July 2014. The Board has appointed FIL Investment Services (UK) Limited (a Fidelity group company) to act as the Company's Alternative Investment Fund Manager ("AIFM"). In its capacity as AIFM, FIL Investment Services (UK) Limited has responsibility for risk management for the Company. It works with the Board to identify and manage the principal risks 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:

Market risk

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. The Portfolio Manager's success or failure to protect and increase the Company's assets against this background is core to the Company's continued success.

Risks to which the Company is exposed and which form part of the market risk category are included in Note 18 to the financial statements on pages 54 to 59 together with summaries of the policies for managing these risks. These are: market price risk (which comprises interest rate risk, foreign currency risk and other price risk); liquidity risk, counterparty risk, credit risk and derivative instruments risk.

Performance risk

The achievement of the Company's performance objective relative to the market requires the application of risk such as strategy, asset allocation and stock selection, and may lead to underperformance of the Benchmark Index. The Board reviews risk at each Board meeting, considers the asset allocation of the portfolio and the risks associated with particular countries and industry sectors 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 and the Board accepts that by targeting long term results the Company risks volatility of performance in the shorter term.

Discount control risk

The price of the Company's shares as well as 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. Details of repurchases during the year are included in Note 13 on page 52. The Company's ordinary share price, NAV and discount volatility are monitored daily by the Manager and considered by the Board regularly.

Gearing risk

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 is inappropriate in relation to market conditions. The Company currently has no bank loans and gears through the use of long CFDs. Utilising long CFDs for gearing purposes provides greater flexibility and has been significantly cheaper than traditional bank loans. The Board regularly considers the level of gearing and gearing risk and sets limits within which the Manager must operate.

Under AIFMD, new rules have been introduced that change the way in which borrowing and market exposure of Investment Companies is reported. These leverage rules are in addition to the existing gearing limits and, rather than applying to the Company, apply to FIL Investment Services (UK) Limited as the AIFM. Details of the leverage limits and associated controls are contained in the AIFM's Disclosure on page 71.

Currency risk

The functional currency of the Company in which it reports its results, is UK sterling; however, most of its assets and its income are denominated in other currencies. Consequently, it is subject to currency risk on exchange rate movements between UK sterling and these other currencies. It is the Company's policy not to hedge against currency risks. Further details can be found in Note 18 to the Financial Statements on pages 54 to 59.

Strategic Report

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. A breach of other legal and regulatory rules may lead to suspension from listing on the Stock Exchange. The Board receives regular reports from the Manager confirming regulatory compliance during the year.

The regulation which was of greatest significance in this reporting year was the AIFMD. The Board has worked with its advisors in order to achieve compliance with the Directive. FIL Investment Services (UK) Limited, the AIFM, has delegated the portfolio management to FIL Investments International who previously acted as the Company's Manager. FIL Investments International will continue to act as the Company Secretary.

An additional requirement of the AIFMD was to appoint a depositary on behalf of the Company to oversee the custody and cash arrangements of the Company. JP Morgan Chase Bank acts as the Company's current banker and custodian and will continue to do so. The Company has extended this arrangement and appointed J.P.Morgan Europe Limited, part of the same group of companies as JP Morgan Chase Bank, to act as the Company's Depositary.

Operational risks

The Company has no employees and relies on a number of third party service providers, principally the Manager, Registrar, Custodian and Depositary. The Company is dependent on the Manager's control systems and those of its Registrar, Custodian and Depositary, all of whom are monitored and managed by the Manager in the context of the Company's assets and interests on behalf of the Board. The security of the Company's assets, dealing procedures, accounting records and the maintenance of regulatory and legal requirements, among other things, rely on the effective operation of such systems.

The Manager, Registrar, Custodian and Depositary are subject to a risk-based programme of internal audits by the Manager. In addition, service providers' own internal controls reports are received by the Board and any concerns investigated. While it is believed that the likelihood of poor governance, compliance and operational administration by third party service providers is low, the financial consequences could be serious, including the associated reputational damage to the Company.

Other risks

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 take place in 2016.

BOARD DIVERSITY

The Board carries out any candidate search against a set of objective criteria on the basis of merit, with due regard for the benefits of diversity on the Board, including gender. As at 31 July 2014, there were four male Directors and one female Director on the Board.

EMPLOYEE, SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

The Company has no employees and all of its Directors are non-executive. The Company's day-to-day activities are carried out by third parties. The Company has not adopted a policy on human rights as it has no employees and its operational processes are delegated.

The Company's financial reports are printed by a company which has won awards for its environmental awareness and further details of this may be found on the back cover of this report.

Financial reports and other publicly available documentation are also available on the Company's website www.fidelity.co.uk/its. Details about Fidelity's own community involvement may be found on its website, www.fidelity.co.uk.

SOCIALLY RESPONSIBLE INVESTMENT

The Manager's primary objective is to produce superior financial returns to investors. It believes that high standards of corporate social responsibility ("CSR") make good business sense and have the potential to protect and enhance investment returns. Consequently, its investment process takes social, environmental and ethical issues into account when, in its view, these have a material impact on either investment risk or return.

CORPORATE ENGAGEMENT

The Board believes that the Company should, where appropriate, take an active interest in the affairs of the companies in which it invests and that it should exercise its voting rights at their general meetings. Unless there are any particularly controversial issues (which are then referred to the Board) it delegates the responsibility for corporate engagement and shareholder voting to the Manager. These activities are reviewed annually.

FUTURE DEVELOPMENTS

The Company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Chairman's Statement on pages 3 and 4 and the Portfolio Manager's Review on pages 5 to 9.

By Order of the Board
FIL Investments International
 Secretary
 7 October 2014

Ten Largest Investments

as at 31 July 2014

Ten Largest Investments, including long CFDs		Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
CHINA	Tencent Holdings³ Provides internet, mobile and telecommunications, value-added services	9,271	4,716	4.8
	Ping An Insurance Leading Chinese insurance company	7,453	7,453	3.9
	China Mobile Provides mobile telecommunications and related services	6,113	6,113	3.2
	Nine Dragons Paper Holdings Manufactures and sells packaging, pulp, recycled printing paper and high quality paper products	5,490	5,490	2.9
HONG KONG	AIA Group³ Provides products and services to individuals and businesses for their insurance, protection, savings, investment and retirement needs	6,531	3,194	3.4
	Techtronic Industries Manufactures and sells electrical and electronic products	5,100	5,100	2.7
	Wharf Holdings³ Holding company of a group with interests in property, communications, media, entertainment and logistics	4,883	1,661	2.5
SINGAPORE	Sarine Technologies Develops, manufactures, markets and sells precision technology products for the planning, processing, evaluation and measurement of diamonds and gemstones	8,252	8,252	4.3
SOUTH KOREA	Samsung Electronics³ Provides communication products, operating through five business divisions: communication, semiconductor, digital media, liquid crystal display and home appliances	10,779	3,163	5.6
TAIWAN	Taiwan Semiconductor Manufacturing Researches, develops, manufactures and distributes integrated circuit related products, including wafer manufacture and testing, mask production and packaging components	8,974	8,974	4.7
Ten Largest Investments (2013: 41.0%)		72,846	54,116	38.0
Other Investments – 54 (2013: 59.0%)		119,406	117,772	62.0
Total Portfolio, including long CFDs		192,252	171,888	100.0

1 Fair value represents the carrying value in the Balance Sheet on page 43

2 % of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

3 Includes investment in long CFDs

Full Portfolio Listing as at 31 July 2014

Portfolio, including long CFDs	Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
Samsung Electronics ³	10,779	3,163	5.6
Tencent Holdings ³	9,271	4,716	4.8
Taiwan Semiconductor Manufacturing	8,974	8,974	4.7
Sarine Technologies	8,252	8,252	4.3
Ping An Insurance	7,453	7,453	3.9
AIA Group ³	6,531	3,194	3.4
China Mobile	6,113	6,113	3.2
Nine Dragons Paper Holdings	5,490	5,490	2.9
Techtronic Industries	5,100	5,100	2.7
Wharf Holdings ³	4,883	1,661	2.5
Cheung Kong Holdings	4,856	4,856	2.5
Hana Tour Service	3,971	3,971	2.1
Lenovo Group	3,861	3,861	2.0
Power Assets Holdings	3,830	3,830	2.0
Luk Fook Holdings International	3,749	3,749	2.0
Hotel Shilla	3,584	3,584	1.9
Uni-President China Holdings	3,579	3,579	1.9
Shinhan Financial Group	3,421	3,421	1.8
Sims Metal Management	3,364	3,364	1.7
Jubilant FoodWorks	3,279	3,279	1.7
Samsung C&T	3,257	3,257	1.7
NAVER Corporation	3,173	3,173	1.7
SK C&C	3,119	3,119	1.6
Cabcharge	2,862	2,862	1.5
Coway	2,759	2,759	1.4
Samsonite International	2,733	2,733	1.4
Shinsegae	2,712	2,712	1.4
SM Entertainment	2,639	2,639	1.4
LG Household & Healthcare ³	2,601	967	1.4
CITIC Securities	2,501	2,501	1.3
Amara Raja Batteries	2,429	2,429	1.3
AMOREPACIFIC	2,408	2,408	1.3
Skyworth Digital	2,356	2,356	1.2
New Oriental Education & Technology Group	2,307	2,307	1.2
ENN Energy Holdings	2,301	2,301	1.2
Bang & Olufsen	2,245	2,245	1.2
Bata India	2,193	2,193	1.1
Bharti Airtel	2,000	2,000	1.0
Champion REIT	1,983	1,983	1.0
Merida	1,983	1,983	1.0
Religare Health Trust	1,981	1,981	1.0
SFX Entertainment	1,932	1,932	1.0

Full Portfolio Listing as at 31 July 2014

Portfolio, including long CFDs	Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
Orion	1,907	1,907	1.0
Gourmet Master	1,891	1,891	1.0
Redington India	1,844	1,844	1.0
CIMB	1,759	1,759	0.9
CJ O Shopping	1,744	1,744	0.9
Bentham IMF	1,660	1,660	0.9
SouFun Holdings ⁴	1,635	1,635	0.9
Fairfax Media	1,623	1,623	0.8
Biosensors International	1,467	1,467	0.8
HanKore Environment Tech Group	1,426	1,426	0.7
Mindray Medical International	1,336	1,336	0.7
GuocoLeisure	1,248	1,248	0.6
Trigiant Group	1,076	1,076	0.6
Chlitina Holding	1,044	1,044	0.5
Kweichow Moutai	1,028	1,028	0.5
Strides Arcolab	991	991	0.5
Metro Performance Glass	786	786	0.4
Leighton Holdings	776	776	0.4
United Spirits	755	755	0.4
Jagran Prakashan	644	644	0.2
Info Edge (India)	467	467	0.2
Cosmo Lady China Holdings	331	331	0.2
Total Portfolio, including long CFDs	192,252	171,888	100.0

1 Fair value represents the carrying value in the Balance Sheet on page 43

2 % of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

3 Includes investment in long CFDs

4 Includes investment in convertible bonds

Gearing as at 31 July 2014

	2014 £'000	2013 £'000
Exposure to investments	169,880	151,273
Exposure to long CFDs	22,372	16,129
Total portfolio exposure	192,252	167,402
Shareholders' funds	172,762	155,829
Total Portfolio exposure in excess of shareholders' funds	11.3%	7.4%

Distribution of the Portfolio as at 31 July 2014

Portfolio, including long CFDs	China	South Korea	Hong Kong	Taiwan	India	Other	2014 Total ¹	2014 Index ²	2013 Total
Information Technology									
Semiconductor Equipment & Products	–	5.6	–	6.7	–	–	12.3	12.0	13.3
Internet Software & Services	5.7	3.3	–	–	0.2	–	9.2	3.7	6.2
Electronic Equipment & Instruments	2.0	–	–	–	1.0	–	3.0	5.7	6.2
Communications Equipment	0.5	–	–	–	–	–	0.5	0.1	–
Software	–	–	–	–	–	–	–	0.1	0.9
	8.2	8.9	–	6.7	1.2	–	25.0	21.6	26.6
Consumer Discretionary									
Diversified Consumer Services	1.2	3.9	–	1.0	1.7	0.7	8.5	3.0	9.1
Textiles, Apparel & Luxury Goods	1.4	1.4	1.4	–	1.1	1.3	6.6	0.7	3.2
Media	–	1.4	–	–	0.3	1.8	3.5	0.5	0.9
Speciality Retail	–	–	1.9	–	–	–	1.9	0.4	2.5
Multi-line Retail	–	1.4	–	–	–	–	1.4	0.4	–
Leisure Equipment & Products	–	–	–	1.0	–	–	1.0	0.1	1.1
Internet & Catalogue Retail	–	0.9	–	–	–	–	0.9	–	–
Automobiles	–	–	–	–	–	–	–	3.6	5.0
Auto Components	–	–	–	–	–	–	–	1.1	–
Distributors	–	–	–	–	–	–	–	0.1	–
	2.6	9.0	3.3	2.0	3.1	3.8	23.8	9.9	21.8
Financials									
Insurance	3.9	–	3.4	–	–	–	7.3	5.7	3.8
Real Estate Management & Development	–	–	5.0	–	–	–	5.0	6.6	5.9
Banks	–	1.8	–	–	–	0.9	2.7	17.5	5.5
Capital Markets	1.3	–	–	–	–	–	1.3	0.7	1.8
Real Estate Investment Trusts (REITs)	–	–	1.0	–	–	–	1.0	0.8	–
Diversified Financial Services	–	–	–	–	–	0.9	0.9	1.7	–
	5.2	1.8	9.4	–	–	1.8	18.2	33.0	17.0

Distribution of the Portfolio

as at 31 July 2014

Portfolio, including long CFDs	China	South Korea	Hong Kong	Taiwan	India	Other	2014 Total ¹	2014 Index ²	2013 Total
Consumer Staples									
Household Products	-	1.4	2.7	-	-	-	4.1	0.9	8.1
Food Products	1.9	1.0	-	-	-	-	2.9	2.5	1.0
Personal Products	-	1.3	-	0.5	-	-	1.8	0.5	0.8
Beverages	0.5	-	-	-	0.4	-	0.9	0.1	-
Food & Staples Retailing	-	-	-	-	-	-	-	0.8	-
Tobacco	-	-	-	-	-	-	-	0.6	0.9
	2.4	3.7	2.7	0.5	0.4	-	9.7	5.4	10.8
Industrials									
Machinery	-	-	-	-	1.3	4.3	5.6	1.1	4.6
Trading Companies & Distributors	-	1.7	-	-	-	-	1.7	0.6	-
Transportation	-	-	-	-	-	1.5	1.5	0.5	-
Construction & Engineering	-	-	-	-	-	0.4	0.4	1.3	4.9
Transportation Infrastructure	-	-	-	-	-	-	-	1.4	1.5
Industrial Conglomerates	-	-	-	-	-	-	-	3.3	1.1
Aerospace & Defence	-	-	-	-	-	-	-	0.3	-
	-	1.7	-	-	1.3	6.2	9.2	8.5	12.1
Materials									
Paper & Forest Products	2.9	-	-	-	-	-	2.9	0.1	2.8
Metals & Mining	-	-	-	-	-	1.7	1.7	1.6	-
Construction Materials	-	-	-	-	-	0.4	0.4	1.2	-
Chemicals	-	-	-	-	-	-	-	2.4	-
	2.9	-	-	-	-	2.1	5.0	5.3	2.8
Telecommunications Services									
Wireless Telecommunication Services	3.2	-	-	-	1.0	-	4.2	3.6	3.3
Diversified Telecommunication Services	-	-	-	-	-	-	-	2.9	1.0
	3.2	-	-	-	1.0	-	4.2	6.5	4.3
Healthcare									
Healthcare Providers & Services	0.7	-	-	-	-	1.8	2.5	0.5	0.6
Pharmaceuticals	-	-	-	-	0.5	-	0.5	0.5	0.8
	0.7	-	-	-	0.5	1.8	3.0	1.0	1.4

Distribution of the Portfolio as at 31 July 2014

Portfolio, including long CFDs	China	South Korea	Hong Kong	Taiwan	India	Other	2014 Total ¹	2014 Index ²	2013 Total
Utilities									
Gas Utilities	1.2	–	–	–	–	–	1.2	1.3	–
Water Utilities	–	–	–	–	–	0.7	0.7	0.2	–
Electric Utilities	–	–	–	–	–	–	–	1.8	–
Other Utilities	–	–	–	–	–	–	–	0.1	2.0
	1.2	–	–	–	–	0.7	1.9	3.4	2.0
Energy									
Oil, Gas & Consumable Fuels	–	–	–	–	–	–	–	4.8	1.2
Energy Equipment & Services	–	–	–	–	–	–	–	0.6	–
	–	–	–	–	–	–	–	5.4	1.2
Total portfolio exposure, including long CFDs – 2014	26.4	25.1	15.4	9.2	7.5	16.4	100.0		
Index – 2014	26.8	21.9	14.3	16.6	–	20.4		100.0	
Total portfolio exposure, including long CFDs – 2013	23.7	25.7	23.9	13.1	1.1	12.5			100.0

1 Distribution of the Portfolio is shown as a percentage of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

2 MSCI All Countries Far East ex Japan Index (net)

Summary of Performance

Historical Record as at 31 July	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total portfolio exposure (£m) ¹	192.3	167.4	123.8	146.2	121.8	98.1	136.4	175.1	107.5	97.8	71.4
Shareholders' funds (£m)	172.8	155.8	117.1	141.3	117.2	92.1	135.9	170.7	99.1	88.7	60.4
NAV per share – undiluted (p)	255.99	230.24	195.40	229.21	192.19	151.18	131.78	156.13	105.95	94.86	64.63
NAV per share – diluted (p) ²	n/a	n/a	194.70	223.20	191.99	n/a	n/a	156.13	104.88	94.86	64.63
Ordinary Share price (p)	224.00	204.50	176.00	202.63	175.75	142.25	119.00	136.75	97.25	87.00	55.00
Subscription Share Price (p) ²	n/a	n/a	6.75	27.13	19.00	n/a	n/a	n/a	n/a	n/a	n/a
Warrant price (p) ²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.50p	6.37p	2.25p
Discount – undiluted (%)	12.5	11.2	9.9	11.6	8.6	5.9	9.7	12.4	8.2	8.3	14.9
Discount – diluted (%) ²	n/a	n/a	9.6	9.2	8.5	n/a	n/a	12.4	7.3	8.3	14.9
Revenue return/(loss) per Ordinary Share – undiluted (p)	1.14	1.05	1.45	0.85	0.27	1.49	1.43	0.63	(0.06)	0.58	(0.18)
Dividend per Ordinary Share (p)	1.10	1.10	1.00	1.00	nil	1.00	0.81	nil	nil	nil	nil
Cost of running the Company (Ongoing charges) (%)	1.50	1.55	1.46	1.47	1.52	1.65	1.34	1.51	1.71	1.76	1.68
Gearing (%) ³	11.3	7.4	5.7	3.5	3.9	6.5	0.3	2.5	8.5	10.2	18.2
NAV – undiluted total return (%)	+11.7	+18.4	-14.3	+19.3	+27.8	+15.7	-15.6	+47.4	+11.7	+47.2	+2.6
NAV – diluted total return (%) ²	n/a	n/a	-12.3	+16.3	+27.7	n/a	n/a	+48.9	+10.6	+47.2	+2.6
Ordinary Share price total return (%)	+10.1	+16.8	-12.6	+15.3	+24.3	+20.6	-13.0	+40.6	+11.8	+58.2	-3.5
Benchmark Index total return (%)	+5.4	+12.0	-6.6	+16.3	+19.8	+11.0	-10.7	+41.3	+9.2	+41.1	+2.7

1 The total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs. The amounts prior to 2013 represent total assets less current liabilities, excluding bank loans

2 The final exercise of the warrants was in December 2006 and there was subsequently no dilution until subscription shares were issued in March 2010. The final exercise of the subscription shares was in June 2013 and there is no longer any dilution

3 Total portfolio exposure in excess of shareholders' funds

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Fidelity Asian Values PLC Annual Report 2014

Summary of Performance

Total return performance from launch to 31 July 2014



Prices rebased to 100

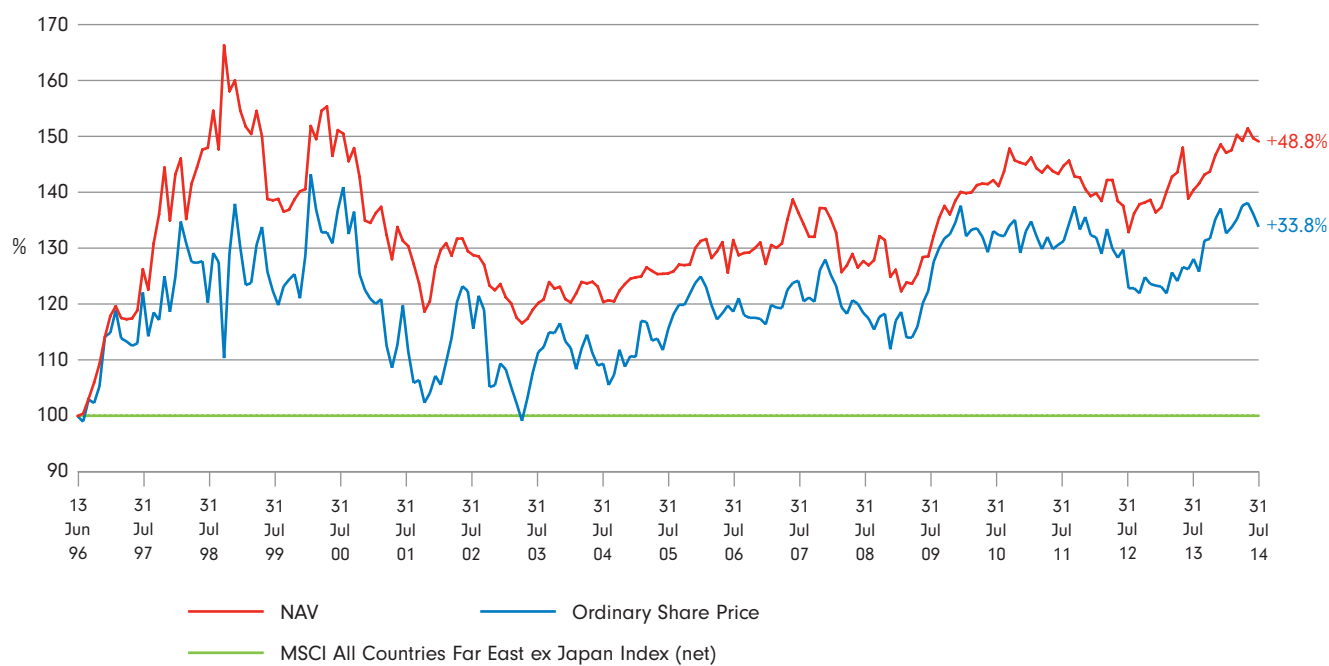
NAV and ordinary share price from launch to 31 July 2014



Sources: Fidelity and Datastream
Past performance is not a guide to future returns

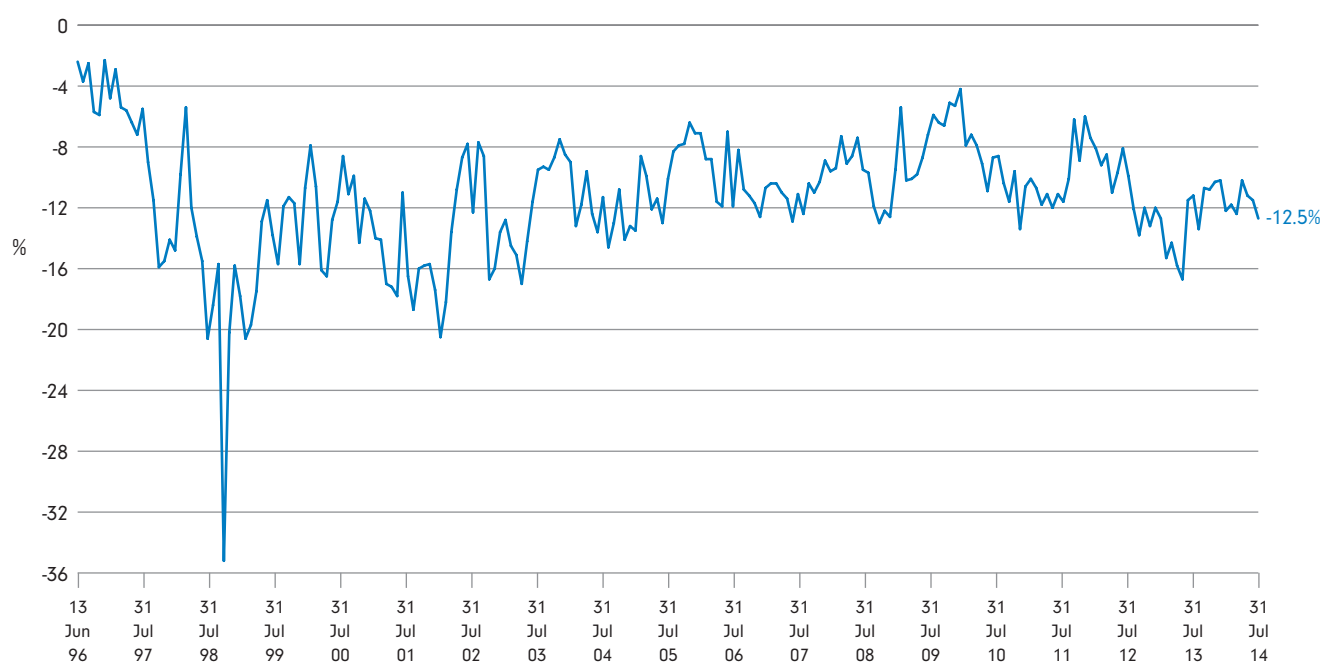
Summary of Performance

Total return performance relative to the Benchmark Index from launch to 31 July 2014



Prices rebased to 100

Ordinary share price discount to NAV from launch to 31 July 2014



Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Board of Directors



Hugh Bolland¹

(Date of appointment as Director: 11.03.04; date of appointment as Chairman: 03.06.10) is an economist, his 30 year career with Schroders began in 1970 after working in Australia in the financial services industry. During the 1980s he was Managing Director of Schroders Asia in Hong Kong, and then Chief Executive of

Schroders Australia. During the 1990s he was head of Schroders' UK institutional business, and later, Chief Executive of Schroder Investment Management, a business with worldwide assets under management of £110 billion. He is also Chairman of JPMorgan Indian Investment Trust plc and Brands Saints Limited.



Kate Bolsover

(Date of appointment as Director: 01.01.10) is a director of JPMorgan American Investment Trust PLC. She is also Chairman of Tomorrow's People Trust Limited and a director of a number of affiliated companies. She worked for Cazenove Group plc and J.P. Morgan Cazenove between 1995 and 2005 where she was

managing director of the mutual fund business, and latterly director of Corporate Communications. Prior to this, her work involved business development and mutual funds experience covering countries in the Far East.



William Knight

(Date of appointment as Director: 09.02.05; date of appointment as Senior Independent Director: 03.06.10) is a founder member and director of Emerisque Brands Limited, an "east west" private equity management "buy-in" company and Chairman of MCS Apparel (HK) Ltd. During an eighteen year period with Lloyds Bank

International he worked in project finance, was head of global syndicated lending and then head of its investment banking activities for Asia. He was a founding director of Lloyds Merchant Bank and then managing director of Lloyds Bank Fund Management. In recent years he has acted as adviser to companies and governments on investment and development strategy. He is Chairman of JPMorgan Chinese Investment Trust plc, China Chaintek United Co. Ltd, Myanmar Investments International Ltd and a director of Axis Fiduciary Ltd, Smith-Tan Phoenix Asia Fund and Ceylon Guardian Investment Trust PLC. In addition, he is a member of the Advisory Board of Homestrings Ltd.



Michael Warren

(Date of appointment as Director: 29.09.14) is a non-executive director of Carrington Investments and Alquity Investment Management Ltd. He worked for Thames River Capital from 2007 until 2012 as Investment Director. Prior to that he worked at HSBC Investments, where he was responsible for Institutional and Retail

distribution, and before that Deutsche Asset Management, where he was a main board member. Latterly, he has served as managing director of the UK mutual fund business, DWS.



Philip Smiley

(Date of appointment as Director: 01.01.10) is a director of the Arisaig India Fund and the Endowment Fund SPC. He is also Chairman of the PXP Vietnam Fund Limited and Chairman of the Advisory Board of the Emerging Beachfront Land Investment Fund G.P. Limited. He has 31 years of experience of working in the Asia Pacific region,

including several years with the Hong Kong Government (Civil Service Branch and then Economic Services Branch) followed by five years with the W.I. Carr Group, latterly as Managing Director of W.I. Carr (Far East) Limited in Hong Kong and group director of finance in London. Between 1991 and 2001 he served as managing director and country head of Jardine Fleming in Korea, where he was also elected Chairman of the British Chamber of Commerce, and then in Singapore, where he was appointed to the Stock Exchange Review Committee. From 2001 to 2005 he was group country chairman of Jardine Matheson in Thailand and Indochina.



Grahame Stott²

(Date of appointment as Director and Chairman of the Audit Committee: 24.09.13) is a qualified actuary with considerable consultancy experience and insight into the intermediary market. He spent 20 years at Watson Wyatt in Hong Kong, during which time he became the regional director for 12 countries across Asia Pacific. He also

served as the head of Watson Wyatt's Global Investment Consulting Business. His background is in working with fast growing listed companies. He is a non-executive Director and Chairman of the Audit Committee of both Jelf Group plc and China Motor Bus Company Limited.

All the Directors are non-executive and are also independent and serve as members on the Management Engagement Committee, Nomination Committee and Audit Committee.

¹ Chairman of the Management Engagement Committee, Nomination Committee and member of the Audit Committee
² Chairman of the Audit Committee

Directors' Report

The Directors have pleasure in presenting their report together with the audited Financial Statements for Fidelity Asian Values PLC for the year ended 31 July 2014.

The Company was incorporated in England and Wales as a public limited company on 2 April 1996 with the registered number 3183919 and commenced business as an investment trust on 13 June 1996.

Details on the Company's business and status can be found in the Strategic Report on page 10.

MANAGEMENT COMPANY AND FEES

With effect from 17 July 2014, and as a result of the Alternative Investment Fund Directive, FIL Investments International ("FIL") retired as investment manager, manager and secretary to the Company and was replaced by FIL Investment Services (UK) Limited ("FISL") to act as the Company's Alternative Investment Fund Manager ("the Manager"). At the same time, FISL, as the new Manager, delegated the portfolio management of assets and the role of the company secretary to FIL.

The Alternative Investment Fund Management and Secretarial Services Agreement (the "Management Agreement") dated 17 July 2014 replaced that dated 6 February 2006, and continues to provide investment management services to the Company for the same quarterly fee of an amount equal to 0.25 per cent of the value of the Company's assets under management, excluding investments in other funds managed by the Manager. The fee is payable quarterly in arrears and calculated as of the last business day of March, June, September and December in each year. In addition, the Company will continue to pay to the Manager a fee for secretarial and administration services, payable quarterly in arrears, at the rate of £25,000 per annum subject, as from 1 January 1997, to annual indexation. For the year to 31 July 2014, £41,600 was paid in this regard (2013: £40,500).

The new Management Agreement will continue unless and until terminated by either party giving to the other not less than six months' notice in writing. However, it may be terminated without compensation if the Company is liquidated, pursuant to the procedures laid down in the Articles of Association of the Company. The Management Agreement may also be terminated forthwith as a result of a material breach of the Agreement or on the insolvency of the Manager or the Company. In addition, the Company may terminate the Management Agreement by 60 days' notice if the Manager ceases to be a subsidiary of FIL Limited.

The Manager also provides certain services, including marketing and administration, in connection with the Fidelity Investment Trust Share Plan and the Fidelity Individual Savings Account ("ISA") under an agreement dated 15 May 1996. The amount payable under this agreement for the year to 31 July 2014 was £88,000 (2013: £88,000).

The total amount due to the Manager for investment management, secretarial, marketing and administration services

at 31 July 2014, which is included within 'other creditors and accruals' in Note 12 on page 51, was £189,000 (2013: £162,000).

Fidelity operates a broker segmentation policy, which allows it to concentrate on those brokers who, in its opinion, offer the best service in terms of overall execution. These brokers are Fidelity's 'core' brokers. At the same time, the Manager evaluates the research provided by other brokers and uses some of them for their research. These brokers are called Secondary State Research firms ("SSRs"). As a consequence of the policy, the 'core' brokers earn a larger percentage of the commission paid. These 'core' brokers pay away some of the increased commission earned to the SSRs, to compensate them for the research provided to Fidelity. Under the Financial Conduct Authority ("FCA") regulations this type of payment from one broker to another is currently treated as 'softing'. The Manager's soft commission policy complies with the UK regulations. Fidelity adopts a best execution policy that applies to all transactions in all instruments, regardless of the fund or account or location of the trading desk.

The Manager has an arrangement with certain brokers whereby a portion of commissions from security transactions may be paid to the Company to reduce transaction costs. Amounts received by the Company under this arrangement are credited to capital and included in the 'gains on sales of investments in the year' in Note 9 on page 50. In the year to 31 July 2014 £23,000 was received (2013: £14,000).

There is a regulatory requirement on the Manager to obtain best execution and no individual deal is entered into which prevents compliance with this requirement.

FIL Limited, the ultimate parent company of the Manager, currently has a non-beneficial interest of 11,033,634 ordinary shares (16.35%) in the Company via the ISA and Investment Trust Share Plan.

DIRECTORS

Hugh Bolland, Kate Bolsover, William Knight and Philip Smiley served throughout the year ended 31 July 2014. Grahame Stott was appointed to the Board on 24 September 2013 and Michael Warren was appointed on 29 September 2014. Kathryn Matthews stepped down from the Board at the Annual General Meeting on 29 November 2013. Hugh Bolland will step down from the Board at the conclusion of the Annual General Meeting on 9 December 2014 at which point the Board will comprise of five non-executive Directors. Their biographical details are set out on page 23 and indicates their qualifications for Board membership. Any changes to the Board of Directors must be made in accordance with the Companies Act 2006 and the Company's Articles of Association. Information on the process of appointment, election, re-election and replacement of Directors is included in the Corporate Governance Statement on page 29.

No Director has a contract of service with the Company and no contracts existed during or at the end of the financial period in which any Director was materially interested and which were significant in relation to the Company's business. Therefore, there have been no related party transactions requiring disclosure under Financial Reporting Standard 8.

Directors' Report

The interests of the Directors in the Company's ordinary shares as at 31 July 2014 and 2013 are shown in the Directors' Remuneration Report on page 37.

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

In addition to benefits enjoyed under the Manager's global Directors and Officers' liability insurance arrangements, the Company maintains insurance cover for its Directors and Officers under its own policy as permitted by the Companies Act 2006. The Board reviews the cover and terms on an annual basis.

REGISTRAR, CUSTODIAN AND DEPOSITARY ARRANGEMENTS

The Company employs Capita Asset Services to manage the Company's share register. Fees for their registration services for the year under review amounted to £36,000 (2013: £55,000). The Company employs JP Morgan Chase Bank as its custodians who are primarily responsible for safeguarding the Company's assets. Fees for their custodial services for the year under review amounted to £86,000 (2013: £62,000). With effect from 17 July 2014, the Company also employs J.P.Morgan Europe Limited (part of the same group of companies as JP Morgan Chase Bank) as its depositary and are primarily responsible for oversight of the custody of investment funds and the protection of investor's interests. Fees for their depositary services for the period under review amounted to £1,000 (2013: nil).

SHARE CAPITAL

As at 31 July 2014 the issued share capital of the Company was 67,488,213 ordinary shares (2013: 67,680,213). Each ordinary share in issue carries one vote. Deadlines for the exercise of voting rights and details of arrangements by which someone other than the shareholder can exercise voting rights are detailed in the Notes to the Notice of Meeting on pages 63 and 64. The Company's ordinary shares have a premium listing on the London Stock Exchange.

PREMIUM/DISCOUNT MANAGEMENT: ENHANCING SHAREHOLDER VALUE

The Directors recognise the importance to investors of the relationship between the Company's share price and the net asset value per share and monitor the share rating closely. The Board seeks authority from shareholders each year to issue new shares at a premium or repurchase shares for cancellation at a discount to the NAV. It will only use these authorities to enhance the net asset value and to protect or improve the premium/discount rating of the shares.

SHARE ISSUES

No ordinary shares were issued during the year to 31 July 2014 (2013: 11,454,432) and none have been issued since the year end.

The authority to issue shares and dis-apply pre-emption rights granted by shareholders at the Annual General Meeting held on 29 November 2013, expires at the conclusion of this year's Annual General Meeting and therefore, resolutions renewing the authority will be put to shareholders at the Annual General Meeting to be held on 9 December 2014.

SHARE REPURCHASES

Shares may be repurchased when, in the opinion of the Directors, the discount appears high or wider than the peer group average and shares are available in the market. The principal purpose of share repurchases is to enhance the net asset value for remaining shareholders. Additionally, they address the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value.

At the Annual General Meeting held on 29 November 2013, the Company's shareholders passed a special resolution which granted the Directors authority to purchase up to 10,134,770 ordinary shares in the market for cancellation. The authority expires on 9 December 2014 and a special resolution to renew the authority will therefore be put to shareholders for approval at the forthcoming Annual General Meeting.

During the reporting year, 192,000 ordinary shares were repurchased for cancellation (2013: 3,693,000). Since the year end, no further ordinary shares have been repurchased for cancellation.

SUBSTANTIAL SHARE INTERESTS

At 31 July 2014 and as at 30 September 2014, notification had been received that the shareholders listed below hold more than 3% of the issued share capital of the Company.

Shareholder	31 July 2014 %
Fidelity ISA and Share Plan investors	16.35
City of London Investment Management	10.53
Lazard Asset Management	9.40
Wells Capital Management	4.15
1607 Capital Partners	3.87

Shareholder	30 September 2014 %
Fidelity ISA and Share Plan investors	16.91
City of London Investment Management	10.88
Lazard Asset Management	9.09
Wells Capital Management	6.96
1607 Capital Partners	3.74

Directors' Report

Analysis of ordinary shareholders as at 31 July 2014	% of issued share capital
Private shareholders ¹	50.48
Mutual funds	21.40
Hedge funds	11.89
Pension funds	11.11
Insurance companies	3.01
Trading companies	1.32
Other	0.79

¹ Includes Share Plan and ISA investors

GREENHOUSE GAS EMISSIONS

The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. FIL Investments International is registered with the Carbon Reduction Commitment Energy Efficiency Scheme administered by the Environment Agency.

ANNUAL GENERAL MEETING

THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

At the 2014 Annual General Meeting, resolutions will be proposed to renew the Directors' authority to allot securities in the Company. The authorities sought by these resolutions are to replace the existing powers of the Directors which expire on the date of the Annual General Meeting and will provide the Directors with the flexibility to issue further ordinary shares if they deem it appropriate to do so. By law, directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders.

Resolution 12 is an ordinary resolution and provides the Directors with a general authority to allot securities in the Company up to an aggregate nominal value of £843,603. If passed, this resolution will enable the Directors to allot a maximum of 3,374,410 ordinary shares which represents approximately 5% of the issued ordinary share capital of the Company as at 7 October 2014.

This authority provides the Directors with a degree of flexibility to increase the assets of the Company by the issue of new shares should any favourable opportunities arise to the advantage of shareholders. If new ordinary shares are allotted for cash, the Companies Act 2006 requires such new shares to be offered to existing holders of ordinary shares ("pre-emption rights"). In certain circumstances it is beneficial for the Directors to allot shares for cash otherwise than pro rata to existing shareholders and the Companies Act 2006 provides for shareholders to give such power to the Directors by waiving their pre-emption rights.

Resolution 13 is a special resolution disapplying pre-emption rights and granting authority to the Directors, without further specific shareholder approval, to make allotments of equity securities for cash by way of (a) rights issues normally on a proportionate basis but where necessary taking into account practical considerations such as fractions and foreign security laws, and (b) other issues up to an aggregate nominal value of £843,603 (approximately 5% of the issued ordinary share capital of the Company as at 7 October 2014).

The authority to issue ordinary shares for cash under Resolution 13 will enable the Directors to issue additional new ordinary shares to participants in the Fidelity Investment Trust Share Plan and the Fidelity ISA in the event that the ordinary shares are trading at a premium to their NAV. The Directors would only intend to use their power if they considered that it was in the best interests of shareholders to do so.

Resolution 14 is a special resolution which renews the Directors' authority to repurchase the Company's ordinary shares for cancellation. It is proposed that the Board be authorised to make arrangements to purchase through the London Stock Exchange up to 10,116,483 ordinary shares of 25 pence (equivalent to 14.99% of the ordinary shares in issue at 7 October 2014).

By utilising the power to repurchase ordinary shares when they are trading at a discount to NAV, the Company will increase the resulting NAV per share for remaining shareholders.

Purchases of shares will be made at the discretion of the Board and within guidelines set from time to time by the Board in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing NAV per share.

Adoption of New Articles of Association

Resolution 15 is being proposed as a special resolution and relates to the adoption of new Articles of Association (the **New Articles**) which update the Company's existing Articles of Association.

There have been a number of recent changes to tax, regulation and company law which affect investment trusts and the Company. The Board is therefore seeking approval to adopt the New Articles, substantially in the form of the existing Articles, but updated to reflect these changes.

In particular:

1. As a result of changes in tax law, the Companies Act 2006 has been amended to remove the requirement that an investment company's articles of association must prohibit a distribution of realised capital profits and so it is now possible for such companies to pay dividends out of capital profits. It is therefore proposed that the Company's Articles should be updated to give the Company greater flexibility in line with tax and company laws. The Board has no current intention to pay dividends out of capital profits but believe that it is in the

Directors' Report

shareholders' best interests for the Board to have this power should circumstances warrant its use in the future.

2. The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"). The proposed New Articles have therefore also been updated in order to incorporate the powers that may be granted to the Board as a result of the implementation of AIFMD. In particular, it is proposed to include a new Article 131, expressly granting the Board the authority to allow a depository to be discharged from liability for the loss of financial instruments held in custody in accordance with the limited circumstances permitted by Article 21 of AIFMD.
3. The final change to the Articles is in respect of the procedures to be followed when paying dividends. At present the Company will send dividend cheques by post but may pay directly into a bank account on the instructions of the shareholder. In accordance with the recent recommendations of the Registrar's Group of the Institute of Chartered Secretaries and Administrators, the Company proposes to amend the articles to give it greater flexibility to make payments in other ways, particularly electronically and in the future to specify that the default option for payment of dividends may be by direct payment into a bank account with an option for shareholders to continue to receive payment through the post. The current provisions of the articles to deal with non-payment are expanded to cover electronic payments so that if cheques or other payment methods for dividends fail and having made reasonable enquiries the company cannot establish another means of paying the shareholder, the Company may cease to make payments until it has correct payment information and after twelve years the dividends are forfeited. The Company is not currently intending to change the methods for payment of dividends but believes that it is sensible to include this power for the future within the New Articles being proposed for adoption.

A copy of the existing Articles of Association and the proposed New Articles (showing all changes to the existing Articles), are available for inspection at the registered office of the Company and at 25 Cannon Street, London EC4M 5TA and will be made available for inspection at the Company's forthcoming Annual General Meeting at least 15 minutes prior to the start of the meeting and up until the close of the meeting.

The full text of the resolutions is set out in the Notice of Meeting contained on pages 61 to 64.

Recommendation: The Board considers that each of the resolutions is likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement, which forms part of this report on pages 28 to 32.

AUDITOR'S RIGHT TO INFORMATION

As required by Section 418 of the Companies Act 2006 the Directors in office as at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Auditor is unaware and each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information, and to establish that the Auditor is aware of that information.

AUDITOR'S APPOINTMENT

A resolution to reappoint Grant Thornton UK LLP as Auditor to the Company will be proposed at the forthcoming Annual General Meeting together with a resolution to authorise the Directors to determine the Auditor's remuneration.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 10 to 13. The financial position of the Company, its cash flows, liquidity position and gearing are described in the Financial Statements and Notes thereto on pages 41 to 59.

The Company's objectives, policies and processes for managing its capital, financial risk management objectives, details of financial instruments and its exposures to credit and liquidity risk are also set out in the Strategic Report on pages 10 to 13 and in Note 18 to the Financial Statements on pages 54 to 59.

The Company's assets consist mainly of securities which are readily realisable. Where outsourcing arrangements are in place, including registrar, custodian and depository services, alternative service providers are readily available. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CONTINUATION VOTE

In accordance with the Articles of Association of the Company, a continuation vote is required every five years. The next continuation vote will take place at the Annual General Meeting in 2016.

By Order of the Board
FIL Investments International
 Secretary
 7 October 2014

Corporate Governance Statement

The Company is committed to high standards of corporate governance. Accordingly, the Board has put in place a framework for corporate governance which it believes is appropriate for an investment company. This Corporate Governance Statement forms part of the Directors' Report.

ASSOCIATION OF INVESTMENT COMPANIES ("AIC") CODE

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained in the AIC Guide, addresses governance issues relevant to investment companies and enables boards to satisfy any requirements they may have under the UK Corporate Governance Code (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC guide (which incorporates the UK Code), will provide better information to shareholders. The AIC Code and the AIC Guide may be found on the AIC's website at www.theaic.co.uk.

The Board is accountable to the Company's shareholders for good governance and considers that the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code and associated disclosure requirements of the Listing Rules except as set out below. The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide and as explained in the UK Code, the Board considers that these provisions are not relevant to the Company, being an externally managed

investment company. The Company has therefore not reported further in respect of these provisions.

THE BOARD AND ITS COMMITTEES

THE BOARD

The Board of Directors has overall responsibility for the Company's affairs and for promoting the long term success of the Company. All matters which are not delegated to the Company's Manager under the Alternative Investment Fund Management and Secretarial Services Agreement (the "Management Agreement") are reserved for the Board's decision. Matters reserved for the Board include, amongst other things, decisions on strategy, management, structure, capital, share issues, share repurchases, gearing, financial reporting, risk management, investment performance, share price discount, corporate governance, the appointment of the Company Secretary and Board appointments. The Company's investment policy is detailed on page 10.

The Board currently consists of six non-executive Directors and will revert to five non-executive Directors when Hugh Bolland steps down at the conclusion of the Annual General Meeting on 9 December 2014. All the Directors are independent of the Manager. The Directors are considered to be free from any relationship which could materially interfere with the exercise of their independent judgement and all Directors are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

All Directors form the membership of the Audit Committee, the Management Engagement Committee and the Nomination Committee.

The Board considers that it meets sufficiently regularly to discharge its duties effectively and the table below gives the attendance record for the meetings held during the reporting year.

	Regular Board Meetings	Nomination Committee Meetings	Audit Committee Meetings	Management Engagement Committee Meetings
Hugh Bolland	4/4	1/1	3/3	1/1
Kate Bolsover	4/4	1/1	3/3	1/1
William Knight	3/4	1/1	2/3	1/1
Philip Smiley	4/4	1/1	3/3	1/1
Grahame Stott (appointed 24 September 2013)	4/4	1/1	3/3	1/1
Michael Warren (appointed 29 September 2014)	n/a	n/a	n/a	n/a

Figures indicate those meetings for which each Director was eligible to attend and attended in the year. Regular Board meetings exclude ad hoc meetings for formal approvals.

Corporate Governance Statement

SENIOR INDEPENDENT DIRECTOR

The Board appointed William Knight as Senior Independent Director on 3 June 2010. The Senior Independent Director fulfils the role as a sounding board for the Chairman and as intermediary for the other non-executive Directors where necessary.

BOARD COMPOSITION

The Board consists of Directors who, between them, have good knowledge and wide experience of business in Asia and of investment companies. The Directors believe that the Board has an appropriate balance of skills, experience, independence, knowledge of the Company and length of service to discharge its duties and provide effective strategic leadership and proper governance of the Company.

Biographical details of all Directors including their relevant directorships are given on page 23.

The Board ensures that it conducts its business at all times with only the interests of the shareholders in mind and independently of any other associations. It meets at least four times a year, with the Portfolio Manager in attendance. Between these meetings there is regular contact with the Manager. Other meetings are arranged as necessary. Additionally, Board Committees and sub-groups meet to pursue matters referred to them from the Board and the Chairman is in contact with the other Directors regularly without representatives of the Manager being present.

BOARD BALANCE

The Directors believe that the Board and its Committees have an appropriate balance of skills, experience, independence, knowledge of the Company and length of service and provide effective strategic leadership and proper governance of the Company. The Nomination Committee carries out its candidate search from the widest possible pool of talent against a set of objective criteria on the basis of merit, with due regard for the benefits of diversity on the Board, including gender.

CHANGES TO THE BOARD

All appointments to the Board and replacements of Directors take place in accordance with the Companies Act 2006 and the Company's Articles of Association. The Company complies with the requirements of the AIC Code in respect of appointments to the Board. The Nomination Committee is responsible for identifying possible candidates for consideration by the Board. Any proposal for the appointment of a new Director will be discussed and approved by the entire Board. External consultants may also be used to identify potential candidates.

TRAINING

Upon appointment, each Director is provided with all relevant information regarding the Company and receives training on the investment operations and administration functions of the Company, together with a summary of their duties and responsibilities. In addition, a new Director will receive an

induction, spending time with representatives of the Manager whereby he or she will become familiar with the various processes which the Manager considers necessary for the performance of his or her duties and responsibilities to the Company. The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company and the Chairman reviews and agrees development and training needs with each Director and the Senior Independent Director will do likewise for the Chairman. The Directors also receive regular briefings from, amongst others, the AIC, the Company's Auditor and the Company Secretary regarding any proposed developments or changes in law or regulations that affect the Company and/or the Directors.

ELECTION AND RE-ELECTION

The Directors of the Company are subject to annual election and re-election by the shareholders. As part of their deliberations, the Board conducts annual evaluations of each Director. The Board has a policy of reviewing the tenure of each Director annually and has agreed that an independent Director may serve for more than nine years, so long as that Director is considered by the Board to continue to be independent. The Board has a policy that a Chairman must step down after nine years in that role but may remain thereafter, an independent Director, subject to annual re-election.

The names of Directors submitted for election and re-election are accompanied by sufficient biographical details on page 23 to enable shareholders to make an informed decision. The terms and letters of appointment of Directors are available for inspection at the registered office of the Company and will be available prior to the forthcoming Annual General Meeting.

PERFORMANCE EVALUATION

A formal and rigorous annual process for the evaluation of the Board, its Committees and its Directors is in place. The process includes regular discussion and written questionnaires and if appropriate, interviews. The performance of the Chairman is evaluated by the other Directors on an annual basis. The Company Secretary and Portfolio Manager also participate in these processes to provide all-round feedback to the Board. The results of these evaluations are discussed by the Board and the process is considered to be constructive in terms of identifying areas for improving the functioning and performance of the Board and action is taken on the basis of the results.

Corporate Governance Statement

DIRECTORS' REMUNERATION

The level of Directors' fees is determined by the whole Board and therefore a separate Remuneration Committee has not been appointed. Full details of the Company's Remuneration Policy and Directors' fees are disclosed in the Directors' Remuneration Report on pages 35 and 36. Shareholdings in the Company by Directors are encouraged and the Directors' share interests are disclosed in the Directors' Remuneration Report on page 37.

THE COMPANY SECRETARY

The Company Secretary is a corporate secretary. The appointment of the Company Secretary is a matter for the Board as a whole. The Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Directors also have the ability to take independent professional advice, if necessary, at the Company's expense in furtherance of their duties.

BOARD COMMITTEES

The Board of Directors discharges certain of its corporate governance responsibilities through three Committees as set out below. Terms of reference of each Committee may be found on the Company's pages of the Manager's website (www.fidelity.co.uk/its).

THE AUDIT COMMITTEE

The Audit Committee consists of all of the Board members and is chaired by Grahame Stott as the Board believes it is appropriate for him to do so given his financial background and actuarial experience. Full details of the Company's Audit Committee have been disclosed in the Report of the Audit Committee on pages 33 and 34. The Committee's authority and duties are clearly defined in its terms of reference.

THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee consists of all the Board members and is chaired by Hugh Bolland. The Committee is charged with reviewing and monitoring the performance of the Manager, Portfolio Manager and the Secretary and ensuring that the terms of the Company's Management Agreement are competitive and reasonable for shareholders. This Committee meets at least once a year and reports to the Board, making recommendations where appropriate.

Details of the Management Agreement are set out in the Directors' Report on page 24.

The criteria which are taken into consideration in reviewing the performance of the Manager is set out below:

- Quality of the team – the skills and particularly the experience of the team involved in managing all aspects of the Company's business;
- Commitment of the Manager to the investment trust business generally and to the Company in particular;

- Managing the Company – in running and controlling the administration, the accounting and the company secretarial function of the Company;
- Investment management – portfolio management skills, experience and track record and other investment related considerations;
- Shareholders – shareholder consciousness and relations, discount management and commitment to the Company's goals;
- Management Agreement – consideration of fees, notice period and duties; and
- Marketing – commitment to and execution of activities designed to secure sustainable demand from prospective long term shareholders.

The Committee met on 11 June 2014 and reviewed the performance of the Manager. The Committee noted the Company's good long term performance record and the commitment, quality and continuity of the team which was responsible for the Company. The Committee concluded that it was in the interests of shareholders that the appointment of the Manager should continue.

THE NOMINATION COMMITTEE

The Nomination Committee consists of all the Board members and is chaired by Hugh Bolland as it is considered that he has the requisite experience to do so.

There is a formal and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee carries out its candidate search against a set of objective criteria, with due regard for the benefits of diversity on the Board, including gender. New Directors are appointed on the basis of merit and this process has led to a diverse Board membership.

The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference and is responsible, amongst other things, for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies taking into account the need to maintain a balanced Board. All the Directors on the Committee vote on the recommendation of candidates for appointment as new independent Directors. However, the final decision is taken by the Board as a whole. Care is taken to ensure that appointees have enough time to devote to the role.

External consultants may be used to identify future potential candidates. However, the Board currently feels that due to the nature of the Company's business they have access to a sufficiently wide pool of candidates not to use external consultants. The Committee also considers whether Directors should be recommended for reappointment by shareholders.

Corporate Governance Statement

Letters of appointment, which specify the terms of appointment, are issued to new Directors on appointment and include details of the time commitment required and expected duration of appointment. The terms and conditions of appointment of Directors are available for inspection at the registered office of the Company and will be available prior to the forthcoming Annual General Meeting.

The Committee met on 29 September 2014 to consider the performance and contribution to the Company of each Director and concluded that in each case they have been effective and that they continue to demonstrate commitment to their roles. Accordingly, the Committee has recommended their continued service and this has been endorsed by the Board as a whole which recommends the appointment and reappointment of the full Board at the forthcoming Annual General Meeting to shareholders.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

Set out on page 38 is a statement by the Directors of their responsibilities in respect of the preparation of the Annual Report and Financial Statements. The Auditor has set out its reporting responsibilities within the Independent Auditor's Report on pages 39 and 40. The Board has a responsibility to present a balanced and clear assessment of annual, half-yearly, other price sensitive public reports and reports to regulators, as well as to provide information required to be presented by statutory requirements. All such reports are reviewed and approved by the Board prior to their issue to ensure that this responsibility is fulfilled.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Company's systems of risk management and internal control and for reviewing their effectiveness. The identification, control and evaluation of risk is assessed quarterly and a regular internal controls report is provided by the Manager. The systems of risk management and internal control are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has contractually delegated to external agencies, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the day-to-day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered including the control systems in operation in so far as they relate to the affairs of the Company.

The Board, assisted by the Manager, has undertaken regular risk and controls assessments. The business risks have been analysed and recorded in a risk and internal controls report which is regularly reviewed. The Board has reviewed the need for an internal audit function. The Board has decided that the

systems and procedures employed by the Manager, including their internal audit function and the work carried out by the Company's external Auditor, provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

The Audit Committee has received and reviewed the report on the effectiveness of the internal controls maintained on behalf of the Company and meets the Manager's Internal Audit representative at least three times a year. The Chairman of the Audit Committee has direct access to the Manager's Head of Internal Audit and vice versa. The Board also receives each year from the Manager a report on their internal controls which includes a report from the Manager's reporting accountants on the control procedures in operation around the investment management and administration processes.

By means of the procedures set out above and in accordance with the Financial Reporting Council's "Internal Control: Revised Guidance for Directors", the Directors have established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and have reviewed the effectiveness of the risk management and internal control systems throughout the year ended 31 July 2014. This process continued to be in place up to the date of the approval of these Financial Statements and is expected to remain in place for the coming year.

WHISTLE-BLOWING PROCEDURE

Part of the Manager's role in ensuring the provision of a good service pursuant to the Management Agreements includes the ability for employees of Fidelity to raise concerns through a workplace concerns escalation policy (or "whistle-blowing procedure"). Fidelity has advised the Board that it is committed to providing the highest level of service to its customers and to applying the highest standards of quality, honesty, integrity and probity. The aim of the policy is to encourage employees and others working for Fidelity to assist the Company in tackling fraud, corruption and other malpractice within the organisation and in setting standards of ethical conduct. This policy has been endorsed accordingly.

BRIBERY ACT 2010

The Company is committed to carrying out business fairly, honestly and openly. The Board recognises the benefits this has to reputation and business confidence. The Board, the Manager, the Manager's employees and others acting on the Company's behalf, are expected to demonstrate high standards of behaviour when conducting business.

The Board acknowledges its responsibility for the implementation and oversight of the Company's procedures for preventing bribery, and the governance framework for training, communication, monitoring, reporting and escalation of compliance together with enforcing action as appropriate. The Board has adopted a zero tolerance policy in this regard.

Corporate Governance Statement

RESPONSIBILITY AS AN INSTITUTIONAL SHAREHOLDER

The Board has adopted the Manager's Principles of Ownership in relation to investments. These Principles include the pursuit of an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining a continuing dialogue with the management of investee companies. The Manager, in its Principles of Ownership, expressly declares that it supports the Financial Reporting Council's Stewardship Code setting out the responsibilities of institutional shareholders and agents. Further details of the Manager's Principles of Ownership and voting may be found at www.fidelity.co.uk.

RELATIONS WITH SHAREHOLDERS

The Chairman is responsible for ensuring that all Directors are made aware of shareholders' concerns and the Chairman, the Senior Independent Director and other Directors are available to meet with major shareholders to discuss strategy and governance. The Board regularly monitors the shareholder profile of the Company and liaises with the Manager and the Company's broker to canvass shareholder opinion and communicate its views to shareholders. The Board aims to provide the maximum opportunity for dialogue between the Company and shareholders. It believes that the Company's institutional shareholders have proper access to the Manager at any time and to the Board if they so wish. If any shareholder wishes to contact a member of the Board directly they should contact the Company Secretary whose details are given on page 68.

All shareholders are encouraged to attend the Annual General Meeting at which there will be a presentation of the year's results by John Lo. There will be an opportunity to meet the Portfolio Manager, representatives of the Manager and the Board. The Board is looking forward to having the opportunity to speak to shareholders.

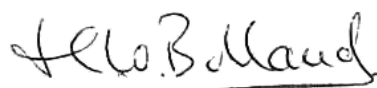
The proxy voting results will be disclosed in the Company's page of the Manager's website (www.fidelity.co.uk/its).

The Notice of Meeting on pages 61 and 62 sets out the business of the Annual General Meeting. A separate resolution is proposed on each substantially separate issue including the Annual Report and Financial Statements. The Chairman and the other members of the Board will be available to answer questions at the Annual General Meeting. The Notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the Meeting.

THE COMPANY'S ARTICLES OF ASSOCIATION

At the Annual General Meeting a special resolution shall be proposed to alter the Company's Articles of Association. Further details of the proposed changes can be found in the Directors' Report on pages 26 and 27.

On behalf of the Board



Mr Hugh Bolland

Chairman

7 October 2014

Report of the Audit Committee

As Chairman of the Audit Committee ("Committee") I am pleased to present the first formal report of the Committee to shareholders on the role and responsibilities and the effectiveness of the external audit process and how this has been assessed for the year ended 31 July 2014.

COMPOSITION

The Committee is chaired by me and consists of all of the Directors. Mr Bolland is a member of the Committee because the Board believes it to be appropriate for all Directors to have such responsibility. The Committee considers that collectively its members have sufficient recent and relevant financial experience to discharge their responsibilities fully.

ROLE AND RESPONSIBILITIES

The Committee's authority and duties are clearly defined in its terms of reference which are available on the Company's pages of the Manager's website (www.fidelity.co.uk/its). These duties include:

- Discussing with the Company's independent Auditor the nature and scope of the audit and reviewing the independent Auditor's quality control procedures, reviewing and monitoring the effectiveness of the audit process and the Auditor's independence and objectivity with particular regard to the provision of non-audit services, taking into consideration relevant UK professional and regulatory requirements and by seeking appropriate disclosures and comfort from the Auditor;
- Reviewing the provision of any non-audit services which is subject to prior Board approval. No work other than audit

was carried out by the Company's independent Auditor during the year;

- Responsibility for making recommendations on the appointment, reappointment and removal of the Company's independent Auditor;
- Considering the scope of work undertaken by the Manager's internal audit department; reviewing the Company's procedures for detecting fraud; and reviewing the effectiveness of the internal control system (including financial, operational and compliance controls and risk management);
- Monitoring the integrity of the financial statements of the Company and reviewing the half-yearly and annual financial statements of the Company prior to their submission to the Board for approval to ensure they are fair, balanced and understandable;
- Reviewing corporate governance issues, the existence and performance of all controls operating in the Company (including the adherence to Sections 1158 and 1159 of the Corporation Tax Act 2010 status); and
- Reviewing the relationship with and the performance of third party service providers (such as the registrars, custodians and depositaries) and the risks associated with audit firms withdrawing from the market which is considered in the Committee's risk evaluation and planning.

MEETINGS AND BUSINESS

The Committee, which consists of all the Board members, met three times during the reporting year and once with the Company's independent Auditor. Attendance by each Director is shown in the table on page 28.

The following matters were dealt with at these meetings:

September 2013	• Review of the Company's risk management and internal controls framework • Consideration of the Auditor's findings • Review of the Auditor's performance and independence • Review of compliance with Corporate Governance and regulatory requirements • Review of the Annual Report and Financial Statements and recommendation of its approval to the Board • Review of the Going Concern statement • Recommendation of the final dividend payment to the Board • Review of the Committee's Terms of Reference
March 2014	• Review of the Company's risk management and internal controls framework • Review of the risk associated with cybercrime • Review of the Half-Yearly Report and Financial Statements and recommendation of its approval to the Board • Review of new regulatory changes and new reporting requirements • Review of the Committee's Terms of Reference
June 2014	• Review of the Company's risk management and internal controls framework • Review of the Auditor's engagement letter and audit plan for the Company's year ending 31 July 2014 • Review of new reporting requirements • Review of the Committee's Terms of Reference

Report of the Audit Committee

ANNUAL REPORT AND FINANCIAL STATEMENTS

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors' Responsibilities is on page 38. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements and any issues which may arise and on any specific areas which require judgement.

In respect of these Financial Statements, the Committee considered certain significant issues and how they were addressed.

Recognition of Investment Income	The recognition of investment income is undertaken in accordance with accounting policy Note 1(b) on page 45. The Audit Committee satisfied itself that adequate systems are in place for properly recording all of the Company's investment income and that this area was appropriately tested by the Company's independent Auditor.
Valuation, existence and ownership of investments (including derivatives)	The valuation of investments (including derivatives) is in accordance with accounting policy Notes 1(g) and 1(h) on pages 45 and 46. The Audit Committee satisfied itself that the Company's Independent Auditor has verified the valuation of investments and derivatives by reference to independent sources and has also confirmed the existence and ownership of the investments with the Company's independent Custodian and that of the derivatives with the Company's counterparty.
Compliance with Sections 1158 and 1159 of the Corporation Tax Act 2010	Approval for the Company to carry on business as an investment trust has been obtained, subject to the Company continuing to meet eligibility criteria. The ongoing compliance with the eligibility criteria is monitored on a regular basis with the help and guidance of the Company's service providers or advisers.
Principal Risks and Uncertainties	The Audit Committee reviews the principal risks and uncertainties facing the Company and evaluates them according to the likelihood of the risk occurring and the impact the risk may have on the Company. Further details can be found on pages 12 and 13.

APPOINTMENT OF THE EXTERNAL AUDITOR

Grant Thornton UK LLP act as the Company's independent Auditor. The Committee reviewed the independence of the Auditor and the effectiveness of the audit process prior to recommending their reappointment to the Board and prior to the Board's proposal to reappoint Grant Thornton at the forthcoming Annual General Meeting.

With regard to the independence of the Auditor, the Committee reviewed:

- the personnel in the audit plan for the year;
- the Auditor's arrangements for any conflicts of interest;
- the extent of any non-audit services; and
- the statement by the Auditor that they remain independent within the meaning of the regulations and their professional standards.

With regard to the effectiveness of the audit process, the Committee reviewed:

- the fulfilment by the Auditor of the agreed audit plan;
- the audit report issued by the Auditor on the audit of the Annual Report and Financial Statements for the year ending 31 July 2014; and
- feedback from the Manager.

The last review of alternative audit service providers took place in 2006 resulting in a change of audit firm. The Auditor's continued appointment is reviewed each year. The Company's audit partner cannot act for more than 5 years. Julian Bartlett became the Company's audit partner for the year ended 31 July 2012. There are no contractual obligations that restrict the Committee's choice of Auditor.

Mr Grahame Stott

Chairman of the Audit Committee
7 October 2014

Directors' Remuneration Report

CHAIRMAN'S STATEMENT

The Directors' Remuneration Report for the year ended 31 July 2014 has been prepared in accordance with Section 421 of the Companies Act 2006, the Large & Medium-sized Companies & Groups (Accounts & Reports) (Amendment) Regulations 2013 and the Enterprise & Regulatory Reform Act 2013. Ordinary resolutions to approve both the Remuneration Policy and the Directors' Remuneration Report will be put to shareholders for their consideration at the Annual General Meeting to be held on 9 December 2014. The Company's independent Auditor is required to audit certain sections of this report and where such disclosures have been audited, the specific section has been indicated as such. The independent Auditor's opinion is included in its report on pages 39 and 40.

The level of Directors' fees is determined by the whole Board within the limit set out in the Articles of Association. As the Board is comprised entirely of non-executive Directors and has no employees, many parts of the Large & Medium-sized Companies & Groups (Accounts & Reports) (Amendment) Regulations 2013, in particular those relating to Chief Executive Officer pay and employee pay, do not apply and are therefore not disclosed in this report.

DIRECTORS' FEE REVIEW

The Board's fees were increased with effect from 24 September 2013 to: Chairman: £29,000; Chairman of the Audit Committee: £24,000; and Directors: £22,000. Prior to this, the level of fees paid to the Directors was last reviewed on 22 September 2010 at which point the fees were Chairman: £26,000; Chairman of the Audit Committee: £22,000; and Directors: £20,000. The review of the Board's fees was based on information provided by the Company's Manager, Fidelity, and research which included reference to the fees of other similar investment trusts.

THE REMUNERATION POLICY

The Remuneration Policy is subject to a binding vote, in the form of an ordinary resolution at every third Annual General Meeting. A binding vote means that if it is not successful the Board will be obliged to revise the policy and seek further shareholder approval at a General Meeting specially convened for that purpose. The current policy is set out below.

The Company's Articles of Association limit the aggregate fees payable to each Director to £50,000 per annum. Subject to this overall limit, it is the Board's policy to determine the level of Directors' fees having regard to the time spent by them on the Company's affairs; the level of fees payable to non-executive directors in the industry generally; the requirement to attract and retain individuals with suitable knowledge and experience; and the role individual Directors fulfil. Other than fees, the Directors are not eligible for any performance related pay or benefits, pension related benefits, share options, long term incentive schemes or other taxable benefits. No other payments are made to Directors other than reasonable out-of-pocket expenses which have been incurred as a result of attending to the affairs of the

Company. The Directors are not entitled to exit payments and are not provided with any compensation for loss of office.

The level of Directors' fees is determined by the whole Board. Directors do not vote on their own fees. The Board reviews the Company's Remuneration Policy and implementation on an annual basis. Reviews are based on information provided by the Company's Manager and research from third parties and it includes information on the fees of other similar investment trusts.

No Director has a service contract with the Company. New Directors are provided with a letter of appointment which, amongst other things, provides that their appointment is subject to the Companies Act 2006 and the Company's Articles of Association. Copies of the Directors' letters of appointment are available at each of the Company's Annual General Meetings and can be obtained from the Company's registered office.

In common with most investment trusts there is no Chief Executive Officer and no employees.

The opinion of shareholders has not been sought in preparing the Remuneration Policy and no communication has been received from shareholders with regard to the Company's Remuneration Policy or Directors' fees.

The Company's Remuneration Policy will apply to new Board members, who will be paid at the same level as current Directors.

This policy has been followed throughout the year under review but will be formalised for the first time at the Company's forthcoming Annual General Meeting to be held on 9 December 2014 and it will take effect from that date.

REPORT ON THE IMPLEMENTATION OF THE REMUNERATION POLICY

This refers to the way in which the Remuneration Policy has been implemented during the year ended 31 July 2014. The Directors' Remuneration Report will be put to shareholders by way of an ordinary resolution at each Annual General Meeting. This is a non-binding 'advisory' resolution. In the event that shareholders vote against the resolution, the Board will be required to put its Remuneration Policy for shareholder approval at the next Annual General Meeting, regardless of whether the Remuneration Policy was approved by shareholders within the last three years.

Voting at the Company's last Annual General Meeting

At the Annual General Meeting held on 29 November 2013, 98.93% of votes were cast in favour (or granted discretion to the Chairman of the meeting who cast them in favour) of the Directors' Remuneration Report for the year ended 31 July 2013, 0.65% of votes were cast against and 0.42% of votes were withheld. At the Annual General Meeting to be held on 9 December 2014, for the first time, the Company's Remuneration Policy and the Directors' Remuneration Report will be put to shareholders and the votes cast at that meeting with regard

Directors' Remuneration Report

to the two new resolutions will be released to the market via a regulatory news service provider and disclosed in the Directors' Remuneration Report for the year to 31 July 2015 and on the Company's website.

Single Total Figure of Remuneration

The single total aggregate Directors' remuneration for the year under review was £122,000 (2013: £108,000). Information on individual Directors' fees is shown below.

Remuneration of Directors	2015 Projected Fees (£)	2014 Fees (£) (Audited)	2013 Fees (£) (Audited)
Hugh Bolland ¹	10,000	28,000	26,000
Kate Bolsover ²	27,000	22,000	22,000
William Knight	22,000	22,000	20,000
Kathryn Matthews ³	n/a	8,000	20,000
Philip Smiley	22,000	22,000	20,000
Grahame Stott ⁴	24,000	20,000	n/a
Michael Warren ⁵	18,000	n/a	n/a
Total	123,000	122,000	108,000

¹ Retires on 9 December 2014

² To be appointed as Chairman on 9 December 2014

³ Retired on 29 November 2013

⁴ Appointed on 24 September 2013

⁵ Appointed 29 September 2014

Directors' fees are paid monthly in arrears. Directors do not serve a notice period if their appointment were to be terminated.

Expenditure on Remuneration and Distributions to Shareholders

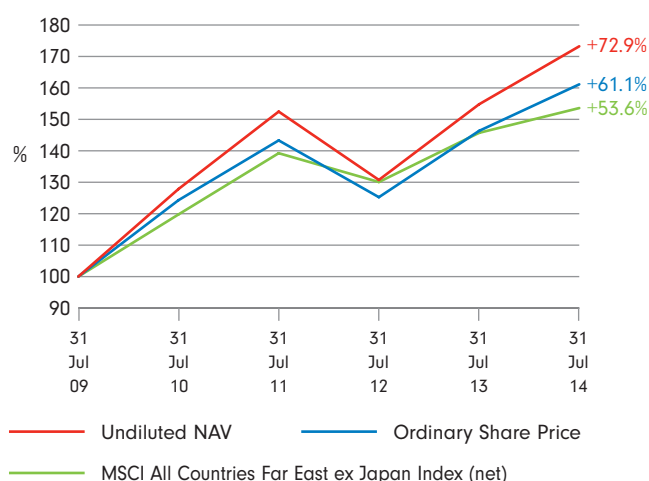
The table below shows the total amount paid out in remuneration and distribution to shareholders for the financial years 31 July 2014 and 31 July 2013.

	31 July 2014 £	31 July 2013 £
Expenditure on Remuneration:		
Aggregate of Directors' Fees	122,000	108,000
Distribution to Shareholders:		
Dividend payments	744,000	596,000
Shares repurchased	400,000	6,964,000

Performance

The Company's investment objective is to achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan). The Company's performance is measured against the return of the MSCI All Countries Far East Free ex Japan Index (net) (in UK sterling terms) as this is the most appropriate in respect of its asset allocation. The graph opposite shows performance over five years to 31 July 2014.

Performance from 1 August 2009 to 31 July 2014 (on a total return basis)



Prices rebased to 100

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Directors' Remuneration Report

Directors' Interest in Ordinary Shares

Whilst there is no requirement for the Directors to hold shares in the Company, shareholdings by Directors is encouraged. The Directors' holdings in the ordinary shares of the Company are shown below. All of the Directors' shareholdings are beneficial.

Directors' Shareholdings (Audited)

	31 July 2014	31 July 2013	Change during year
Hugh Bolland	19,500	19,500	-
Kate Bolsover ¹	3,439	3,385	54
William Knight	3,960	3,960	-
Kathryn Matthews ²	n/a	2,000	-
Philip Smiley	2,500	2,500	-
Grahame Stott ³	20,000	nil	20,000
Michael Warren ⁴	n/a	n/a	-

¹ Dividend re-investment

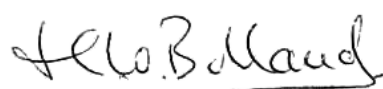
² Retired 29 November 2013

³ Purchase of ordinary shares

⁴ Appointed 29 September 2014

The Directors' shareholdings remain unchanged as at the date of this report.

On behalf of the Board



Mr Hugh Bolland

Chairman

7 October 2014

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 period. Under that law they have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice.

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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business; and
- confirm, to the extent possible, that the Financial Statements are fair, balanced and understandable.

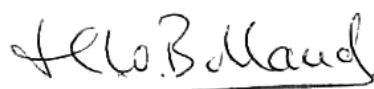
The Directors are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 www.fidelity.co.uk/its 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.

We confirm that to the best of our 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 or loss of the Company; and the Strategic Report and Directors' Report include 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. We confirm that we consider the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Approved by the Board on 7 October 2014 and signed on its behalf.



Mr Hugh Bolland
Chairman

Independent Auditor's Report to the Members of Fidelity Asian Values PLC

We have audited the financial statements of Fidelity Asian Values PLC (the 'Company') for the year ended 31 July 2014 which comprise the income statement, the reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 38, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

AUDITOR COMMENTARY

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third-party service providers, and inspecting records and documents held by the Company and third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a

misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £1,730,000, which is 1% of the Company's net assets. For the revenue column of the income statement we determined that misstatements of a lesser amount than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by a misstatement or omission. Accordingly, we established materiality for the revenue column of the income statement to be £432,500.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £86,500. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, account balances or disclosures.

Valuation and existence of investments

The Company's business is investing principally in the stock markets of the Asian region (excluding Japan) with a view to achieving long-term capital growth. Accordingly, the investment portfolio, which includes both listed equity investments and Contracts for Differences ("CFDs"), is a significant material item in the financial statements. We therefore identified the valuation and existence of the investment portfolio as a risk that requires particular audit attention.

Our audit work included, but was not restricted to, obtaining an understanding of management's processes for recognising and measuring the fair value of the investment portfolio in order to confirm compliance with relevant accounting standards, and verification of the existence of those investments.

We agreed the valuation of all listed equity investments to an independent source of market prices and we agreed the valuation of CFDs by agreeing the contract price to the report from the independent custodian and the settlement price to an independent source of market prices. We obtained confirmation of the existence of listed equity investments and CFDs held at the year-end directly from the independent custodian, tested the reconciliation of the custodian records to the records maintained by the Company's administrator, and tested a sample of listed equity investment and CFD additions and disposals shown in the Company's records to supporting documentation.

Independent Auditor's Report to the Members of Fidelity Asian Values PLC

The Company's accounting policy on the valuation of investments is included in Note 1, and its disclosures about investments held at the year-end are included in Notes 9 and 10.

Recognition of income from investments

Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, we identified the recognition of revenue from investments as a risk that requires particular audit attention.

Our audit work included, but was not restricted to: assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'; obtaining an understanding of management's process for recognising revenue in accordance with the stated accounting policy; testing whether a sample of revenue transactions has been recognised in accordance with the policy; and for a sample of investments held in the period confirming that revenue that should have been received has been received and recorded, and assessing whether any of the dividends should have been treated as capital receipts.

The Company's accounting policy on the recognition of revenue from investments and the components of that revenue are included in Notes 1 and 2.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2014 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OTHER REPORTING RESPONSIBILITIES

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable, and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 27, in relation to going concern, and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Julian Bartlett

(Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 October 2014

Income Statement for the year ended 31 July 2014

	Notes	revenue £'000	2014 capital £'000	total £'000	revenue £'000	2013 capital £'000	total £'000
Gains on investments designated at fair value through profit or loss	9	-	15,131	15,131	-	24,955	24,955
Gains/(losses) on derivative instruments held at fair value through profit or loss	10	-	3,147	3,147	-	(1,140)	(1,140)
Income	2	3,332	-	3,332	2,981	-	2,981
Investment management fee	3	(1,805)	-	(1,805)	(1,485)	-	(1,485)
Other expenses	4	(588)	-	(588)	(592)	-	(592)
Exchange (losses)/gains on other net assets		(62)	(349)	(411)	(35)	299	264
Exchange losses on bank loans		-	-	-	-	(312)	(312)
Net return on ordinary activities before finance costs and taxation		<u>877</u>	<u>17,929</u>	<u>18,806</u>	<u>869</u>	<u>23,802</u>	<u>24,671</u>
Finance costs	5	<u>(103)</u>	<u>-</u>	<u>(103)</u>	<u>(135)</u>	<u>-</u>	<u>(135)</u>
Net return on ordinary activities before taxation		<u>774</u>	<u>17,929</u>	<u>18,703</u>	<u>734</u>	<u>23,802</u>	<u>24,536</u>
Taxation on return on ordinary activities	6	<u>(5)</u>	<u>(621)</u>	<u>(626)</u>	<u>(109)</u>	<u>-</u>	<u>(109)</u>
Net return on ordinary activities after taxation for the year		<u>769</u>	<u>17,308</u>	<u>18,077</u>	<u>625</u>	<u>23,802</u>	<u>24,427</u>
Return per ordinary share	7						
Basic		1.14p	25.62p	26.76p	1.05p	40.01p	41.06p
Diluted		<u>1.14p</u>	<u>25.62p</u>	<u>26.76p</u>	<u>1.05p</u>	<u>39.99p</u>	<u>41.04p</u>

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement. The total column of the Income Statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The Notes on pages 45 to 59 form an integral part of these Financial Statements

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 July 2014

	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 equity £'000
Opening shareholders' funds:									
1 August 2012		14,981	1,218	2,224	7,367	15,977	73,992	1,325	117,084
Exercise of rights attached to subscription shares and conversion into ordinary shares	13	(1)	-	1	-	-	-	-	-
Issue of ordinary shares on exercise of rights attached to subscription shares	13	2,864	19,014	-	-	-	-	-	21,878
Repurchase of ordinary shares	13	(924)	-	924	-	(6,964)	-	-	(6,964)
Net return on ordinary activities after taxation for the year		-	-	-	-	-	23,802	625	24,427
Dividend paid to shareholders	8	-	-	-	-	-	-	(596)	(596)
Closing shareholders' funds:									
31 July 2013		16,920	20,232	3,149	7,367	9,013	97,794	1,354	155,829
Repurchase of ordinary shares	13	(48)	-	48	-	(400)	-	-	(400)
Net return on ordinary activities after taxation for the year		-	-	-	-	-	17,308	769	18,077
Dividend paid to shareholders	8	-	-	-	-	-	-	(744)	(744)
Closing shareholders' funds:									
31 July 2014		16,872	20,232	3,197	7,367	8,613	115,102	1,379	172,762

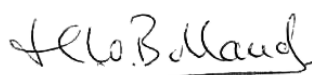
The Notes on pages 45 to 59 form an integral part of these Financial Statements.

Balance Sheet

as at 31 July 2014
Company number 3183919

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	169,880	151,273
Current assets			
Derivative assets held at fair value through profit or loss	10	2,617	736
Debtors	11	836	1,217
Amounts held in margin accounts		-	856
Cash at bank		1,436	4,220
		4,889	7,029
Creditors			
Derivative liabilities held at fair value through profit or loss	10	(609)	(1,604)
Other creditors	12	(1,398)	(869)
		(2,007)	(2,473)
Net current assets		2,882	4,556
Total net assets		172,762	155,829
Capital and reserves			
Share capital	13	16,872	16,920
Share premium account	14	20,232	20,232
Capital redemption reserve	14	3,197	3,149
Other non-distributable reserve	14	7,367	7,367
Other reserve	14	8,613	9,013
Capital reserve	14	115,102	97,794
Revenue reserve	14	1,379	1,354
Total equity shareholders' funds		172,762	155,829
Net asset value per ordinary share	15	255.99p	230.24p

The Financial Statements on pages 41 to 59 were approved by the Board of Directors on 7 October 2014 and were signed on its behalf by:



Hugh Bolland
Chairman

Cash Flow Statement

for the year ended 31 July 2014

	Notes	year ended 2014 £'000	year ended 2013 £'000
Operating activities			
Investment income received		2,897	2,293
Income received from long CFDs		185	44
Investment management fees paid		(1,785)	(1,451)
Directors' fees paid		(121)	(128)
Other cash payments		(482)	(457)
Net cash inflow from operating activities	16	<u>694</u>	<u>301</u>
Servicing of finance			
Interest paid on long CFDs and bank loans		(102)	(166)
Net cash outflow from servicing of finance		<u>(102)</u>	<u>(166)</u>
Taxation			
Overseas capital gains tax paid		(271)	-
Net cash outflow from taxation		<u>(271)</u>	<u>-</u>
Financial investments			
Purchase of investments		(118,100)	(113,823)
Disposal of investments		115,361	110,751
Net cash outflow from financial investments		<u>(2,739)</u>	<u>(3,072)</u>
Derivative activities			
Receipts/(payments) on long CFD positions closed		271	(272)
Movements on amounts held at in margin accounts		856	(856)
Net cash inflow/(outflow) from derivative activities		<u>1,127</u>	<u>(1,128)</u>
Dividend paid to shareholders		<u>(744)</u>	<u>(596)</u>
Net cash outflow before financing		<u>(2,035)</u>	<u>(4,661)</u>
Financing			
Repurchase of ordinary shares		(400)	(7,190)
Exercise of rights attached to subscription shares		-	21,878
Net cash outflow from bank loans repaid		-	(9,875)
Net cash (outflow)/inflow from financing		<u>(400)</u>	<u>4,813</u>
(Decrease)/increase in cash	17	<u>(2,435)</u>	<u>152</u>

The Notes on pages 45 to 59 form an integral part of these Financial Statements .

Notes to the Financial Statements

1 ACCOUNTING POLICIES

The Company has prepared its Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and 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 January 2009.

a) Basis of accounting – The Financial Statements have been prepared on a going concern basis, under the historical cost convention, except for the measurement at fair value of fixed asset investments and derivative assets and liabilities, and on the assumption that approval as an investment trust continues to be granted by HM Revenue & Customs.

b) Income – Income from equity investments is credited to the Income Statement on the date on which the right to receive the payment is established. Overseas dividends are stated gross of withholding tax. UK dividends are stated at the amount actually receivable, which is net of the attached tax credit. Interest receivable on short term deposits is credited on an accruals basis. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the 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 dividend foregone is recognised in the capital column of the Income Statement. Derivative income from dividends on long contracts for difference ("CFDs") is included in 'Income' and recognised in the revenue column of the Income Statement.

c) Special dividends – Special dividends are treated as a capital receipt or a revenue receipt depending on the facts and circumstances of each particular case.

d) Expenses and finance costs – All expenses are accounted for on an accruals basis and are charged in full to the revenue column of the Income Statement. Finance costs are accounted for using the effective interest method and in accordance with the provisions of Financial Reporting Standard 26 "Financial Instruments: Recognition and Measurement".

e) Taxation – Irrecoverable overseas withholding tax suffered is recognised at the same time as the income to which it relates. Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed, at the Balance Sheet date, and where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax, have occurred. A deferred taxation asset is recognised when it is more likely than not that the asset will be recoverable.

f) Foreign currency – The Directors, having regard to the currency of the Company's share capital and the predominant currency in which its investors operate, have determined the functional currency to be UK sterling. Transactions denominated in foreign currencies are calculated in UK sterling at the rate of exchange ruling as at the date of transactions. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. All capital gains and losses, including exchange differences on the translation of foreign currency assets and liabilities, are dealt with in the capital column of the Income Statement.

g) Valuation of investments – The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets 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. Accordingly, upon initial recognition the investments are designated by the Company as "at fair value through profit or loss". They are included initially at fair value, which is taken to be their cost, and subsequently the investments are valued at fair value, which is 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; and
- Unlisted investments, where there is not an active market, are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the Balance Sheet date.

In accordance with the AIC SORP the Company includes transaction costs, incidental to the purchase or sale of investments, within gains on investments and has disclosed them in Note 9 on page 50.

Notes to the Financial Statements

1 ACCOUNTING POLICIES *continued*

h) Derivative instruments – The Company has obtained exposure to Asian equities through the use of long CFDs. The gearing level is monitored and reviewed by the Board on an ongoing basis. CFDs are measured at fair value which is the difference between the settlement price of the contract and the fair value of the underlying shares in the contract, which is calculated in accordance with policy 1(g). All gains and losses in the fair value of CFDs are included in the ‘gains/(losses) on derivative instruments held at fair value through profit or loss’ in the capital column of the Income Statement. Income received from dividends on CFDs is included in ‘income’ in the revenue column on the Income Statement and the finance costs of these contracts are included in ‘Finance costs’ in the revenue column of the Income Statement.

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

- Gains and losses on the disposal of investments and derivative instruments;
- Changes in the fair value of the 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; and
- Taxation payable which is capital in nature.

As a result of technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 01/10 “Distributable Profits”, changes in fair value of investments which are readily convertible to cash, without accepting adverse terms at the Balance Sheet date, can be treated as realised. In accordance with the SORP, capital reserves realised and unrealised are shown in aggregate as ‘capital reserve’ in the Reconciliation of Movements in Shareholders’ Funds and the Balance Sheet. At the Balance Sheet date all investments held by the Company were listed on a recognised stock exchange and were considered to be readily convertible to cash.

j) Dividends – In accordance with Financial Reporting Standard 21: “Events after the Balance Sheet Date” dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

	2014 £'000	2013 £'000
2 INCOME		
Income from investments		
Overseas dividends	2,996	2,703
Overseas scrip dividends	148	234
Overseas interest	2	–
	<u>3,146</u>	<u>2,937</u>
Income from derivative instruments		
Dividends from long CFDs	185	44
Other income		
Deposit income	1	–
Total income	<u>3,332</u>	<u>2,981</u>

Notes to the Financial Statements

	2014 £'000	2013 £'000
3 INVESTMENT MANAGEMENT FEE		
Investment management fee	1,805	1,485

A summary of the terms of the Management Agreement is given in the Directors' Report on page 24.

	2014 £'000	2013 £'000
4 OTHER EXPENSES		
AIC fees	14	13
Custody and depositary fees	87	62
Directors' expenses	26	20
Directors' fees*	122	108
Legal and professional fees	86	84
Marketing expenses	88	88
Printing and publication expenses	53	65
Registrars' fees	36	55
Fees payable to the Company's Auditor for audit services	24	20
Other expenses	52	50
Costs associated with the exercise of the subscription shares	–	27
	<u>588</u>	<u>592</u>

*Details of the breakdown of Directors' fees are disclosed in the Directors' Remuneration Report on page 36.

	2014 £'000	2013 £'000
5 FINANCE COSTS		
Interest paid on long CFDs	103	36
Interest paid on bank loans	–	99
	<u>103</u>	<u>135</u>

Notes to the Financial Statements

	revenue £'000	2014 capital £'000	total £'000	revenue £'000	2013 capital £'000	total £'000
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6 TAXATION ON RETURN ON ORDINARY ACTIVITIES

a) Analysis of the taxation charge for the year

Taxation on overseas dividends	5	-	5	109	-	109
Taxation on Indian capital gains	-	621	621	-	-	-
Total current taxation for the year (see Note 6b)	5	621	626	109	-	109

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 of 22.33% (2013: 23.67%). A reconciliation of the taxation charge based on the standard rate of UK corporation tax to the actual taxation charge is shown below:

	revenue £'000	2014 capital £'000	total £'000	revenue £'000	2013 capital £'000	total £'000
Return on ordinary activities before taxation	774	17,929	18,703	734	23,802	24,536
Return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 22.33% (2013: 23.67%)	173	4,004	4,177	174	5,634	5,808
Effects of:						
Gains on investments not taxable*	-	(4,004)	(4,004)	-	(5,634)	(5,634)
Income not taxable	(636)	-	(636)	(654)	-	(654)
Excess management expenses	469	-	469	484	-	484
Overseas taxation expensed	(6)	-	(6)	(4)	-	(4)
Overseas taxation suffered	5	-	5	109	-	109
Overseas capital gains tax charge	-	621	621	-	-	-
Current taxation charge (Note 6a)	5	621	626	109	-	109

*Investment trust companies are exempt from taxation on capital gains if they meet the HM Revenue & Customs criteria set out in Section 1159 Corporation Taxes Act 2010.

c) Deferred taxation

There are excess management expenses of £9,343,000 (2013: £7,241,000) and excess loan relationship deficits of £2,605,000 (2013: £2,615,000) which could constitute a deferred taxation asset. It is unlikely that this deferred taxation asset will be utilised in the future and therefore it has not been recognised in these Financial Statements.

Notes to the Financial Statements

	revenue	2014 capital	total	revenue	2013 capital	total
7 RETURN PER ORDINARY SHARE						
Basic return per ordinary share – pence	1.14	25.62	26.76	1.05	40.01	41.06
Diluted return per ordinary share – pence	1.14	25.62	26.76	1.05	39.99	41.04
Net return on ordinary activities after taxation for the year – £'000s	769	17,308	18,077	625	23,802	24,427

The basic return per ordinary share is based on 67,568,925 ordinary shares (2013: 59,496,253) being the weighted average number of ordinary shares in issue during the year.

There was no dilution for the year ended 31 July 2014 because all the rights attached to subscription shares were exercised in the year ended 31 July 2013.

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

	2014 £'000	2013 £'000
8 DIVIDENDS		
Dividend paid		
Dividend of 1.10 pence per ordinary share paid for the year ended 31 July 2013	744	–
Dividend of 1.00 pence per ordinary share paid for the year ended 31 July 2012	–	596
	<u>744</u>	<u>596</u>
Dividend proposed		
Dividend proposed of 1.10 pence per ordinary share payable for the year ended 31 July 2014 (based on the number of shares in issue at the date of this report)	742	–
Dividend proposed of 1.10 pence per ordinary share payable for the year ended 31 July 2013	–	744
	<u>742</u>	<u>744</u>

The Directors propose the payment of a dividend for the year ended 31 July 2014 of 1.10 pence per ordinary share to be paid on 16 December 2014 to shareholders on the register at 17 October 2014 (ex-dividend date 16 October 2014).

Notes to the Financial Statements

	2014 £'000	2013 £'000
9 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed overseas	169,880	151,273
Opening fair value of investments		
Opening book cost	127,297	108,740
Opening investment holding gains	23,976	15,018
	151,273	123,758
Movements in the year		
Purchases at cost	118,425	114,041
Sales – proceeds	(114,949)	(111,481)
Sales – realised gains on sales in the year	11,813	15,997
Movement in investment holding gains in the year	3,318	8,958
Closing fair value of investments	169,880	151,273
Closing book cost	142,586	127,297
Closing investment holding gains	27,294	23,976
Closing fair value of investments	169,880	151,273
	2014 £'000	2013 £'000
Gains on investments		
Gains on sales of investments in the year	11,813	15,997
Investment holding gains in the year	3,318	8,958
	15,131	24,955

The portfolio turnover rate for the year was 74.1% (2013: 83.1%).

Gains on investments are shown net of investment transaction costs which are incurred in the acquisition and disposal of investments. These were as follows:

	2014 £'000	2013 £'000
Cost of investment transactions		
Purchase costs	217	385
Sales costs	302	592
	519	977

Notes to the Financial Statements

	2014		2013	
	fair value £'000	exposure £'000	fair value £'000	exposure £'000
10 DERIVATIVE INSTRUMENTS				
Derivative assets/(liabilities) held at fair value through profit or loss				
Long CFDs – assets	2,617	10,509	736	4,146
Long CFDs – liabilities	(609)	11,863	(1,604)	11,983
	<u>2,008</u>	<u>22,372</u>	<u>(868)</u>	<u>16,129</u>
			2014 £'000	2013 £'000
Gains/(losses) on derivative instruments held at fair value through profit or loss in the year				
Gains/(losses) on long CFD positions closed			271	(272)
Movement in investment holding gains/(losses) on long CFDs			2,876	(868)
			<u>3,147</u>	<u>(1,140)</u>
			2014 £'000	2013 £'000
11 DEBTORS				
Securities sold for future settlement			390	802
Accrued income			367	330
Other debtors			79	85
			<u>836</u>	<u>1,217</u>
			2014 £'000	2013 £'000
12 OTHER CREDITORS				
Securities purchased for future settlement			750	573
Other creditors and accruals			648	296
			<u>1,398</u>	<u>869</u>

Notes to the Financial Statements

	2014		2013	
	number of shares	£'000	number of shares	£'000
13 SHARE CAPITAL				
Issued, allotted and fully paid:				
Ordinary shares of 25 pence each				
Beginning of the year	67,680,213	16,920	59,918,781	14,980
Issue of ordinary shares on the exercise of rights attached to subscription shares	-	-	11,454,432	2,864
Repurchase of ordinary shares	(192,000)	(48)	(3,693,000)	(924)
End of the year	<u>67,488,213</u>	<u>16,872</u>	<u>67,680,213</u>	<u>16,920</u>
Subscription shares of 0.01 pence each				
Beginning of the year	-	-	11,454,432	1
Exercise of rights attached to subscription shares and conversion into ordinary shares	-	-	(11,454,432)	(1)
End of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital		<u>16,872</u>		<u>16,920</u>

The subscription shares were listed and trading commenced in the shares on 8 March 2010. Each subscription share gave the holder the right, but not the obligation, to subscribe for one ordinary share on the last business day of each month up to the last business day in May 2013. The exercise price was 191 pence per share. Between 1 August 2012 and 31 May 2013 rights attaching to 6,382,430 subscription shares were exercised. On 3 June 2013, the Company appointed a Final Subscription Trustee, in respect of the 5,072,002 subscription shares that had not been exercised by shareholders. The Trustee exercised all these outstanding subscription shares on the same terms on 3 June 2013 and sold the resulting ordinary shares in the market. The profits of the sale, being the net proceeds less the 191 pence per share cost of exercising the rights, and after deduction of expenses and fees, were paid to the holders of those outstanding subscription shares. This brought the total number of subscription shares exercised in the year to 11,454,432.

14 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 with High Court approval from the warrant reserve, in prior years. It is not distributable by way of dividend. It cannot be used to fund share repurchases.

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

The "capital reserve" represents realised gains or losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It is not distributable by way of dividend. It can be used to fund share repurchases.

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

Notes to the Financial Statements

15 NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £172,762,000 (2013: £155,829,000) and on 67,488,213 (2013: 67,680,213) ordinary shares, being the number of ordinary shares in issue at the year end.

	2014 £'000	2013 £'000
16 RECONCILIATION OF NET RETURN BEFORE FINANCE COSTS AND TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net total return before finance costs and taxation	18,806	24,671
Net capital return before finance costs and taxation	(17,929)	(23,802)
Net revenue return before finance costs and taxation	877	869
Scrip dividends	(148)	(234)
(Increase)/decrease in accrued income and other debtors	(31)	56
Increase/(decrease) in other creditors and accruals	1	(281)
Overseas taxation suffered	(5)	(109)
Net cash inflow from operating activities	694	301
	2014 £'000	2013 £'000

17 RECONCILIATION OF NET CASH MOVEMENTS TO MOVEMENT IN NET FUNDS/(DEBT)

Net funds/(debt) at the beginning of the year	4,220	(5,794)
Net cash (decrease)/increase	(2,435)	152
Net decrease in bank loans	-	9,875
Foreign exchange movement on cash at bank	(349)	299
Foreign exchange movement on bank loans	-	(312)
Change in net funds	(2,784)	10,014
Net funds at the end of the year	1,436	4,220

	2014 £'000	net cash flows £'000	foreign exchange movements £'000	2013 £'000
Analysis of movements in net funds				
Cash at bank	1,436	(2,435)	(349)	4,220

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS

MANAGEMENT OF RISK

The general risk analysis undertaken by the Board and its overall policy approach to risk management are set out in the Strategic Report on pages 12 and 13. This Note is incorporated in accordance with Financial Reporting Standard 29 "Financial Instruments: Disclosures" ("FRS 29") and refers to the identification, measurement and management of risks potentially affecting the value of financial instruments.

The Company's financial instruments comprise:

- Equity shares and derivative instruments (which comprise long CFDs) held in accordance with the Company's investment objective and policies; and
- Cash, liquid resources and short term debtors and creditors that arise from its operations.

The risks identified by FRS 29 arising from the Company's financial instruments are market price risk (which comprises interest rate risk, foreign currency risk and other price risk), liquidity risk, counterparty risk, credit risk and derivative instruments risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies have remained unchanged since the beginning of the accounting period.

Market price risk

Interest rate risk

The Company finances its operations through share capital raised. In addition, the Company has a geared exposure to Asian equities through the use of long CFDs which incur funding costs and consequently the Company is exposed to a financial risk as a result of increases in Asian interest rates.

Interest rate risk exposure

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

	2014 £'000	2013 £'000
Exposure to financial instruments that earn interest		
Amounts held in margin accounts	–	856
Cash at bank	1,436	4,220
	<u>1,436</u>	<u>5,076</u>
Exposure to financial instruments that bear interest		
Long CFD exposure in excess of fair value	20,364	16,997
Net exposure to financial instruments that bear interest	<u>18,928</u>	<u>11,921</u>

Foreign currency risk

The Company's total return and total net assets are affected by foreign exchange movements because the Company has income and assets which are denominated in currencies other than the Company's base currency which is UK sterling.

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

- Movements in rates affecting the value of investments and long CFDs;
- Movements in rates affecting short term timing differences; and
- Movements in rates affecting income received.

The Company does not hedge, by the use of derivative instruments, the UK sterling value of investments, long CFDs and other net assets which are priced in other currencies.

The Company might also be subject to short term exposure from exchange rate movements, for example, between the date when an investment is bought or sold and the date when settlement of the transaction occurs.

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS continued

Currency exposure of financial assets

The company's financial assets comprise equity investments, long CFDs, short term debtors and cash. The currency profile of these financial assets is shown below:

currency	2014				
	investments designated at fair value through profit or loss £'000	exposure to long CFDs £'000	short term debtors £'000	cash £'000	total £'000
Australian dollar	10,284	-	-	-	10,284
Chinese renminbi	1,028	-	23	25	1,076
Danish krone	2,244	-	-	-	2,244
Hong Kong dollar	64,346	13,653	260	-	78,259
Indian rupee	14,601	-	260	123	14,984
Korean won	39,355	-	3	-	39,358
Malaysian ringgit	1,759	-	-	-	1,759
New Zealand dollar	786	-	-	-	786
Singapore dollar	14,374	-	-	-	14,374
Taiwan dollar	13,892	-	207	202	14,301
UK sterling	-	-	79	41	120
US dollar	7,211	8,719	4	1,045	16,979
	<u>169,880</u>	<u>22,372</u>	<u>836</u>	<u>1,436</u>	<u>194,524</u>

currency	2013				
	investments designated at fair value through profit or loss £'000	exposure to long CFDs £'000	short term debtors £'000	cash* £'000	total £'000
Australian dollar	1,537	-	-	-	1,537
Chinese renminbi	25,944	-	-	-	25,944
Hong Kong dollar	40,231	5,733	675	-	46,639
Indian rupee	1,844	-	7	-	1,851
Indonesian rupiah	1,489	-	23	-	1,512
Korean won	32,505	-	3	-	32,508
Malaysian ringgit	10,504	-	251	92	10,847
Singapore dollar	7,262	-	17	-	7,279
Taiwan dollar	21,904	-	76	1	21,981
UK sterling	-	-	83	-	83
US dollar	8,053	10,396	82	4,983	23,514
	<u>151,273</u>	<u>16,129</u>	<u>1,217</u>	<u>5,076</u>	<u>173,695</u>

*Cash includes cash at bank and amounts held at brokers.

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS continued

Currency exposure of financial liabilities

The Company finances its investment activities through its ordinary share capital and reserves and it has a geared exposure to Asian equities through the use of long CFDs.

The Company's financial liabilities comprise long CFDs and other short term creditors. The currency profile of these financial liabilities is shown below:

currency	gearing through long CFDs £'000	2014	
		short term creditors £'000	total £'000
Danish krone	–	195	195
Hong Kong dollar	11,114	2	11,116
Indian rupee	–	350	350
Korean won	–	249	249
Taiwan dollar	–	306	306
UK sterling	–	293	293
US dollar	9,250	3	9,253
	<u>20,364</u>	<u>1,398</u>	<u>21,762</u>

currency	gearing through long CFDs £'000	2013	
		short term creditors £'000	total £'000
Hong Kong dollar	5,077	522	5,599
Malaysian ringgit	–	52	52
UK sterling	–	292	292
US dollar	11,920	3	11,923
	<u>16,997</u>	<u>869</u>	<u>17,866</u>

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 managing and monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk/reward profile.

Liquidity risk

The Company's assets mainly comprise readily realisable securities and long CFDs, which can be sold easily to meet funding commitments if necessary. Short term flexibility is achieved by the use of overdraft facilities as required.

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS continued

Counterparty risk

All securities and derivative instruments are transacted with brokers and carry the risk that the counterparty to a transaction may not meet its financial obligations. All counterparties for any type of trading are assessed by an independent Credit Research and Analysis function of the Manager. Exposures to counterparties are monitored frequently by the Manager. For long CFDs, in accordance with the terms of International Swap Dealers Association ("ISDA") market standard derivative contracts, 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 2014, £2,088,000 in government bonds was held by the broker in a segregated collateral account, on behalf of the Company, to reduce the credit risk exposure of the Company. At 31 July 2013, £856,000 in cash was held by the Company in a segregated collateral account, on behalf of the broker, to reduce the credit risk exposure of the broker.

Credit risk

Investments 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 a large number of brokers and are settled on a delivery versus payment basis. Limits are set on the amount that can be due from any one broker. All security transactions are through brokers who have been approved as an acceptable counterparty. This is reviewed on an ongoing basis. At the year end, the exposure to credit risk includes cash at bank, outstanding securities transactions and the fair value of the long CFDs.

Derivative instruments risk

The risks and risk management processes which result from the use of derivative instruments are included within the risk categories disclosed above. Derivative instruments are used by the Portfolio Manager to gain unfunded long exposure to equity markets, sectors or single stocks. "Unfunded" exposure is exposure gained without an initial outflow of capital. The risk and performance contribution of these instruments to the Company's portfolio is overseen by a specialist derivative instruments team which draws on over forty years experience in derivative risk management. This team uses sophisticated portfolio risk assessment tools to advise the Portfolio Manager on portfolio construction.

RISK SENSITIVITY ANALYSIS

Investments exposure sensitivity analysis

An increase of 10% in the fair value of the investments at 31 July 2014 would have increased the total return on ordinary activities and total net assets by £16,988,000 (2013: £15,127,000). A decrease of 10% in the fair value of investments would have had an equal and opposite effect.

Derivative instruments exposure sensitivity analysis

The Company invests in long CFDs to gain exposure to the equity markets. An increase of 10% in the price of shares underlying the CFDs at 31 July 2014 would have increased total net assets and total return on ordinary activities by £2,237,000 (2013: £1,613,000). A decrease of 10% would have had an equal and opposite effect.

Interest rate risk sensitivity analysis

If the Company's exposures at 31 July 2014 to bank balances and long CFDs had been held throughout the year, with all other variables remaining constant, then if interest rates had increased by 0.25%, total net assets and total return on ordinary activities would have decreased by £47,000 (2013: £30,000). A decrease in interest rates by 0.25% would have had an equal and opposite effect.

Foreign currency risk sensitivity analysis

At 31 July 2014, if UK sterling had strengthened by 10% in relation to the larger currency exposures, then with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below:

	2014 £'000	2013 £'000
Australian dollar	(935)	(140)
Hong Kong dollar	(6,104)	(3,731)
Indian rupee	(1,330)	(168)
Korean won	(3,555)	(2,955)
Singapore dollar	(1,307)	(662)
Taiwan dollar	(1,272)	(1,998)

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS continued

At 31 July 2014, if UK sterling had weakened by 10% in relation to the larger currency exposures, then with all other variables held constant, total net assets and total return on ordinary activities would have increased by the amounts shown below:

	2014 £'000	2013 £'000
Australian dollar	1,143	171
Hong Kong dollar	7,460	4,560
Indian rupee	1,626	206
Korean won	4,345	3,612
Singapore dollar	1,597	809
Taiwan dollar	1,555	2,442

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As explained in Notes 1(g) and 1(h) on pages 45 and 46, investments are stated at fair value, which is bid or last market price, and long CFDs are stated at fair value, which is the difference between the settlement price and the value of the underlying shares in the contract. Other financial assets and liabilities are stated in the Balance Sheet at values which are not materially different to their fair values. In the case of cash, book value approximates to fair value due to the short maturity of the instruments.

FAIR VALUE HIERARCHY

Under FRS 29 companies are required to disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate their 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 Notes 1(g) and 1(h) on pages 45 and 46. The tables below set out movements in the Company's fair value hierarchy:

	level 1 investments £'000	2014 level 2 derivative instruments £'000	total £'000
Fair value of financial instruments at the beginning of the year	151,273	(868)	150,405
Purchases of investments at cost	118,425	-	118,425
Sales of investments – proceeds	(114,949)	-	(114,949)
Sales of investments – realised gains	11,813	-	11,813
Derivative positions closed – receipts	-	(271)	(271)
Derivative positions closed – realised gains	-	271	271
Movement in investment holding gains in the year	3,318	2,876	6,194
Fair value of financial instruments at the end of the year	169,880	2,008	171,888

Notes to the Financial Statements

18 FINANCIAL INSTRUMENTS continued

	level 1	2013 level 2 derivative instruments	total
	investments £'000	£'000	£'000
Fair value of financial instruments at the beginning of the year	123,758	–	123,758
Purchases of investments at cost	114,041	–	114,041
Sales of investments – proceeds	(111,481)	–	(111,481)
Sales of investments – realised gains	15,997	–	15,997
Derivative positions closed – payments	–	272	272
Derivative positions closed – realised losses	–	(272)	(272)
Movement in investment holding gains/(losses) in the year	8,958	(868)	8,090
Fair value of financial instruments at the end of the year	<u>151,273</u>	<u>(868)</u>	<u>150,405</u>

19 CAPITAL MANAGEMENT

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital and reserves, as disclosed in its Balance Sheet on page 43, and its gearing which is managed through the use of long CFDs, as disclosed on page 16. These resources are managed in accordance with the Company's investment policy, in pursuit of its investment objective, both of which are detailed in the Strategic Report on page 10. The principal risks and their management are disclosed in the Strategic Report on pages 12 and 13 and in Note 18 above.

20 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments at 31 July 2014 (2013: none).

21 RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE MANAGER

The Directors have complied with the provisions of Financial Reporting Standard 8 "Related Party Disclosures", which require disclosure of related party transactions and balances. FIL Investment Services (UK) Limited is the Alternative Investment Fund Manager of the Company and has delegated portfolio management to FIL Investments International, the previous Manager. Details of the services provided by the Manager and fees paid are given on page 24. Fees paid to the Directors are disclosed in the Directors' Remuneration Report on page 36.

Financial Calendar

The key dates in the Company's calendar are:

31 July 2014 – financial year end

October 2014 – announcement of results for the year ended 31 July 2014

16 October 2014 – ex-dividend date

17 October 2014 – record date

October 2014 – publication of this report

9 December 2014 – Annual General Meeting

16 December 2014 – payment of the dividend

Mid December 2014 – Interim Management Statement (as at 31 October 2014)

31 January 2015 – Half-Year end

March 2015 – announcement of Half-Yearly results to 31 January 2015

April 2015 – publication of Half-Yearly report

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Fidelity Asian Values PLC will be held at 25 Cannon Street, London EC4M 5TA on Tuesday 9 December 2014 at 11.00 am for the following purposes:

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 July 2014.
 2. To declare that a final dividend for the year ended 31 July 2014 of 1.10 pence per ordinary share be paid to shareholders who appear on the register as at close of business on 17 October 2014.
 3. To re-elect Kate Bolsover as a Director of the Company.
 4. To re-elect William Knight as a Director of the Company.
 5. To re-elect Philip Smiley as a Director of the Company.
 6. To re-elect Grahame Stott as a Director of the Company.
 7. To elect Michael Warren as a Director of the Company.
 8. To approve the Directors' Remuneration Report (excluding the section headed The Remuneration Policy set out on page 35) for the year ended 31 July 2014.
 9. To approve the Company's Remuneration Policy, the full text of which is contained in the Directors' Remuneration Report for the year ended 31 July 2014 under the heading of The Remuneration Policy as set out on page 35.
 10. To reappoint Grant Thornton UK LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which Financial Statements are laid before the Company.
 11. To authorise the Directors to determine the Auditor's remuneration.
- To consider and, if thought fit, to pass the following resolutions which will be proposed, in the case of Resolution 12 as an ordinary resolution and in the case of Resolutions 13, 14 and 15 as special resolutions.
- Resolutions 12 and 13 will, if approved, authorise the Directors to allot a limited number of currently unissued ordinary shares for cash without first offering such shares to existing ordinary shareholders pro rata to their existing holdings. The limit set by the Board is 5% of the number of ordinary shares of the Company in issue on 7 October 2014. The Directors will only issue new shares under this authority to take advantage of opportunities in the market as they arise and only if they believe it is advantageous to the Company's shareholders to do so.
12. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £843,603 (approximately 5% of the aggregate nominal amount of the issued ordinary share capital of the Company as at 7 October 2014) such authority to expire at the conclusion of the next Annual General Meeting of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired.
 13. THAT, subject to the passing of Resolution 12 set out above, the Directors be and they are hereby authorised, pursuant to Sections 570-573 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given by the said Resolution 12 as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:
 - a) to the allotment of equity securities in connection with a rights issue in favour of all holders of a class of relevant equity securities where the equity securities attributable respectively to the interests of all holders of securities of such class are either proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise);
 - b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £843,603 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company as at 7 October 2014); and
 - c) to the allotment of equity securities at a price of not less than the net asset value per share

and this power shall expire at the conclusion of the next Annual General Meeting of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority, and the Directors may allot equity securities in relation to such an offer or agreement as if the authority conferred by this resolution had not expired.

Notice of Meeting

Resolution 14 is a special resolution which, if approved, will renew the Company's authority to purchase its ordinary shares for cancellation. The limit set by the Board is 14.99% of the number of ordinary shares in issue on 7 October 2014. Purchases of shares will be made at the discretion of the Board and within guidelines set from time to time by the Board in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing net asset value per share, thereby resulting in an increase in net asset value per share.

14. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 25 pence each in the capital of the Company (the "shares") provided that:

- a) the maximum number of shares hereby authorised to be purchased shall be 10,116,483 shares;
- b) the minimum price which may be paid for a share is 25 pence;
- c) the maximum price (excluding expenses) which may be paid for each share is the higher of:
 - i) an amount equal to 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Official List for the five business days immediately preceding the day on which the share is purchased; and
 - ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (no. 2233/2003);

- d) the authorities hereby conferred shall expire at the next Annual General Meeting of the Company unless such authority is renewed prior to such time; and
- e) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract.

Resolution 15 is a special resolution which, if approved, will adopt new Articles of Association of the Company which update the Company's existing Articles of Association. The new Articles of Association reflect recent changes to tax, regulation and company law which affect investment trusts and the Company, in particular (1) removing the prohibition on a distribution of realised capital profits; (2) incorporating provisions to ensure compliance with the Alternative Investment Fund Managers Directive, including conferring certain powers on the Board expressly; and (3) to amend the Articles to include wider powers in future to facilitate payment of dividends electronically or by other means and to specify the default payment method. Further details can be found on pages 26 and 27.

15. THAT with effect from the passing of this resolution, the draft regulations produced to the meeting and, for the purpose of identification, initialled by the Chairman, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

By Order of the Board
FIL Investments International
 Secretary
 7 October 2014

Notice of Meeting

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed and must be returned to the Registrars at the address on the form to arrive not later than 11.00 am on 5 December 2014. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if they so wish.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company's Registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time for holding the meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
4. In the case of joint holders, the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
5. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 11.00 am on 5 December 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's Registrars no later than 11.00 am on 5 December 2014.
6. All members are entitled to attend and vote at the Annual General Meeting and ask questions. The right to vote at the meeting will be determined by reference to the Register of Members as at 5.30 pm on 5 December 2014.
7. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
8. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make separate notification to the Company and the Financial Conduct Authority.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the Register of Members by 5.30 pm on 5 December 2014. If the meeting is adjourned then, to be so entitled, members must be entered on the Register of Members at 5.30 pm on the day two working days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
10. As at 7 October 2014 (the latest practicable date prior to the publication of this document) the Company's issued ordinary share capital consisted of 67,488,213 ordinary shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 7 October 2014 was 67,488,213.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Shareholders and any proxies or representatives they appoint understand that by attending the meeting they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the meeting.
13. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that is to be laid before the Annual General Meeting or any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual reports and financial statements were laid. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on its website.

Notice of Meeting

14. Under Section 338 and Section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in such business. A resolution may properly be moved or a matter may properly be included in the business of the meeting unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business of the meeting, must be authorised by the person or persons making it, must be received by the Company not later than 28 October 2014 being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business of the meeting only) must be accompanied by a statement setting out the grounds for the request.
15. No Director has a service contract with the Company.
16. A copy of this notice and other information required by Section 311A of the Companies Act 2006 is published on the Company's website at www.fidelity.co.uk/its

Registered Office:
 Beech Gate
 Millfield Lane
 Lower Kingswood
 Tadworth
 Surrey KT20 6RP

Investing in Fidelity Asian Values PLC

The information on the following pages is provided by Fidelity and should not be seen as a recommendation by the Board of Fidelity Asian Values PLC.

Fidelity offers a range of options, so that you can invest in the way that is best for you. As Fidelity Asian Values PLC is a company listed on the London Stock Exchange you can also buy its shares through a stockbroker, share shop or bank.

INVESTING INSIDE AN ISA

You may invest in the Company's shares through the Fidelity ISA ("Individual Savings Account"). A Fidelity ISA can be an excellent way to get more from your investment, because you will not have to pay income or capital gains tax on your returns.

With effect from 1 July 2014, ISAs were reformed into a simpler product, the 'New ISA' ("NISA"), with equal limits for cash, and stocks and shares. The overall subscription limit is £15,000. The minimum initial investment in the Fidelity ISA is £1,000 as a lump sum, £250 as a top-up or £50 a month per company in a regular savings plan.

Charges – Initial Charges for investments in the Fidelity ISA may vary. For those investing personally (directly with Fidelity), there will be no initial charge. Those investing through an intermediary will pay a basic initial charge of 0.5% plus any initial fee (where applicable) agreed with their intermediary. Fidelity pays stamp duty from the initial charge. There are no other charges for the Fidelity ISA, but the Company pays an annual management charge to Fidelity of 1.0%, as set out in the Annual Report.

Investing for children – Junior ISAs are similar to "adult" ISAs but with a few important differences.

- Junior ISAs are available to UK residents under the age of 18 who do not have a child trust fund, if opened by a parent or guardian who is older than 18.
- Money cannot be withdrawn from the product until the child turns 18, when the policy will automatically become an "adult" ISA and the child will be able to access the funds – subject to proof of identity.

MOVING MONEY FROM A PREVIOUS ISA

If you have opened ISAs with other investment companies, you can move them into the Fidelity ISA and invest in Fidelity Asian Values PLC without losing any tax benefits. This is known as an ISA transfer and it can be a great way to give your portfolio a new focus, or realign it with your current investment goals. Please note that during the transfer your money will not be invested in the stock market so you may miss out on any growth during this time.

Charges – Fidelity does not apply an initial charge for a transfer into Fidelity Asian Values PLC. You will also not have to pay any additional transfer costs. However, please bear in mind that your current ISA manager may ask you to pay an exit fee. If your old fund provider charges you a fee for leaving them, you can claim it back from Fidelity. Please note this offer does not apply to Fidelity's share dealing service.

INVESTING OUTSIDE AN ISA

If you prefer to invest outside an ISA, or have already used your full ISA allowance, the Fidelity Investment Trust Share Plan offers you a low-cost and convenient way to put money into Fidelity Asian Values PLC. The minimum investment is £1,000 as a lump sum, £250 as a top-up or £50 a month through a regular savings plan. Holding shares within the Share Plan allows you to reinvest your dividends and make further investments without having to

pay brokerage fees. You will also be able to set up a monthly savings plan and receive statements and valuations twice a year.

Investing for children – the Share Plan is a flexible and inexpensive way to invest on behalf of children. All you need to do is enter the initials or name of the child in the Designation Box on the Share Plan application form.

Charges – There are no charges for buying, selling or holding shares through the Fidelity Investment Trust Share Plan other than stamp duty of 0.5%, which is currently payable on all share purchases. However, if you invest through a Financial Adviser, there may be an initial charge of up to 3%.

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

Registered shareholders of fully listed companies are able to nominate the underlying beneficial owners of their shares to receive information rights. You should contact your registered shareholder direct to request to receive information rights. Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's Registrars, Capita Registrars, or to the Company direct.

INVESTING ONLINE

Whilst you cannot use a Debit Card online to invest through an ISA, JISA or Share Plan, the application forms you need are all available via www.fidelity.co.uk/its. You can also invest online in Fidelity Asian Values PLC shares via the share trading facility available via our website www.fidelity.co.uk/sharenetwork. The Share Dealing service, ShareNetwork, is provided by Xest which is the online trading division of Charles Stanley & Co Limited, a leading London stockbroker. ShareNetwork enables you to buy or sell shares in any listed company during normal London Stock Exchange trading hours – between 8.00 am and 4.30 pm any working day. Shares in ShareNetwork can either be held inside or outside of an ISA, subject to the normal ISA limits and restrictions. You will be shown a real-time price and be able to buy or sell immediately. If an order is placed when the market is closed, it will be processed as soon as the market reopens. Unlike many online share dealing services, Fidelity ShareNetwork gives you CREST personal membership for shares held direct. This means that shares are registered on the CREST system in your own name and everything relating to your shares – dividends, annual reports and so on – will be sent direct to you and you will be able to attend and vote at shareholder meetings in your own name.

Personal CREST membership does not apply to ISA holdings which must be held in the name of the ISA manager's nominee under ISA regulations. There is no extra charge for opening a ShareNetwork ISA and share purchases or sales are executed on line for only £9 per trade (Stamp duty is also payable on purchases at the rate of 0.5%). There is an account administration fee of £5.10 per month, regardless of how many different shares you own and whatever their value. Of course, you need to remember that the value of tax savings and eligibility to invest in an ISA will depend on your individual circumstances, and all tax rules may change in the future.

Investing in Fidelity Asian Values PLC

FURTHER INFORMATION

For application forms or more information about any of the investment options described here, please call the Fidelity Investment Trust Line on 0800 41 41 10 and talk to a Fidelity customer representative (9.00 am to 6.00 pm Monday to Saturday).

Alternatively, you may like to visit the Fidelity London Investor Centre at 25 Cannon Street, next to St Paul's Cathedral.

You can also find out more by visiting fidelity.co.uk/its or contacting your Financial Adviser.

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

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

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

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

Issued by Fidelity Asian Values PLC.

Fidelity, Fidelity Worldwide Investment, the Fidelity Worldwide Investment logo and the  symbol are trademarks of FIL Limited.

The contents of websites referred to in this document do not form part of the Annual Report.

Shareholder Information

CONTACT INFORMATION

Private investors: call free to 0800 41 41 10, 9.00 am to 6.00 pm, Monday to Saturday.

Financial advisers: call free to 0800 41 41 81, 8.00 am to 6.00 pm, Monday to Friday. www.fidelity.co.uk/its

Existing shareholders who have a specific query regarding their holding or need to provide updated information, for example a change of address, should contact the appropriate administrator:

Holders of ordinary shares

Capita Asset Services, Registrars to Fidelity Asian Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
Telephone: 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Monday to Friday)
email: shareholderenquiries@capita.co.uk

Details of individual shareholdings and other information can also be obtained from the Registrars' website:
www.capitaassetservices.com

Fidelity Share Plan investors

Fidelity Investment Trust Share Plan, PO Box 12062, Mellon House, Ingrave Road, Brentwood, Essex CM14 9LX. Telephone: 0845 358 1107 (calls to this number are charged at 3.95p per minute from a BT landline. Other telephone service providers' costs may vary).

Fidelity ISA investors

Fidelity, using the freephone numbers given above, or by writing to: UK Customer Service, Fidelity Worldwide Investment, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.

General enquiries

Fidelity, the Manager and Secretary, at the Company's registered office: FIL Investments International Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.
Telephone: 01732 361 144. Fax: 01737 836 892
www.fidelity.co.uk/its

ONLINE SHAREHOLDER SERVICES – SHARE PORTAL

Through the website of our Registrars, Capita Asset Services, shareholders are able to manage their shareholding online by registering for the Share Portal, a free, secure, online access to your shareholding. Facilities include:

Account Enquiry – Allows shareholders to access their personal shareholding, including share transaction history, dividend payment history and to obtain an up-to-date shareholding valuation.

Amendment of Standing Data – Allows shareholders to change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download from this site forms such as change of address, stock transfer and dividend mandate forms as well as buy and sell shares in the Company.

To make use of any of these facilities, please log on to the Capita Asset Services website at: www.capitashareportal.com

Should you have any queries in respect of the above facilities, please do not hesitate to contact the Capita Share Portal helpline on 0871 664 0391 (calls cost 10p plus network extras), overseas +44 20 8639 3367, or by e-mail at shareportal@capita.co.uk

Capita Share Dealing Services

You can make use of a low cost share dealing service provided by Capita Asset Services to buy or sell shares. Further information is available at www.capitadeal.com, or by telephoning 0871 664 0454 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Monday to Friday). Using Capita Share Dealing Services you will also be able to deal in the shares of other companies for which Capita acts as Registrar, provided you are already a shareholder in the relevant company, and that company offers the Share Deal facility to its shareholders.

Dividend Reinvestment Plan

This is a convenient way to build up your shareholding by using your cash dividends to buy more shares in the Company. If you prefer to receive shares for your next dividend instead of cash please complete an application form online at www.capitashareportal.com or call Capita IRG Trustees on 0871 664 0300 (calls cost 10p per minute plus network extras) from the UK or +44 20 8639 3399 from overseas.

ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at www.sharegift.org.uk or by telephoning 020 7930 3737.

KEEPING YOU UPDATED

If you hold Fidelity Asian Values PLC shares in an ISA, you will receive a yearly report detailing all of your transactions and the value of your shares. Investors with the Fidelity Investment Trust Share Plan will receive statements and valuations twice a year.

The share price of Fidelity Asian Values PLC appears daily in The Financial Times. Price and performance information is also available at fidelity.co.uk/its. You can also obtain current price information by telephoning Fidelity on 0800 41 41 10 (freephone) or FT Cityline on 0905 817 1690 (voice activated service) (calls charged at 60p per minute on a per second basis from a BT landline. Charges from other telephone networks may vary).

Shareholder Information

MANAGER AND ADVISORS

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge
Kent TN11 9DZ

Portfolio Manager, Secretary and Registered Office

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

Financial Advisers and Stockbrokers

Canaccord Genuity
88 Wood Street
London EC2V 7QR

Independent Auditor

Grant Thornton UK LLP
Chartered Accountants and Registered Auditor
30 Finsbury Square
London EC2P 2YU

Bankers and Custodian

JP Morgan Chase Bank (London Branch)
125 London Wall
London EC2Y 5AJ

Depository

J.P.Morgan Europe Limited
25 Bank Street
London E14 5JP

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Lawyers

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Speechly Bircham LLP
6 New Street Square
London EC4A 3LX

COMPANY INFORMATION

The Company was launched on 13 June 1996 with one warrant attached to every five shares. The original subscription price for each share was £1. The Company issued one subscription share for every five ordinary shares held on 4 March 2010 (the final subscription date for the subscription shares was 31 May 2013).

The Company is a member of The Association of Investment Companies ("AIC") from whom general information on investment trusts can be obtained by telephoning 020 7282 5555 (email address: enquiries@theaic.co.uk).

PRICE INFORMATION

The share price of the ordinary shares of Fidelity Asian Values PLC is published daily in the Financial Times under the heading "Investment Companies". The ordinary share price is also published in The Times, The Daily Telegraph and The Independent and is also available at fidelity.co.uk/its.

Investors can also obtain current price information by telephoning Fidelity for free on 0800 41 41 10 (freephone) or FT Cityline on 0905 817 1690, (voice activated service – all calls charged at 60p per minute on a per second basis from a BT landline. Charges for other telephone networks may vary). The Reuters code for Fidelity Asian Values PLC is FAS.L, the sedol is 0332231 and the ISIN is GB0003322319.

NAV INFORMATION

The Net Asset Value of the Company is calculated on a daily basis and released to the London Stock Exchange.

CAPITAL GAINS TAX

Your Directors have been advised that, for the purposes of calculating an investor's possible liability to capital gains tax, the base cost of ordinary shares, acquired at the time of the Company's launch, is 93.04 pence. All UK individuals under present legislation are permitted to have £11,000 of capital gains in the current tax year 2014/2015 (2013/2014: £10,900) before being liable for capital gains tax. Capital gains tax is charged at 18% and 28% dependant on the total amount of taxable income.

Glossary of Terms

AIF

Alternative Investment Fund. The Company is an [AIF](#).

AIFM

Alternative Investment Fund Manager. The Board has appointed FIL Investment Services (UK) Limited to act as the Company's [AIFM/the Manager](#).

AIFMD

The Alternative Investment Fund Managers Directive is a European Union Directive and came into force on 22 July 2013. The implementation date was 22 July 2014.

AMERICAN DEPOSITARY RECEIPT (ADR)

An [American Depositary Receipt](#) is a negotiable certificate issued by a US bank representing a specified number of shares in a foreign stock that is traded on a US Exchange.

BENCHMARK INDEX

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

CAPITAL GAINS TAX (CGT)

The tax you may have to pay if you sell your shares at a profit.

COLLATERAL

Asset provided as security for the unrealised gain or loss under a [Contract For Difference](#).

CONTRACT FOR DIFFERENCE (CFD)

A [Contract For Difference](#) is a [derivative](#). It is a contract between the Company and an investment house at the end of which the parties exchange the difference between the opening price and the closing price of an underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A [Contract For Difference](#) allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as margin. The Company may reason that the asset price will rise, by buying ("long" position) or fall, by selling ("short" position). If the Company trades long, dividends are received and interest is paid. If the Company trades short, dividends are paid and interest is received. The Company only uses long [Contracts For Difference](#).

CORPORATION TAX

The tax the Company may have to pay on its profits for a year. As an investment trust company, the Company is exempt from [corporation tax](#) on its capital gains and does not pay tax on any UK dividends. It can also offset expenses against any taxable income and consequently it is tax efficient and does not pay [corporation tax](#).

CUSTODIAN

An entity that holds (as intermediary) the Company's assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company's [Custodian](#) is JP Morgan Chase Bank.

DEPOSITARY

An entity that will oversee the custody, cash arrangements and other [AIFM](#) responsibilities of the Company. J.P. Morgan Europe act as the Company's [Depositary](#).

DERIVATIVES

Financial instruments (such as futures, options and [Contracts For Difference](#)) whose value is derived from the value of an underlying asset.

DISCOUNT

If the share price of the Company is lower than the [net asset value](#) per share, the Company's shares are said to be trading at a [discount](#). The [discount](#) is shown as a percentage of the [net asset value](#). The opposite of a [discount](#) is a [premium](#). It is more common for an investment trust to trade at a [discount](#) than a [premium](#).

EQUITY LINKED NOTES

Debt instruments whose return on investment is linked to specific equities or equity markets. The return on [equity linked notes](#) may be determined by an equity index, a basket of equities, or a single equity.

FAIR VALUE

The [fair value](#) is the best estimate of the value of the investments at a point in time and this is measured as:

- Listed investments valued at bid prices, or last market prices, where available, otherwise at published price quotations;
- Unlisted investments valued using an appropriate valuation technique in the absence of an active market; and
- [Contracts For Difference](#) are valued as the difference between the settlement price of the contract and the value of the underlying shares in the contract (unrealised gains or losses).

GEARING

[Gearing](#) describes the level of a Company's borrowing and is usually expressed as a percentage of [shareholders' funds](#). It can be through the use of bank loans, bank overdrafts or [Contracts For Difference](#) in order to increase a Company's exposure to stocks. [Gearing](#) is permitted in order to buy or gain exposure to further investments. If assets rise in value, [gearing](#) magnifies the return to ordinary shareholders. Correspondingly, if the assets fall in value, [gearing](#) magnifies the fall. [Contracts For Difference](#) are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

GEARING PERCENTAGE

In a simple example, if a company has £100 million of net assets and a total portfolio of £108 million, with £8 million of borrowings (either via bank loans or long [Contracts For Difference](#)), then the [shareholders' funds](#) are 8% geared. Normally, the higher the [gearing percentage](#), the more sensitive the Company's shares will be to the movements up and down in the value of the investment portfolio.

Glossary of Terms

GLOBAL DEPOSITARY RECEIPTS

Global Depositary Receipts are negotiable certificates issued by depositary banks which represent ownership of a given number of a company's shares which can be listed and traded independently from the underlying shares.

HEDGING

A strategy aimed at minimising or eliminating the risk or loss through adverse movements normally involving positions in two different markets, with one offsetting the other. The Company uses **derivative** instruments for **gearing** and investment rather than **hedging** purposes.

LEVERAGE

Any method by which an **AIFM** increases the exposure of an **AIF** it manages whether through borrowing cash or securities, or leverage embedded in derivative positions or by any other means. Leverage is measured in terms of exposure and is expressed as a ratio of **net asset value**. There are two measures of calculating **leverage**:

- The Gross Method which does not reduce exposure for **hedging**;
- The Commitment Method which reduces exposure for **hedging**.

NET ASSET VALUE (NAV)

Net asset value is sometimes also described as "**shareholders' funds**", and represents the total value of the Company's assets less the total value of its liabilities. For valuation purposes it is common to express the **net asset value** on a per share basis.

NON-VOTING DEPOSITARY RECEIPTS

A **non-voting depositary receipt** is a new trading instrument issued by the Thai Non-Voting Depositary Receipt Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand. It is automatically regarded as a listed security by the Stock Exchange of Thailand. The main purpose of **non-voting depositary receipts** is to stimulate trading activities in the Thai stock market.

ONGOING CHARGES

Total expenses (excluding finance costs and taxation) incurred by the Company as a percentage of average net asset values (previously known as the total expense ratio).

PORTFOLIO MANAGER

John Lo is the appointed **Portfolio Manager** for the Company and is responsible for managing the Company's assets.

PRE-EMPTION RIGHTS

Section 561 of the Companies Act 2006 provides that a company offering a new issue of shares must first make an offer of these shares, on the same or more favourable terms, in proportion to the nominal value held by existing shareholders. At each annual general meeting, the Board seeks shareholder approval to disapply **pre-emption right** provisions, up to 5%.

PREMIUM

If the share price of the Company is higher than the **net asset value** per share, the Company's shares are said to be trading at a **premium**. The **premium** is shown as a percentage of the **net asset value**. The opposite of a **premium** is a **discount**.

REGISTRAR

An entity that manages the Company's shareholders register. The Company's **registrar** is Capita Asset Services.

RETURN

The return generated in the period from the investments:

- **Revenue Return** reflects the dividends and interest from investments and other income net of expenses, finance costs and taxation;
- **Capital Return** reflects the return on capital, excluding any revenue returns;
- **Total Return** reflects the aggregate of revenue and capital returns in the period.

SHAREHOLDERS' FUNDS

Shareholders' funds are also described as "**net asset value**" and represent the total value of the Company's assets less the total value of its liabilities.

TOTAL PORTFOLIO EXPOSURE

The total of fixed asset investments at **fair value** plus the **fair value** of the underlying securities within the **Contracts For Difference**.

TOTAL RETURN PERFORMANCE

The return on the ordinary share price or **net asset value** per share taking into account the rise and fall of ordinary share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional ordinary shares (for share price total return) or the Company's assets (for **net asset value** total return).

Alternative Investment Fund Manager's Disclosure

As explained in the Chairman's Statement, in compliance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board have appointed FIL Investment Services (UK) Limited ("FIL") (a Fidelity group company) as the Company's Alternative Investment Fund Manager ("AIFM"). Details of the Alternative Investment Fund Management and Secretarial and Management Services Agreement dated 17 July 2014 are included in the Directors' Report on page 24. FIL has delegated the portfolio management and company secretarial function to FIL Investments International (another Fidelity group company).

The table below discloses information required by the Alternative Investment Fund Managers Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment Management	The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FIL Investments International. The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines.	Details of the Company's investment objective, strategy and investment policy, including limits, are on page 10.
Risk management	The Company has a Risk Management Process Document which is agreed with the Board and demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing. The Board, as part of UK corporate governance, remain responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.	The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of internal control and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 12 and 13 and in Note 18 to the Financial Statements on pages 54 to 59.
Valuation of illiquid assets	The Directive requires the disclosure of the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. Further, any new arrangements for managing the liquidity of the Company must be disclosed.	Not Applicable.
Leverage	The Company uses leverage to increase its exposure to the stockmarkets of the Asian Region (excluding Japan) and currently holds long Contracts for Difference to achieve this. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times. A definition of leverage is included in the Glossary of Terms on page 70.	The maximum leverage limits are 1.80 for the Gross Method of calculating leverage and 1.50 for the Commitment Method. There have been no changes to the maximum level of leverage that the Company may employ during the year. At 31 July 2014, actual leverage was 1.12 for both the Gross Method and the Commitment Method.
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is reviewed and updated, if required, at least annually.	No new arrangements for managing the liquidity of the Company have been made. Further details can be found in Note 18 on page 57.
Remuneration of the AIFM	The AIFM operates under the terms of Fidelity's Global Remuneration Policy Statement. This ensures that the AIFM complies with the requirements of the FCA's Remuneration Code (SYSC19A); the AIFM Remuneration Code (SYSC19B) and the BIPRU Remuneration Code (SYSC19C).	The FCA's <i>General Guidance on the AIFM Remuneration Code</i> has established that the first full performance year will not commence until 1 January 2015. Accordingly, there is no data to disclose in respect of remuneration of the AIFM for this year.

The AIFM's Annual Report is available to shareholders on request. Please contact the Company Secretary whose address can be found on page 68.

Warning to Shareholders

SHARE FRAUD WARNING

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

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

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

PROTECT YOURSELF

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

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

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

REPORT A SCAM

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

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

0300 123 2040



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