Fidelity Asian Values PLC

Half-Yearly report for the 6 months ended 31 January 2017

Fidelity INTERNATIONAL

Contents

TAKE THE ROAD LESS TRAVELLED WITH SOMEBODY WHO KNOWS IT WELL

Objective and Performance

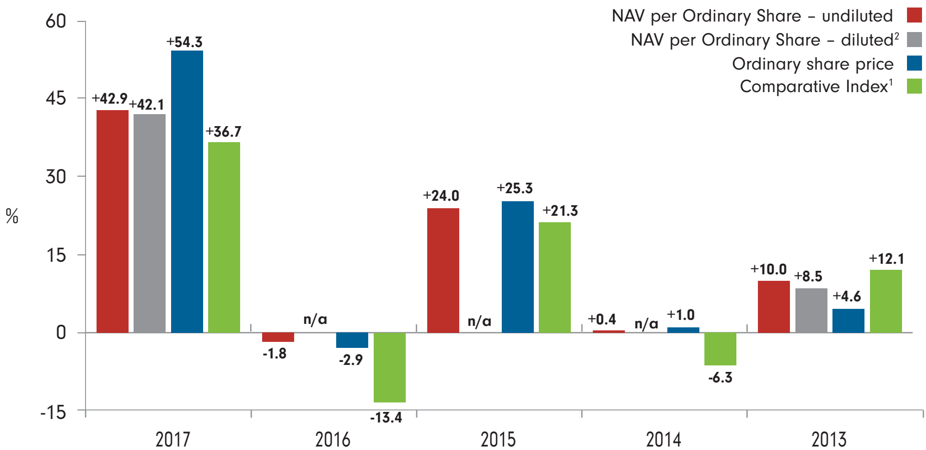
The Company's objective is to achieve long term capital growth principally from the stockmarkets of the Asian Region excluding Japan.

Six months ended 31 January 2017

Net Asset Value ("NAV") per Ordinary Share (undiluted) total return	Ordinary Share Price total return	MSCI All Countries Asia ex Japan Index (net) total return (in Sterling terms)[1]
+10.2%	**+17.2%**	**+10.3%**
2016: +3.1%	2016: +1.2%	2016: -6.6%

Twelve months ended 31 January

Standardised Performance Total Return (%)



1 The Company's Comparative Index from 1 August 2015. Prior to that date it was the MSCI All Countries Far East ex Japan Index (net) in Sterling terms

2 The NAV per Ordinary Share assuming that all the subscription shares are exercised

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

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Financial Summary

	31 January 2017	31 July 2016
Assets		
Total Gross Asset Exposure[1]	**£248.9m**	£232.0m
Total Shareholders' Funds	**£258.6m**	£237.5m
NAV per Ordinary Share – undiluted	**383.23p**	351.98p
NAV per Ordinary Share – diluted[2]	**381.15p**	n/a
Gearing – (net cash position)[3]	**(3.8%)**	(2.3%)
Share Price and Discount Data		
Ordinary Share Price at period end	**362.25p**	313.00p
Period high	**372.00p**	317.50p
Period low	**309.25p**	197.30p
Discount to NAV at period end - undiluted	**5.5%**	11.1%
Period high	**13.6%**	14.8%
Period low	**2.7%**	7.8%
Discount to NAV at period end - diluted	**5.0%**	n/a
Subscription Share Price at period end	**27.50p**	n/a
Results for the six months ended 31 January	**2017**	2016
Revenue Return per Ordinary Share	**3.53p**	2.05p
Capital Return per Ordinary Share	**32.21p**	6.09p
Total Return per Ordinary Share	**35.74p**	8.14p
Total returns (includes reinvested income) for the six months ended 31 January	**2017**	2016
NAV per Ordinary Share – undiluted	**+10.2%**	+3.1%
Ordinary Share price	**+17.2%**	+1.2%
Comparative Index[4]	**+10.3%**	-6.6%

1 The value of the portfolio exposed to market price movements
2 The NAV per Ordinary Share assuming that all the subscription shares are exercised
3 Total Gross Asset Exposure less Total Shareholders' Funds expressed as a percentage of Total Shareholders' Funds
4 The Company's Comparative Index is the MSCI All Countries Asia ex Japan Index (net) in Sterling terms

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

Portfolio Manager's Half-Yearly Review

Markets

Small-cap equities in the Asia Pacific ex Japan region generated positive returns over the six months to 31 January 2017, but underperformed the Asian regional large-cap index. I view quarterly returns as an ebb and flow of the market. As I invest over a three to five year investment horizon, I prefer not to look at short term market movements and speculate on what may have caused the underperfomance.

My working assumption is that the world economy over the next five years will be bumpy at best. Hence, it is even more important to back winning businesses and buy them at valuations that leave sufficient margin for safety. It has never been easy to do this and it is definitely not getting any easier. It requires hard work to unearth successful businesses and patience before one makes money in them. I am ready for both. Additionally, the strength of our 52 Asian equity research analysts, including 4 designated small-cap analysts, will continue to provide us with an edge over the market when it comes to identifying attractive investment opportunities.

Performance Review

Over the six month period ended 31 January 2017, the Company's net asset value ("NAV") very marginally underperformed the Asian regional large-cap index, but outperformed the small-cap index. The Company's NAV returned 10.2%, compared to a return of 10.3% for the MSCI All Countries Asia ex Japan Index (the Company's Comparative Index). During the same period, the Company's share price rose by 17.2%. All figures are in Sterling and on a total return basis.

Total Returns (%)	NAV per share (undiluted)	Comparative Index	Peer Group*
Performance since Portfolio Manager appointment (1 April 2015)	+43.0	+19.5	+23.8
1 Year	+42.9	+36.7	+31.7
6 Months	+10.2	+10.3	+8.8

* The Peer Group consists of the companies in the AIC Sector: Asia Pacific – excluding Japan

Sources: Fidelity and Morningstar. Performance is net of fees and all returns are in Sterling terms

Portfolio Review

Five Key Contributors and Detractors

	Average Active Weight (%)	Gain/(Loss) (%)	Contribution to Relative Returns (%)
Top five securities			
Luen Thai Holdings	+0.6	+195.6	+0.9
SK Hynix	+1.2	+59.3	+0.5
Power Grid Corp of India	+3.8	+23.5	+0.5
Clinuvel Pharmaceuticals	+0.8	+79.0	+0.5
Gulf Marine Services	+0.5	+108.5	+0.3
Total			**+2.7**
Bottom five securities			
Samsung Electronics	-4.9	+31.5	-1.0
LT Group	+2.1	-16.0	-0.6
Alibaba Group	-3.1	+29.6	-0.5
Pou Sheng International	+0.6	-15.0	-0.3
Yowie Group	+0.5	-29.4	-0.3
Total			**-2.7**

Lack of exposure to large-cap stocks such as Samsung Electronics and Alibaba Group detracted the most from the Company's relative performance as technology stocks gained sharply. However, this helped the Company's holding in SK Hynix as higher DRAM (dynamic random access memory) prices due to tight demand/supply conditions buoyed the South Korean memory chipmaker's fourth quarter earnings.

High conviction holdings in LT Group and Pou Sheng International also detracted. Shares in LT Group declined amid concerns about a rise in excise taxes. However, the company, which owns the Marlboro brand in Philippines, continues to benefit from secular consumption growth and a shift towards premium brands. Meanwhile, the holding in Chinese sportswear retailer Pou Sheng International declined following concerns around management changes over the accounting treatment of its December 2016 sales data. The company should continue to benefit from its strong brand portfolio including Nike, Adidas, Reebok and Puma, as well as from new store roll-outs.

Conversely, the position in Hong Kong-listed apparels and accessories manufacturer Luen Thai Holdings surged after receiving a takeover offer from state-owned Shangtex. The company's decision to dispose of its non-core businesses and factory properties was also well received by investors.

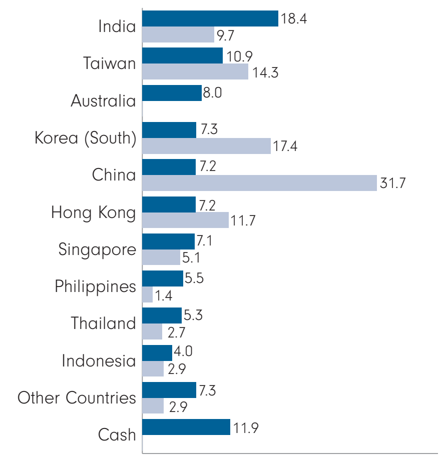
Investment strategy

I continue to manage the Company's portfolio from an absolute returns perspective. Each security is owned for what it can contribute to returns rather than on whether it is part of an index. I look for companies with strong competitive advantages and good management teams, and try to buy them at reasonable prices. The core to the investment philosophy is the idea that if we lose less money during market drawdowns, then we should be able to compound money at higher rates in the long term. The key to this is to avoid risky stocks. The Company avoids unproven business models, highly geared companies, cyclical businesses on peak margins and stocks trading on high earnings or cash flow multiples. Given that Asia has more than 17,500 listed companies, the opportunity to find hidden gems is immense.

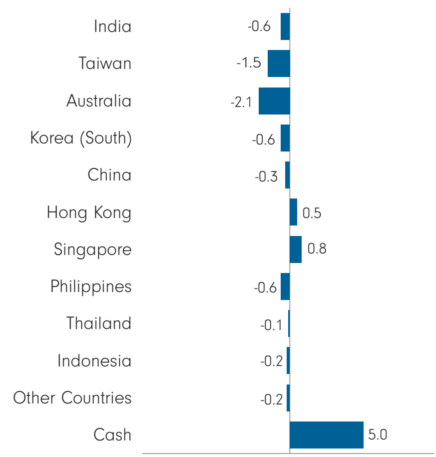
I continued to find attractive long term investment opportunities across the region over the review period. As a result, the number of stocks in the portfolio increased from 155 at the end of July 2016 to 171 at the end of January 2017. However, there were no major changes to the portfolio's overall positioning at the country and sector levels, except for minor adjustments driven by stock-specific opportunities (see chart below).

With regards to the use of gearing - as always, returns will be driven by stock picking and I will use gearing when I have more ideas than money. I have, therefore, not used gearing in any meaningful way so far.

Country weightings (%)



Weighting change over 6 months (%)



Fidelity Asian Values PLC   MSCI All Countries Asian ex Japan Index

Source: Fidelity and MSCI classifications.

Portfolio Manager's Half-Yearly Review continued

Outlook

There is certainly no shortage of market commentators who will provide a soundbite as to where they believe global financial markets are heading over the coming months. I do not wish to make such predictions. As Warren Buffet often says, "Forecasts may tell you a great deal about the forecaster, they tell you nothing about the future."

I pay little attention to forecasts which are aired 24/7 on business channels. They do not help in making money. I feel my time is better spent understanding the businesses that I invest in. However, as I said at the start, I feel that it is difficult to say how the current unorthodox macro-economic policies as well as ongoing political changes will shape the world. Further, given the significant economic and political uncertainty currently present more widely across the globe, it is possible that there may even be a bear market in the coming two or three years (to be clear, I am not predicting a bear market; I am just not excluding the possibility of one). Hence, we have bought a significant amount of protection in terms of long dated out of the money put options. It is good to be fearful when others are greedy. However in my opinion, any kind of major pullback in the market, if it were to happen, would be an opportunity to accumulate more interesting businesses, as long-term fundamentals of Asia are good with rising education levels and the potential for improved productivity which follows. As is often said, "You make your money in the bear market; you just realise the profits in a bull market".

Nitin Bajaj
Portfolio Manager
12 April 2017

Interim Management Report and Responsibility Statement

Bonus issue of subscription shares

At the Company's General Meeting held on 2 December 2016, shareholders approved the bonus issue of subscription shares on the basis of one subscription share for every five held by qualifying investors. Each subscription share gives the holder the right, but not the obligation, to subscribe for one ordinary share on the annual exercise dates. The subscription shares can be exercised annually in the 25 business days preceding the last business day in November this year, and in 2018 and 2019. The exercise price is equal to the published NAV of 366.88 pence per ordinary share on 2 December 2016 plus a premium of 1% if exercised this year (370.75 pence), a premium of 4% if exercised in 2018 (381.75 pence) and a premium of 7% (392.75 pence) if exercised in 2019, rounded up to the nearest quarter penny.

Share Repurchase and Treasury Shares

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

During the six months to 31 January 2017, no ordinary shares were repurchased for cancellation or holding in Treasury and none have been repurchased since this date and as at the date of this report.

Principal risks and uncertainties

The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key risks faced by the Company. The Board believes that the principal risks and uncertainties faced by the Company continue to fall in the following categories: market risk; performance risk; discount control risk; gearing risk; derivatives risk; and currency risk. Other risks include tax and regulatory risks; and operational risks (service providers). Information on each of these risks can be found in the Strategic Report section of the Annual Report for the year ended 31 July 2016. A copy of the Annual Report can be found on the Company's pages of the Manager's website at **www.fidelityinvestmenttrusts.com**.

These risks and uncertainties have not materially changed during the six months to 31 January 2017 and are equally applicable to the remaining six months of the Company's financial year.

Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated the Company's portfolio management to FIL Investments International. The transactions with the Manager and related party transactions with the Directors are disclosed in Note 12 on page 23.

Going concern

The Directors have considered the Company's investment objective, policy and strategy and the Company's projected income and expenditure and that the portfolio of investments is considered to be mainly readily realisable securities. Therefore, the Directors believe that the

Interim Management Report and Responsibility Statement continued

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

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

By Order of the Board
FIL Investments International
12 April 2017

Directors' Responsibility Statement

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

The Directors confirm to the best of their knowledge that:

a) the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council's Standard, FRS 104: Interim Financial Reporting; and

b) the Interim Management Report, together with the Portfolio Manager's Half-Yearly Review on pages 3 to 6, includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

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

The Half-Yearly Report was approved by the Board on 12 April 2017 and the above responsibility statement was signed on its behalf by Kate Bolsover, Chairman.

Twenty Largest Holdings

as at 31 January 2017

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

	Gross Asset Exposure £'000	Gross Asset Exposure %[1]	Balance Sheet Value £'000
Long exposures – shares unless otherwise stated			
Power Grid Corp of India Operator of the Indian national electricity grid	10,098	3.9	10,098
Tisco Financial Group Auto finance bank	7,522	2.9	7,522
WPG Holdings Semiconductor and core components distributor	5,892	2.3	5,892
RHT Health Trust Hospital operator in India	5,825	2.3	5,825
Housing Development Finance Provider of housing finance to individual households and corporates in India	5,788	2.2	5,788
LT Group Banking, beverages, spirits, tobacco and property development group	5,433	2.1	5,433
Taiwan Semiconductor Manufacturing (shares and long CFD) Integrated circuit related products developer, manufacturer and distributor	5,293	2.0	3,392
Ascendas India Trust Real estate investment company	4,987	1.9	4,987
International Housewares Retail Housewares retail chain	4,916	1.9	4,916
SK Hynix Semiconductor and memory chip manufacturer and supplier	4,466	1.7	4,466
G8 Education Day care centre operator	4,457	1.7	4,457
WT Microelectronics Semiconductor products distributor	3,956	1.6	3,956
HDFC Bank Private sector bank	3,601	1.4	3,601
Philippine Seven Convenience store chain operator	3,592	1.4	3,592

Twenty Largest Holdings continued

as at 31 January 2017

	Gross Asset Exposure		Balance Sheet Value
	£'000	%[1]	£'000
Zhaopin Careers website operator	3,456	1.3	3,456
Convenience Retail Asia Convenience store chain operator	3,286	1.3	3,286
Essel Propack Tube packaging manufacturer	3,176	1.2	3,176
LPN Development Property developer	3,077	1.2	3,077
Pepsi-Cola Products Philippines Soft drinks manufacturer and distributor	2,944	1.1	2,944
Cognizant Technology Solutions (shares and written put option) Information technology consulting and applications provider	2,418	1.0	1,705
Twenty largest long exposures	**94,183**	**36.4**	**91,569**
Other long exposures	150,415	58.2	150,415
Total long exposures before hedges (157 holdings)	**244,598**	**94.6**	**241,984**
Less: hedging exposures			
Hang Seng Index (put option)	(2,791)	(1.1)	561
Hang Seng China Enterprises Index (put option)	(1,995)	(0.8)	247
KOSPI 200 Index (put options)	(1,567)	(0.6)	119
Total hedging exposures	**(6,353)**	**(2.5)**	**927**
Total long exposures after the netting of hedges	**238,245**	**92.1**	**242,911**
Add: short exposures			
Short CFDs (14 holdings)	**10,655**	**4.1**	**(349)**
Gross Asset Exposure[2]	**248,900**	**96.2**	
Portfolio Fair Value[3]			**242,562**
Net current assets (excluding derivative assets and liabilities)			16,070
Total Shareholders' Funds			**258,632**

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

2 Gross Asset Exposure comprises market exposure to shares of £241,312,000 plus market exposure to derivative instruments of £7,588,000

3 Portfolio Fair Value comprises Investments of £241,312,000 plus derivative assets of £1,882,000 less derivative liabilities of £632,000 (per the Balance Sheet on page 16)

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Income Statement

for the six months ended 31 January 2017

		six months ended 31 January 2017 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains on investments at fair value through profit or loss		–	21,935	21,935
Gains on derivative instruments		–	17	17
Income	4	4,455	–	4,455
Investment management fee	5	(1,167)	–	(1,167)
Other expenses		(403)	(165)	(568)
Foreign exchange gains		–	49	49
Net return on ordinary activities before finance costs and taxation		2,885	21,836	24,721
Finance costs		(163)	–	(163)
Net return on ordinary activities before taxation		2,722	21,836	24,558
Taxation on return on ordinary activities	6	(338)	(96)	(434)
Net return on ordinary activities after taxation for the period		2,384	21,740	24,124
Return per ordinary share – basic and diluted	7	3.53p	32.21p	35.74p

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

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

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

	six months ended 31 January 2016 unaudited			year ended 31 July 2016 audited		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
	–	3,139	3,139	–	53,659	53,659
	–	205	205	–	1,928	1,928
	2,766	–	2,766	6,441	–	6,441
	(822)	–	(822)	(1,847)	–	(1,847)
	(359)	–	(359)	(674)	–	(674)
	10	700	710	72	583	655
	1,595	4,044	5,639	3,992	56,170	60,162
	(13)	–	(13)	(94)	–	(94)
	1,582	4,044	5,626	3,898	56,170	60,068
	(197)	65	(132)	(284)	174	(110)
	1,385	4,109	5,494	3,614	56,344	59,958
	2.05p	6.09p	8.14p	5.36p	83.49p	88.85p

Statement of Changes in Equity

for the six months ended 31 January 2017

	Note	share capital £'000	share premium account £'000
Six months ended 31 January 2017 (unaudited)			
Total shareholders' funds at 31 July 2016		**16,872**	**20,232**
Net return on ordinary activities after taxation for the period		**–**	**–**
Dividend paid to shareholders	8	**–**	**–**
Total shareholders' funds at 31 January 2017		**16,872**	**20,232**
Six months ended 31 January 2016 (unaudited)			
Total shareholders' funds at 31 July 2015		16,872	20,232
Net return on ordinary activities after taxation for the period		–	–
Dividend paid to shareholders	8	–	–
Total shareholders' funds at 31 January 2016		16,872	20,232
Year ended 31 July 2016 (audited)			
Total shareholders' funds at 31 July 2015		16,872	20,232
Net return on ordinary activities after taxation for the year		–	–
Dividend paid to shareholders	8	–	–
Total shareholders' funds at 31 July 2016		16,872	20,232

	capital redemption reserve £'000	other non-distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total shareholders' funds £'000
	3,197	**7,367**	**8,613**	**176,840**	**4,424**	**237,545**
	–	**–**	**–**	**21,740**	**2,384**	**24,124**
	–	**–**	**–**	**–**	**(3,037)**	**(3,037)**
	3,197	**7,367**	**8,613**	**198,580**	**3,771**	**258,632**
	3,197	7,367	8,613	120,496	2,160	178,937
	–	–	–	4,109	1,385	5,494
	–	–	–	–	(1,350)	(1,350)
	3,197	7,367	8,613	124,605	2,195	183,081
	3,197	7,367	8,613	120,496	2,160	178,937
	–	–	–	56,344	3,614	59,958
	–	–	–	–	(1,350)	(1,350)
	3,197	7,367	8,613	176,840	4,424	237,545

Balance Sheet

at 31 January 2017

Company number 3183919

	Notes	**31.01.17 unaudited £'000**	31.07.16 audited £'000	31.01.16 unaudited £'000
Fixed assets				
Investments held at fair value through profit or loss	9	**241,312**	222,424	172,766
Current assets				
Derivative instruments	9	**1,882**	1,139	189
Other receivables		**1,820**	1,018	2,917
Amounts held in margin accounts		**1,302**	991	329
Cash at bank		**14,901**	14,324	8,203
		19,905	17,472	11,638
Creditors				
Derivative instruments	9	**(632)**	(542)	(37)
Other payables		**(1,953)**	(1,809)	(1,286)
		(2,585)	(2,351)	(1,323)
Net current assets		**17,320**	15,121	10,315
Net assets		**258,632**	237,545	183,081
Capital and reserves				
Share capital	10	**16,872**	16,872	16,872
Share premium account		**20,232**	20,232	20,232
Capital redemption reserve		**3,197**	3,197	3,197
Other non-distributable reserve		**7,367**	7,367	7,367
Other reserve		**8,613**	8,613	8,613
Capital reserve		**198,580**	176,840	124,605
Revenue reserve		**3,771**	4,424	2,195
Total shareholders' funds		**258,632**	237,545	183,081
Net asset value per ordinary share				
Undiluted	11	**383.23p**	351.98p	271.28p
Diluted	11	**381.15p**	n/a	n/a

Notes to the Financial Statements

1 Principal Activity

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

2 Publication of Non-statutory Accounts

The Financial Statements in this Half-Yearly Financial Report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 July 2016 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 Basis of Preparation

The Company prepares its financial statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The financial statements are also prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC"), in November 2014. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 July 2016.

Notes to the Financial Statements continued

4 Income

	six months ended 31.01.17 unaudited £'000	six months ended 31.01.16 unaudited £'000	year ended 31.07.16 audited £'000
Investment income			
Overseas dividends	**4,382**	2,601	5,847
Overseas scrip dividends	**49**	159	413
UK dividends	**11**	–	–
	4,442	2,760	6,260
Derivative income			
Dividends on long CFDs	**–**	–	165
Interest on short CFDs	**8**	–	3
	8	–	168
Other income			
Deposit interest	**5**	6	13
Total income	**4,455**	2,766	6,441

5 Investment Management Fee

	six months ended 31.01.17 unaudited £'000	six months ended 31.01.16 unaudited £'000	year ended 31.07.16 audited £'000
Investment management fee	**1,167**	822	1,847

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investments International ("FII"). Both companies are Fidelity group companies. FII charges fees at an annual rate of 0.90% on the first £200 million of gross assets and 0.85% on gross assets over £200 million. Fees are payable quarterly in arrears and are calculated on the last business day of March, June, September and December.

6 Taxation on Return on Ordinary Activities

	six months ended 31.01.17 unaudited £'000	six months ended 31.01.16 unaudited £'000	year ended 31.07.16 audited £'000
Revenue – taxation on overseas dividends	**338**	197	284
Capital – Indian capital gains tax			
– paid in the period	**96**	–	–
– deferred tax	**–**	(65)	(174)
Total taxation charge for the period	**434**	132	110

7 Return per Ordinary Share

	six months ended 31.01.17 unaudited	six months ended 31.01.16 unaudited	year ended 31.07.16 audited
Revenue return per ordinary share	**3.53p**	2.05p	5.36p
Capital return per ordinary share	**32.21p**	6.09p	83.49p
Total return per ordinary share – basic and diluted	**35.74p**	8.14p	88.85p

The returns per ordinary share are based on net returns on ordinary activities after taxation and the weighted average number of ordinary shares in issue during the period. The returns for the six months ended 31 January 2017 were revenue return £2,384,000 (six months ended 31 January 2016: £1,385,000 and year ended 31 July 2016: £3,614,000), capital return £21,740,000 (six months ended 31 January 2016: £4,109,000 and year ended 31 July 2016: £56,344,000) and total return £24,124,000 (six months ended 31 January 2016: £5,494,000 and year ended 31 July 2016: £59,958,000). The weighted average number of ordinary shares in issue for the six months ended 31 January 2017 was 67,488,213 (six months ended 31 January 2016: 67,488,213 and year ended 31 July 2016: 67,488,213).

There is no dilution as the average ordinary share price, since the subscription shares were issued on 5 December 2016, is below the 370.75 pence first exercise price of the subscription shares.

Notes to the Financial Statements continued

8 Dividends paid to Shareholders

	six months ended 31.01.17 unaudited	six months ended 31.01.16 unaudited	year ended 31.07.16 audited
Dividend of 4.50 pence per ordinary share paid for the year ended 31 July 2016	**3,037**	–	–
Dividend of 2.00 pence per ordinary share paid for the year ended 31 July 2015	**–**	1,350	1,350
	3,037	1,350	1,350

No dividend has been declared in respect of the six months ended 31 January 2017.

9 Fair Value Hierarchy

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

Classification	Valued by reference to
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

9 Fair Value Hierarchy continued

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The table below sets out the Company's fair value hierarchy:

	31 January 2017 unaudited		31 July 2016 audited		31 January 2016 unaudited	
	level 1 £'000	**level 2 £'000**	level 1 £'000	level 2 £'000	level 1 £'000	level 2 £'000
Financial assets at fair value through profit or loss						
Investments	**237,711**	**3,601**	216,658	5,766	172,766	–
Derivative instruments	**808**	**1,074**	–	1,139	–	189
	238,519	**4,675**	216,658	6,905	172,766	189
Financial liabilities at fair value through profit or loss						
Derivative instruments	**(78)**	**(554)**	(188)	(354)	–	(37)

FINANCIAL STATEMENTS

INFORMATION FOR SHAREHOLDERS

Notes to the Financial Statements continued

10 Share Capital

	31 January 2017 unaudited number of shares	31 January 2017 unaudited £'000	31 July 2016 audited number of shares	31 July 2016 audited £'000	31 January 2016 unaudited number of shares	31 January 2016 unaudited £'000
Ordinary shares of 25 pence each – issued, allotted and fully paid						
Held outside Treasury						
Beginning and end of the period	**67,488,213**	**16,872**	67,488,213	16,872	67,488,213	16,872
Subscription shares of 0.001 pence – issued, allotted and fully paid						
Beginning of the period	**–**	**–**	–	–	–	–
Subscription shares issued	**13,497,642**	**–**	–	–	–	–
End of the period	**13,497,642**	**–**	–	–	–	–
Total share capital		**16,872**		16,872		16,872

A bonus issue of subscription shares to ordinary shareholders on the basis of one subscription share for every five ordinary shares held took place on 5 December 2016. Each subscription share gives the holder the right, but not the obligation, to subscribe for one ordinary share upon payment of the subscription price. The subscription price is based on the published unaudited NAV per ordinary share at 2 December 2016, plus a premium depending upon the year in which the right is exercised. The exercise dates, subscription prices and premiums are as follows:

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

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

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

11 Net Asset Value per Ordinary Share

The net asset value per ordinary share is based on net assets of £258,632,000 (31 July 2016: £237,545,000 and 31 January 2016: £183,081,000) and on 67,488,213 (31 July 2016: 67,488,213 and 31 January 2016: 67,488,213) ordinary shares, being the number of ordinary shares in issue at the period end.

The diluted net asset value per ordinary share reflects the potential dilution in the net asset value per ordinary share if the rights of the 13,497,642 subscription shares in issue had been exercised on 31 January 2017 at the first exercise date price of 370.75 pence per share. The basis of the calculation is in accordance with the guidelines laid down by the AIC.

Undiluted and diluted net asset values per ordinary share are provided to the London Stock Exchange on a daily basis.

12 Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management and the role of company secretary to FIL Investments International ("FII"). Both companies are Fidelity group companies. Details of the fee arrangements are given in Note 5. During the period management fees of £1,167,000 (six months ended 31 January 2016: £822,000 and year ended 31 July 2016: £1,847,000) and secretarial and administration fees of £37,000 (six months ended 31 January 2016: £37,000 and year ended 31 July 2016: £75,000) were payable to FII. At the Balance Sheet date management fees of £206,000 (31 January 2016: £571,000 and 31 July 2016: £174,000) and secretarial and administration fees of £6,000 (31 January 2016: £30,000 and 31 July 2016: £46,000) were accrued and included in other payables. FII also provides the Company with marketing services. The total amount payable for these services during the period was £98,000 (six months ended 31 January 2016: £68,000 and year ended 31 July 2016: £122,000). At the Balance Sheet date marketing services of £7,000 (31 January 2016: £57,000 and 31 July 2016: £14,000) were accrued and included in other payables.

As at 31 January 2017, the Board consisted of five non-executive Directors (as shown in the Directory on page 25), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £30,000, the Audit Committee Chairman an annual fee of £25,000 and each other Director an annual fee of £22,750. The following members of the Board held shares in the Company: Kate Bolsover 15,250 ordinary shares and 3,050 subscription shares, Timothy Scholefield 10,000 ordinary shares and 2,000 subscription shares, Philip Smiley 2,500 ordinary shares and 500 subscription shares, Grahame Stott 20,000 ordinary shares and 8,000 subscription shares and Michael Warren, 4,000 ordinary shares and 800 subscription shares.

Shareholder Information

Investing in Fidelity Asian Values Plc

As Fidelity Asian Values PLC is a company listed on the London Stock Exchange you can buy its shares through a stockbroker, share shop or bank. Fidelity also offers a range of options, so that you may invest in the way that is best for you. Details of how to invest can be found on Fidelity's website at **www.fidelityinvestmenttrusts.com**

Contact information

Existing shareholders should contact the appropriate administrator using the contact details given below. This may be Capita Asset Services, the Company's Registrar, or Fidelity or it may be another platform or administrator of your choice. Links to the websites of major platforms can be found online at **www.fidelityinvestmenttrusts.com**

Holders of ordinary shares on the main share register

Capita Asset Services, Registrar to Fidelity Asian Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: **0871 664 0300** (calls cost 12p per minute plus network extras. If you are outside the United Kingdom, call **+44 371 664 0300**. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales).

Email: **shareholderenquiries@capita.co.uk**

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

Fidelity Platform Investors

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

Website: **www.fidelity.co.uk/fidelityits**

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

Financial advisers: call free on **0800 41 41 81**, 8.00am to 6.00pm, Monday to Friday.

General Enquiries

General enquiries should be made to the Secretary, at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP. Telephone: **01732 36 11 44**. Email: **investmenttrusts@fil.com**

Financial Calendar 2017

31 January	– Half-Yearly period end
April	– Announcement of Half-Yearly results
April	– Publication of Half-Yearly report
31 July	– Financial year end
October	– Publication of Annual Report
December	– Annual General Meeting

Directory

Board of Directors
Kate Bolsover (Chairman)
Philip Smiley (Senior Independent Director)
Grahame Stott (Chairman of the Audit Committee)
Timothy Schofield
Michael Warren

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
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Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP
Email: **investmenttrusts@fil.com**

Financial Adviser and Stockbroker
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150 Cheapside
London
EC2V 6ET

Independent Auditor
Ernst & Young LLP
25 Churchill Place
London
E14 5RB

Banker and Custodian
JPMorgan Chase Bank (London Branch)
125 London Wall
London
EC2Y 5AJ

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

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

Lawyer
Charles Russell Speechly
5 Fleet Place
London
EC4M 7RD

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/Manager.

AIFMD
The Alternative Investment Fund Managers Directive is a European Union Directive and was implemented on 22 July 2014.

COMPARATIVE INDEX
MSCI All Countries Asia ex Japan Index (net) in Sterling terms total return.

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.

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 JPMorgan Chase Bank.

DEPOSITARY
An entity that oversees the custody, cash arrangements and other AIFMD 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.

FAIR VALUE
The fair value is the best measure of the realisable value of the investments, including derivatives, at a point in time and this is measured as:

- Listed investments – valued at bid prices, or last market prices, as available, otherwise at published price quotations;

- Contracts for difference – valued as the difference between the settlement price of the contract and the underlying shares in the contract (unrealised gains or losses); and

- Options – valued at the quoted trade price for the contract.

GEARING

Gearing describes the level of the Company's exposure and is expressed as a percentage of shareholders' funds. It reflects the amount of exposure the Company uses to invest in the market. It can be obtained through the use of bank loans, bank overdrafts and derivatives, in order to increase the Company's exposure to investments. If assets rise in value, gearing magnifies the return to shareholders. Correspondingly, if assets fall in value, gearing magnifies the fall. Derivatives 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 derivatives), 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.

GROSS ASSET EXPOSURE

A measure of the Company's total equity exposure. It is calculated as the sum of all long exposures, after taking account of hedging positions and the absolute value of all short exposures.

HEDGING

A strategy aimed at minimising or eliminating the risk or loss through adverse movements normally involving taking a position in a derivative such as future or option.

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.

NET ASSET VALUE PER ORDINARY SHARE – UNDILUTED

The net asset value divided by the number of ordinary shares in issue.

NET ASSET VALUE PER ORDINARY SHARE – DILUTED

The net asset value per ordinary share – undiluted – adjusted to reflect what the net asset value per share would have been if all the rights attached to the outstanding subscription share in issue had been exercised. A dilution occurs when the exercise price of the subscription share rights is less than the net asset value per ordinary share – undiluted.

NET MARKET EXPOSURE

A measure of the Company's net equity exposure. It is calculated as the total of all long exposures (less the total of any exposures hedging the portfolio) less the total of all short exposures.

OPTIONS

An option is a contract which gives the right but not the obligation to buy or sell an underlying asset at an agreed price on or before an agreed date. Options may be calls (buy) or puts (sell) and are used to gain or reduce exposure to the underlying asset on a conditional basis.

Glossary of Terms continued

PORTFOLIO MANAGER

Nitin Bajaj is the appointed Portfolio Manager for the Company and is responsible for managing the Company's assets.

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; and

- **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 RETURN PERFORMANCE

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

TREASURY SHARES

Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not receive dividends, have no voting rights and are excluded from the net asset value per share calculation.

Fidelity INTERNATIONAL

Printed on FSC® certified paper.

100% of the inks used are vegetable oil based 95% of press chemicals are recycled for further use and on average 99% of any waste associated with this production will be recycled.

The FSC® logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council®.

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