



23 March 2023

Closed End Investments



Market data

| EPIC/TKR | FCSS |
|------------------------|-----------------|
| Price (p) | 241.0 |
| 12m high (p) | 303.5 |
| 12m low (p) | 178.2 |
| Shares (m) | 489.3 |
| Mkt cap (£m) | 1,179 |
| NAV (21 Mar'23, p) | 269.6 |
| Discount to NAV (%) | -11 |
| Country/Ccy of listing | UK/GBP |
| Market | STMM (FTSE 250) |

Description

The investment objective of Fidelity China Special Situations (FCSS) is long-term capital growth from an actively managed portfolio made up primarily of securities issued by companies in China, both listed and unlisted, as well as Chinese companies listed elsewhere. FCSS may invest in companies with significant interests in China.

Company information

| | |
|-----------|---|
| Chair | Mike Balfour |
| NEDs | Vanessa Donegan (SID), Alastair Bruce (Chair Audit Cttee.), Georgina Field, Gordon Orr, Edward Tse |
| Fund Mgr. | Dale Nicholls |

<https://investment-trusts.fidelity.co.uk/fidelity-china-special-situations/?p=0&c=10>

Key shareholders (Jan'23)

| | |
|------------------------|-------|
| Fidelity, HL, II | 41.2% |
| Lazard AM | 9.2% |
| Allan & Gill Gray Fdn. | 7.5% |
| City of London IM | 7.4% |

Diary

| | |
|---------|---------------|
| Mid-Mar | Feb factsheet |
|---------|---------------|

Analyst

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FIDELITY CHINA SPECIAL SITUATIONS PLC

If you like China, why invest via FCSS?

Our recent notes explored why investor concerns over the whole Chinese market appeared overdone. With the recent rise in these markets, it appears that these disquiets have moderated. Accordingly, in this note, we consider why investors, having decided that they like China, would choose FCSS as their investment vehicle. We note that i) it has delivered superior returns, ii) Fidelity's processes and infrastructure are the drivers to this outperformance, iii) it is a large, liquid closed-ended vehicle, offering whole market exposure, iv) it has falling, variable and relatively low fees, and v) it has delivered rising dividends over a decade. We have increased our FY'23-24 NAV estimates by ca.20p to reflect the recent strong performance.

- ▶ **Superior returns:** FCSS has delivered cumulative returns around 3x the local benchmark and the whole UK market (4x UK smaller companies) since inception. Critically, this is driven by the value added by Fidelity, whose stock selection and use of gearing have more than doubled the index growth. The benefit from compounding higher growth further enhances investor returns.
- ▶ **Opportunities:** FCSS's access to Fidelity's on-the-ground and worldwide research gives insights and identifies opportunities unavailable to local, regional and global competitors, most notably in the small-cap space. This is compounded by the way FCSS, as a Trust, is managed, with a flexible mandate accessing unlisted investments, through gearing and managing investor returns.
- ▶ **Valuation:** FCSS trades at an 11% discount to NAV. The discount has trended down since 2016, but it rose recently on regulatory, economic and geopolitical concerns. Peer ratings have been volatile (FCSS is in the pack), but FCSS's performance is significantly better. The yield is now 2.3%, and buybacks have been done recently.
- ▶ **Risks:** Further regulation in China is a risk, but FCSS's exposure appears limited. Geopolitics may affect sentiment, but FCSS is domestically focused. Sentiment can go against FCSS's investment style. The economic outlook remains uncertain, as is the policy response to it. Returns may be expected to be volatile.
- ▶ **Investment summary:** In general, FCSS invests in the huge opportunities from New China, with growth in the middle classes, and supportive government policies towards domestic demand and innovation, expected to underpin attractive GDP growth. Fidelity's stock-picking, gearing, being able to make illiquid investments and the compounding benefits from investment outperformance have seen total share returns more than 2.5x those of listed peers over 10 years. There are risks from further regulations, but these may also create opportunities. Investor appetite for FCSS's style may vary, and investors should expect volatile returns. As noted, the share price is at an 11% discount to NAV.

Financial summary and valuation

| Year-end Mar (£000) | 2020 | 2021 | 2022 | 2023E | 2024E |
|--------------------------------|----------|----------|-----------|----------|----------|
| Total income | 33,016 | 32,781 | 41,275 | 34,943 | 40,632 |
| Gains/losses on fin. invst. FV | (57,341) | 725,388 | (603,831) | 100,000 | 172,104 |
| Invst. management fees | (9,440) | (18,591) | (16,781) | (13,626) | (18,469) |
| Other expenses | (1,177) | (1,368) | (1,418) | (1,350) | (1,350) |
| PBT | (82,587) | 991,375 | (752,598) | 153,908 | 186,264 |
| Investments (£m) | 1,290 | 2,167 | 1,365 | 1,503 | 1,643 |
| Cash | 38,523 | 66,404 | 73,673 | 693 | 9,475 |
| NAV (£m)* | 1,273 | 2,183 | 1,401 | 1,470 | 1,624 |
| NAV per share (£) | 2.36 | 4.23 | 2.73 | 2.99 | 3.30 |
| Prem./disc. (-) to NAV | -9% | -1% | -8% | -20% | -27% |
| Yield | 1.8% | 1.9% | 2.3% | 2.5% | 2.7% |

*2023-24 discount current share price to forecast NAV. It is not a forecast discount. The Trust has a policy that aims to keep the discount well below these levels; Source: Hardman & Co Research

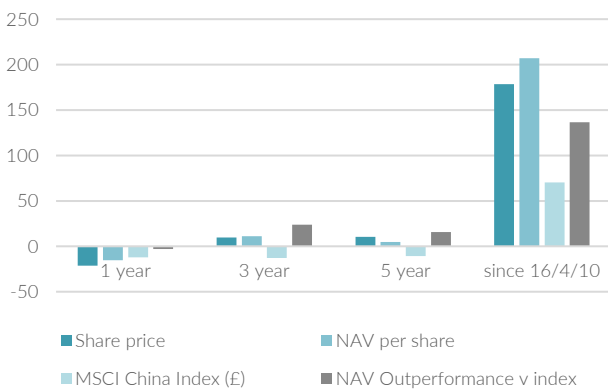
Reasons to choose FCCS as your vehicle to invest in China

Superior investor returns

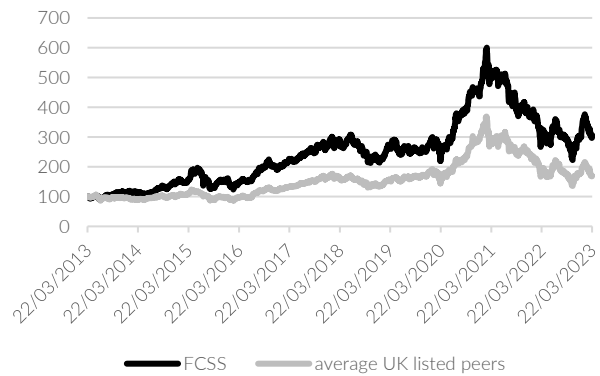
FCSS has outperformed the benchmark indices, delivering ca.3x index growth since inception

The left-hand chart below shows FCSS's NAV and cumulative share price growth. The past year has been traumatic, with a sharp market fall, compounded by gearing more than offsetting good stock selection (see section below), and this has led to a small NAV underperformance against the index. Taking a slightly longer-term view, FCSS's cumulative growth has outperformed the MSCI China Index on each of three- and five-year time horizons, and since inception, with the cumulative NAV growth since launch at ca.3x the level of the index. The right-hand chart below shows the outperformance against the larger China open-ended vehicles.

Cumulative growth in FCSS share price, NAV and MSCI China Index (%)

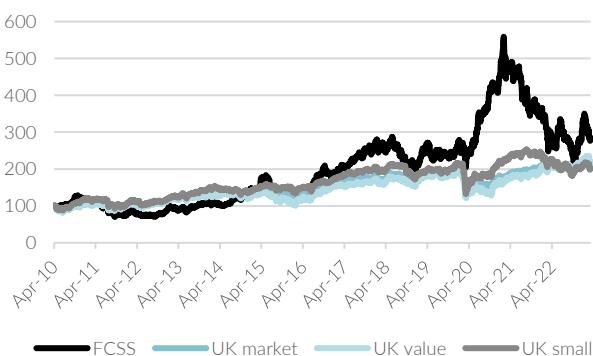


FCSS and open-ended peers' total return, indexed to 100 at October 2015 (start date of all peers)

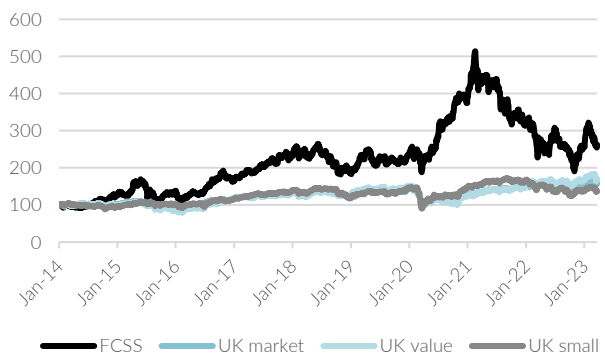


Note: Peers include Barings HK China A GBP, HSBC GIF Chines Equity B, Ninety One GSF All China Equity IX, Schroder ISF Greater China A. Source: Refinitiv, accessed 23 March 2023, February Factsheet, Hardman & Co Research

FCSS share total return, UK whole and small markets, indexed to 100 at 16 April 2010 (launch)



FCSS share price, UK whole and small markets, indexed to 100 at 1 January 2014 (manager's appointment)



Source: Refinitiv accessed 23 March 2023, Hardman & Co Research

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Against UK indices, performance has been even better

FCSS was established to offer sterling-based investors exposure to China, and the majority of its shareholders are retail (66% as at 31 March 2021). Therefore, we believe it appropriate to consider how FCSS has performed against UK benchmark indices. As the charts above show, the total return from FCSS has significantly outperformed the UK market, despite the correction seen through most of 2021-22. Since the manager was appointed, the return has been ca.2.8x the overall UK market and ca.4.3x the small-cap return.

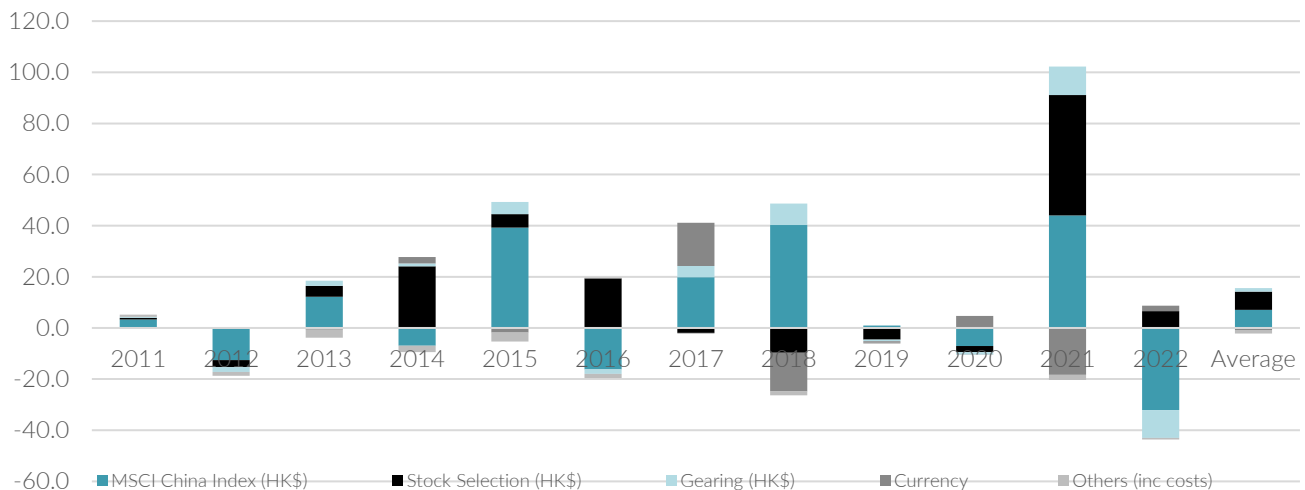
Investor returns driven by value added by Fidelity's processes and infrastructure

From FY'11-22, manager's stock selection and focused gearing have more than doubled gross NAV contribution from rising MSCI China Index

The chart below shows the attribution analysis provided by FCSS in its Report and Accounts. On average, FY'11-22 saw a 13.3% NAV annual accretion, of which the index accounted for 7.1%, stock selection 7.2% and gearing 1.3% (the balance being the net negative effects of currency, costs, cash and other effects). The mid-teen return is despite an especially challenging FY'22, which saw sharp index falls (-32.1%), compounded by gearing (-10.9%), and only partially offset by continued good stock selection (+6.6%). In terms of gross performance, taking the whole period FY'11-22, the stock selection and gearing by the manager have added 8.5% to annual NAV, more than doubling the average annual index contribution of 7.1%. Over time, investors further benefited from the compounding value of the higher returns (over 10 years, 7.1% p.a. growth saw the investment double, while 15.6% p.a. growth compounds to see the investment more than quadruple).

Significant compounding benefit on top

Annual attribution analysis of NAV changes since 2011 (FY ending March, %)



Source: FCSS Report and Accounts, Hardman & Co Research

FCSS's focus is value in structural growth businesses with competitive advantages and strong management teams

It is important to understand how the manager goes about making the investment decisions that have generated this performance. Fidelity's focus is on the underlying value of companies assessed by their growth prospects over the medium term, underlying competitive strengths and the quality of management teams. This is overlaid with thematic drivers such as potential beneficiaries of a "new China", including the shift to online usage and structural growth in areas like healthcare and life insurance. Its valuation discipline has led to a bias towards smaller companies. The latest portfolio position was explained further in the manager's report, [Will Chinese equities hop ahead in the Year of Rabbit?](#)

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Research a competitive advantage over local, regional and global competition

Ideas are generated primarily by the fund manager and the on-the-ground local analysts, complemented by Fidelity's global research and joining the dots from multiple other information sources, including thematic industry research. Most of the manager's time is spent in company meetings, and the manager looks at the multiple layers of management to really understand the business. Relative to global peers, Fidelity has a large, long-established research team, based in both Shanghai and Hong Kong (Baillie Gifford, for example, only opened its Shanghai office at the end of 2019). The manager also manages a broader Asian fund, and has wide-reaching Asian experience, which can give unique insights into how Chinese companies may evolve. Fidelity's global footprint can give it a perspective of themes, something that is simply unavailable to more domestically focused or regional competitors.

Board usually spends a week in China – meeting management teams, as well as local analysts

Additionally, we highlight the level of board supervision. We found the Chairman's comments on page 3 of the *2022 Report and Accounts* about the board's due diligence trip to China especially interesting. The board undertakes an annual due diligence trip to China and, in the COVID-19 world, this was done virtually. In FY'20, when it was a physical trip, in addition to meeting Fidelity International's investment and research teams in Hong Kong and spending time with the analysts who cover the individual stocks, members of the board met economists and industry experts, along with the executive management teams of 17 companies (total holding at the time 138), including half the unlisted investments.

FCSS has flexible mandate to take best opportunities available, e.g. sub-£1bn market capitalisation

One of the features of FCSS is its flexible mandate, which means that it can optimise investments by any measure, including listing location, market capitalisation and the stock-picking process identified above. The left-hand chart below shows its weighting by market capitalisation. As can be seen, it is significantly underweight large-cap and overweight smaller businesses, especially in the sub-£1bn market capitalisation area. This is an area where there is less research and where there are more pricing anomalies. In our view, there is also a greater chance of takeover activity, illiquidity discounts and transformational growth, all of which provide potential upside.

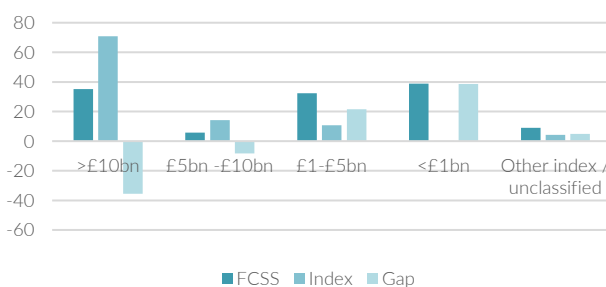
FCSS is an active investor – on average, turning over portfolio every two years

The right-hand chart below shows that FCSS is an active investor, typically turning over its portfolio every two years. When markets are not normal (e.g. FY'16 or FY'21), it becomes much more active. We are encouraged that the manager's active management does not appear to have "sacred cows", and it will consider opportunities outside its usual themes.

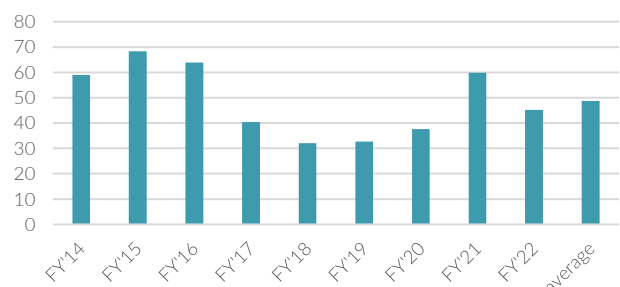
Can short selectively, and very carefully

The manager can also take short positions. In February 2023, net shorts accounted for 2.1% of the tangible net assets. We understand that the conviction to short has to be very high, given the cost of borrowing and the market anomalies we identify below. The risk that a herd of less-informed investors can maintain and exacerbate over-valuations for a sustained period is real.

Split of portfolio by market capitalisation (%)



Portfolio turnover* since manager appointed (%)



*Calculated by taking average of total amount of securities purchased and total amount of securities sold in reporting year, divided by average fair value of investments. Source: February Factsheet, FCSS Report and Accounts, Hardman & Co Research

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Unlisted investments account for 14.8% of NAV, allowing FCSS access to value created in run-up to IPOs

FCSS first invested in Alibaba in September 2012, two years ahead of IPO, during which time FCSS's stake rose in value from £15.5m to £74.8m. FCSS uses the same analyst skills to identify mis-valued companies as it does in the listed space. With unlisted investments, its focus has been on businesses typically close to their IPO, in order to capture the rapid value accretion that is often seen at that time. FCSS is not trying to be a private equity (PE) investor involved in the active management of the business, but, rather, it is an active, supportive shareholder whose presence on the share register brings both financial and reputational gains for the investee company. It also builds relationships, which can lead to an extended holding once the company has listed. FCSS's flexible mandate allows up to 15% of net assets, plus borrowings in unlisted investments. Prior to FY'21, the cap was 10%, and actual exposures rarely exceeded 6%, with the new limit being indicative of growing opportunities in this area. We understand that it is, in part, FCSS's historical success in this area that has made it an attractive go-to partner, and so it is being approached with more propositions than in the past.

£267m of gains in FY'21 from derivatives. Peers have not used them recently.

One further aspect of FCSS's flexible mandate is its use of derivatives. In its FY'21 results, FCSS reported gains on derivatives of £267m – nearly a quarter of total income. It can also lead to losses (as seen in FY'22).

FCSS a large, liquid, closed-ended structure, offering whole market exposure

Closed-ended structures, like those of FCSS, outperform open-ended ones...

FCSS was launched to offer sterling-based investors an exposure to China. There are many open-ended investment vehicles available to those wanting such an exposure, but we see four advantages in FCSS's closed-ended structure, including:

...as they have less cash drag...

- ▶ The manager can make longer-term decisions, without having to worry about the need to hold liquidity against potential redemptions. This means that FCSS can exploit any illiquidity premium in investments.

...can invest long term...

- ▶ We note that FCSS has 14.8% of total net assets (TNA) in unlisted investments (cap 15%) and 39% in companies with a market capitalisation of less than £1bn, in addition to holding large-cap names like Tencent and Alibaba.¹ Its portfolio thus offers investors exposure to the whole Chinese market, and not some subset, which could have incremental volatility.

...offer more favourable trading options...

- ▶ Being listed on a stock exchange, FCSS offers investors the ability to buy and sell shares at any time within normal trading hours, benefiting from the good liquidity associated with being a FTSE 250 company with a market capitalisation of £1.2bn. LSE trading data indicate that, in the year to November 2022, on average, there were more than 6,000 trades per month, with an average monthly value traded of ca.£50m. Being listed means that there is good corporate governance, with a board of directors providing an additional layer of oversight to protect investors' interests and, *inter alia*, promote ESG.

...have good corporate governance...

...and allow gearing

- ▶ Gearing – taking FCSS's disclosed attribution analysis, FY'11-22 gearing added an average 1.3% to annual returns – nearly a fifth of the MSCI China Index contribution over the period. The higher-return benefit then compounds over time, giving an even better outperformance. Gearing also increases the volatility of returns, as seen in FY'22.

¹ February 2023 Factsheet

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We estimate top-quartile performance against open-ended funds over three years

The AIC has indicated that, across all closed-ended vehicles, it believes the incremental return is more than 1% p.a. higher than in open-ended, comparable vehicles. Looking at FCSS over the past year, we estimate that it would be fourth out of 22 China/Greater China open-ended funds available to retail investors on the [Fidelity Funds website](#). It has delivered the top-quartile performance on a three-year view.

FCSS's fees have been on steadily declining trend

Falling, variable and relatively low fees

Ongoing charges, excluding the variable element, have been on a steadily declining trend, falling every year since FY'13 (as shown in the table below). In FY'22, ongoing charges were just over half the level incurred in FY'13. *Inter alia*, this includes the economies of scale from being such a large-scale provider, as well as the board's focus on this issue.

| Ongoing charges excl. variable management fee* (% average net asset values for FY ending March) | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 1.93 | 1.70 | 1.80 | 1.45 | 1.29 | 1.20 | 1.16 | 1.11 | 1.02 | 0.99 | 0.97 | 0.94 |

*Defined as total operational expense (excluding finance costs and taxation) incurred by FCSS as a percentage of average NAVs
Source: FCSS Report and Accounts, Hardman & Co Research

Fees reduced again from 1 April 2021, which is important evidence of board's relationship with manager

FCSS agreed a new fee arrangement with the manager, effective from 1 April 2021, with the revised fee structure to be on a tiered basis of 0.90% on the first £1.5bn of NAV, reducing to 0.70% on NAV above this level. The benefit increases as the NAV grows. As important as the financial reward is the fact that the FCSS board is clearly effective in its discussions with Fidelity.

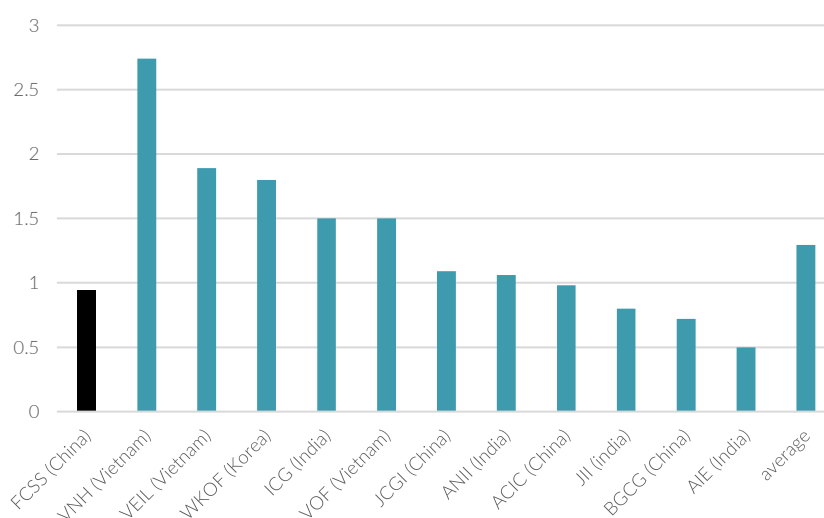
Performance-related variable fee element can reduce manager's charges by nearly a quarter

FCSS has also had a variable management fee structure (VMF) in place since 1 July 2018. The base fee can see a +/-0.20% variation fee, based on performance relative to FCSS's benchmark index (the MSCI China Index).

FCSS has one of lowest charges among AIC Asian country specialists

We also note that, relative to other companies in the AIC country specialists' sub-sector, FCSS's ongoing charges are about three quarters of the average. A number of pan-Asian and emerging market investment companies (not shown in the chart) have a heavy weighting in China. These vehicles typically have a range of fees, but, on average, they incur ongoing costs of 0.85%, in line with FCSS's ongoing charges.

AIC-basis ongoing charges (%) for Asian country specialists



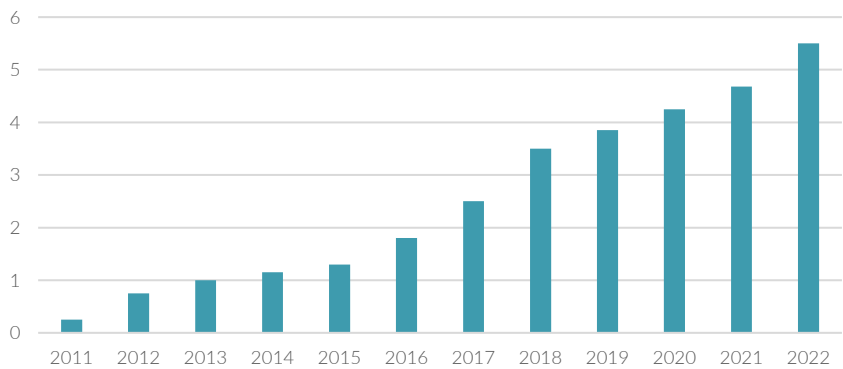
Source: Companies' websites, accessed February 2023, Hardman & Co Research

Over a decade of rising dividends

Dividend is not key driver, but has been increased every year since inception

We believe that most investors will see the capital gains from Chinese growth and Fidelity’s management as the key attractions of FCSS, with the yield (FY’23E 2.5%) being an added bonus. However, FCSS has had a progressive dividend policy throughout its existence, and has indicated that it intends to maintain this policy in the future. In a period of low-income returns from other investments, such a policy may have an increasing value.

Dividend history since launch (p)



Source: FCSS Report and Accounts, FY ending March, Hardman & Co Research

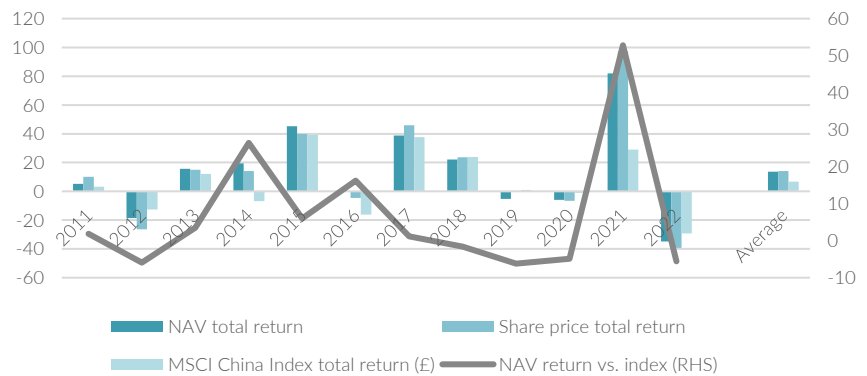
Trust-specific risks in picking FCSS

Investor appetite for FCSS’s approach

FCSS’s style of investing can be out of favour and, in such times, it faces a headwind compared with benchmarks

Within a long-term trend of delivering material outperformance, there were three sequential years of underperformance in FY’18-20 (with a negative stock selection attribution, due to the market demand for large-cap tech names) and further underperformance in FY’22 (when gearing in falling markets outweighed a strongly positive stock selection benefit). As a general rule, in addition to its small-cap bias, the portfolio is generally skewed to new China and underweight segments like banks, real estate and utilities. The latter can outperform when there is a style rotation into purer “value”, and away from growth themes. Some also see volatility around regulatory news, and can outperform when this noise is low.

NAV, share price and MSCI Index total return, and FCSS’s relative performance, FY’11-22 (%)



Note: 2011 from launch on 19 April 2010 to 31 March 2011
 Source: FCSS Report and Accounts, Hardman & Co Research

Volatility of returns

FCSS’s investment style likely to generate incremental volatility in an already volatile market

FCSS has achieved long-term outperformance, but it is operating in markets that have volatility. The chart above shows the volatility of returns over FY’11-22. Even before FY’21, the NAV average return was 11.7%, but this ranged from -19% to +45%. FY’21 was an even more extreme example – fortunately on the upside. We note that FCSS’s investment approach compounds the market volatility. In the 10 years FY’11-22, it showed more volatility than the benchmark index, and, in one year, it moved in the opposite direction. In our initiation, *China growth story + market-beating style*, we explored, in considerable detail, some of the factors driving the market volatility.

Valuation

Historical trend

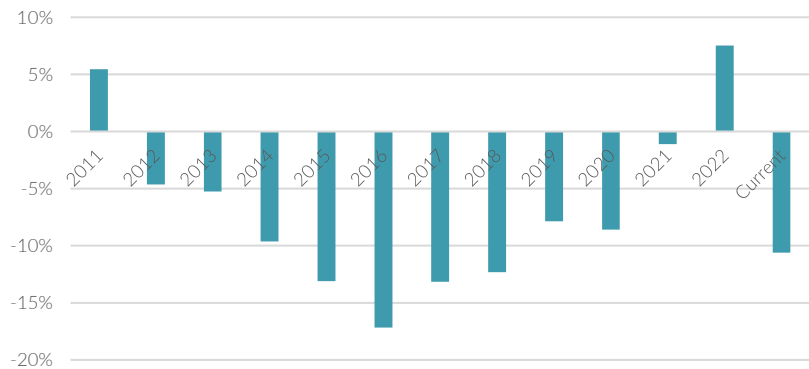
Strong performance in FY'17-18 saw discount to NAV reduce

With relative performance through COVID-19, this became a modest premium

More recently, economic, regulatory and geopolitical concerns have seen discount widen towards historically high levels again

As can be seen in the chart below, from FY'15-18, FCSS typically traded at a double-digit NAV discount, reflecting both the political uncertainty at the time and the weak performance of the benchmark index (FY'16 total return -16%, against flat for FCSS). This changed with the strong performance of the Trust and index. The strong relative performance of China through the pandemic saw the NAV rise to a modest intra-period premium. More economic, regulatory and geopolitical concerns have seen the discount widen once again.

Historical prem./disc. to NAV at March year-ends, and current level



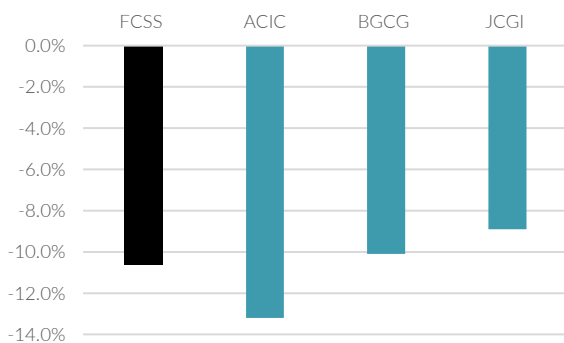
Source: FCSS Report and Accounts (FY ended March), LSE NAV announcement and share price, priced on 21 March 2023, Hardman & Co Research

In-line discount, despite superior long-term performance

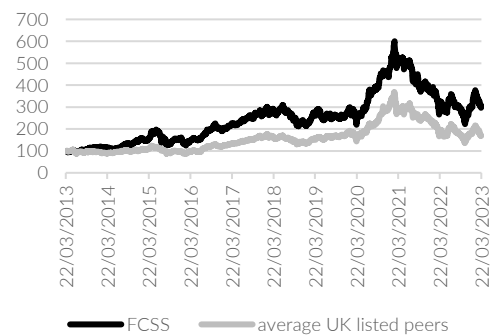
Peer comparisons

FCSS's discount to NAV is mostly in line with that of peer Chinese-specific investment trusts (see left-hand chart below), although its long-term performance is significantly better. Over 10 years (see right-hand chart below), its total share price return has been well ahead of the average of its peers. The pricing thus appears anomalous.

Discount to NAV vs. immediate peers (%)



10-year share price return vs. immediate peers (%)



Source: LSE (priced on 21 March 2023), Refinitiv, Hardman & Co Research

Financials

We have increased our FY'23E NAV by 20p to reflect the recent strong performance. This carries forward into our FY'24 estimates.

Income statement (£000)

| Year-end Mar | 2022 | | | 2023E | | | 2024E | | |
|---|---------------|------------------|------------------|---------------|----------------|----------------|---------------|----------------|----------------|
| | Revenue | Capital | Total | Revenue | Capital | Total | Revenue | Capital | Total |
| Investment income | 29,638 | | 29,638 | 21,848 | | 21,848 | 27,537 | | 27,537 |
| Derivative income | 11,595 | | 11,595 | 11,595 | | 11,595 | 11,595 | | 11,595 |
| Other income | 42 | | 42 | 1,500 | | 1,500 | 1,500 | | 1,500 |
| Total income | 41,275 | | 41,275 | 34,943 | | 34,943 | 40,632 | | 40,632 |
| Gains/losses on inv. at FV through P&L | | (603,831) | (603,831) | | 100,000 | 100,000 | | 172,104 | 172,104 |
| Losses on derivative instruments | | (160,189) | (160,189) | | 40,593 | 40,593 | | - | - |
| Foreign exchange gains on other net assets | | 1,429 | 1,429 | | - | - | | - | - |
| Foreign exchange losses on bank loans | | (3,569) | (3,569) | | - | - | | - | - |
| Total income and losses | 41,275 | (766,160) | (724,885) | 34,943 | 140,593 | 175,536 | 40,632 | 172,104 | 212,735 |
| Expenses | | | | | | | | | |
| Investment management fees | (3,984) | (15,659) | (16,781) | (3,229) | (10,397) | (13,626) | (4,377) | (14,092) | (18,469) |
| Other expenses | (1,393) | (25) | (1,418) | (1,350) | | (1,350) | (1,350) | | (1,350) |
| Profit/(loss) before finance costs and taxation | 35,898 | (781,844) | (745,946) | 30,363 | 130,197 | 160,560 | 34,904 | 158,012 | 192,916 |
| Finance costs | (1,663) | (4,989) | (6,652) | (1,663) | (4,989) | (6,652) | (1,663) | (4,989) | (6,652) |
| Profit/(loss) before taxation | 34,235 | (786,833) | (752,598) | 28,700 | 125,208 | 153,908 | 33,241 | 153,023 | 186,264 |
| Taxation | (1,186) | | (1,186) | (574) | | (574) | (665) | | (665) |
| Profit/(loss) after taxation for the year | 33,049 | (786,833) | (753,784) | 28,126 | 125,208 | 153,334 | 32,577 | 153,023 | 185,599 |
| Earnings/(loss) per ordinary share (p) | 6.42 | (152.81) | (146.39) | 5.47 | 24.36 | 29.83 | 6.34 | 29.77 | 36.11 |

Source: FCSS Report and Accounts, Hardman & Co Research

Balance sheet

| @31 Mar (£000) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023E | 2024E |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Investments | 987,878 | 1,295,266 | 1,495,818 | 1,423,161 | 1,289,807 | 2,167,275 | 1,365,485 | 1,503,172 | 1,643,053 |
| Current assets | | | | | | | | | |
| Derivative instruments | 20,275 | 48,639 | 37,518 | 19,235 | 39,152 | 33,296 | 23,994 | 23,994 | 23,994 |
| Amounts held at futures clearing houses and brokers | 12,740 | 2,069 | 30,247 | 81,451 | 39,495 | 19,872 | 32,220 | 32,220 | 32,220 |
| Other receivables | 3,531 | 13,154 | 10,714 | 737 | 1,407 | 22,749 | 14,204 | 14,204 | 14,204 |
| Cash and cash equivalents | 30,266 | 47,722 | 80,439 | 86,963 | 38,523 | 66,404 | 73,673 | 693 | 9,475 |
| Total current assets | 66,812 | 111,584 | 158,918 | 188,386 | 118,577 | 142,321 | 144,091 | 71,111 | 79,893 |
| Total assets | 1,054,690 | 1,406,850 | 1,654,736 | 1,611,547 | 1,408,384 | 2,309,596 | 1,509,576 | 1,574,283 | 1,722,945 |
| Current liabilities | | | | | | | | | |
| Derivative instruments | (28,082) | (33,458) | (34,841) | (90,161) | (45,183) | (22,208) | (17,524) | (17,524) | (17,524) |
| Bank loans | (104,315) | - | - | (115,331) | - | - | (76,043) | (76,043) | (76,043) |
| Other payables | (13,815) | (9,933) | (10,054) | (4,467) | (9,855) | (31,937) | (15,388) | (10,392) | (5,396) |
| Total current liabilities | (146,212) | (43,391) | (44,895) | (209,959) | (55,038) | (54,145) | (108,955) | (103,959) | (98,963) |
| Net current assets | 908,478 | 1,363,459 | 1,609,841 | 1,401,588 | 1,353,346 | 2,255,451 | 1,400,621 | 1,470,324 | 1,623,982 |
| Long-term liabilities | | | | | | | | | |
| Bank loans | - | (119,665) | (106,975) | - | (80,299) | (72,474) | - | - | - |
| NAV | 908,478 | 1,243,794 | 1,502,866 | 1,401,588 | 1,273,047 | 2,182,977 | 1,400,621 | 1,470,324 | 1,623,982 |
| NAV per share (£) | 1.642 | 2.254 | 2.725 | 2.550 | 2.363 | 4.235 | 2.725 | 2.992 | 3.305 |

Source: FCSS Report and Accounts, Hardman & Co Research

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(Disclaimer Version 8 – Effective from August 2018)

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