HARDMAN&CO.

20 February 2023

FIDELITY EUROPEAN TRUST PLC

A commendable performance in a difficult year

In our most recent note, *Continued resilience in difficult markets | Hardman & Co (hardmanandco.com)*, published on 23 November 2022, we analysed how FEV had performed YTD, and highlighted a few of the macro issues that dominated the European equity markets during 2022. In this note, we look back at the 2022 performance, putting it in its longer-term historical context and comparing it with FEV's peer group performance in 2022. We touch briefly on the outlook for 2023, but we also remind investors that FEV's long-term track record is driven by bottom-up stock selection.

- **Difficult year for equity markets:** Despite the very challenging year for most equity markets, on a rolling 12-month basis, the Trust recorded NAV and share price returns of -3.6% and -3.8%, respectively, compared with -7.0% for the primary benchmark index. In our view, this is commendable amid volatile and downward-trending markets.

- **Relatively good performance:** In this report, we put the 2022 performance in the context of FEV's historical performance and compare it with the performance of its peer group. We also remind investors that FEV's managers are stock-pickers that focus on company fundamentals. This is where FEV's long-term value comes from.

- **Valuation:** 99.9% of investments are valued using quoted prices in active markets (95% is realisable within five days). The NAV is "real" – so any discount is anomalous. The current discount of 7.4% is below the long-run averages, and below that of FEV's peer group, which is warranted, given the much better performance.

- **Risks:** FEV has seen periods of underperformance when its investment style has been out of favour – typically, when the market's preference has been for lower-quality, more cyclical stocks. Worries around performance are bound to resurface, given the current rotation, as well as the outlook for interest rates and inflation.

- **Investment summary:** FEV has outperformed its peers, benchmarks and UK indices over most time periods. Sentiment to Europe may vary – although we believe there is a perception vs. reality issue here. The current market jitters may lead to some return volatility, but, in our view, FEV's long-term track record in a wide range of market conditions should reassure investors that the fund will not deviate from its tried-and-tested, long-term process and philosophy.

Financial summary and valuation

Year-end Dec (£000)	2019	2020	2021	2022E	2023E	2024E
Gains & losses on investments	183,944	89,664	221,090	(72,400)	181,622	203,002
Gains & losses on derivatives	17,516	2,768	38,145	38,145	38,145	38,145
Income	34,201	25,552	37,879	46,974	58,920	65,855
Investment manager fees	(8,476)	(8,899)	(9,751)	(10,136)	(12,714)	(14,210)
Other expenses	(857)	(845)	(908)	(908)	(908)	(908)
Investments (£m)	1,109	1,201	1,448	1,621	1,816	2,030
Cash	9,490	7,070	11,366	11,366	11,366	11,366
NAV (£m)	1,141	1,220	1,474	1,647	1,842	2,056
NAV per share (p)	2.77	2.97	3.59	3.53	4.06	4.63
S/P prem./disc. (-) to NAV*	-6%	-4%	-5%	-2%	-15%	-25%
Dividend (p)	6.47	6.50	6.83	8.82	8.84	8.84
Dividend yield	2.0%	2.1%	2.0%	2.5%	2.6%	2.6%

**2019-21 NAV on year-end s/p, 2022-24E NAV on current s/p; Source: Hardman & Co Research*

Closed End Investments

Source: Refinitiv

Market data

EPIC/TKR	**FEV**
Price (p)	**346**
12m high (p)	384.3
12m low (p)	256.5
Shares (m)	408.7
Mkt cap (£m)	1,414.1
NAV (17 Feb 2023, p)	373.5
Discount to NAV	-7.4%
Country/Ccy	UK/GBP
Market	STMM

Description

Fidelity European Trust (FEV) aims to achieve long-term capital growth by investing predominantly in equities and their related securities of European companies.

Company information

Chairman	Vivian Bazalgette
NEDs	Paul Yates (SID), Fleur Meijs, Milyae Park, Sir Ivan Rogers
Fund Managers	Sam Morse (lead), Marcel Stotzel (co)

investment-trusts.fidelity.co.uk/fidelity-europe-trust/

Key shareholders

Fidelity Platform/HL/II	25%
Allspring Global	9%
Quilter Cheviot IM	7%
Rathbones	6%
Smith & Williamson WM	4%
Brewin Dolphin	4%

Diary

Mid-Feb	Jan monthly factsheet

Analyst

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A roundup of 2022

2022 in context – FEV outperforms its benchmark and its peers…

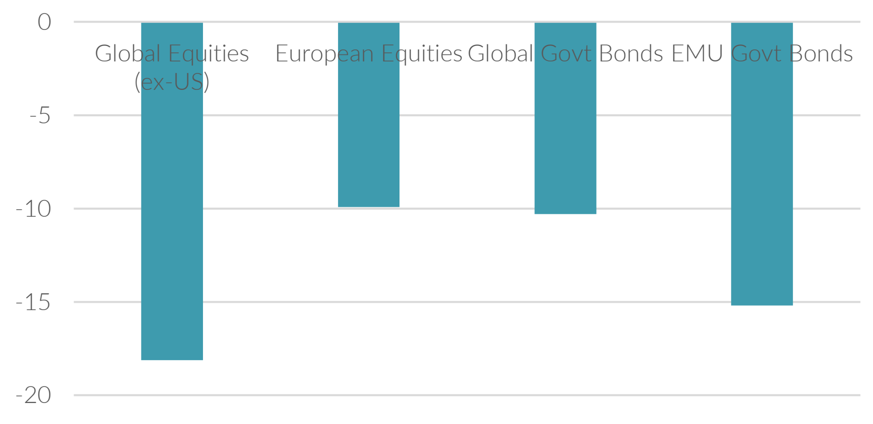
…adding another good relative year to long-term track record

The purpose of this first note of the year, ahead of the publication of the annual report (usually in March) and the AGM (10 May), is to touch on the 2022 performance, to put it into the context of previous years, and, of course, to compare it with peer group performance. Despite the volatility and the negative absolute returns for the year, we think FEV had a good year in 2022, given the circumstances. We show how it comfortably outperformed its peer group and how 2022 should be seen in the context of FEV's excellent long-term track record.

2022 a difficult year for most asset classes

As we mentioned in our two previous notes, *Continued resilience in difficult markets | Hardman & Co (hardmanandco.com)* and *Resilience in difficult markets – a half-year report | Hardman & Co (hardmanandco.com)*, 2022 was a difficult year for many asset classes. Global equities, as measured by the MSCI All Country World ex-US (USD) index, were down 18% for the year. European equities, as measured by the MSCI Europe Net Index (EUR), were down 10%. FEV's primary benchmark, the FTSE World Europe ex-UK Index Total Return, was down 7.98%. Some indices fared even worse: the US tech-heavy Nasdaq composite index was down 33% for the year. On the fixed-income side, there was no respite, either, as bonds and equities both fell in tandem. As of 23 January, on a rolling 12-month basis, global government bonds were down 10.3%, while EMU government bonds were down 15.2%. Other than the apparent safety of cash, which, in real terms, was still delivering negative returns, there really was nowhere to hide.

2022 returns* (%)



**Global government bonds and EMU government bonds are 12-moth rolling performances up to January 2023*
Source: Wall Street Journal Markets, Hardman & Co Research

Nobody can foresee what 2023 will bring, but it may well be bumpy again

Although we are not big believers in making macro forecasts and general market prognostications, we will touch, briefly, on the outlook for 2023. Making predictions is rather foolish at the best of times, and the past 12 months have certainly reminded us of that. Who, this time last year, would have forecast double-digit inflation in most of the western world, and a war on European soil? What is likely is that we could well be in for another bumpy ride. Expect the unexpected.

It's all about stock selection

FEV invests in companies with sustainable and growing dividends

It is a stock-picking fund

We touched on FEV's investment philosophy in all of our previous notes, FEV: follow the money | Hardman & Co (hardmanandco.com), Eight questions for the AGM on 10 May 2022 | Hardman & Co (hardmanandco.com) and Resilience in difficult markets – a half-year report | Hardman & Co (hardmanandco.com), but it is worth reminding readers that FEV's long-term track record is driven by bottom-up stock selection. FEV's managers are stock-pickers that focus on company fundamentals. This is where FEV's long-term value has come from in the past, and where it will come from going forward. However, irrespective of how bottom-up a fund may be, if equity markets are positive, most funds will gain from the positive momentum. Conversely, challenging macroeconomic markets generate headwinds, and 2022 was certainly a year of multiple headwinds – high and rising inflation, rising interest rates to bring inflation back under control, and considerable geopolitical concerns following Russia's invasion of Ukraine.

Bottom-up, long-term process, with low turnover and low transaction costs

Given how important stock selection is to understanding FEV's philosophy and process, we think it is always worth reminding readers of the Trust's core tenets. It is a bottom-up process, which seeks out companies that can grow dividends sustainably over a three- to five-year horizon. The managers look for attractive valuations: good quality at a reasonable price, with low turnover, and hence low transaction costs. It is a cautious strategy that focuses on managing downside risk, and the fund is always fully invested. The focus is on building a balanced portfolio, where stock-picking and a focus on attractively valued dividend growers will drive returns, rather than broad macro factors.

FEV very international and well-diversified by sector and country

Overall, the fund is well-diversified by sector and country, with no sector accounting for more than 22.5% on an absolute basis, and no sector bigger than 5.2% on a relative basis, as of the end of December 2022. The well-diversified nature of the fund is something that we believe helps it to navigate difficult markets. Let us also remember that, although European in name, and by domicile, around two thirds of the portfolio's revenues are global, and hence more international. Many of the stocks in FEV's portfolio are world-beaters or global champions in their respective fields.

2022 performance

Perfectly respectable performance, given the circumstances

So, how did FEV do in 2022? Given how global equities performed in 2022, we think that FEV's performance was commendable. For the calendar year 2022, FEV's share price (cumulative growth) was down 3.8%, versus down 7% for its primary benchmark, and down 16.2% for its peer group index. FEV's NAV was down 3.6% for the year, compared with down 14.7% for its peer group index. That number masks a highly volatile year, of course, with some remarkable highs and lows. As of April, for example, the share price was down 11.3%, underperforming the index, which was down 8.7%. By the end of September, the fund was down 18.4% against the index, which was down 17%. Following a rally towards the end of the year, at the end of November, the share price was down only 3.2% compared with the index, which was down 6.4% – an incredible range of highs and lows over the course of a year. Overall, given how most indices and asset classes performed, we think ending the year with both share price and NAV down less than 4% is quite impressive.

Performance demonstrates benefits of being well-diversified by sector and by country

Looking at the performance of European equities from a sector perspective, the energy sector is the only one that really outperformed in 2022; this is also evident in many other global indices, such as the S&P Global. Given that FEV had only 5% invested in the energy sector, albeit in TotalEnergies, which was one of its best performers, it makes the performance of the fund even more impressive, and shows the benefits of diversification and how the fund adds value by being invested in a wide variety of stocks across geographies and sectors.

A look, below, at the best and worst performers in the fund for 2022 proves the point.

Top and bottom performers a real mixed bunch

Best and worst performers, 2022

Best performers		Worst performers	
Swedish Match	+56%	EQT	-55%
Bankinter	+37%	Partners Group	-45%
Novo Nordisk	+32%	SIKA	-48%
Total Energies	+30%	Fielmann	-36%
Atlantia	+29%	Grifols	-36%

Source: Refinitiv, Hardman & Co Research

A look at the top five and bottom five performers in the fund for the year is not just interesting *per se* but also for what it tells us about the diversification of the fund, by both sector and country. In the top performers, there is a Swedish tobacco company, a Spanish financial/bank, a Danish pharmaceutical/healthcare company, a French energy company and an Italian holding company. In the worst performers, we have a global investment organisation, a global private equity firm, a Swiss chemicals company, a German eye-wear company and a Spanish healthcare company.

FEV benefited from two takeover bids in 2022. Was this lucky? We think it was, but it is indicative of the fact that FEV holds good-quality stocks at attractive valuations, and that, eventually, value will get recognised, if not by the market, then certainly by another company.

2022 a year of regime change

With inflation and rates both going up, longer duration and more growth-oriented stocks have suffered

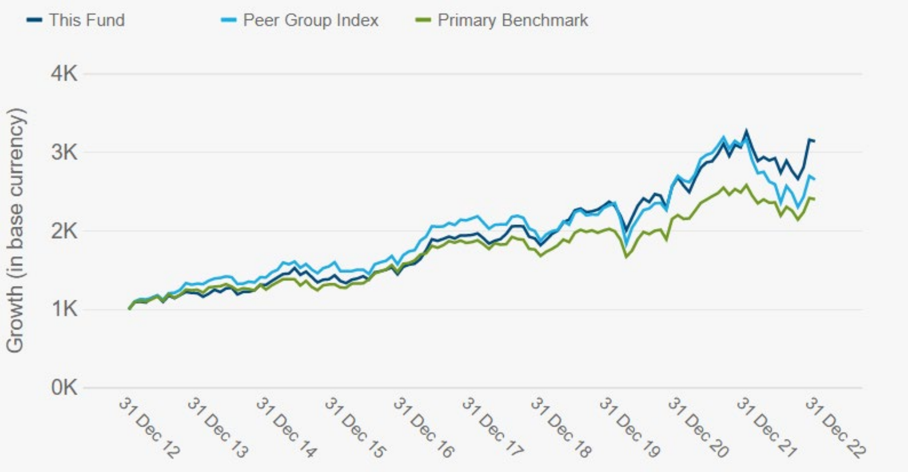
What began in 2022, and is likely to continue going forward, is the end of a 40-year period of falling inflation, and falling and very low interest rates. In times like these, when a period of easy money ends, in the same way in which longer-dated bonds fall more than short-dated ones, in periods of rising rates, equities with highly rated valuations suffer the most; hence the biggest sell-off in stocks such as Fielmann and Sika – stocks that had performed tremendously well over the past 20 years.

2022 performance in a longer-term context and compared with peer group

FEV still outperforming its peer group over all time scales

As we have mentioned in previous notes, no investment strategy will outperform in every reporting period and every type of market. Although FEV had a difficult 2022, this must be put into the context of its long-term performance, and its performance compared with that of its peers. As of the end of December 2022, FEV is still beating its peer group (share price total return, against the weighted average of the peer group), on a one-year (-3.8% vs. -13.4%), five-year (+61.2% vs. +32.9%) and 10-year basis (+214.2% vs. +172.9%). FEV also returns a higher dividend yield (2.1% vs. 1.8%), and its five-year dividend growth of 10.4% is much higher than that of the competition, which is 1.5%. All of this comes with a lower ongoing ex-performance fee (0.79% vs. 0.9%). As of 31 December, on a rolling 12-month basis, the Trust recorded NAV and share price returns of -3.6% and -3.8%, respectively, compared with -14.7% for the peer group index (NAV).

FEV's performance vs. benchmark and peer group

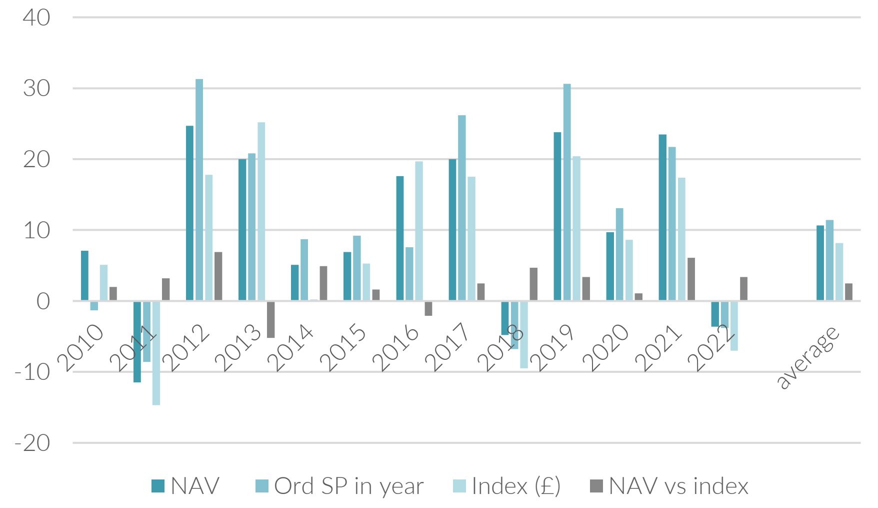


Source: Fidelity European Trust Plc

FEV has had to deal with volatile and falling markets before – this is nothing new

Let us remind ourselves of what has happened in the past, as this is not the first time that we have seen market turbulence. Over the past 12 calendar years (from 2011 to 2022 inclusive), the fund has underperformed the benchmark index in only two years: 2013 (NAV +20.0% vs. index +25.2%) and 2016 (NAV +17.6% vs. index +19.7%). It would probably be natural to assume that, given the manager's targeted aim of beating the index consistently by around 1%-2% p.a. (but not necessarily shooting the lights out), the fund would suffer in periods of very strong markets, particularly in the event of a sharp rally in depressed cyclical stocks. However, to the contrary, the fund outperformed by 3.4% in 2019, when the index was up 20.4%, and also outperformed in 2017, by 2.5%, and in 2012, by 6.9%, when the index was up by 17.5% and 17.8%, respectively.

FEV's NAV, share price and benchmark total returns (%)



Source: FEV Report and Accounts, Hardman & Co Research

FEV has managed to outperform in negative, as well as positive, markets

The fund has managed to outperform, relatively, in down years as well. In 2011, with the index down by 14.7%, the fund was down only 11.5%, while, in 2018, with the index down by 9.5%, the fund was down only 4.8%. Plus, as we have already mentioned, FEV managed to outperform its benchmark and its peers in 2022 as well. FEV has proved itself, therefore, to be relatively defensive, even in down markets.

A well-tested, long-term track record

Consequently, despite the current turbulence, we believe FEV's philosophy and process have stood the test of time, and, while concerns about the current outlook for equity markets are perfectly reasonable, given the circumstances, we believe FEV is relatively well-positioned to continue to outperform over the long term.

FEV management has been very stable

Let us also stress that FEV's management has been very stable over the past 30 years, with only four different managers during that period. The current manager can now boast to have beaten the index in 10 years out of the 12 during which he has managed the fund.

What's in store for 2023?

2022 was difficult, and 2023 unlikely to be smooth

2022 was a difficult year for European equities, and 2023 is unlikely to be that different. Some of the issues that arose in 2022 may persist and continue to pose challenges – energy, rising inflation, rising rates. The headwinds of higher costs, including raw materials, labour and interest expenses, are issues with which many companies are still battling; however, 2023 is likely to throw up some new challenges as well. Corporate profitability is one area where many investors and commentators have been expressing concerns for some time, along with slower growth in the overall economy, and the possibility of a recession.

Corporate profitability the next area of concern?

Could we see a recession?

In a recent note by Fidelity, *Which sectors in Europe can still grow through a recession? (fidelity.co.uk),* one of the fund's managers, Marcel Stotzel, touches on the outlook for earnings, and mentions that Fidelity analysts seem to be more pessimistic than consensus, forecasting a decline in overall profitability for European companies in 2023. Marcel, however, also mentions some sectors that should benefit from post-pandemic normalisation, strong pricing power and resilient demand: aerospace, defence, software and luxury goods. MTU Aero Engines, Amadeus and Nestlé are three stocks that Marcel mentions as examples. The latter, Nestlé, is one we touched on in our note, *Resilience in difficult markets – a half-year report | Hardman & Co (hardmanandco.com),* when discussing the importance of pricing power, as well as the importance of being able to pass on higher costs. Pricing power and resilient demand are two key attributes that stand successful companies in good stead in periods of inflation and low growth.

Pessimism now all priced in?

In an earlier note, *A focus on resilience in Europe (fidelity.co.uk),* published in early December, portfolio manager Sam Morse also touched on the fact that the most recent consensus among economists is that the eurozone will shortly enter recession, although there are differing predictions on the severity. Sam also mentioned that conventional wisdom suggests that corporate earnings could be the next to fall. Interestingly, however, Sam raised the question of whether much of this could already be priced in; markets always look forward, and so can recover before earnings reach the bottom.

A brief look at the macro data emanating from Europe recently shows that a little bit of optimism may not be so unfounded. Using Germany as an example, German producer price inflation fell in December, to less than half the record hit last summer, and to the lowest rate in more than a year. German CPI slowed to 8.6% in December, from a peak of 10.4% in October. The annual rate of producer price growth slowed to 21.6% in January, down from 28.2% in November, and is now at the lowest level since November 2021. The declines in natural gas prices and energy prices were the main drivers of the downward trend in producer prices.

Some positives on the horizon?

Overall, we are now seeing disinflationary pressure in the data, and we could see a further slowdown in inflation in the coming months. The IFO index in Germany also showed a sharp drop in the proportion of companies planning on raising their prices. This raises the legitimate question – could cost pressures in the eurozone be receding? Globally, there is also the distinct possibility that we could see less aggressive tightening by the Fed over the course of 2023, and a recovery in China, now that the zero-COVID-19 policy has ended.

Eurozone inflation in past 12 months (%)

Source: Trading Economics/Eurostat

Overall, we would agree with both the portfolio managers that the outlook for European equities remains uncertain, but, at the cost of sounding repetitive, we remind investors to focus on the fund's philosophy and process, and to look at its long-term track record.

The relatively strong performance of the fund in difficult times demonstrates the importance of a well-diversified portfolio but, more importantly, the long-term benefits of investing in good-quality, cash-generative companies, with strong balance sheets and pricing power.

At a macro level, Europe is often portrayed as bureaucratic, slow and behind the curve, particularly when compared with the US; however, as FEV has shown, there are ample exciting and lucrative investment opportunities on a bottom-up basis.

Macro makes the headlines, but, at micro level, there are always opportunities

Irrespective of what happens at a macro level, the FEV managers will continue to focus on companies and the basics, and, irrespective of market conditions, there will always be opportunities at the individual stock level. Falling markets provide new opportunities on poor performers that now have attractive valuations. Balance sheet strength and pricing power are two key elements on which FEV has been focusing, and will continue to do so in 2023. The fund has started to increase, cautiously, its exposure to some companies in the financials and industrials space that should do well in a cyclical recovery, but that also have the balance sheet strength and pricing power to weather any macroeconomic uncertainty.

Portfolio

Historical sector split

The table below shows the evolution of the portfolio, by sector, over the past five years. There have been relatively few changes, which is unsurprising, given the long-term focus of the fund. Financial services, technology, industrials and consumer discretionary are the biggest overweights relative to the index.

Gross asset exposure as percentage of net assets by sector, 2017 to December 2022

(%)	2017	2018	2019	2020	2021	Dec'22	Benchmark
Consumer goods	18.7	17.1	18.8	20.7	*	*	*
Financial services	5.6	5.3	8.9	9.9	10.1	22.5	17.3
Other financials (incl. banks/insurance)	15.6	13.5	11.5	10.1	13.3	combined	combined
Healthcare	18.8	20.3	19.5	19.7	17.6	18.4	16.5
Industrials	19.1	19.1	15.7	16.2	19.5	19.2	17.0
Technology	11.2	10.1	11.3	14.0	13.8	12.6	8.4
Basic industries	7.2	6.0	6.2	6.3	6.0	4.4	4.8
Consumer services	6.6	4.8	3.5	4.6	*	*	*
Utilities	2.0	2.9	1.0	4.5	3.1	2.6	4.4
Energy	7.0	8.0	7.0	3.2	3.2	5.0	4.9
Telecoms	1.4	3.0	3.7	2.6	1.8	0.7	3.3
Total	**113.2**	**110.1**	**107.1**	**111.8**	**110**	**107**	**100**

**Factsheet disclosure shows consumer discretionary at 14.5% (index 12.8%) and consumer staples at 7.1% (index 9.4%)*

Source: FEV Report and Accounts, Hardman & Co Research

Historical geographical split

The table below shows the evolution of the portfolio, by country, over the past five years. There have been relatively few changes (again unsurprising, given the long-term focus).

Gross asset exposure as percentage of net assets by country, 2017 to December 2022

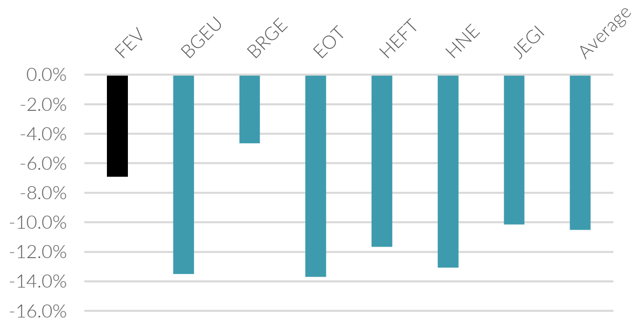
(%)	2017	2018	2019	2020	2021	Dec'22	Benchmark
France	31.6	30.1	29.0	29.7	30.3	32.2	22.7
Switzerland	17.3	18.0	18.9	25.0	25.3	23.4	19.8
Germany	19.2	13.7	19.6	17.4	13.9	10.7	16.5
Netherlands	8.8	8.6	6.1	7.6	7.9	7.4	8.7
Italy	5.1	4.9	4.7	5.9	5.7	4.4	4.9
Norway	4.3	5.2	5.4	4.9	n/d	n/d	n/d
Sweden	n/d	n/d	3.7	3.9	5.9	2.9	6.3
Denmark	4.9	4.2	n/d	4.2	4.5	6.0	5.8
Spain	5.5	6.5	4.8	4.2	3.9	4.0	4.9
UK	n/d	3.4	4.7	3.7	4.5	6.0	0
Finland	5.2	5.7	3.4	n/d	3.6	5.2	2.8
Others/unclassified	11.3	9.8	6.8	5.3	5.6	4.7	0
Total	**113.2**	**110.1**	**107.1**	**111.8**	**111.1**	**107**	**100**

Source: FEV Report and Accounts, Hardman & Co Research

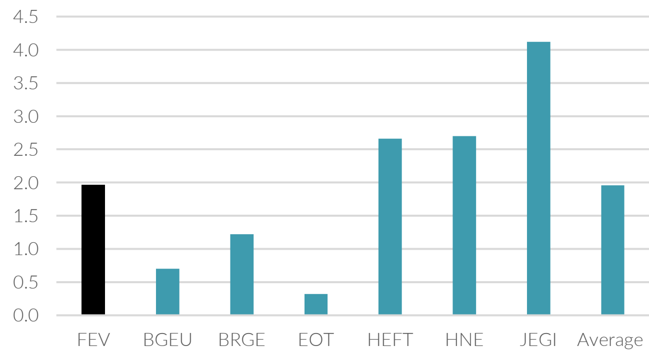
Valuation

As can be seen in the charts below, as of 16 February 2023, FEV's discount to NAV is slightly below that of its peers (6.9 vs. 10.5% for the sector, or 11.1% excluding FEV) in the AIC Europe subsector, and its dividend yield is in line with the average of the sector. It is worth noting that, since we wrote our initiation report on the fund, there are now only seven funds in the sector, as JPMorgan merged its two funds – JPMorgan European Growth (JETG) and JPMorgan European Income (JETI) – into one fund, JPMorgan European Growth and Income (JEGI).

FEV and peers' discount to NAV (%)



FEV and peers' dividend yield (%)



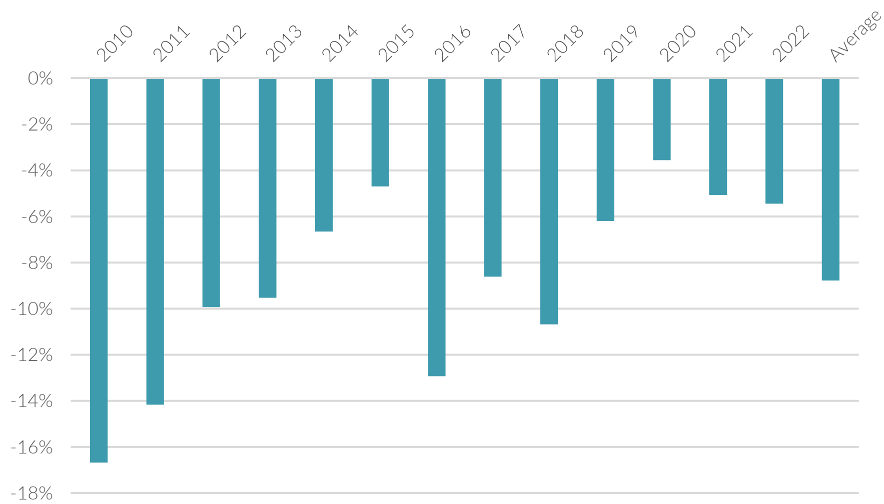
Source: NAV announcements LSE, dated 16 February 2023, Hardman & Co Research

Current discount to NAV lower than seen in past couple of years…

…but has been higher for most of 2022, reflecting recent rise in risk aversion

As can be seen in the chart below, FEV's discount to NAV has been trending at low to mid-single-digit levels, and is currently below this level, at 7.4% (17 February 2023); however, it was higher than this for a large part of 2022, reflecting the rise in risk aversion throughout the year, following the events in Ukraine. The discount is below the average levels of the past 10 years.

FEV's historical discount to NAV at end-December



Source: FEV Report and Accounts, NAV announcements LSE, dated 2 January 2023, Hardman & Co Research

Financials

Income statement

Year-end Dec (£000)	2021 Revenue	2021 Capital	2021 Total	2022E Revenue	2022E Capital	2022E Total	2023E Revenue	2023E Capital	2023E Total
Gains/losses on investments		221,090	221,090		(72,400)	(72,400)		181,622	181,622
Gains/losses on derivatives		38,145	38,145		38,145	38,145		38,145	38,145
Income	37,879		37,879	46,974		46,974	58,920		58,920
Investment manager fees	(2,438)	(7,313)	(9,751)	(2,534)	(7,602)	(10,136)	(3,178)	(9,535)	(12,714)
Other expenses	(908)		(908)	(908)		(908)	(908)		(908)
Foreign exchange gains/losses		(27)	(27)		0	0		0	0
Profit/(loss) bef. finance costs & taxation	34,533	251,895	286,428	43,532	(41,857)	1,675	54,833	210,232	265,065
Finance costs	(134)	(403)	(537)	(134)	(402)	(536)	(134)	(402)	(536)
Profit/(loss) bef. taxation	**34,399**	**251.492**	**285,891**	**43,398**	**(42,259)**	**1,139**	**43,398**	**209,830**	**253,228**
Taxation	(3,547)		(3,547)	(3,249)		(3,249)	(3,249)		(3,249)
Profit/(loss) after taxation for the year	30,852	251,492	282,344	40,149	(42,259)	(2,109)	40,149	209,830	249,979
Earnings/(loss) per ordinary share (p)	7.51	61.36	68.89	9.77	(10.28)	(0.51)	9.81	51.25	61.05

Source: FEV Report and Accounts, Hardman & Co Research

Balance sheet

@ 31 Dec (£000)	2016	2017	2018	2019	2020	2021	2022E	2023E
Investments (£m)	863	1,011	939	1,109	1,201	1,448	1,621	1,816
Current assets								
Derivative instruments	0	3,652	2,391	16,576	2,119	4,010	4,010	4,010
Other receivables	3,557	5,929	6,405	5,134	5,814	8,957	8,957	8,957
Amounts held at futures clearing houses and brokers	1,382	11,127	4,279	2,029	5,977	2,962	2,962	2,962
Fidelity Instit'l. Liquidity Funds	6,283	3,030	1,847					
Cash and cash equivalents	4,003	4,128	4,427	9,490	7,070	11,366	11,366	11,366
Total current assets	15,225	27,866	19,349	33,229	20,980	27,295	27,295	27,295
Total assets	877,972	1,038,980	958,175	1,141,931	1,221,643	1,475,292	1,647,830	1,843,512
Current liabilities								
Derivative instruments	(577)	(6,575)	(2,024)	(457)	(403)	0	0	0
Other payables	(2,044)	(2,357)	(840)	(912)	(955)	(1,059)	(1,059)	(1,059)
Total current liabilities	(2,621)	(8,932)	(2,864)	(1,369)	(1,358)	(1,059)	(1,059)	(1,059)
NAV (£m)	**875**	**1,030**	**955**	**1,141**	**1,220**	**1,474**	**1,647**	**1,842**
NAV per share (p)	**2.11**	**2.48**	**2.32**	**2.77**	**2.97**	**3.59**	**3.53**	**4.06**

Source: FEV Report and Accounts, Hardman & Co Research

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