

## FIDELITY SPECIAL VALUES PLC

31 JULY 2020

## Investment Objective

To achieve long term capital growth primarily through investment in equities (and their related securities) of UK companies which the Investment Manager believes to be undervalued or where the potential has not been recognised by the market

## Investment Trust Facts

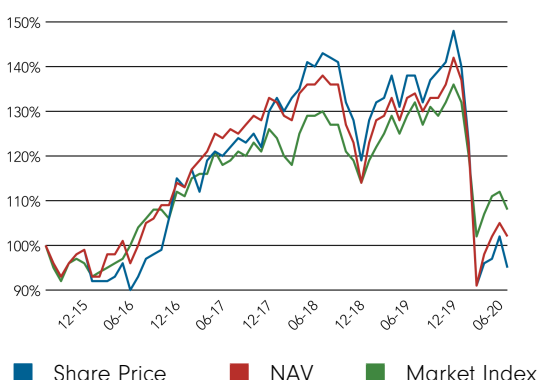
Launch date:	17.11.94
Portfolio manager:	Alex Wright, Jonathan Winton
Appointed to trust:	01.09.12, 03.02.20
Years at Fidelity:	19, 15
Total Net Assets (TNA):	£ 561m
Ordinary shares in Issue:	290,029,480
Share price:	175.00p
NAV:	193.26p
Discount:	9.45%
Gross Market Gearing:	15.4
Net Market Gearing:	15.4%

## Performance Comparator

Market Index: FTSE All Share Index

The same index is used in the positioning tables on this factsheet. Past performance is not a reliable indicator of future results. The value of investments can go down as well as up and you may get back less than you invested.

## Cumulative performance in GBP (%)



Performance is shown for the last five years (or since launch for funds launched within that period).

## Performance to 31.07.20 in GBP (%)

	1m	3m	YTD	1yr	3yr	5yr	Since 17.11.94*
Share Price Cumulative Growth	-7.2	-1.0	-36.1	-31.1	-22.5	-5.2	1,266.5
NAV Cumulative Growth	-2.7	4.1	-28.0	-24.0	-18.9	2.2	1,362.5
Index Cumulative Growth	-3.6	1.2	-20.5	-17.8	-9.1	8.4	396.3
Share Price Annualised Growth	-	-	-	-31.1	-8.1	-1.1	10.7
NAV Annualised Growth	-	-	-	-24.0	-6.7	0.4	11.0
Index Annualised Growth	-	-	-	-17.8	-3.1	1.6	6.4

Basis: bid-bid with income reinvested, in GBP, net of fees.

Market indices are sourced from RIMES and other data is sourced from third-party providers such as Morningstar.

\*Performance commencement date.

## Key Risks

The value of investments can go down as well as up and you may not get back the amount invested. Overseas investments may be more volatile than established markets. The shares in the investment trust are listed on the London Stock Exchange and their price is affected by supply and demand. The investment trust can gain additional exposure to the market, known as gearing, potentially increasing volatility.

## Portfolio Manager Commentary

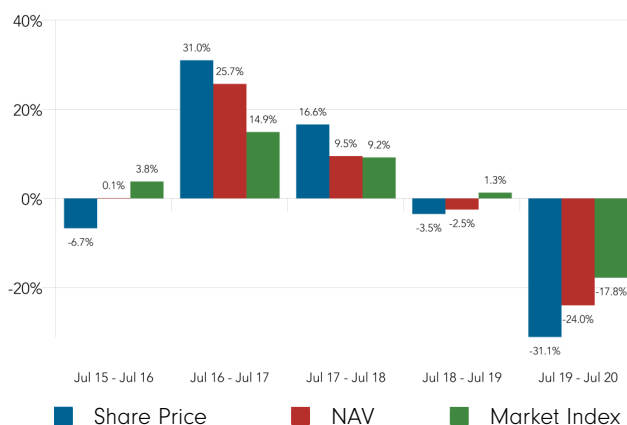
UK equity markets fell in July following a modest recovery in the second quarter of 2020, as increasing concerns over the resurgence of COVID-19 clusters in parts of Europe and the US dampened investor sentiment.

Portfolio manager Alex Wright remains relatively cautious. We continue to face an unprecedented situation, and given the range of potential outcomes in respect of the progression of the virus, how the economy reacts and when authorities start withdrawing support measures, he is keen to ensure the portfolio remains well diversified. While the Trust does perform better when the market is upbeat and people are more positive about opening up and restrictions being eased, it should prove resilient should we be faced with a second wave of the virus or the economic impact be worse than anticipated.

Unexpected developments are taking place in terms how consumers and businesses are responding to the current crisis, and Alex believes it is essential to be nimble and stay close to companies in these unusual circumstances. There is no need to take disproportionate risk to get back some of the underperformance the Trust has suffered. Exceptional value can be found in cheap companies across many sectors, they are very unfashionable, and given their depressed valuations should provide good downside protection. The recent period has been pretty painful for value investors, but it sets up a very attractive opportunity-set and very good upside potential from here.

On a rolling 12-month basis, the Trust recorded NAV and share price returns of -24.0% and -31.1% respectively, compared to -17.8% for the index.

## Performance for 12 month periods in GBP (%)



# FIDELITY SPECIAL VALUES PLC

31 JULY 2020

## Equity Exposure % Total Net Assets (% TNA)

	Exposure (% TNA)
Gross Market Exposure	115.4
Net Equity	115.4
Other	0.0
Uninvested Cash	0.0

Notes on Portfolio Construction and a description of how data is calculated and presented are on page 3. Definitions of the terms used in the Equity Exposure table are in the Glossary.

## Sector/Industry Exposure (% TNA)

ICB Industry	Net	Index	Relative
Financials	33.9	25.2	8.6
Industrials	31.0	12.2	18.8
Health Care	11.5	11.7	-0.2
Consumer Goods	10.3	15.7	-5.4
Consumer Services	10.0	11.5	-1.5
Basic Materials	7.0	8.9	-2.0
Oil & Gas	3.8	7.7	-3.9
Utilities	3.5	3.5	0.0
Telecommunications	2.7	2.3	0.5
Technology	1.7	1.2	0.5
<b>Total Sector Exposure</b>	<b>115.4</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>115.4</b>	<b>100.0</b>	

## Market Capitalisation Exposure (% TNA)

GBP	Net	Index	Relative
FTSE 100	26.9	80.2	-53.4
FTSE 250	35.0	16.5	18.5
FTSE Smallcap	11.8	3.3	8.5
Non FTSE	41.8	0.0	41.8
<b>Total Market Cap Exposure</b>	<b>115.4</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>115.4</b>	<b>100.0</b>	

## Country Exposure (% TNA)

	Net	Index	Relative
United Kingdom	86.4	100.0	-13.6
Ireland	7.8	0.0	7.8
USA	5.3	0.0	5.3
Switzerland	4.3	0.0	4.3
France	2.7	0.0	2.7
Australia	2.3	0.0	2.3
Sweden	1.7	0.0	1.7
South Africa	1.7	0.0	1.7
Germany	1.1	0.0	1.1
Netherlands	1.1	0.0	1.1
Others	1.1	0.0	1.1
<b>Total Country Exposure</b>	<b>115.4</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>115.4</b>	<b>100.0</b>	

## Top Net Long Positions (% TNA)

	ICB Industry	Country	Net	Index	Relative
LEGAL AND GENERAL GROUP PLC	Financials	United Kingdom	4.7	0.7	4.0
ROCHE HOLDING LTD	Health Care	Switzerland	4.3	0.0	4.3
AVIVA PLC	Financials	United Kingdom	4.2	0.6	3.7
SERCO GROUP PLC	Industrials	United Kingdom	4.2	0.1	4.1
JOHN LAING GROUP PLC	Financials	United Kingdom	3.9	0.1	3.9
IMPERIAL BRANDS PLC	Consumer Goods	United Kingdom	3.9	0.6	3.2
DCC PLC	Industrials	United Kingdom	3.8	0.4	3.5
CONTOURGLOBAL PLC	Utilities	United Kingdom	3.5	0.0	3.5
CRH PLC	Industrials	Ireland	3.5	1.2	2.3
ULTRA ELECTRONICS HLDGS PLC	Industrials	United Kingdom	3.4	0.1	3.3

## Top Overweight Positions (% TNA)

	Net	Index	Relative
ROCHE HOLDING LTD	4.3	0.0	4.3
SERCO GROUP PLC	4.2	0.1	4.1
LEGAL AND GENERAL GROUP PLC	4.7	0.7	4.0
JOHN LAING GROUP PLC	3.9	0.1	3.9
AVIVA PLC	4.2	0.6	3.7
CONTOURGLOBAL PLC	3.5	0.0	3.5
DCC PLC	3.8	0.4	3.5
ULTRA ELECTRONICS HLDGS PLC	3.4	0.1	3.3
IMPERIAL BRANDS PLC	3.9	0.6	3.2
PHOENIX GROUP HOLDINGS PLC	2.8	0.2	2.7

## Top Underweight Positions (% TNA)

	Net	Index	Relative
ASTRAZENECA PLC	0.0	6.0	-6.0
GLAXOSMITHKLINE PLC	0.0	4.0	-4.0
HSBC HOLDINGS PLC	0.0	3.7	-3.7
DIAGEO PLC	0.0	3.4	-3.4
ROYAL DUTCH SHELL PLC	1.4	4.6	-3.2
BRITISH AMERICAN TOBACCO PLC	0.0	3.1	-3.1
RIO TINTO PLC	0.0	2.7	-2.7
UNILEVER PLC	0.0	2.7	-2.7
RECKITT BENCKISER GROUP PLC	0.0	2.6	-2.6
BHP GROUP PLC	0.0	1.8	-1.8

## Net Long Positions Concentration (% TNA)

	Fund	Index
Top 10	39.4	35.7
Top 20	61.9	50.3
Top 50	96.2	68.4

# FIDELITY SPECIAL VALUES PLC

31 JULY 2020

## Approach and Style

There are two key elements to Alex's investment approach:

### 1. Downside risk management

Alex looks for companies where there is limited downside risk. In other words, he wants to invest in companies that have exceptionally cheap valuations or some kind of asset that should stop their share prices falling below a certain level. This can be anything from inventory to intellectual property.

### 2. Unrecognised growth potential

Alex looks for events that could significantly improve a company's earning power, but are not currently reflected in the company's share price. These include changes in the company's competitors or market, a new product line or an expansion into new business areas.

What's more, the trust benefits from in-depth company and valuation analysis, drawing on the extensive Fidelity research platform.

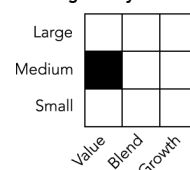
## Administrative & Dealing Information

Financial Year End:	31st August
Reference currency:	UK Sterling (GBP)
Company domicile:	United Kingdom
Company legal structure:	Investment Trust
Capital guarantee:	No
ISIN:	GB00BWXCY93
SEDOL:	BWXC7Y9
Bloomberg:	FSV LN
Distribution frequency:	Bi Annual
Charges made to income or capital:	Income
Other Ongoing Costs (including AMC/excluding Portfolio transaction costs):	0.97%
Portfolio Transaction Costs:	0.07%
Annual Management Charge:	0.85% (net) on the first £700m of assets and 0.75% (net) on funds in excess of £700m.

## Independent Assessment

Information in this section is the latest available at date of publication. Further details can be found in the Glossary section of this factsheet. As some ratings agencies may use past performance to produce their assessments, these are not a reliable indicator of future results.

### Morningstar Style Box ®



Morningstar rating™

\*\*\*

## Portfolio Construction – Explained

This factsheet contains information about the composition of the fund at a particular point in time. It aims to help you understand how the fund manager is positioned to achieve the fund's objectives.

The Equity Exposure table provides an overall view of the fund. Net Equity represents - in percentage terms - how much of the fund is invested in the market, netting off long and short positions. The higher the figure, the more the fund will take part in any market rises (or falls). It is important to note that Net Equity can be greater than 100% (for example if the manager is using derivative contracts) and when it is, the portfolio may be described as geared.

The exposure and positioning tables on page 2 break the fund down into a number of different views, each providing a different perspective on the fund's investments.

## How data is calculated and presented

Portfolio composition data has been calculated and presented according to several general principles, which are listed below.

- **Aggregation:** all investments, including derivatives, linked to a particular issuing company have been combined to form a total percentage holding for each company. The aggregate holding is referred to in this factsheet as a position. Where a company is listed in two separate countries, each listing may be classified as a separate issuing company. Exchange Traded Funds (ETFs) and derivatives on ETFs are treated as individual securities - ie not aggregated.

- **Categorisation:** for investments that have underlying securities we use the attributes of the underlying issuing company or common share to determine the appropriate sector, market capitalisation band and geographic area.

- **Derivatives:** all derivatives are included on an exposure basis and, where necessary, are delta-adjusted. Delta-adjusting expresses derivatives in terms of the equivalent number of shares that would be needed to generate the same return.

- **"Basket" securities:** securities that represent a number of company shares - like index futures or options - are allocated to categories (such as country) whenever possible. Otherwise they are included in the "Other Index / Unclassified" category.

## Glossary / Additional Notes

### Equity Exposure notes

#### GROSS MARKET EXPOSURE

Gross Market Exposure is the total of long exposures, plus the total of short exposures, and less the total of exposures hedging the portfolio, expressed as a percentage of shareholders' funds (Total Net Assets).

#### NET EQUITY

The net positive exposure to the market with short and hedge positions subtracted from long positions.

**Glossary / Additional Notes****OTHER**

The value of any non-equity investments (excluding cash funds) expressed as a percentage of TNA.

**UNINVESTED CASH**

This is 100% minus the fund's Net Equity exposure and minus Other. This leaves any residual cash exposure that is not invested in shares or via derivatives.

**Investment Trust Facts****NAV**

The total value of a company's assets less the total value of its liabilities is its net asset value (NAV). For valuation purposes it is common to divide net assets by the number of shares in issue to give the net assets per share. NAV calculations can include or exclude current financial year income. For the purposes of this factsheet, they are valued with assets including income and costs and with debt valued at the market.

**PREMIUM**

If the share price of an investment company is higher than the net asset value (NAV) per share, the company is said to be trading at a premium. The premium is shown as a percentage of the NAV.

**DISCOUNT**

If the share price of an investment company is lower than the net asset value (NAV) per share, the company is said to be trading at a discount. The discount is shown as a percentage of the NAV.

**GEARING**

Gearing is the Market Exposure figure (either gross or net) expressed in excess of Total Net Assets. It represents the additional exposure to the market above Shareholders' Funds.

**FAIR VALUE**

The fair value of investments is initially taken to be their cost and is subsequently measured as follows: Listed investments are valued at bid prices, or last market prices, depending on the convention of the exchange on which they are listed; and

Unlisted investments are investments which are not quoted, or are not frequently traded, are stated at the Directors' best estimate of fair value and take account of the cost of the investment, recent arm's length transactions in the same or similar investments and financial performance of the investment since purchase.

**General notes****TOTAL NET ASSETS (TNA)**

The Company's total assets minus its total liabilities - also known as Shareholders' Funds. It represents the amount by which a company is financed through common and preferred shares.

**INDEX**

The index used in the positioning tables on page 2 is the index defined in the Performance Comparator section on page 1.

**TOP NET LONG POSITIONS**

Those companies in which the largest percentages of the trust's total net assets are effectively invested. Positions in other funds - including ETFs (Exchange Traded Funds) - can appear in this table, but index derivatives form part of an "Other Index / Unclassified" category which will not appear.

**TOP OVERWEIGHT & UNDERWEIGHT POSITIONS**

Those positions which have the largest active weight relative to the index. Positions in other funds - including ETFs (Exchange Traded Funds) - can appear in this table, but index derivatives form part of an "Other Index / Unclassified" category which will not appear. In the underweight table, any short position names have been withheld in line with Fidelity's disclosure policy.

**NET LONG POSITIONS CONCENTRATION**

Illustrates the weight of the top 10, 20 and 50 positions in the trust and the weight of the top 10, 20 and 50 positions in the index. It does not attempt to show the coincidence of security ownership between fund and index. The sector/industry classification used (i.e. GICS, ICB, TOPIX and IPD) varies by fund. Full descriptions can be found below.

**Glossary / Additional Notes****ONGOING COSTS (KID)**

These include Portfolio transaction costs (the costs of us buying and selling underlying investments) and Other ongoing costs (the costs that we take each year for managing the investment).

These are based on the methodology prescribed by EU Regulation (PRIIPS) and differ from other presentations of costs such as the Ongoing Charge Figure (OCF) in the Company's Annual Report & Accounts.

**PORTFOLIO TRANSACTION COSTS**

These are costs incurred when trading underlying investments.

**SECTOR INDUSTRY CLASSIFICATION**

GICS: Global Industry Classification Standard (GICS) was developed by Standard & Poor's and MSCI Barra. GICS consists of 11 sectors, 24 industry groups, 68 industries and 157 sub-industries.

More information is available at <http://www.standardandpoors.com/indices/gics/en/us>

ICB: The Industry Classification Benchmark (ICB) is an industry classification developed by Dow Jones and FTSE. It is used to segregate markets into sectors within the macroeconomy. The ICB uses a system of 10 industries, partitioned into 20 supersectors, which are further divided into 41 sectors, which then contain 114 subsectors.

More information is available at <http://www.icbenchmark.com/>

**Legal Information**

Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America.

Fidelity only offers information on its own products and services and does not provide investment advice based on individual circumstances.

This communication is not directed at, and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required.

Unless otherwise stated, all views are those of Fidelity.

Reference in this document to specific securities or funds should not be construed as a recommendation to buy or sell them, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity. The research and analysis used in this documentation is gathered by Fidelity for its use as an investment manager and may have already been acted upon for its own purposes.

Fidelity, Fidelity International, the Fidelity International logo and F symbol are trademarks of FIL Limited.

This fund is managed by FIL Investments International.

Morningstar annualised growth rates, total return, sector median performance and ranks - Data Source - © 2016 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Before investing you should read the latest Annual Report and Key Features Document, which are available from [www.fidelity.co.uk/its](http://www.fidelity.co.uk/its).

Issued by FIL Investment Services (UK) Limited, a firm authorised and regulated in the UK by the Financial Conduct Authority. FIL Investment Services (UK) Limited is registered in England and Wales under the company number 2016555. The registered office of the company is Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ, United Kingdom.