



FidelityTM
INTERNATIONAL

FIDELITY SPECIAL VALUES PLC

Half-Yearly Report for the
six months ended 28 February 2023

Investment Objective and Overview

Fidelity Special Values PLC aims to achieve long term capital growth primarily through investment in equities (and their related financial instruments) of UK companies which the Investment Manager believes to be undervalued or where the potential has not been recognised by the market.

The Company aims to achieve long term capital growth for Shareholders by investing in 'special situations'. It aims to seek out underappreciated companies primarily listed in the UK, but may invest up to 20% of total net assets outside of UK companies.

It is an actively managed contrarian investment Company that thrives on volatility and uncertainty. Supported by an

extensive research team, the Portfolio Manager looks to invest in out-of-favour companies, having spotted potential triggers for positive change believed to have been missed by others.

By building a portfolio of stocks that are at different stages of their recovery process, the intention is to deliver outperformance across different market environments.

In what has been a testing period for the market at times, I am pleased to say that the Company's performance in the six month reporting period was a net asset value total return of +10.4% and a share price total return of +13.1%, compared to the FTSE All-Share Index (Benchmark Index) return of +8.7%.

Dean Buckley, Chairman

ELITE FUND
rated by FundCalibre.com



INVESTMENT
COMPANY
OF THE YEAR
AWARDS 2022

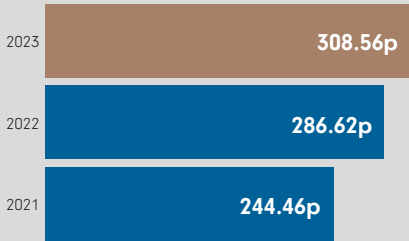
WINNER
UK ALL COMPANIES

Contents

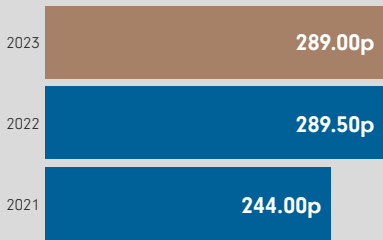


Portfolio Manager’s Half-Yearly Review
Read more on pages 04 to 07

Net Asset Value per Ordinary Share as at 28 February



Ordinary Share Price as at 28 February



Directors’ Reports

At a Glance	02
Financial Highlights	03
Portfolio Manager’s Half-Yearly Review	04
Twenty Largest Investments	08
Interim Management Report and Directors’ Responsibility Statement	11

Financial Statements

Income Statement	14
Statement of Changes in Equity	16
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20

Information for Shareholders

Shareholder Information	28
Financial Calendar	29
Directory	30
Data protection	31
Glossary of Terms	32

At a Glance

Six months ended 28 February 2023

**Net Asset Value per
Ordinary Share
total return^{1,2}**

+10.4%

(28 February 2022: -4.5%)

**Ordinary Share Price
total return^{1,2}**

+13.1%

(28 February 2022: -4.7%)

**FTSE All-Share Index
(Benchmark Index)
total return¹**

+8.7%

(28 February 2022: +2.4%)

**Interim Dividend per
Ordinary Share**

2.53p

(28 February 2022: 2.30p)

¹ Includes reinvested income.

² Alternative Performance Measures. See Glossary of Terms on page 32.

As at 28 February 2023

Shareholders' Funds

£1,000.0m

Market Capitalisation

£936.6m

Capital Structure

Ordinary Shares of 5 pence each

324,098,920

Summary of the key aspects of the Investment Policy

The investment approach is flexible, with positions in large, medium and smaller sized companies, across all industries. The Company may make limited investments in companies outside of the UK.

The Company may also invest in other transferable securities, collective investment schemes, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes.

The Company is able to gear the portfolio and the Board takes the view that long term returns for Shareholders can be enhanced by the use of gearing in a carefully considered and monitored way.

Financial Highlights

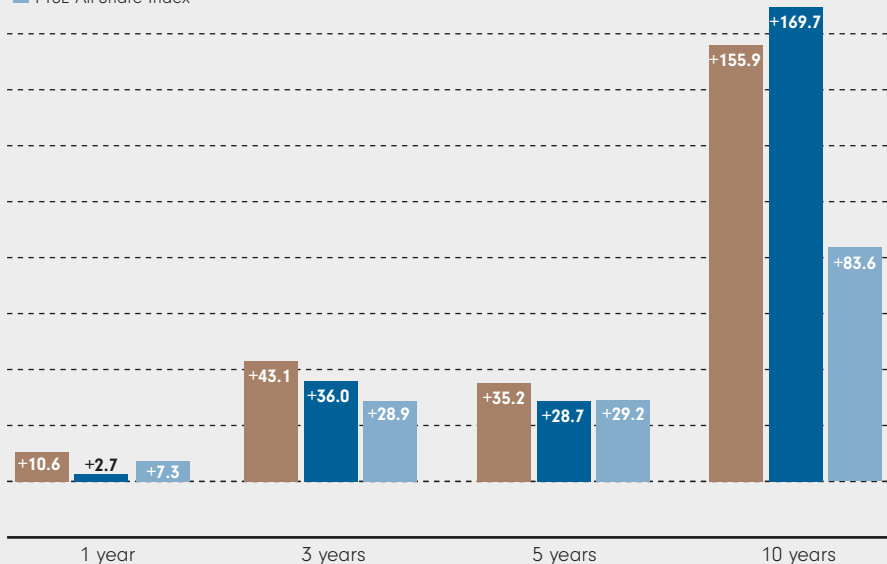
	28 February 2023	31 August 2022
Assets		
Shareholders' funds	£1,000.0m	£922.6m
Net Asset Value ("NAV") per ordinary share ¹	308.56p	284.67p
Share price and discount data		
Share price at period end	289.00p	260.50p
Share price: period high ²	290.00p	315.00p
Share price: period low ²	234.00p	250.00p
Discount at period end ¹	(6.3%)	(8.5%)
(Discount: period low)/Premium: period high ²	(2.8%)	2.1%
Discount: period high ²	(10.3%)	(10.7%)

¹ Alternative Performance Measures. See Glossary of Terms on page 32.

² For the six month period to 28 February 2023 and for the year to 31 August 2022.

Standardised Performance Total Return¹ (%)

■ NAV per ordinary share ■ Share price
■ FTSE All-Share Index



Periods ended 28 February 2023.

¹ Includes reinvested income.

Sources: Fidelity and Datastream.

Past performance is not a guide to future returns.

Portfolio Manager's Half-Yearly Review

Performance

In the six month reporting period to 28 February 2023, the net asset value ("NAV") per ordinary share return of +10.4% and the share price return of +13.1% outperformed the FTSE All-Share Index (the Company's Benchmark Index) return of +8.7% (all on a total return basis). This report seeks to summarise the reporting period, highlight the key drivers of performance, and set out the Portfolio Manager's views looking ahead.

Stock Market and Portfolio Review

UK equities advanced during the period despite an uncertain economic outlook. The positive performance was mostly driven by blue chip stocks, with the FTSE 100 Index reaching an all-time high in February 2023, surpassing its previous record from May 2018. However, returns from medium and smaller companies were more subdued and they continued to lag their larger counterparts. At a sector level, returns were largely driven by holdings in energy, mining and financials, which have benefited from rising energy prices, higher inflation and interest rates. Consumer discretionary stocks were also bolstered by an improvement in sentiment from depressed levels, amid better than expected holiday spending and optimism around China's broader reopening following a lifting of its COVID-related restrictions. Selected industrials, especially aerospace and defence companies, were also able to benefit from the current backdrop. For value investors, it was a particularly satisfying period, with value outperforming growth by seven percentage points.

Despite the positive headline returns, share prices proved to be particularly volatile. The period started with a sharp sell-off as investors were concerned about the Bank of England's monetary policy tightening path

and the poor economic outlook. An un-costed plan by Liz Truss's newly formed government in its 'mini-budget', to increase spending and implement tax cuts in a bid to boost growth and counter slowing activity further spooked market participants. Shares recovered in October 2022, after Truss was replaced by Rishi Sunak as Prime Minister, and with the new Chancellor Jeremy Hunt reversing most of the unfunded tax-cutting proposals following weeks of market and political pressure. Tentative signs of moderating inflationary pressures in the US bolstered expectations of a slowdown in the US Federal Reserve's monetary policy tightening cycle which also soothed investors' concerns, as did an easing of the stringent COVID-19 control policy in China, which boosted hopes of a recovery in demand. However, markets turned somewhat cautious in December 2022 as global central banks reaffirmed their commitment to bringing inflation down, as it remained well above their target levels, and economic data showed clear signs of slowing growth.

2023 kicked off on a positive note, building on the markets' resilient performance in 2022. Having started the year thinking that the end of interest rate rises was in sight, market participants became increasingly concerned that rates may have further to climb, after a string of economic reports and company results showed that many Western economies were performing better than expected. While inflation remained high, price pressures seemed to ease and the BoE was relatively dovish in its commentary as it announced a 0.5% rate hike in February 2023, the fourth time it has raised rates during the period, to the current level of 4.0%.

Over the period, the Company's NAV outperformed the return of the FTSE All-Share Index. The outperformance was primarily

driven by our long-standing overweight stance in financials. Irish lender AIB Group was the leading contributor as its shares benefited from an improved outlook for interest income in an environment of rising rates. The group reported strong annual profits and robust loan growth, while it also announced higher dividends. Also within financials, reinsurance underwriter Conduit Holdings was another strong performer. It posted an impressive start to 2023 with a significant rise in premiums, and stated that it expected this 'exceptional pricing environment' to continue, reflecting a fundamental re-pricing of risk and an imbalance in the supply and demand of capital. Conduit is one of the few operators in the industry with capital available to deploy, which should allow for strong growth and profitability.

Meanwhile, designer and manufacturer of gift packaging and stationery IG Design's interim results highlighted a profit recovery and progress in the turnaround of its America's business. Its outlook statement highlighted a strong order book for 2023, coupled with stable customer relationships. Our view is that the business has significant recovery potential following several issues over the last two years, many of which should prove to be temporary.

Mergers and acquisitions ("M&A") activity also remained a strong theme within the Company's portfolio, despite the economic uncertainty. Oilfield and engineering services group John Wood Group was a beneficiary, as it received four unsolicited buyout proposals from US private equity group Apollo Global Management, all of which the company rejected, citing undervaluation of its stock. A smaller holding, Wentworth Resources, also accepted a takeover bid from its operational partner in December.

Conversely, after a strong performance last year, government outsourcer Serco was a detractor from performance, despite reiterating its expectations for profits to be in line with previous forecasts. Over 2022, the business grew by 10%, excluding COVID contracts and currency effects. It also recently reported that one of its biggest and most profitable contracts (worth close to \$700 million) had been renewed for another five years. The Company has a large exposure to the outsourcing sector, where many companies have benefited from self-help and a stable demand environment, which has allowed their businesses to grow. They also benefit from having a degree of inflation protection in their contracts, which is particularly helpful in the current environment.

Shares in pharmaceutical group Roche Holdings also fell after the company warned that profits in 2023 will decline, as falling demand for its COVID therapy and diagnostics kits is likely to weaken sales. While this year was always going to prove more challenging after strong pandemic-related demand, the medium term outlook for the company remains strong with solid underlying growth and a broad drugs pipeline. Consequently, we have increased our holding in Roche whilst exiting our smaller position in AstraZeneca, given the former's relatively more attractive risk/reward profile.

In the energy sector, the underweight stance in BP and Shell proved unhelpful over the review period after they announced a shift in their strategies alongside annual results. Both companies are allowing oil production to fall and using cash profits to invest in highly competitive renewable power industries, where future profitability is uncertain and likely lower than in their existing oil operations.

Portfolio Manager's Half-Yearly Review continued

However, both announced a partial strategic U-turn and said they would invest more in oil production and less in renewables. We, on the other hand, prefer smaller, overseas-listed oil and gas producers because they trade on more attractive valuations, their focus is on maintaining or growing their oil and gas production and their profits are used to reward shareholders via dividends and buybacks.

Among other detractors, a small oil and gas producer and recent addition to the portfolio, Ithaca Energy, underperformed following the Government's decision to increase the windfall tax on profits made from extracting UK oil and gas. Nevertheless, we took advantage of the share price weakness and increased our position in the company. Ithaca Energy has acquired and developed an attractive portfolio of long-life oil and gas assets. The latter is of particular interest given the stronger longer term outlook for European gas prices in the wake of Western sanctions on Russia. Ithaca has a strong balance sheet, offers a very generous dividend yield of more than 20%, and has a clear distribution policy to pay a fixed percentage of its cash flows as dividends.

Use of Gearing

During the review period, we continued to use contracts for difference (CFDs) to gear the Company's portfolio of long exposures and to eliminate some of the currency exposure for those holdings listed outside of the UK.

Overall, there was a meaningful reduction in the Company's gearing level over the reporting period. Gearing stood at 5.3% at the end of February 2023 (compared to 10.0% at the end of August 2022). This reflects the completion of bids for five of the Company's holdings: ContourGlobal, Meggitt, RPS Group, Biffa and Euromoney Institutional Investor. Since the end of the reporting period, gearing has increased

back to around 10%, as market volatility in March presented us with new investment opportunities across a number of sectors.

Outlook

We remain selective and favour companies with lower levels of debt and the resilience to navigate uncertainty. Current valuations have priced in a weaker economic environment, which is likely to remain challenging in the near term, especially for those corporates and consumers in need of refinancing their debts.

Financials form the biggest part of the Company's portfolio, primarily banks and insurers. Higher interest rates have allowed banks to significantly improve their profitability at a time where earnings in many industries are under pressure, yet many investors continue to avoid them because they are scarred from the 2008 global financial crisis. However, UK and Irish banks have become far higher quality businesses since the changes to the regulatory environment over the past decade. They have strengthened their balance sheets, trimmed bloated cost bases, and pulled back from riskier lending. Furthermore, they are subject to robust regulatory frameworks, transparent accounting practices and have diversified deposit structures. Some of these attributes were absent from several smaller regional US banks and at Credit Suisse, leading to recent negative headlines and outcomes for investors in these companies.

Our holdings within the sector are diversified in terms of geographic and banking model exposure, with idiosyncratic factors driving their growth. For example, our largest holding, AIB Group, is not only an interest rate story but is also the beneficiary of an improvement in Ireland's banking market, where the number of competing groups has recently shrunk from

five to three. The rising rate environment is also positive for life insurers, where we have a meaningful overweight position. Their earnings have proved resilient during the pandemic and should continue to benefit from an acceleration in the pace of pension fund re-risking.

Ongoing value in some defensive areas remain, such as tobacco or hidden defensives, for example, Government outsourcer Serco. However, we steer clear of crowded areas comprising expensively valued dollar-earning companies and other consumer staples.

The relative attractiveness of UK valuations versus other markets and the large divergence in performance between different parts of the market continue to create good opportunities for attractive returns from UK stocks on a three-to-five-year view. The smaller end of the market cap spectrum is particularly rich in investment opportunities given the lack of research coverage. For us, this has always been a big structural overweight, and the Company's portfolio currently has a mid and small cap exposure at around 60%. Smaller companies have incurred severe deratings over the past year as they are thought to be more cyclical and thus more susceptible to an economic slowdown or recession. However, in our opinion, some of the share price falls have been indiscriminate.

The attractive valuations in the UK have not gone unnoticed and after several months of limited activity there has been a recent uptick in M&A activity with private equity approaches for several UK companies, including our holding in John Wood Group. It demonstrates that valuations for UK stocks are low enough to maintain interest levels even in an uncertain market.

In our opinion, the UK market with its high dividends and low valuations offers better prospective returns than many other asset classes, including global equities.

Alex Wright
Portfolio Manager
27 April 2023

Twenty Largest Investments

as at 28 February 2023

The Asset Exposures shown below and on the next page measure exposure to market price movements as a result of owning shares, corporate bonds and derivative instruments. The Fair Value is the actual value of the portfolio as reported in the Balance Sheet. Where a contract for difference ("CFD") is held, the Fair 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.

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Long Exposures – shares unless otherwise stated			
AIB Group (corporate bond and long CFD)			
Banks	42,513	4.3	4,701
Sercu Group			
Industrial Support Services	37,618	3.8	37,618
NatWest Group			
Banks	37,284	3.7	37,284
Imperial Brands			
Tobacco	36,439	3.6	36,439
Phoenix Group Holdings			
Life Insurance	35,572	3.6	35,572
Aviva			
Life Insurance	33,617	3.4	33,617
DCC			
Industrial Support Services	33,058	3.3	33,058
Sanofi (long CFD)			
Pharmaceuticals & Biotechnology	32,819	3.3	454
Barclays			
Banks	32,075	3.2	32,075
Roche Holdings			
Pharmaceuticals & Biotechnology	31,672	3.2	31,672
Mitie Group			
Industrial Support Services	27,772	2.8	27,772
OMV			
Oil, Gas & Coal	25,578	2.5	25,578

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Ryanair Holdings (shares and long CFD)			
Travel & Leisure	22,883	2.3	2,895
Spire Healthcare Group			
Health Care Providers	20,636	2.0	20,636
Babcock International Group			
Aerospace & Defense	19,035	1.9	19,035
C&C Group (shares and long CFD)			
Beverages	17,928	1.8	15,038
Legal & General Group (long CFD)			
Life Insurance	17,779	1.8	(250)
Conduit Holdings			
Non-Life Insurance	17,293	1.7	17,293
Ithaca Energy			
Oil, Gas & Coal	16,496	1.6	16,496
Close Brothers Group			
Banks	16,273	1.6	16,273
Twenty largest long exposures	554,340	55.4	443,256
Other long exposures	498,488	49.9	463,146
Gross Asset Exposure (102 holdings)	1,052,828	105.3	
Portfolio Fair Value			906,402

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

See the next page for details of the Fair Value and Asset Exposure of Investments.

Fair Value and Asset Exposure of Investments

as at 28 February 2023

	Fair Value £'000	Asset Exposure £'000	% ¹
Investments	904,659	904,659	90.5
Long CFDs	1,743	148,169	14.8
	906,402	1,052,828	105.3
Cash at bank ²	2,868	(143,558)	(14.4)
Fidelity Institutional Liquidity Fund	86,573	86,573	8.7
Other net current assets (excluding derivative assets and liabilities)	4,187	4,187	0.4
Shareholders' Funds	1,000,030	1,000,030	100.0

The Company uses gearing through the use of long CFD positions. Gross gearing as at 28 February 2023 was 5.3% (31 August 2022: 10.0% and 28 February 2022: 6.9%).

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

² The asset exposure column for cash at bank has been adjusted to assume the Company traded direct holdings rather than exposure being gained through long CFD positions. The amount is derived by taking the cost of the shares underlying the long CFDs when the contracts were opened less the cash at bank balance at the period end.

Interim Management Report and Directors' Responsibility Statement

Board Changes

Andy Irvine stepped down as Chairman of the Board and as a non-executive Director at the conclusion of the Annual General Meeting ("AGM") held on 14 December 2022. He was replaced as Chairman by Dean Buckley and Nigel Foster replaced Mr Buckley as Senior Independent Director at the same time.

Discount Management and Share Repurchases

Under the Company's discount management policy, the Board seeks to maintain the discount in single digits in normal market conditions and will repurchase shares to help stabilise the share price discount.

The Board will approve the issuance of shares if the Company's shares are trading at a sufficient level of premium to ensure that it adds value for Shareholders and that the issue of shares is not dilutive. Issuing shares increases the size of the Company, making it more liquid and allowing costs to be spread out over a larger pool of assets.

Over the reporting period, the Company's shares traded at a discount ranging from 2.8% to 10.3% with an average discount of 6.3%. The peer group average discount as at 28 February 2023 was 9.8%.

In the reporting period, the Company did not issue any shares or carry out any share repurchases and this remains the case up until the date of this report.

The Board continues to monitor the level of the Company's discount closely and will take action when it believes to do so will be effective and to the benefit of Shareholders.

Interim Dividend

The Board's policy is to pay dividends twice yearly in order to smooth the dividend payments for the Company's financial year. The Company's revenue return for the six months to 28 February 2023 was 3.04 pence per share.

The Board has declared an interim dividend of 2.53 pence per share which is 10.0% higher than the 2.30 pence per share paid as the interim dividend in 2022. This will be paid on 21 June 2023 to Shareholders on the register on 12 May 2023 (ex-dividend date 11 May 2023). Shareholders should note that the Board will review the final dividend payment later in the year based on dividend receipts from the companies held in the portfolio. However, based on current forecasts, the Board would hope to maintain at least the same level of dividend as paid in the prior year and would intend to pay it entirely from the revenue earned in the reporting period.

Principal Risks and Uncertainties

The Board, with the assistance of the Manager (FIL Investment Services (UK) Limited), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company continues to fall into the following categories: market, economic and political; cybercrime and information security; investment performance (including the use of derivatives and gearing); environmental, social and governance ("ESG"); competition; regulatory; key person and operational support; business continuity and discount control risks. Information on each of these risks is given in the Strategic Report section of the Annual Report for the year ended

Interim Management Report and Directors' Responsibility Statement continued

31 August 2022, a copy of which can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues.

While the principal risks and uncertainties are the same as those at the previous year end, the uncertainty continues to be heightened by the ongoing Russia and Ukraine conflict dominating political risks and industry concerns. There is geopolitical and economic uncertainty, in addition to events currently being faced globally such as the various crisis situations in energy, the cost of living, rising inflation, food supply and the threat of cyberattacks on critical infrastructure. More recently, the collapse of Silicon Valley Bank and the buyout of Credit Suisse by UBS Group has caused turmoil in the global banking sector and volatility in the markets. The quantum of risks continues to change and the Board remains vigilant in monitoring such risks.

Climate change continues to be a key emerging issue, as well as a principal risk, that is confronting asset managers and their investors. The Board notes that the Manager has integrated ESG considerations, including climate change, into the Company's investment process. The Board will continue to monitor how this may potentially impact the Company, the main risk being the impact on investment valuations and shareholder returns.

Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long term investment. Risks are mitigated by the investment trust structure of the Company which means that no forced sales need to take place to deal with any redemptions. Therefore, investments in the Company's portfolio can be held over a longer time horizon.

The Manager has appropriate business continuity and operational plans in place to ensure the uninterrupted provision of services, including investment team key activities, including those of portfolio managers, analysts and trading/support functions. It reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations and to assess operational risks, the ability to continue operating and the steps it needs to take to serve and support its clients, including the Board.

The Company's other third party service providers also have similar measures to ensure that business disruption is kept to a minimum.

Transactions with the Manager and Related Parties

The Manager has delegated the Company's portfolio management and company secretariat services to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 13 to the Financial Statements on page 27.

Going Concern Statement

The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio, its expenditure and cash flow projections. The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) and the projected income and expenditure, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and can continue in

operational existence for a period of at least twelve months from the date of this Half-Yearly Report.

This conclusion also takes into account the Board's assessment of the ongoing risks from the war in Ukraine, significant market events and regulatory changes and continued evolving variants of COVID.

Accordingly, the Financial Statements of the Company have been prepared on a going concern basis.

Continuation votes are held every three years and the next continuation vote will be put to shareholders at the AGM in 2025.

By Order of the Board
FIL Investments International
 27 April 2023

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 Portfolio Manager's Half-Yearly Review on pages 4 to 7 and the Interim Management Report on pages 11 to 13, include a fair review of the information required by DTR 4.2.7R and 4.2.8R.

In line with previous years, the Half-Yearly Report has not been audited by the Company's Independent Auditor.

The Half-Yearly Report was approved by the Board on 27 April 2023 and the above responsibility statement was signed on its behalf by Dean Buckley, Chairman.

Income Statement

for the six months ended 28 February 2023

		Six months ended 28 February 2023 unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	52,800	52,800
Gains/(losses) on long CFDs		–	34,556	34,556
Investment and derivative income	4	13,700	–	13,700
Other interest	4	1,438	–	1,438
Investment management fees	5	(2,806)	–	(2,806)
Other expenses		(459)	–	(459)
Foreign exchange (losses)/gains		–	(2,131)	(2,131)
Net return/(loss) on ordinary activities before finance costs and taxation		11,873	85,225	97,098
Finance costs	6	(1,996)	–	(1,996)
Net return/(loss) on ordinary activities before taxation		9,877	85,225	95,102
Taxation on return/(loss) on ordinary activities	7	(8)	–	(8)
Net return/(loss) on ordinary activities after taxation for the period		9,869	85,225	95,094
Return/(loss) per ordinary share	8	3.04p	26.30p	29.34p

The Company does not have any other comprehensive income. Accordingly the net return/(loss) 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 period and all items in the above statement derive from continuing operations.

Year ended 31 August 2022 audited			Six months ended 28 February 2022 unaudited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	(64,441)	(64,441)	-	(48,464)	(48,464)
-	(14,992)	(14,992)	-	(2,563)	(2,563)
37,135	-	37,135	9,107	-	9,107
877	-	877	181	-	181
(5,607)	-	(5,607)	(2,806)	-	(2,806)
(838)	-	(838)	(470)	-	(470)
-	5,874	5,874	-	687	687
31,567	(73,559)	(41,992)	6,012	(50,340)	(44,328)
(1,243)	-	(1,243)	(309)	-	(309)
30,324	(73,559)	(43,235)	5,703	(50,340)	(44,637)
(196)	-	(196)	(32)	-	(32)
30,128	(73,559)	(43,431)	5,671	(50,340)	(44,669)
9.42p	(23.00p)	(13.58p)	1.80p	(15.95p)	(14.15p)

Statement of Changes in Equity

for the six months ended 28 February 2023

	Notes	Share capital £'000
Six months ended 28 February 2023 (unaudited)		
Total Shareholders' funds at 31 August 2022		16,205
Net return on ordinary activities after taxation for the period		-
Dividend paid to Shareholders	9	-
Total Shareholders' funds at 28 February 2023		16,205
Year ended 31 August 2022 (audited)		
Total Shareholders' funds at 31 August 2021		15,651
New ordinary shares issued	11	554
Costs associated with the issue of new ordinary shares		-
Net (loss)/return on ordinary activities after taxation for the year		-
Dividends paid to Shareholders	9	-
Total Shareholders' funds at 31 August 2022		16,205
Six months ended 28 February 2022 (unaudited)		
Total Shareholders' funds at 31 August 2021		15,651
New ordinary shares issued	11	528
Net (loss)/return on ordinary activities after taxation for the period		-
Dividend paid to Shareholders	9	-
Total Shareholders' funds at 28 February 2022		16,179

Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
238,442	3,256	5,152	629,078	30,466	922,599
-	-	-	85,225	9,869	95,094
-	-	-	-	(17,663)	(17,663)
238,442	3,256	5,152	714,303	22,672	1,000,030
205,466	3,256	5,152	702,637	21,928	954,090
33,118	-	-	-	-	33,672
(142)	-	-	-	-	(142)
-	-	-	(73,559)	30,128	(43,431)
-	-	-	-	(21,590)	(21,590)
238,442	3,256	5,152	629,078	30,466	922,599
205,466	3,256	5,152	702,637	21,928	954,090
31,673	-	-	-	-	32,201
-	-	-	(50,340)	5,671	(44,669)
-	-	-	-	(14,136)	(14,136)
237,139	3,256	5,152	652,297	13,463	927,486

Balance Sheet

as at 28 February 2023

Company number 2972628

	Notes	28.02.23 unaudited £'000	31.08.22 audited £'000	28.02.22 unaudited £'000
Fixed assets				
Investments	10	904,659	835,672	775,792
Current assets				
Derivative instruments	10	2,631	28	1,355
Debtors		4,942	10,940	5,844
Amounts held at futures clearing houses and brokers		425	8,190	10,530
Cash and cash equivalents		89,441	80,450	145,625
		97,439	99,608	163,354
Current liabilities				
Derivative instruments	10	(888)	(9,200)	(10,507)
Other creditors		(1,180)	(3,481)	(1,153)
		(2,068)	(12,681)	(11,660)
Net current assets		95,371	86,927	151,694
Net assets		1,000,030	922,599	927,486
Capital and reserves				
Share capital	11	16,205	16,205	16,179
Share premium account		238,442	238,442	237,139
Capital redemption reserve		3,256	3,256	3,256
Other non-distributable reserve		5,152	5,152	5,152
Capital reserve		714,303	629,078	652,297
Revenue reserve		22,672	30,466	13,463
Total Shareholders' funds		1,000,030	922,599	927,486
Net asset value per ordinary share	12	308.56p	284.67p	286.62p

Cash Flow Statement

for the six months ended 28 February 2023

	six months ended 28.02.23 unaudited £'000	year ended 31.08.22 audited £'000	six months ended 28.02.22 unaudited £'000
Operating activities			
Investment income received	15,650	25,034	10,686
Net derivative income	3,479	9,133	2,858
Interest received	1,438	493	47
Investment management fee paid	(2,831)	(5,597)	(2,839)
Directors' fees paid	(91)	(157)	(77)
Other cash payments	(416)	(618)	(376)
Net cash inflow from operating activities before finance costs and taxation	17,229	28,288	10,299
Finance costs paid	(1,925)	(1,186)	(309)
Overseas taxation incurred	51	(783)	(57)
Net cash inflow from operating activities	15,355	26,319	9,933
Investing activities			
Purchases of investments	(210,375)	(359,829)	(126,137)
Sales of investments	192,392	347,076	184,319
Receipts on long CFDs	47,093	73,743	35,710
Payments on long CFDs	(23,445)	(80,763)	(30,314)
Movement on amounts held at futures clearing houses and brokers	7,765	(8,150)	(10,490)
Net cash inflow/(outflow) from investing activities	13,430	(27,923)	53,088
Net cash inflow/(outflow) before financing activities	28,785	(1,604)	63,021
Financing activities			
Dividends paid	(17,663)	(21,590)	(14,136)
Net proceeds from issue of shares	-	34,132	32,273
Cost associated with the issue of new ordinary shares	-	(142)	-
Net cash (outflow)/inflow from financing activities	(17,663)	12,400	18,137
Net increase in cash and cash equivalents	11,122	10,796	81,158
Cash and cash equivalents at the beginning of the period	80,450	63,780	63,780
Effect of movement in foreign exchange	(2,131)	5,874	687
Cash and cash equivalents at the end of the period	89,441	80,450	145,625
Represented by:			
Cash at bank	2,868	2,014	27,953
Amount held in Fidelity Institutional Liquidity Fund	86,573	78,436	117,672
	89,441	80,450	145,625

Notes to the Financial Statements

1 Principal Activity

Fidelity Special 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 2972628, 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 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 August 2022 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 Accounting Policies

(i) 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 July 2022. 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 August 2022.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Directors' assessment of the risks faced by the Company as detailed in the Interim Management Report on pages 11 and 12.

4 Income

	Six months ended 28.02.23 unaudited £'000	Year ended 31.08.22 audited £'000	Six months ended 28.02.22 unaudited £'000
Investment income			
UK dividends	10,736	20,437	6,148
UK scrip dividends	–	85	85
Interest on securities	109	–	–
Overseas dividends	2,234	6,684	1,828
Overseas scrip dividends	–	23	23
	13,079	27,229	8,084
Derivative income			
Dividends received on long CFDs	621	9,906	1,023
Investment and derivative income	13,700	37,135	9,107
Other interest			
Interest received on long CFDs*	–	384	134
Interest received on bank deposits, collateral and money market funds	1,438	493	47
	1,438	877	181
Total income	15,138	38,012	9,288

* Due to negative interest rates during the reporting period, the Company received interest on some of its long CFD positions.

No special dividends have been recognised in capital during the period (year ended 31 August 2022: £372,000 and six months ended 28 February 2022: £286,000).

Notes to the Financial Statements continued

5 Investment Management Fees

	Six months ended 28.02.23 unaudited £'000	Year ended 31.08.22 audited £'000	Six months ended 28.02.22 unaudited £'000
Investment management fees	2,806	5,607	2,806

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investments International ("FIL"). Both companies are Fidelity group companies.

FIL charges investment management fees at an annual rate of 0.60% of net assets.

6 Finance Costs

	Six months ended 28.02.23 unaudited £'000	Year ended 31.08.22 audited £'000	Six months ended 28.02.22 unaudited £'000
Interest paid on CFDs*	1,995	1,231	307
Interest on bank overdrafts and collateral	1	12	2
	1,996	1,243	309

* Increased compared to prior periods due to an increase in interest rates.

7 Taxation on Return/(Loss) on Ordinary Activities

	Six months ended 28.02.23 unaudited £'000	Year ended 31.08.22 audited £'000	Six months ended 28.02.22 unaudited £'000
Overseas taxation	8	196	32
Total taxation charge for the period	8	196	32

8 Return/(Loss) per Ordinary Share

	Six months ended 28.02.23 unaudited	Year ended 31.08.22 audited	Six months ended 28.02.22 unaudited
Revenue return per ordinary share	3.04p	9.42p	1.80p
Capital return/(loss) per ordinary share	26.30p	(23.00p)	(15.95p)
Total return/(loss) per ordinary share	29.34p	(13.58p)	(14.15p)

The return/(loss) per ordinary share is based on the net return/(loss) on ordinary activities after taxation for the period divided by the weighted average number of ordinary shares held outside of Treasury during the period, as shown below:

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation	9,869	30,128	5,671
Net capital return/(loss) on ordinary activities after taxation	85,225	(73,559)	(50,340)
Net total return/(loss) on ordinary activities after taxation	95,094	(43,431)	(44,669)
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury during the period	324,098,920	319,869,879	315,639,997

Notes to the Financial Statements continued

9 Dividends Paid to Shareholders

	Six months ended 28.02.23 unaudited £'000	Year ended 31.08.22 audited £'000	Six months ended 28.02.22 unaudited £'000
Final dividend of 5.45 pence per ordinary share paid for the year ended 31 August 2022	17,663	-	-
Interim dividend of 2.30 pence per ordinary share paid for the year ended 31 August 2022	-	7,454	-
Final dividend of 4.50 pence per ordinary share paid for the year ended 31 August 2021	-	14,136	14,136
	17,663	21,590	14,136

The Company has declared an interim dividend for the six month period to 28 February 2023 of 2.53 pence per ordinary share (2022: 2.30 pence). The interim dividend will be paid on 21 June 2023 to Shareholders on the register at 12 May 2023 (ex-dividend date 11 May 2023). The total cost of this interim dividend, which has not been included as a liability in these Financial Statements, is £8,200,000 (2022: £7,454,000). This amount is based on the number of ordinary shares in issue held at the date of this report.

10 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	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are as disclosed in the Company's Annual Report for the year ended 31 August 2022 (Accounting Policies Notes 2 (k) and 2 (l) on pages 62 and 63.

10 Fair Value Hierarchy continued

The table below sets out the Company's fair value hierarchy:

28 February 2023 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	896,737	7,426	496	904,659
Derivative instrument assets	–	2,631	–	2,631
	896,737	10,057	496	907,290
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(888)	–	(888)

31 August 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	835,224	–	448	835,672
Derivative instrument assets	–	28	–	28
	835,224	28	448	835,700
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(9,200)	–	(9,200)

28 February 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	775,353	–	439	775,792
Derivative instrument assets	–	1,355	–	1,355
	775,353	1,355	439	777,147
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(10,507)	–	(10,507)

Notes to the Financial Statements continued

11 Share Capital

	28 February 2023 unaudited		31 August 2022 audited		28 February 2022 unaudited	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
Issued, allotted and fully paid ordinary shares of 5 pence each						
Held outside of Treasury						
Beginning of the period	324,098,920	16,205	313,028,920	15,651	313,028,920	15,651
New ordinary shares issued	–	–	11,070,000	554	10,565,000	528
End of the period	324,098,920	16,205	324,098,920	16,205	323,593,920	16,179
Total share capital	324,098,920	16,205	324,098,920	16,205	323,593,920	16,179

During the period, no new ordinary shares were issued (year ended 31 August 2022: 11,070,000 shares and six months to 28 February 2022: 10,565,000 shares). The premium received on the issue of new ordinary shares for the year ended 31 August 2022 (£33,118,000) and six month period to 28 February 2022 (£31,673,000) was credited to the share premium account. At 28 February 2023, no shares were held in Treasury.

12 Net Asset Value per Ordinary Share

The calculation of the net asset value per ordinary share is based on the total Shareholders' funds divided by the number of ordinary shares held outside of Treasury.

	28.02.23 unaudited	31.08.22 audited	28.02.22 unaudited
Total Shareholders' funds	£1,000,030,000	£922,599,000	£927,486,000
Ordinary shares held outside of Treasury at period end	324,098,920	324,098,920	323,593,920
Net asset value per ordinary share	308.56p	284.67p	286.62p

It is the Company's policy that shares held in Treasury will only be reissued at net asset value per ordinary share or at a premium to net asset value per ordinary share and, therefore, shares held in Treasury have no dilutive effect. Since 3 December 2020, there have been no shares held in Treasury.

13 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 ("FIL"). Both companies are Fidelity group companies.

Details of the fee arrangements are given in Note 5 above. During the period, fees payable to FIL for portfolio management services were £2,806,000 (year ended 31 August 2022: £5,607,000 and six months ended 28 February 2022: £2,806,000). At the Balance Sheet date, fees for portfolio management services of £459,000 (year ended 31 August 2022: £484,000 and six months ended 28 February 2022: £441,000) were accrued and included in other creditors.

FIL also provides the Company with marketing services. The total amount payable for these services during the period was £134,000 (year ended 31 August 2022: £191,000 and six months ended 28 February 2022: £142,000). At the Balance Sheet date, marketing services of £nil (year ended 31 August 2022: £13,000 and six months ended 28 February 2022: £16,000) were accrued and included in other creditors.

As at 28 February 2023, the Board consisted of five Non-Executive Directors (as shown in the Directory on page 30), all of whom are considered to be independent. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £43,000, the Chairman of the Audit Committee an annual fee of £34,000 and each other Director an annual fee of £29,000.

As at the date of this report, the following members of the Board held ordinary shares in the Company: Dean Buckley 50,000 shares, Nigel Foster 81,000 shares, Claire Boyle 7,466 shares, Ominder Dhillon nil shares and Alison McGregor 30,000 shares.

Shareholder Information

Investing in Fidelity Special Values PLC

Fidelity Special Values PLC is a company listed on the London Stock Exchange and you can buy its shares through a platform, stockbroker, share shop or bank. Fidelity also offers a range of options, so that you can invest in the way that is best for you. Details of how to invest and the latest Key Information Document can be found on the Company's pages on the Manager's website at **www.fidelity.co.uk/specialvalues**.

CONTACT INFORMATION

Shareholders and Fidelity's Platform Investors should contact the appropriate administrator using the contact details given below and on the next page. Links to the websites of major platforms can be found online at **www.fidelityinvestmenttrusts.com**.

Shareholders on the main share register

Contact Link Group, Registrar to Fidelity Special Values PLC, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: **signalsharesenquiries@linkgroup.co.uk**

Telephone: **0371 664 0300** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 - 17:30, Monday to Friday, excluding public holidays in England and Wales).

Details of individual shareholdings and other information can also be obtained from the Registrar's Share Portal at **www.signalshares.com**. Shareholders are able to manage their shareholding online by registering for the Share Portal, a free and secure online service. Facilities include:

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

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

Should you have any queries in respect of the Link Share Portal, contact the helpline on **0371 664 0391** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00-17:30, Monday to Friday excluding public holidays in England and Wales).

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity, PO Box 391, Tadworth KT20 9FU.

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

Private investors: call free on 0800 41 41 10, 9:00-18:00, Monday to Saturday.

Financial advisers: call free on 0800 41 41 81, 8:00-18:00, 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: **01737 836347**

Email: **investmenttrusts@fil.com**

Website: **www.fidelityinvestmenttrusts.com**

If you hold Fidelity Special Values PLC shares in an account provided by Fidelity International, you will receive a report every six months detailing all of your transactions and the value of your shares.

ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at **www.sharegift.org.uk**.

FINANCIAL CALENDAR 2023/2024	
28 February 2023	Half-Yearly Period End
April 2023	Announcement of Half-Yearly Results
May 2023	Publication of Half-Yearly Report
11 May 2023	Ex-Dividend Date
12 May 2023	Dividend Record Date
21 June 2023	Payment of Interim Dividend
31 August 2023	Financial Year End
November 2023	Publication of Annual Report
December 2023	Ex-Dividend and Dividend Record Dates
December 2023	Annual General Meeting
January 2024	Payment of Final Dividend

Directory

Board of Directors

Dean Buckley (Chairman)
Claire Boyle (Chairman of the Audit Committee)
Ominder Dhillon
Nigel Foster (Senior Independent Director)
Alison McGregor

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Investment Manager, Secretary and Registered Office

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
Email: investmenttrusts@fil.com

Banker and Custodian

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

Depository

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

Financial Adviser and Stockbroker

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London
EC4R 2GA

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Lawyer

Simmons & Simmons LLP
1 Ropemaker Street
London
EC2Y 9SS

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

General Data Protection Regulation ("GDPR")

What personal data is collected and how it is used

The Company is an investment trust which is a public limited company and has certain regulatory obligations such as the requirement to send documents to its shareholders, for example, the Annual Report and other documents that relate to meetings of the Company. The Company will therefore collect shareholders' personal data such as names, addresses and identification numbers or investor codes and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity's Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company's Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company's website at <https://investment-trusts.fidelity.co.uk/security-privacy/>

The Company's agreements with the third party service providers have been updated to be compliant with GDPR requirements. The Company confirms to its shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders' personal data across national borders to Fidelity Group entities operating in the European Economic Area ("EEA"). Where this does occur, the European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity group, but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

Retention period

Personal data will be kept for as long as is necessary for these purposes and no longer than legally permitted to do so.

Requesting access, making changes to personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity's UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Glossary of Terms

AIC

The Association of Investment Companies ("AIC"). The Company is a member of the AIC.

AIF

Alternative Investment Fund ("AIF"). The Company is an AIF.

AIFM

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

AIFMD

The Alternative Investment Fund Managers Directive ("AIFMD") is a European Union Directive implemented on 22 July 2014.

Alternative Performance Measures

The Company uses the following Alternative Performance Measures which are all defined in this Glossary of Terms:

- Discount/Premium;
- Gearing;
- Net Asset Value (NAV) per Ordinary Share;
- Ongoing Charges;
- Revenue, Capital and Total Returns; and
- Total Return Performance (Net Asset Value Total Return or Ordinary Share Price Total Return).

Asset Exposure

The value of an underlying security or instrument to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of derivatives).

Benchmark Index

FTSE All-Share Index against which the performance of the Company is measured.

Block Listing

A facility that allows the Company to issue new ordinary shares to meet demand in the market over a period of time.

Collateral

Asset provided as security for the unrealised gain or loss under a contract for difference.

Contract For Difference (CFD)

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

Depository

An entity that oversees the custody, cash arrangements and other AIFM responsibilities of the Company. J.P.Morgan Europe Limited act as the Company's Depository.

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 ordinary share](#), the Company is said to be trading at a discount. The [discount](#) is shown as a percentage of the [net asset value per ordinary share](#).

Fair Value

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

- **Listed and AIM quoted investments** – valued at bid prices or last market prices, as available, otherwise at published price quotations;
- **Unlisted investments** – valued using an appropriate valuation technique in the absence of an active market;
- **Contracts for difference** – valued as the difference between the settlement price of the contract and the value of the underlying shares in the contract (unrealised gains or losses); and
- **Futures and options** – valued at the quoted trade price for the contract.

Fidelity International (Fidelity)

FIL Limited and its subsidiary group companies including FIL Investment Services (UK) Limited and FIL Investments International which act as AIFM, Secretary and [Investment Manager](#).

Future

An agreement to buy or sell a fixed amount of an asset at a fixed future date and a fixed price.

Gearing

The economic exposure of the portfolio to its underlying assets in excess of total net assets. It represents the additional exposure to the market above [Shareholders' Funds](#). The Company uses two measures of [gearing](#) ([Gross Gearing](#) and [Net Gearing](#)) which are both defined in this Glossary of Terms.

Gross Asset Exposure

The value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of the [derivatives](#)). It is the sum total of all [Asset Exposures](#).

Gross Gearing

[Gross Asset Exposure](#) in excess of [Shareholders' Funds](#).

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 a [future](#) or an [option](#).

Investment Manager

FIL Investments International.

Manager

FIL Investment Services (UK) Limited is the appointed [Manager](#) under the [AIFMD](#). It has delegated the portfolio management of assets to the [Investment Manager](#).

Net Assets or Net Asset Value (NAV)

Also described as "[Shareholders' Funds](#)", [net assets](#) represent 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 ordinary share basis.

Net Asset Value per Ordinary Share

The [net asset value](#) divided by the number of ordinary shares in issue.

Net Gearing

[Net Market Exposure](#) in excess of [Shareholders' Funds](#).

Net Market Exposure

[Net Market Exposure](#) is the total of all long exposures, less short exposures and less exposures [hedging](#) the portfolio.

Glossary of Terms continued

Ongoing Charges

Total operating expenses (excluding finance costs and taxation) incurred by the Company as a percentage of the average daily [net asset values](#) for the reporting year.

Option

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.

Portfolio Manager

Alex Wright is the appointed [Portfolio Manager](#) of 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 ordinary 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 per ordinary share](#).

Registrar

An entity that manages the Company's shareholder register. The Company's [Registrar](#) is Link Group.

Reserves

- **Share premium account** represents the amount by which the proceeds from the issue of ordinary shares has exceeded the cost of those ordinary shares. It is not distributable by way of dividend and cannot be used to fund share repurchases.
- **Capital redemption reserve** maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It is not distributable by way of dividend and cannot be used to fund share repurchases.

- **Other non-distributable reserve**

represents amounts transferred from the warrant reserve. It is not distributable by way of dividend and cannot be used to fund share repurchases.

- **Capital reserve** represents realised gains or losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It can be used to fund repurchases and issuance of shares from Treasury and it is distributable by way of dividend.

- **Revenue reserve** represents retained revenue surpluses recognised through the revenue column of the Income Statement. It cannot be used to fund share repurchases. It is distributable by way of dividend.

Return

The [return](#) generated in a given period from 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 return; and
- **Total return** – reflects the aggregate of revenue and capital return.

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 as shown in the balance sheet.

Total Return Performance

The return on the share price or [net asset value per ordinary 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 pay dividends, have no voting rights and are excluded from the [net asset value per ordinary share](#) calculation.



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