

# FIDELITY SPECIAL VALUES PLC

AIMS TO PROFIT FROM STOCKS UNLOVED BY THE MARKET

Fidelity Special Values PLC invests mainly in UK-listed companies. The portfolio is likely to have a bias towards medium-sized and smaller companies. The portfolio manager is a value investor, naturally seeking out stocks that are often unloved and unfashionable at the current time.

## FIDELITY SPECIAL VALUES PLC DETAILS TO 31.10.13

<b>Share price:</b>	894.00p
<b>NAV:</b>	943.32p
<b>NAV (excluding income):</b>	926.17p
<b>Discount:</b>	5.23%
<b>Discount (excluding income):</b>	3.47%
<b>Gearing:</b>	23.64%
<b>Ordinary shares in issue:</b>	54,128,896
<b>Launch date:</b>	17/11/1994
<b>Portfolio Manager:</b>	Alex Wright
<b>Appointed to trust:</b>	03/09/2012
<b>Years at Fidelity:</b>	12

Investment available via ISA and Share Plan

## PORTFOLIO MANAGER



UK equities advanced in October as positive GDP data and a last minute deal by US lawmakers to avoid breaching the nation's debt ceiling supported investor sentiment.

Stocks have performed well over the past couple of years, and valuations, particularly in the FTSE 250, are not as attractive as they once were. However, I am still finding that by meeting companies and conducting thorough fundamental analysis, I am able to identify unloved companies entering a period of positive change as yet unrecognised by the market. Currently, I have a significant portion of the fund in FTSE 100 stocks, as these, on average, are the cheapest stocks in the market. These include Royal Dutch Shell, Lloyds Banking Group, HSBC, SSE, WPP and GlaxoSmithKline. Many of these stocks pay attractive dividends and could unlock shareholder value in ways currently unrecognised by the market.

Alongside these major companies, the fund, as always runs a large exposure to smaller and medium sized companies. With the housing market-led recovery in the UK economy seemingly well under way, many of the more obvious beneficiaries of this trend have now fully re-rated and do not look cheap. As a result, I have sold down some of these companies from Special Values, having bought into them when many UK fund managers were apologists for the UK economy and shunned domestically orientated stocks. I am now looking for what the market has missed - there are still plenty of companies benefiting from recovery that have been left behind, and my attention is now turned towards these stocks as an area of interest for the strategy.

In an environment of low economic growth, large companies are forced to look outward if they want to grow or defend their positions. Since I have been managing the Trust, a number of its holdings have been bought out by larger rivals because they saw the good value that was on offer. I believe this theme can continue, and perhaps gather pace, now that economic confidence is notably increasing.

In October, the Trust recorded NAV returns of 6.0%, compared to 4.3% for the index. Some of our key holdings such as DCC, Photo-Me International and Resolution were among the notable contributors to returns during the month.

Updated October 2013

Alexander Wright, Portfolio Manager

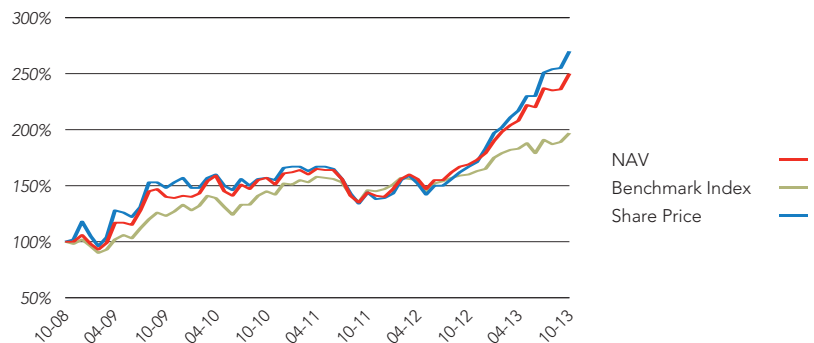
## SINGLE YEAR PERFORMANCE (5 YEARS ENDING OCTOBER)

	Oct-08	Oct-09	Oct-10	Oct-11	Oct-12
	Oct-09	Oct-10	Oct-11	Oct-12	Oct-13
Share Price	48.0%	6.3%	-8.6%	15.9%	62.2%
NAV	40.0%	11.8%	-7.8%	16.8%	48.4%
FTSE All Share Index	23.5%	17.5%	0.6%	9.8%	22.8%

Price Record	Oct 09	Oct 10	Oct 11	Oct 12	Oct 13
Share Price (pence)	531.00	555.50	498.25	564.00	894.00
NAV (pence)	567.53	624.95	566.67	648.44	943.32

## FIVE YEAR PERFORMANCE COMPARISON



## PERFORMANCE RECORD

Cumulative Growth	YTD	1mth	6mths	1 yr	3 yrs	5 yrs	10 yrs	Since 17.11.94
Share Price	48.0%	6.2%	24.5%	62.2%	71.8%	170.4%	239.1%	1095.8%
NAV	40.2%	6.0%	20.2%	48.4%	60.0%	150.5%	248.7%	1132.0%
FTSE All Share Index	19.5%	4.3%	7.7%	22.8%	35.6%	96.7%	138.7%	324.0%

Ranking within UK Capital Growth Inv. Trust Sector (Share Price)								
	4	9	3	3	5	6	4	1
Position of the company								
Total number of companies	18	18	18	18	17	17	15	12
Quartile Ranking	1	2	1	1	2	2	2	1

Source of performance: Fidelity/Datastream, cumulative growth, total return as at 31 October 2013, bid-bid with net income reinvested. These figures do not include an initial charge. Rankings: Morningstar. Quartile rank refers to performance over time rated on a scale of 1-4. A ranking of 1 indicates that the item being ranked is in the top 25% of the sample; a quartile of 2 indicates it's in the top 50% and so on.

Please remember that past performance is not a guide to what may happen in the future. The value of investments can go down as well as up and you may not get back the amount you invested. As this fund can invest up to 20% in overseas companies this fund may be subject to currency fluctuations. Please remember the eligibility to invest in an ISA depends on individual circumstances and tax rules may be subject to change.

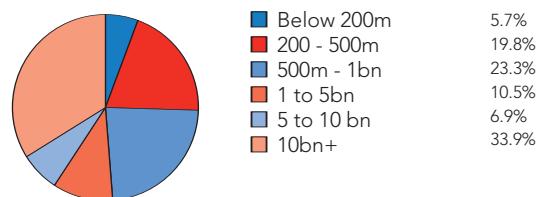


TOP 10 POSITIONS AS AT 31.10.13

	%
SANOFI	5.2
ROYAL DUTCH SHELL PLC	4.9
BREWIN DOLPHIN HLDGS PLC	4.8
UDG HEALTHCARE PLC	4.6
DCC PLC	4.4
LLOYDS BANKING GROUP PLC	4.2
ELECTRONICS ARTS INC	3.6
HSBC HOLDINGS PLC	3.5
WPP PLC	3.5
SSE PLC	3.1

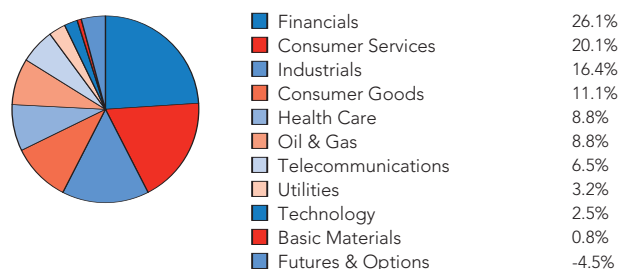
Benchmark is FTSE All Share Index. All data in the above includes any derivative exposures as an economically equivalent position in the underlying asset. Source: FIL Limited, 31 October 2013

MARKET CAP ALLOCATIONS AS AT 31.10.13



Source: FIL Limited, 31 October 2013

INDUSTRY BREAKDOWN AS AT 31.10.13



Includes exposure to derivatives.  
Source: FIL Limited, 31 October 2013

GLOSSARY

NAV

The total value of the 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 asset value per share. NAV calculations can include or exclude current financial year income and both are disclosed in this factsheet.

DISCOUNT

If the share price of the 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

Investment trusts have the ability to borrow additional money to invest, known as gearing. The Company has the ability to use bank loans, bank overdrafts and Contracts for Difference (CFDs) to increase its exposure to stocks. CFDs are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

OVERWEIGHT/UNDERWEIGHT

If a stock is deemed "overweight" this indicates that the portfolio has a higher exposure to a stock compared to its benchmark. If a stock is deemed "underweight" this indicates that portfolio has a lower exposure to a stock compared to its benchmark.

TOP 10 POSITIONS

The ten largest holdings are shown as a percentage based on total exposure which is the fixed asset investments plus the fair value of the underlying securities within the derivative instruments.

SECTOR/GEOGRAPHICAL BREAKDOWNS

These are expressed as a percentage of total portfolio and cash.

FAIR VALUE

The fair value of the listed investments is measured at bid prices or last prices quoted, depending on the convention of the exchange on which they are listed. Where permitted, unlisted investments, where there is not an active market, are valued using an appropriate valuation technique so as to establish what the transaction price would have been and derivative instruments are valued at the quoted trade price for the contract.

DEALING INFORMATION

<b>Listed:</b>	London Stock Exchange
<b>Quoted:</b>	London Stock Exchange
	Financial Times
	The Times
	The Daily Telegraph
	The Independent
<b>Reuters Code:</b>	FSV.L
<b>SEAQ Code:</b>	51079

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, 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. This information does not constitute investment advice and should not be used as the basis for any investment decision nor should it be treated as a recommendation for any investment. If you are unsure of the suitability of an investment, please contact a financial adviser.

For more information contact us on **0800 41 41 10**, 9am – 6pm Monday to Saturday or go to [www.fidelity.co.uk/specialvalues](http://www.fidelity.co.uk/specialvalues)

