

# FIDELITY SPECIAL VALUES PLC

31 MARCH 2016

## Investment Objective

To achieve long term capital growth predominately through investments in UK-listed companies.

## Investment Trust Facts

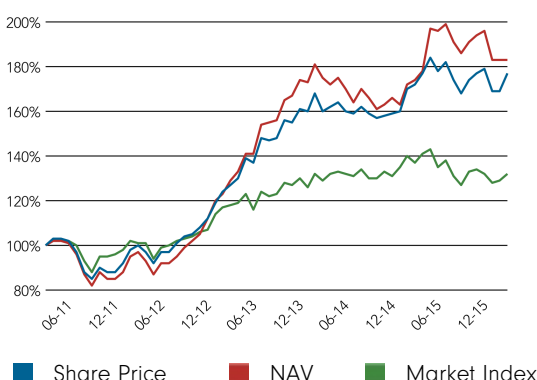
Launch date:	17.11.94
Portfolio manager:	Alex Wright
Appointed to trust:	01.09.12
Years at Fidelity:	15
Total Net Assets (TNA):	£ 540m
Ordinary shares in Issue:	265,974,480
Share price:	187.50p
NAV:	203.03p
Discount:	7.65%
Gross Market Gearing:	25.1%
Net Market Gearing:	14.1%

## Performance Comparator

Market Index: FTSE All Share TR

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 31.03.16 in GBP (%)

	1m	3m	YTD	1yr	3yr	5yr	Since 17.11.94*
Share Price Cumulative Growth	0.0	-6.7	-6.7	5.5	41.7	83.3	1,227.3
NAV Cumulative Growth	4.7	-1.0	-1.0	3.2	39.0	77.3	1,297.1
Index Cumulative Growth	1.9	-0.4	-0.4	-3.9	11.4	31.9	336.3
Share Price Annualised Growth	-	-	-	5.5	12.3	12.9	12.9
NAV Annualised Growth	-	-	-	3.2	11.6	12.1	13.1
Index Annualised Growth	-	-	-	-3.9	3.7	5.7	7.1

Basis: bid-bid with net 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 equities advanced in March as investors responded positively to the European Central Bank's aggressive plans to ramp up stimulus measures in the eurozone. However, the market suffered some reverses due to weak data from China and the terrorist attacks in Brussels. Despite this, sentiment remained largely positive on the back of the US Federal Reserve's cautious stance on future interest rate increases.

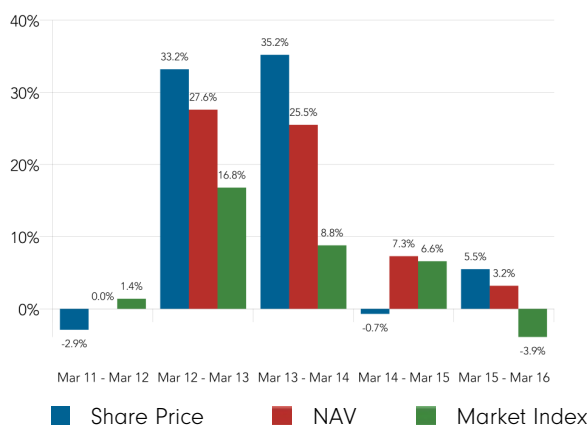
The recent volatility in the stock market has led to sense of caution among investors, and falling prices and valuations in the market. This uncertainty has created some attractive contrarian opportunities in various sectors and market cap categories. We have been taking the opportunity to buy shares in companies whose prices have fallen despite attractive prospects for positive change over the medium term.

Key sectors for the Trust continue to include financials (and banks in particular), and a recent increase in the holdings in oil and gas, where the excessive negative sentiment seems to have obscured a reduction in supply that should improve industry dynamics in the medium term.

As ever, our focus is on identifying out-of-favour stocks with potential for positive change. This bottom-up strategy is my preferred approach to meeting the fund's investment objective of providing capital growth for investors.

In March, the Trust recorded NAV returns of 4.7%, compared to 1.9% for the index. Key contributors included Hewlett Packard Enterprise and Synthomer.

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



**FIDELITY SPECIAL VALUES PLC**

31 MARCH 2016

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

	Exposure (% TNA)
Gross Market Exposure	125.1
Net Equity	114.1
Other	1.5
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)**

	Net	Index	Relative
<b>ICB Industry</b>			
Financials	41.5	23.9	17.7
Industrials	31.5	10.8	20.7
Consumer Services	16.5	13.0	3.5
Oil & Gas	8.7	10.6	-1.9
Technology	7.0	1.5	5.5
Health Care	5.3	8.4	-3.1
Consumer Goods	5.2	17.6	-12.4
Basic Materials	3.9	5.0	-1.1
Telecommunications	2.2	5.2	-3.1
Utilities	0.0	4.0	-4.0
<b>Total Sector Exposure</b>	<b>121.8</b>	<b>100.0</b>	
Other Index / Unclassified	-7.7	0.0	
<b>Total Equity Exposure</b>	<b>114.1</b>	<b>100.0</b>	

**Top Net Long Positions (% TNA)**

	ICB Industry	Country	Net	Index	Relative
ROYAL DUTCH SHELL PLC	Oil & Gas	United Kingdom	5.9	6.8	-0.8
CITIGROUP INC	Financials	USA	5.4	0.0	5.4
LLOYDS BANKING GROUP PLC	Financials	United Kingdom	5.3	2.2	3.1
CRH PLC	Industrials	United Kingdom	4.3	0.8	3.5
CARNIVAL PLC	Consumer Services	United Kingdom	3.8	0.3	3.5
ROYAL MAIL PLC	Industrials	United Kingdom	3.8	0.2	3.6
WOLSELEY PLC JERSEY	Industrials	United Kingdom	3.6	0.5	3.1
HOMESERVE PLC	Industrials	United Kingdom	3.3	0.1	3.3
ULTRA ELECTRONICS HLDGS PLC	Industrials	United Kingdom	3.2	0.1	3.1
REGUS PLC	Industrials	United Kingdom	3.1	0.1	3.0

**Top Overweight Positions (% TNA)**

	Net	Index	Relative
CITIGROUP INC	5.4	0.0	5.4
ROYAL MAIL PLC	3.8	0.2	3.6
CARNIVAL PLC	3.8	0.3	3.5
CRH PLC	4.3	0.8	3.5
HOMESERVE PLC	3.3	0.1	3.3
ULTRA ELECTRONICS HLDGS PLC	3.2	0.1	3.1
LLOYDS BANKING GROUP PLC	5.3	2.2	3.1
WOLSELEY PLC JERSEY	3.6	0.5	3.1
REGUS PLC	3.1	0.1	3.0
COUNTRYWIDE PLC	2.8	0.0	2.8

**Net Long Positions Concentration (% TNA)**

	Fund	Index
Top 10	41.6	33.6
Top 20	67.6	49.5
Top 50	104.4	67.7

**Market Capitalisation Exposure (% TNA)**

	Net	Index	Relative
FISE 100	31.0	79.9	-48.9
FTSE 250	33.6	16.6	17.0
FTSE Smallcap	13.0	3.5	9.5
Non FTSE	36.5	0.0	36.5
<b>Total Market Cap Exposure</b>	<b>114.1</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>114.1</b>	<b>100.0</b>	

**Country Exposure (% TNA)**

	Net	Index	Relative
United Kingdom	94.8	99.0	-4.2
USA	13.1	0.0	13.1
Ireland	2.1	0.5	1.6
Austria	2.0	0.0	2.0
Canada	1.2	0.0	1.2
France	1.0	0.0	1.0
Switzerland	0.4	0.0	0.4
Greece	0.4	0.0	0.4
Germany	0.3	0.0	0.3
Hong Kong	0.3	0.0	0.3
Other Countries	-1.5	0.5	-2.0
<b>Total Country Exposure</b>	<b>114.1</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>114.1</b>	<b>100.0</b>	

**Top Underweight Positions (% TNA)**

	Net	Index	Relative
HSBC HOLDINGS PLC	0.0	4.3	-4.3
BRITISH AMERICAN TOBACCO PLC	0.0	3.8	-3.8
BP PLC	0.0	3.2	-3.2
VODAFONE GROUP PLC	0.0	2.9	-2.9
ASTRAZENECA PLC	0.0	2.5	-2.5
GLAXOSMITHKLINE PLC	1.0	3.4	-2.4
DIAGEO PLC	0.0	2.4	-2.4
RECKITT BENCKISER GROUP PLC	0.0	2.1	-2.1
SABMILLER PLC	0.0	2.0	-2.0
UNILEVER PLC	0.0	1.9	-1.9

## 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.

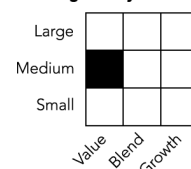
## Administrative & Dealing Information

Financial Year End:	31st August
Reference currency:	UK Sterling (GBP)
Company domicile:	United Kingdom
Company legal structure:	Investment Trust
Capital guarantee:	No
ISIN:	GB00BWXC7Y93
SEDOL:	BWXC7Y9
Bloomberg:	FSV LN
Distribution frequency:	Bi Annual
Charges made to income or capital:	Income
Ongoing Charges Figure (OCF) per year:	1.10% (31.08.15)
OCF takes into account annual management charge:	0.875% (net)

## 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 fund 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.

**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 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.

**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 fund'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 fund 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 (ie GICS, ICB, TOPIX and IPD) varies by fund. Full descriptions of GICS, ICB, TOPIX and IPD can be found in the glossary.

**Glossary / Additional Notes****ONGOING CHARGES**

The ongoing charges figure represents the charges taken from the fund over a year. It is calculated at the fund's financial year end and may vary from year to year. For new funds, the ongoing charges figure is estimated until the fund's financial year end.

The types of charges included in the ongoing charges figure are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where applicable) and bank charges.

It excludes: performance fees (where applicable); portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information about charges (including details of the fund's financial year end), please consult the charges section in the most recent Annual Report.

**SECTOR INDUSTRY CLASSIFICATION**

**GICS:** Global Industry Classification Standard (GICS) was developed by Standard & Poor's and MSCI Barra. GICS consists of 10 sectors, 24 industry groups, 68 industries and 154 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/>

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