



FidelityTM
INTERNATIONAL

FIDELITY SPECIAL VALUES PLC

Half-Yearly Report for the
six months ended 29 February 2024

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 invests in companies primarily listed in the UK, but may invest up to 20% of total net assets outside of UK companies.

Contrarian stock-picking approach – The Portfolio Manager, Alex Wright, looks for unloved companies that are entering a period of positive change that the market has not yet recognised. He follows a highly disciplined investment

process that focuses first on evaluating downside risk and then on identifying positive change and potential upside. The focus is first and foremost on downside protection. Alex's philosophy is to base investment decisions on company fundamentals rather than top-down factors (market or macroeconomic drivers).

Leveraging Fidelity's global research platform – This contrarian approach is research intensive in order to identify and gain conviction in opportunities

that are out of favour with other investors. The depth of Fidelity's research ensures that there is a sufficient number of strong investment ideas to build a diversified portfolio at all points of the market cycle.

Performance – In the six month reporting period, the Company's net asset value total return was +4.0% and the share price total return was +4.8%, compared to the FTSE All-Share Index (Benchmark) return of +3.9%.

Dean Buckley, Chairman



Kepler
INCOME & GROWTH
RATING

ELITE FUND
rated by FundCalibre.com

INVESTMENT
OF THE YEAR
AWARDS 2022

WINNER
UK ALL COMPANIES

INVESTMENT
OF THE YEAR
AWARDS 2023

WINNER
UK ALL COMPANIES

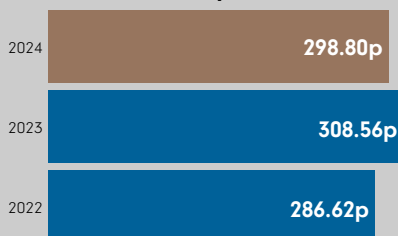
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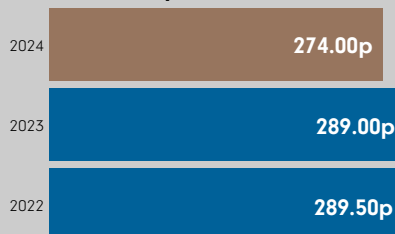
Portfolio Manager's Half-Yearly Review

Read more on pages 04 to 07

Net Asset Value per Ordinary Share as at 29 February 2024, 28 February 2023 and 28 February 2022



Ordinary Share Price as at 29 February 2024, 28 February 2023 and 28 February 2022



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At a Glance

Six months ended 29 February 2024

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

+4.0%

(28 February 2023: +10.4%)

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

+4.8%

(28 February 2023: +13.1%)

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

+3.9%

(28 February 2023: +8.7%)

**Interim Dividend per
Ordinary Share**

3.24p

(28 February 2023: 2.53p)

1 Includes reinvested income.

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

As at 29 February 2024

Shareholders' Funds

£968.4m

Market Capitalisation

£888.0m

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

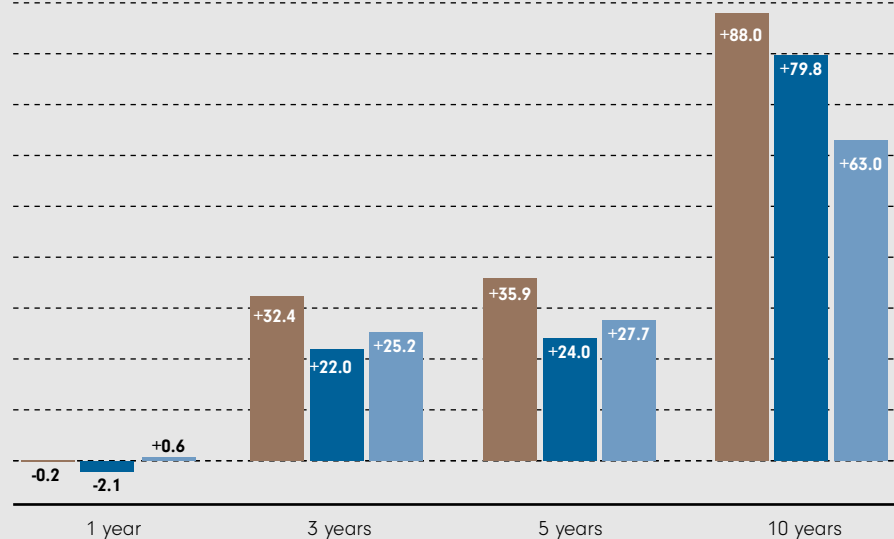
	29 February 2024	31 August 2023
Assets		
Shareholders' funds	£968.4m	£951.0m
Net Asset Value ("NAV") per ordinary share ¹	298.80p	293.44p
Share price and discount data		
Share price at period end	274.00p	267.50p
Share price: period high ²	282.00p	293.00p
Share price: period low ²	252.50p	234.00p
Discount at period end ¹	8.3%	8.8%
Discount: period high ²	9.3%	10.3%
Discount: period low ²	5.8%	2.8%

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

2 For the six month period to 29 February 2024 and for the year to 31 August 2023.

Standardised Performance Total Return¹ (%)

■ NAV per ordinary share ■ Share price
■ FTSE All-Share Index (Benchmark)



Periods ended 29 February 2024.

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 29 February 2024, the Company recorded a net asset value ("NAV") per ordinary share return of +4.0% and a share price return of +4.8%, compared to a +3.9% return for the Benchmark FTSE All-Share Index (all on a total return basis). This report seeks to summarise the period, highlight the key drivers of performance and set out the Portfolio Manager's forward-looking views.

Stock Market and Portfolio Review

UK equities advanced during the period despite persistent global challenges including geopolitical tensions, economic uncertainty, high borrowing costs and China's sluggish post pandemic economy. Nevertheless, the market narrative was supported by decelerating inflationary pressures that allowed the Bank of England ("BoE") to keep interest rates unchanged during the review period after fourteen successive rate hikes. This has led to expectations that we may have reached the peak of rate increases, while improving economic data increased conviction in the soft-landing narrative, providing a tailwind for equities.

From a sector perspective, market gains were led by technology, industrials and consumer discretionary, while basic materials and consumer staples were the biggest detractors. While both the value and growth segments showed gains, the technology-led rally from November meant that growth outperformed over the period. Similarly, small cap stocks rebounded strongly following two years of significant underperformance.

The period started with UK equities posting gains in September as easing inflation prompted the BoE to keep its policy interest rate unchanged at 5.25%. The decision

to leave rates unchanged surprised the market, as previous expectations factored in a high likelihood of an imminent rate hike. Encouragingly, positive inflationary developments extended beyond the UK, with the eurozone and the US also reporting decelerating price pressures, which heightened investor optimism over a soft landing. By the end of November, markets had priced in a peak in current interest rates, with expectations of cuts in 2024, both at home and abroad.

However, equities started off 2024 on a weak note. This shift was underpinned by investors recalibrating their expectations for imminent and substantial interest rate cuts by major central banks. A desire for firmer evidence that inflation was under control and the lack of commitment on the timing of rate adjustments by central banks contributed to an atmosphere of uncertainty among market participants. Meanwhile, geopolitical concerns remained centre stage as a result of disruption of commercial shipping in the Red Sea, leading to some supply chain bottlenecks.

Economic indicators in the UK painted a mixed picture. Preliminary estimates revealed a 0.3% contraction in UK GDP (quarter-on-quarter) in the fourth quarter of 2023, driven by declines in both consumer and government spending. While this marked the second consecutive quarter of contraction (defined as a technical recession), nevertheless, GDP is estimated to have increased overall in 2023 but only by 0.1%. On a positive note, the preliminary data for January was more encouraging showing a 0.2% month-on-month GDP expansion. UK inflation has also fallen rapidly from its peak of more than 11% in late 2022 to just 3.4% in February, but it is still above the Bank of England's 2% target and wage inflation remains stubbornly higher than the headline rate.

Over the period, the Company's NAV marginally outperformed its Benchmark. Irish support services group DCC was the leading contributor as its shares benefited from an improving outlook, delivering on ambitious new targets for its energy division. Its aim to evolve its strategy towards lower carbon energy solutions was underlined by its acquisition of Progas GmbH, a leading distributor of LPG in Germany, considerably expanding its customer base in the country. Ryanair Holdings continued to benefit from the post-pandemic recovery in demand for international travel, as a strong Easter, record summer traffic and the growth in air fares offset higher fuel costs. The company also announced it would pay its first ever dividend, as it continued to benefit from the constrained supply environment and higher cost of new planes. Similarly, defence contractor Babcock International Group paid its first dividend in four years, as it reaped the benefits of a turnaround plan, becoming a more predictable business, that is well placed for higher military spending amid rising geopolitical tensions.

Mergers and acquisitions ("M&A") activity continued to be a significant performance driver during the period with five of the top ten contributors attracting bids, or becoming subject to takeover speculation. Smart Metering Systems agreed to a £1.3 billion deal from US private equity firm KKR (Kohlberg Kravis Roberts) while ten-pin bowling operator Ten Entertainment Group was taken over by another US private equity firm Trive Capital. Shares in Direct Line Insurance Group rose on news that Belgian insurer Ageas was considering making a takeover offer. Meanwhile, shares in Aviva, the UK's biggest insurer, rose after reports that it could be the target of a takeover by a foreign buyer. Media and events company Ascential also added value after the company agreed to

sell its digital commerce business to Omnicom Group and its product design business to funds advised by Apax Partners. Once the transactions are complete, Ascential intends to distribute £850 million to its shareholders.

Conversely, the holding in Swiss pharmaceuticals group Roche Holdings detracted from performance, as investors weighed the company's more modest than expected 2024 outlook. Group sales, which include diagnostics, were expected to grow by a mid-single digit percentage, when adjusted for currency swings, but the projections were lower than consensus estimates. Nevertheless, results showed the company was overcoming a slump in demand for its COVID-19 products and a decline in sales of a trio of established cancer drugs.

Shares in merchant banking group Close Brothers declined sharply after the Financial Conduct Authority announced that it would review historic claims of unfair costs on discretionary car finance commissions and ensure that consumers received compensation if it uncovers evidence of widespread misconduct. Although we had significantly reduced our holding having identified this risk, the estimated fines are likely to be higher than previously thought and the residual position proved a drag on returns given the significant sell-off.

Industrial threads maker Coats Group was another detractor. The company has seen a decline in trading revenues, but there are signs of a gradual recovery, while its balance sheet and cash generation remain strong. Elsewhere, Victrex was weighed down by weakness across the chemical sector.

Portfolio Manager's Half-Yearly Review continued

Meanwhile, shares in health and beauty products company PZ Cussons fell following the devaluation of Nigeria's currency, the naira, before the company's results announcement in February and this led to a reduction in its dividend and a paring back of profit forecasts. The company counts Nigeria as one of its four major markets, although it now only represents 15% of profits. PZ Cussons is undergoing a turnaround having reinvested in its core brands, professionalised the organisation and has started to simplify its operations.

Use of gearing

During the review period, we continued to use contracts for difference to gear the portfolio's long exposure and eliminate some of the currency exposure for those holdings listed outside the UK. Overall, there was a small reduction in the Company's gearing level over the period. Gearing remains low at 5.9% at the end of February (compared to 6.5% at the end of August 2023). While valuations are attractive and we are finding new ideas, we are conscious of the increased cost of borrowing and want to retain some dry powder to take advantage of opportunities and any short-term volatility.

Outlook

While there continues to be a degree of economic and geopolitical uncertainty, the attractiveness of UK valuations versus history and compared to other markets, as well as 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. Their unloved status means we continue to find overlooked companies with good upside potential across industries and the market cap spectrum. What is more, the lack of interest

from other investors means that, despite our focus on attractive valuations, we do not have to compromise on quality.

While the value in the UK market is not being recognised by investors, it is being acknowledged by other market participants. Overseas corporates and private equity firms are seeing the value and are taking advantage of those attractive valuations. As noted previously, we have had a lot of success with M&A across the portfolio in the last six months. After a lull in the middle of last year, activity has picked up. The low valuations are also reflected in the substantial buyback activity among UK corporates.

From a portfolio perspective, we remain disciplined, taking profits in stocks that have performed well and where the risk/reward is no longer as attractive. We are particularly wary of stocks where fundamentals and margins have been strong, and a deterioration is not priced in. A stock we sold after strong returns was Marks & Spencer, where we felt the investment thesis had played out. The stock had doubled having taken market share in the clothing, home and food segments which had benefited from the exit of the likes of New Look, Arcadia and Debenhams, favourable weather conditions as well as a switch from shopping online back to shops after the pandemic. Market sentiment was becoming overwhelmingly positive and after such a strong run, we felt the risk/return was more skewed to the downside given a wide range of scenarios in a relatively weak economic environment. Elsewhere, higher interest rates have benefited sectors such as banks and life insurers, which had been shunned since the global financial crisis. While they continue to be well represented in our portfolios, we have

taken some profits following strong returns, and changed some of our positions, for instance reducing our NatWest Group position in favour of Standard Chartered, given better revenue growth prospects, and switching some of our Phoenix Group Holdings exposure into Just Group, a move that paid off handsomely in light of the very strong set of results they recently announced.

Conversely, we have been on the lookout for companies that have seen their earnings rebased and which trade on low valuations with limited downside and the potential for significant upside once the environment normalises. We have been finding new ideas in cyclical areas such as industrials, media, and staffing and adding back into some UK housing related names of late, where demand appears to be stabilising and valuations remain low.

Overall, we continue to see potential for attractive returns given the upside/downside profile of our portfolio. We are encouraged by the performance of our holdings in the recent reporting season. We have seen a strong full year 2023 reporting season, and in particular excellent results from some of our financials positions. With the exception of high-end and big-ticket consumer goods, where spend is under pressure, generally the results season has painted a fairly robust economic picture, with things actually starting to look more positive in most areas into the fourth quarter of 2023 and first quarter of 2024, compared to 2023 as a whole. The one exception is China where poor economic conditions on the ground appear to be deteriorating further. Our holdings have low revenue exposure to China (much lower than the UK market) given our low exposure to big staples, financials and mining companies that are driven primarily by Chinese

demand. Overall, we have been encouraged by the robustness of earnings in the portfolio and indeed the market as a whole.

Alex Wright

Portfolio Manager

25 April 2024

Twenty Largest Investments

as at 29 February 2024

The Asset Exposures shown below and on pages 9 and 10 measure exposure to market price movements as a result of owning shares, 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	46,005	4.8	16,597
DCC			
Industrial Support Services	44,061	4.5	44,061
Imperial Brands			
Tobacco	36,957	3.8	36,957
Ryanair Holdings (shares and long CFD)			
Travel & Leisure	33,616	3.5	4,371
Roche Holdings			
Pharmaceuticals & Biotechnology	32,947	3.4	32,947
Aviva			
Life Insurance	32,725	3.4	32,725
Mitie Group			
Industrial Support Services	26,649	2.8	26,649
GSK			
Pharmaceuticals & Biotechnology	26,453	2.7	26,453
Babcock International Group			
Aerospace & Defense	23,265	2.4	23,265
Coats Group			
General Industrials	22,821	2.4	22,821
NatWest Group			
Banks	22,636	2.3	22,636
Glenveagh Properties (shares and long CFDs)			
Household Goods & Home Construction	22,586	2.3	19,458

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Standard Chartered			
Banks	21,453	2.2	21,453
Direct Line Insurance Group			
Non-Life Insurance	19,414	2.0	19,414
Spire Healthcare Group			
Health Care Providers	19,389	2.0	19,389
Keller Group (shares and long CFD)			
Construction & Materials	19,326	2.0	13,011
OMV			
Oil, Gas & Coal	19,027	2.0	19,027
Phoenix Group Holdings			
Life Insurance	19,021	2.0	19,021
Conduit Holdings			
Non-Life Insurance	18,572	1.9	18,572
Reckitt Benckiser Group			
Personal Care, Drug & Grocery Stores	17,718	1.8	17,718
Twenty largest long exposures	524,641	54.2	456,545
Other long exposures	500,540	51.7	456,686
Gross Asset Exposure (96 holdings)	1,025,181	105.9	
Portfolio Fair Value			913,231

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 29 February 2024

	Fair Value	Asset Exposure	
	£'000	£'000	% ¹
Investments	912,136	912,136	94.2
Long CFDs	1,095	113,045	11.7
	913,231	1,025,181	105.9
Cash at bank ²	66	(111,884)	(11.6)
Bank overdraft	(5,260)	(5,260)	(0.5)
Fidelity Institutional Liquidity Fund	55,114	55,114	5.7
Other net current assets (excluding derivative assets and liabilities)	5,252	5,252	0.5
Shareholders' Funds	968,403	968,403	100.0

The Company uses gearing through the use of long CFD positions. Gross gearing as at 29 February 2024 was 5.9% (31 August 2023: 6.5% and 28 February 2023 5.3%).

- 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

Nigel Foster will have completed his nine year tenure on the Board during this year and will step down at the conclusion of the Annual General Meeting in December 2024. A recruitment process for his replacement will be carried out during the course of the year.

Interim Dividend

Dividends are an important component of long-term returns and 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 29 February 2024 was 3.34 pence per share.

The Board has declared an interim dividend of 3.24 pence per share which is 28.1% higher than the 2.53 pence per share paid as the interim dividend in 2023. This will be paid on 20 June 2024 to shareholders on the register on 10 May 2024 (ex-dividend date 9 May 2024). 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.

Discount Management and Share Repurchases

Investment trust discounts continue to remain wide and the Company has not been immune to this trend. As at 29 February 2024, the average discount for the companies in the UK All Companies peer group was 10.8%. However, in the six months under review, the

Company's discount to NAV has remained relatively stable beginning the year at 8.8% and ending it at 8.3%. 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. As the discount remained in single digits in the reporting period, the Company did not repurchase any shares.

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.

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 continue to fall into the following categories: market, economic and political; investment performance (including the use of derivatives and gearing); cybercrime and information security; environmental, social and governance ("ESG"); competition; business continuity; key person and operational support; discount control regulatory risks. Information on each of these risks is given on pages 23 to 25 in the Strategic Report section of the Annual Report for the year ended 31 August 2023, a copy of which can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues.

Interim Management Report and Directors' Responsibility Statement continued

While the principal risks and uncertainties are the same as those at the last year end, the uncertainty continues to be heightened by the global implications of the ongoing Russia and Ukraine conflict dominating political risks and industry concerns as well as the Middle East conflict. There is geopolitical and economic uncertainty, in addition to events currently being faced globally such as the cost of living, inflation, interest rate rises, food supply crisis and the threat of cyberattacks on critical infrastructure. There continues to be tension between China and the US. The quantum of risks continues to change and the Board remains vigilant in monitoring such risks.

Climate change continues to be a key principal risk, that is confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of changing weather patterns. Climate change patterns can potentially impact the operations of investee companies, their supply chains and their customers. Additional risks may also arise from increased regulations, increased costs and net-zero programmes which can all impact investment returns. 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 impact the Company as a risk, 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 somewhat 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. This includes investment team key activities which also covers portfolio managers, analysts and trading/support functions. The Manager reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations, assess its ability to continue operating and the steps it needs to take to serve and support its clients, including the Board. It has an appropriate control environment in place.

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 as outlined on pages 11 and 12.

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

25 April 2024

Directors' Responsibility Statement

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 25 April 2024 and the above responsibility statement was signed on its behalf by Dean Buckley, Chairman.

Income Statement

for the six months ended 29 February 2024

		Six months ended 29 February 2024 unaudited		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	20,869	20,869
Gains on long CFDs		-	5,742	5,742
Investment and derivative income	4	15,462	-	15,462
Other interest	4	1,861	-	1,861
Investment management fees	5	(2,863)	-	(2,863)
Other expenses		(468)	-	(468)
Foreign exchange gains/(losses)		-	220	220
Net return on ordinary activities before finance costs and taxation		13,992	26,831	40,823
Finance costs	6	(2,994)	-	(2,994)
Net return on ordinary activities before taxation		10,998	26,831	37,829
Taxation on return on ordinary activities	7	(154)	-	(154)
Net return on ordinary activities after taxation for the period		10,844	26,831	37,675
Return per ordinary share	8	3.34p	8.28p	11.62p

The Company does not have any other comprehensive income. Accordingly, the net return 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 2023 audited			Six months ended 28 February 2023 unaudited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	(12,021)	(12,021)	-	52,800	52,800
-	35,770	35,770	-	34,556	34,556
43,717	-	43,717	13,700	-	13,700
2,971	-	2,971	1,438	-	1,438
(5,698)	-	(5,698)	(2,806)	-	(2,806)
(948)	-	(948)	(459)	-	(459)
-	(4,032)	(4,032)	-	(2,131)	(2,131)
40,042	19,717	59,759	11,873	85,225	97,098
(4,774)	-	(4,774)	(1,996)	-	(1,996)
35,268	19,717	54,985	9,877	85,225	95,102
(672)	-	(672)	(8)	-	(8)
34,596	19,717	54,313	9,869	85,225	95,094
10.67p	6.08p	16.75p	3.04p	26.30p	29.34p

Statement of Changes in Equity

for the six months ended 29 February 2024

	Notes	Share capital £'000
Six months ended 29 February 2024 (unaudited)		
Total shareholders' funds at 31 August 2023		16,205
Net return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	9	-
Total shareholders' funds at 29 February 2024		16,205
Year ended 31 August 2023 (audited)		
Total shareholders' funds at 31 August 2022		16,205
Net return on ordinary activities after taxation for the year		-
Dividends paid to shareholders	9	-
Total shareholders' funds at 31 August 2023		16,205
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

Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
238,442	3,256	5,152	648,795	39,199	951,049
-	-	-	26,831	10,844	37,675
-	-	-	-	(20,321)	(20,321)
238,442	3,256	5,152	675,626	29,722	968,403
238,442	3,256	5,152	629,078	30,466	922,599
-	-	-	19,717	34,596	54,313
-	-	-	-	(25,863)	(25,863)
238,442	3,256	5,152	648,795	39,199	951,049
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

Balance Sheet

as at 29 February 2024

Company number 2972628

	Notes	29.02.24 unaudited £'000	31.08.23 audited £'000	28.02.23 unaudited £'000
Fixed assets				
Investments	10	912,136	882,692	904,659
Current assets				
Derivative instruments	10	2,675	1,769	2,631
Debtors		5,908	8,937	4,942
Amounts held at futures clearing houses and brokers		775	-	425
Cash and cash equivalents		55,180	59,460	89,441
		64,538	70,166	97,439
Current liabilities				
Derivative instruments	10	(1,580)	(949)	(888)
Bank overdraft		(5,260)	-	-
Other creditors		(1,431)	(860)	(1,180)
		(8,271)	(1,809)	(2,068)
Net current assets				
		56,267	68,357	95,371
Net assets				
		968,403	951,049	1,000,030
Capital and reserves				
Share capital	11	16,205	16,205	16,205
Share premium account		238,442	238,442	238,442
Capital redemption reserve		3,256	3,256	3,256
Other non-distributable reserve		5,152	5,152	5,152
Capital reserve		675,626	648,795	714,303
Revenue reserve		29,722	39,199	22,672
Total shareholders' funds		968,403	951,049	1,000,030
Net asset value per ordinary share	12	298.80p	293.44p	308.56p

Cash Flow Statement

for the six months ended 29 February 2024

	29.02.24	31.08.23	28.02.23
	unaudited	audited	unaudited
	£'000	£'000	£'000
Operating activities			
Investment income received	18,069	39,436	15,650
Net derivative income	859	5,934	3,479
Interest received	1,861	2,971	1,438
Investment management fee paid	(2,887)	(5,699)	(2,831)
Directors' fees paid	(85)	(173)	(91)
Other cash payments	(332)	(777)	(416)
Net cash inflow from operating activities before finance costs and taxation	17,485	41,692	17,229
Finance costs paid	(3,040)	(4,622)	(1,925)
Overseas taxation incurred	216	(1,119)	51
Net cash inflow from operating activities	14,661	35,951	15,355
Investing activities			
Purchases of investments	(133,738)	(429,178)	(210,375)
Sales of investments	124,932	368,171	192,392
Receipts on long CFDs	23,200	70,856	47,093
Payments on long CFDs	(17,719)	(45,085)	(23,445)
Movement on amounts held at futures clearing houses and brokers	(775)	8,190	7,765
Net cash (outflow)/inflow from investing activities	(4,100)	(27,046)	13,430
Net cash inflow before financing activities	10,561	8,905	28,785
Financing activities			
Dividends paid	(20,321)	(25,863)	(17,663)
Net cash outflow from financing activities	(20,321)	(25,863)	(17,663)
Net (decrease)/increase in cash and cash equivalents	(9,760)	(16,958)	11,122
Cash and cash equivalents at the beginning of the period	59,460	80,450	80,450
Effect of movement in foreign exchange	220	(4,032)	(2,131)
Cash and cash equivalents at the end of the period	49,920	59,460	89,441
Represented by:			
Cash at bank	66	2,028	2,868
Bank overdraft	(5,260)	-	-
Amount held in Fidelity Institutional Liquidity Fund	55,114	57,432	86,573
	49,920	59,460	89,441

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 2023 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 2023.

(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 29.02.24 unaudited £'000	Year ended 31.08.23 audited £'000	Six months ended 28.02.23 unaudited £'000
Investment income			
UK dividends	10,044	29,189	10,736
UK scrip dividends	526	-	-
Interest on securities	785	805	109
Overseas dividends	3,096	10,543	2,234
	14,451	40,537	13,079
Derivative income			
Dividends received on long CFDs	1,011	3,180	621
Investment and derivative income	15,462	43,717	13,700
Other interest			
Interest received on bank deposits, collateral and money market funds	1,861	2,965	1,438
Interest received on tax reclaims	-	6	-
	1,861	2,971	1,438
Total income	17,323	46,688	15,138

No special dividends have been recognised in capital during the period (year ended 31 August 2023: £1,904,000 and six months ended 28 February 2023: £nil).

Notes to the Financial Statements continued

5 Investment Management Fees

	Six months ended 29.02.24 unaudited £'000	Year ended 31.08.23 audited £'000	Six months ended 28.02.23 unaudited £'000
Investment management fees	2,863	5,698	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. Fees are accrued on a daily basis and payable monthly.

6 Finance Costs

	Six months ended 29.02.24 unaudited £'000	Year ended 31.08.23 audited £'000	Six months ended 28.02.23 unaudited £'000
Interest paid on long CFDs	2,992	4,761	1,995
Interest on bank overdrafts	2	13	1
	2,994	4,774	1,996

7 Taxation on Return on Ordinary Activities

	Six months ended 28.02.24 unaudited £'000	Year ended 31.08.23 audited £'000	Six months ended 28.02.23 unaudited £'000
Overseas taxation	154	672	8
Total taxation charge for the period	154	672	8

8 Return per Ordinary Share

	Six months ended 29.02.24 unaudited	Year ended 31.08.23 audited	Six months ended 28.02.23 unaudited
Revenue return per ordinary share	3.34p	10.67p	3.04p
Capital return per ordinary share	8.28p	6.08p	26.30p
Total return per ordinary share	11.62p	16.75p	29.34p

The return per ordinary share is based on the net return 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	10,844	34,596	9,869
Net capital return on ordinary activities after taxation	26,831	19,717	85,225
Net total return on ordinary activities after taxation	37,675	54,313	95,094
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury	324,098,920	324,098,920	324,098,920

Notes to the Financial Statements continued

9 Dividends Paid to Shareholders

	Six months ended 29.02.24 unaudited £'000	Year ended 31.08.23 audited £'000	Six months ended 28.02.23 unaudited £'000
Final dividend of 6.27 pence per ordinary share paid for the year ended 31 August 2023	20,321	-	-
Interim dividend of 2.53 pence per ordinary share paid for the year ended 31 August 2023	-	8,200	-
Final dividend of 5.45 pence per ordinary share paid for the year ended 31 August 2022	-	17,663	17,663
	20,321	25,863	17,663

The Company has declared an interim dividend for the six month period to 29 February 2024 of 3.24 pence per ordinary share (2023: 2.53 pence). The interim dividend will be paid on 20 June 2024 to shareholders on the register at the close of business on 10 May 2024 (ex-dividend date 09 May 2024). The total cost of this interim dividend, which has not been included as a liability in these Financial Statements, is £10,501,000 (2023: £8,200,000). 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

10 Fair Value Hierarchy continued

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 2023 (Accounting Policies Notes 2 (k) and 2 (l) on pages 60 and 61). The table below sets out the Company's fair value hierarchy:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
29 February 2024 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	884,245	23,919	3,972	912,136
Derivative instrument assets	-	2,675	-	2,675
	884,245	26,594	3,972	914,811
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	-	(1,559)	(21)	(1,580)
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 August 2023 (audited)				
Financial assets at fair value through profit or loss				
Investments	857,351	23,246	2,095	882,692
Derivative instrument assets	-	1,769	-	1,769
	857,351	25,015	2,095	884,461
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	-	(949)	-	(949)
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
28 February 2023 (unaudited)				
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)

Notes to the Financial Statements continued

11 Share Capital

	29 February 2024 unaudited		31 August 2023 audited		28 February 2023 unaudited	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
Issued, allotted and fully paid ordinary shares of 5 pence each						
Total share capital						
Beginning of the period	324,098,920	16,205	324,098,920	16,205	324,098,920	16,205
Ordinary shares issued/ repurchased	-	-	-	-	-	-
End of the period	324,098,920	16,205	324,098,920	16,205	324,098,920	16,205

During the period, no new ordinary shares were issued (year ended 31 August 2023: nil shares and six months to 28 February 2023: nil shares). At 29 February 2024, 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.

	29.02.24 unaudited	31.08.23 audited	28.02.23 unaudited
Total shareholders' funds	£968,403,000	£951,049,000	£1,000,030,000
Ordinary shares held outside of Treasury at the period end	324,098,920	324,098,920	324,098,920
Net asset value per ordinary share	298.80p	293.44p	308.56p

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.

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 on page 22. During the period, fees payable to FIL for portfolio management services of £2,863,000 (year ended 31 August 2023: £5,698,000 and six months ended 28 February 2023: £2,806,000). At the Balance Sheet date, fees for portfolio management services of £459,000 (year ended 31 August 2023: £483,000 and six months ended 28 February 2023: £459,000).

FIL also provides the Company with marketing services. The total amount payable for these services during the period was £132,000 (year ended 31 August 2023: £303,000 and six months ended 28 February 2023: £134,000). At the Balance Sheet date, marketing services of £98,000 (year ended 31 August 2023 and six months ended 28 February 2023: £nil) were accrued and included in other creditors.

As at 29 February 2024, 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 £44,500, the Audit Committee Chairman an annual fee of £35,000, the Senior Independent Director receives an annual fee of £31,500 and each other Director an annual fee of £29,500.

As at the date of this report, the following members of the Board held ordinary shares in the Company: Claire Boyle 7,466 shares, Dean Buckley 50,000 shares, Nigel Foster 88,000 shares, Ominder Dhillon 7,750 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.fidelity.co.uk/its

Shareholders on the main share register

Contact Link Group, Registrar to Fidelity Special Values PLC, 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.fidelity.co.uk/its**

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 2024/2025 – KEY DATES	
29 February 2024	Half-Yearly Period End
April 2024	Announcement of Half-Yearly Results
May 2024	Publication of Half-Yearly Report
09 May 2024	Ex-Dividend Date
10 May 2024	Dividend Record Date
20 June 2024	Payment of Interim Dividend
31 August 2024	Financial Year End
November 2024	Publication of Annual Report
December 2024	Ex-Dividend and Dividend Record Dates
December 2024	Annual General Meeting
January 2025	Payment of Final Dividend

Directory

Board of Directors

Dean Buckley (Chairman)
Claire Boyle (Chair 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
Riverbank House
2 Swan Lane
London
EC4R 3GA

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Lawyer

Simmons & Simmons LLP
1 Ropemaker Street
London
EC2Y 9SS

Registrar

Link Group
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 Ratio;
- 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

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 or other financial instrument.

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**. It 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

The amount by which **Gross Asset Exposure** exceeds **Shareholders' Funds** expressed as a percentage 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

The amount by which **Net Market Exposure** exceeds **Shareholders' Funds** expressed as a percentage 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 Ratio

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**. It 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 dividends 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 dividends 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 dividends 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 dividends.
- **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 dividends.

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

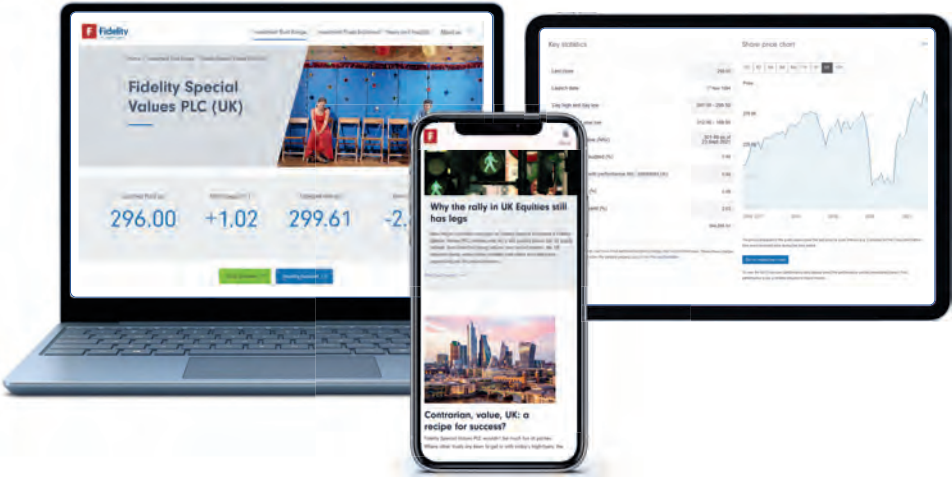
Shareholders' Funds are also described as "**net asset value**" and represent the total value of the Company's assets less the total value of its liabilities as shown in the balance sheet.

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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