

# FIDELITY SPECIAL VALUES PLC

31 MAY 2021

## Investment Objective

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

## Investment Trust Facts

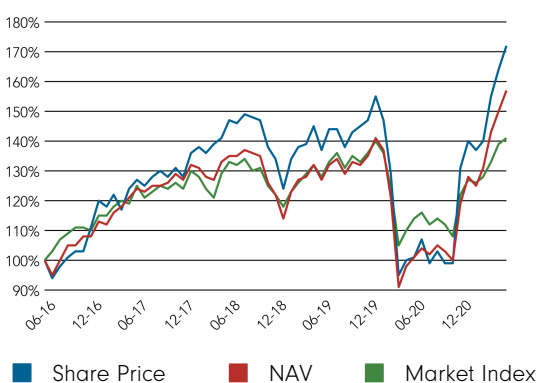
Launch date:	17.11.94
Portfolio manager:	Alex Wright, Jonathan Winton
Appointed to trust:	01.09.12, 03.02.20
Years at Fidelity:	20, 16
Total Net Assets (TNA):	£ 894m
Ordinary shares in Issue:	306,883,920
Share price:	296.00p
NAV:	291.07p
Premium:	1.69%
Gross Market Gearing:	14.6%
Net Market Gearing:	14.6%

## Performance Comparator

Market Index: FTSE All Share Index

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

## Cumulative performance in GBP (%)



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

## Performance to 31.05.21 in GBP (%)

	1m	3m	YTD	1yr	3yr	5yr	Since 17.11.94*
Share Price Cumulative Growth	4.5	22.2	22.5	69.2	16.3	71.5	2,265.1
NAV Cumulative Growth	4.3	20.0	22.8	55.2	15.9	56.6	2,155.1
Index Cumulative Growth	1.1	9.6	10.9	23.1	5.9	40.5	524.2
Share Price Annualised Growth	-	-	-	69.2	5.2	11.4	12.7
NAV Annualised Growth	-	-	-	55.2	5.1	9.4	12.5
Index Annualised Growth	-	-	-	23.1	1.9	7.0	7.1

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

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

\*Performance commencement date.

## Key Risks

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

## Portfolio Manager Commentary

UK equities continued their upward trend over the month. Markets were off to a strong start on increasing optimism around an economic reopening, alongside encouraging progress in terms of vaccine rollouts. However, investors were worried by an unexpected rise in inflation figures and a spike in commodities prices, which kept a lid on market gains.

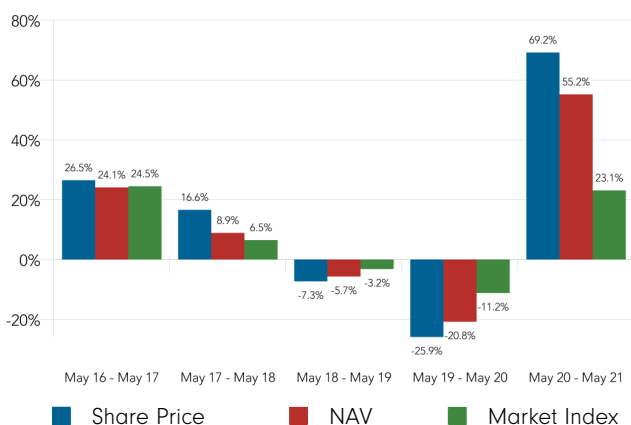
Despite the strong market returns seen over the past year, we remain excited by the investment opportunities on offer. This is reflected in the portfolio's gearing level. What is particularly unusual about the current backdrop is that corporate fundamentals are very good, and we are finding attractively valued companies of better quality than would normally be the case.

While a lot of markets globally are looking expensive versus their 10-year historical range, the UK market continues to look attractive in relation to its own history and global peers, trading at a significant discount to other major developed markets. The value on offer has not gone unnoticed by acquirers, especially foreign buyers, and we have seen further takeover bids over the past month.

The Trust trades on a near 20% discount to the UK market, which means investors are able to gain exposure to the UK opportunity set more cheaply, but without having to make compromises in terms of quality.

On a rolling 12-month basis, the Trust recorded NAV and share price returns of 55.2% and 69.2% respectively, compared to 23.1% for the index.

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



**FIDELITY SPECIAL VALUES PLC**

31 MAY 2021

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

	Exposure (% TNA)
Gross Market Exposure	114.6
Net Equity	114.6
Other	0.0
Uninvested Cash	0.0

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

**Market Capitalisation Exposure (% TNA)**

GBP	Net	Index	Relative
FTSE 100	33.0	79.1	-46.1
FTSE 250	33.9	17.6	16.4
FTSE Smallcap	15.3	3.3	12.0
Non FTSE	32.3	0.0	32.3
<b>Total Market Cap Exposure</b>	<b>114.6</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>114.6</b>	<b>100.0</b>	

**Sector/Industry Exposure (% TNA)**

ICB Industry	Net	Index	Relative
Financials	29.9	23.3	6.7
Industrials	24.7	12.8	11.9
Consumer Discretionary	24.3	12.6	11.7
Health Care	8.0	8.8	-0.8
Telecommunications	5.8	2.3	3.5
Energy	5.7	7.2	-1.5
Consumer Staples	5.2	15.5	-10.3
Basic Materials	4.2	9.7	-5.5
Real Estate	3.2	3.1	0.1
Utilities	2.1	3.1	-1.0
Technology	0.9	1.8	-0.9
<b>Total Sector Exposure</b>	<b>113.9</b>	<b>100.0</b>	
Other Index / Unclassified	0.7	0.0	
<b>Total Equity Exposure</b>	<b>114.6</b>	<b>100.0</b>	

**Country Exposure (% TNA)**

	Net	Index	Relative
United Kingdom	93.2	100.0	-6.8
Ireland	6.2	0.0	6.2
Switzerland	2.5	0.0	2.5
France	2.4	0.0	2.4
Greece	2.0	0.0	2.0
USA	1.4	0.0	1.4
Sweden	1.3	0.0	1.3
Australia	1.2	0.0	1.2
Kazakhstan	0.9	0.0	0.9
Germany	0.9	0.0	0.9
Others	2.5	0.0	2.5
<b>Total Country Exposure</b>	<b>114.6</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>114.6</b>	<b>100.0</b>	

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

	ICB Industry	Country	Net	Index	Relative
LEGAL AND GENERAL GROUP PLC	Financials	United Kingdom	5.4	0.7	4.7
AVIVA PLC	Financials	United Kingdom	4.1	0.7	3.5
ROYAL DUTCH SHELL PLC	Energy	United Kingdom	3.3	4.3	-1.1
HALFORDS GROUP PLC	Consumer Discretionary	United Kingdom	3.0	0.0	2.9
INCHCAPE PLC	Industrials	United Kingdom	2.9	0.1	2.8
IMPERIAL BRANDS PLC	Consumer Staples	United Kingdom	2.6	0.6	2.0
VISTRY GROUP PLC	Consumer Discretionary	United Kingdom	2.6	0.1	2.5
SERCO GROUP PLC	Industrials	United Kingdom	2.6	0.1	2.5
AIB GROUP PLC	Financials	Ireland	2.5	0.0	2.5
MITIE GROUP PLC	Industrials	United Kingdom	2.5	0.0	2.4

**Top Overweight Positions (% TNA)**

	Net	Index	Relative
LEGAL AND GENERAL GROUP PLC	5.4	0.7	4.7
AVIVA PLC	4.1	0.7	3.5
HALFORDS GROUP PLC	3.0	0.0	2.9
INCHCAPE PLC	2.9	0.1	2.8
AIB GROUP PLC	2.5	0.0	2.5
SERCO GROUP PLC	2.6	0.1	2.5
VISTRY GROUP PLC	2.6	0.1	2.5
ROCHE HOLDING AG	2.5	0.0	2.5
MITIE GROUP PLC	2.5	0.0	2.4
SANOFI	2.4	0.0	2.4

**Top Underweight Positions (% TNA)**

	Net	Index	Relative
UNILEVER PLC	0.0	4.5	-4.5
ASTRAZENECA PLC	0.0	4.5	-4.5
HSBC HOLDINGS PLC	0.0	3.9	-3.9
DIAGEO PLC	0.0	3.3	-3.3
GLAXOSMITHKLINE PLC	0.0	2.8	-2.8
RIO TINTO PLC	0.0	2.8	-2.8
BRITISH AMERICAN TOBACCO PLC	0.0	2.6	-2.6
BP PLC	0.0	2.6	-2.6
BHP GROUP PLC	0.0	1.9	-1.9
RECKITT BENCKISER GROUP PLC	0.0	1.7	-1.7

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

	Fund	Index
Top 10	31.5	33.2
Top 20	54.3	48.0
Top 50	90.1	66.8

## 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.

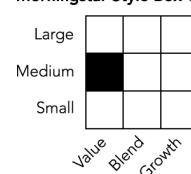
## Administrative & Dealing Information

Financial Year End:	31st August
Reference currency:	UK Sterling (GBP)
Company domicile:	United Kingdom
Company legal structure:	Investment Trust
Capital guarantee:	No
ISIN:	GB00BWX7Y93
SEDOL:	BWX7Y9
Bloomberg:	FSV LN
Distribution frequency:	Bi Annual
Charges made to income or capital:	Income
Other Ongoing Costs (including AMC/excluding Portfolio transaction costs):	0.97%
Portfolio Transaction Costs:	0.10%
Annual Management Charge:	0.60% (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™

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## Portfolio Construction – Explained

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

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

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

## How data is calculated and presented

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

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

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

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

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

## Glossary / Additional Notes

### Equity Exposure notes

#### GROSS MARKET EXPOSURE

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

#### NET EQUITY

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

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

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

**UNINVESTED CASH**

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

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

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

**PREMIUM**

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

**DISCOUNT**

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

**GEARING**

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

**FAIR VALUE**

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

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

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

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

**INDEX**

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

**TOP NET LONG POSITIONS**

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

**TOP OVERWEIGHT & UNDERWEIGHT POSITIONS**

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

**NET LONG POSITIONS CONCENTRATION**

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

## Glossary / Additional Notes

### ONGOING COSTS (KID)

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

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

### PORTFOLIO TRANSACTION COSTS

These are costs incurred when trading underlying investments.

### SECTOR INDUSTRY CLASSIFICATION

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

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

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

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

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