

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.**

**If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document, Form of Proxy and/or Voting Instruction Form at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee.**

This document comprises a circular relating to Fidelity European Values PLC prepared in accordance with the Listing Rules of the United Kingdom Listing Authority. This Circular has been approved by the Financial Conduct Authority and published in accordance with the Listing Rules.

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# **FIDELITY EUROPEAN VALUES PLC**

*(Incorporated in England and Wales with company number 2638812 and registered as an investment company under section 833 of the Companies Act 2006)*

## **Proposed changes to investment policy and Notice of General Meeting**

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The contents of this Circular relate only to the proposed changes to the investment policy of Fidelity European Values PLC and the Notice of General Meeting seeking Shareholder approval of the proposed changes.

A Form of Proxy for use in relation to the General Meeting is enclosed with this document. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Capita Asset Services, PSX 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 10.30am on 11 December 2014.

Voting Instruction Forms are enclosed for use by individuals who hold some or all of their Ordinary Shares through one or both of the Savings Schemes. To be valid, Voting Instruction Forms must be completed and returned in accordance with the instructions printed thereon to the Company's Registrars, Capita Asset Services at PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF to arrive by not later than 10.30am on 8 December 2014.

**A list of defined terms used in this Circular are set out at pages 12 to 14 of this Circular.**

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## EXPECTED TIMETABLE

Latest time and date for receipt of Voting Instruction Forms for the General Meeting	10.30am on 8 December 2014
Latest time and date for receipt of Forms of Proxy for the General Meeting	10.30am on 11 December 2014
General Meeting	10.30am on 15 December 2014
Effective date of amendments to investment policy	15 December 2014 at conclusion of General Meeting

*All references to time in this document are to London time.*

*All future times and dates in the expected timetable may be adjusted by the Company, in which event details of the new times and dates will be notified by publication of a notice through a regulatory information service approved by the FCA.*

## PART I

### LETTER FROM THE CHAIRMAN

#### FIDELITY EUROPEAN VALUES PLC

*(An investment company within the meaning of section 833 of the Companies Act 2006  
incorporated and registered in England and Wales with registered number 2638812)*

*Directors: all of whom are non-executive*

Humphrey van der Klugt (Chairman)

Simon Fraser

Robin Niblett

James Robinson

Marion Sears

*Registered Office:*

Beech Gate

Millfield Lane

Lower Kingswood

Tadworth

Surrey KT20 6RP

6 November 2014

To Shareholders and Scheme Participants

Dear Sir/Madam

#### PROPOSED CHANGES TO THE COMPANY'S INVESTMENT POLICY

##### 1. Introduction

Your Board has today announced proposed changes to the Company's investment policy and an accompanying proposed change to the wording of its investment objective, in order to permit:

- an increase in the maximum amount of the Company's gross assets which can be invested in UK stocks from 5 per cent to 20 per cent; and
- an enhancement in the Company's ability to use derivatives,

(together the "Proposals").

The Proposals are subject to Shareholder approval as required by the Listing Rules.

This Circular sets out in more detail the Proposals, their effect on your Company, the text of the Proposed Investment Policy (which is set out in Part II of this Circular) and the reasons why the Board unanimously recommends that you vote in favour of the Resolution implementing the Proposals at the General Meeting, notice of which is set out at the end of this Circular.

##### 2. The Proposals

*Changes to extend the range of stocks in which the Investment Manager may invest.*

Currently a minimum of 80 per cent of the gross assets of the Company must be invested in companies from countries in continental Europe which are included in the Benchmark Index of the Company (the FTSE World Europe (ex UK) Index) and this will remain unchanged.

In addition, the Investment Manager may invest a maximum of 20 per cent of the Company's gross assets in stocks of continental European countries which are not included in the

Company's Benchmark Index and a maximum of 5 per cent in stocks of non-European countries where those stocks have some exposure to, or connection with Europe. This 5 per cent limit currently applies to any investments into UK companies, as the UK is not included in the Benchmark Index and nor is it part of continental Europe.

The Board and the Investment Manager are of the opinion that this 5 per cent is unduly restrictive on the Investment Manager's ability to invest in the UK, which has close and substantial trading and investment relationships with continental Europe. It is therefore proposed that the existing ability to invest up to 20 per cent of the portfolio in continental Europe outside the Benchmark Index be expanded to include investment into UK stocks, with the result that:

- (i) a maximum of 20 per cent of gross assets may be invested in stocks of European countries which are not included in the Company's Benchmark Index. This will include investing in UK companies; and
- (ii) a maximum of 5 per cent of gross assets may be invested in stocks of non-European countries where those stocks have some exposure to, or connection with, Europe. Any investments in this category will count towards the 20 per cent maximum in paragraph (i) above.

Overall, this additional flexibility will provide the Investment Manager with the ability to invest in a wider range of stocks, particularly in the UK, which match the Portfolio Manager's investment criteria. This is best exemplified when the Portfolio Manager wishes to capitalise on investment themes which span both continental Europe and the UK. This flexibility has the potential to enhance returns for Shareholders by capitalising on the Portfolio Manager's extensive investment experience of the UK market, particularly during periods when the Portfolio Manager is following specific investment themes or when he considers that the prospects for UK listed companies differ significantly from those listed in continental Europe.

*Changes to extend the ability to use derivatives.*

In 2011 the Company changed its investment policy to permit the use of derivatives in the form of Contracts for Difference ("CFDs") for gearing purposes. This additional flexibility enabled the Company to have the flexibility to utilise both CFDs and bank loans to gear the Company. The Company currently uses CFDs as an alternative form of gearing to bank loans and this has proved to be a successful strategy in achieving the desired levels of gearing at a much reduced cost to the Company. Under the Existing Investment Policy the Company's aggregate exposure to equities cannot exceed 130 per cent of the Company's total net assets (i.e. an ability to gear up to a maximum of 30 per cent in excess of total net assets).

The Board is now proposing that the Company should give the Investment Manager the flexibility to use an additional range of derivative instruments, where appropriate, to allow it both to protect and enhance investment returns in the following ways:

- Hedging protection. The Company would be permitted to hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost.
- Enhancing investment returns. The Company would be permitted to use Derivatives with the intention of enhancing investment returns either by:

- (i) taking short exposures using CFDs on stocks which the Investment Manager considers overvalued; or
- (ii) writing covered call options (under which the Company would receive a premium payment in exchange for assuming the risk of specific stocks increasing in value over the term of the options); or
- (iii) writing put options (under which the Company would receive a premium payment in exchange for assuming the risk of specific stocks decreasing in value over the term of the options).

The Portfolio Manager has the requisite knowledge to use derivatives to enhance the effect of stock picking returns both for stocks which he believes will rise but also, importantly, for those which he believes will fall. When taking a strong position in a stock he will also be able to protect this through opposite hedging.

The Board has created a framework of strict policies and exposure limits and sub-limits to manage the proposed expanded use of derivatives. These limits and their impacts will be monitored by the Manager on a daily basis and reported regularly to the Board. The policies summarise the types of derivative instruments that may be used, and includes a derivative risk measurement and management document. The Proposed Investment Policy is set out in Part II of this Circular and includes sub-limits on the use of derivatives.

### **3. Risks of Managing Derivatives**

Derivatives carry some different risks from investing directly in stocks with or without being funded by borrowing.

The use of derivatives may lead to a higher volatility in the NAV and Share price than might otherwise be the case and may increase the investment risk in the Company's portfolio.

The Investment Manager may use one or more separate counterparties to undertake derivative transactions on behalf of the Company and may be required to pledge Collateral paid out of the property of the Company to secure the Company's obligations under such contracts.

There may be a risk that the counterparty will wholly or partially fail to honour its contractual obligations regarding the return of Collateral and any other payments due to the Company.

In accordance with the risk management process which the Investment Manager already employs to oversee and manage derivative exposures, the Investment Manager will seek to minimise such risk by only entering into transactions with counterparties that it believes to have an adequate credit rating at the time the transaction is entered into and by ensuring that formal legal agreements covering the terms of the contract are entered into in advance. In certain circumstances, however, the Company may be unable to enforce or rely on rights and obligations arising under such agreements. In the event of bankruptcy or insolvency of a counterparty, the Company may only have the rights of a general creditor and so recovery of money owed may be slow or impossible and the Company may incur losses. The Investment Manager will assess on a continuing basis the creditworthiness of counterparties as part of its risk management process but would not be liable for any default by any counterparty (absent any negligence, recklessness, wilful default or fraud by the Investment Manager).

#### **4. General meeting**

Under the Listing Rules the Company is required to seek the approval of Shareholders for any material change to its investment policy. An ordinary resolution to approve the changes to the Existing Investment Policy and to adopt the Proposed Investment Policy will be proposed at the General Meeting. The full text of the Resolution is set out in the Notice of General Meeting at the end of this Circular.

#### **5. Action to be taken**

Whether or not you propose to attend the meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's Registrars, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so that it is received no later than 10.30am on 11 December 2014.

Savings Scheme Participants are requested to complete their Voting Instruction Form(s) and return them to the Company's Registrars, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, in accordance with the instructions printed thereon, so as to be received as soon as possible and by not later than 10.30am on 8 December 2014.

#### **6. Voting intentions**

Some Shareholders have chosen to hold their Shares through the Fidelity ISA or the Fidelity Investment Trust Share Plan. As at 5 November 2014, 91,977,326 Ordinary Shares representing approximately 22.09 per cent of the issued Ordinary Share capital of the Company were held this way. Scheme Participants are being given the opportunity to vote on the proposal. Where voting directions are not received, Shares will be voted in favour of the Resolution by the Savings Schemes' managers in line with the terms and conditions of the Savings Schemes.

#### **7. Recommendation**

The Board considers the Resolution to be in the best interests of the Company and its Shareholders as a whole.

**Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.** Those Directors who hold Shares intend to vote in favour of the Resolution in respect of their holdings of Ordinary Shares amounting to approximately 0.04 per cent of the issued Ordinary Share capital of the Company as at the date of this Circular.

Yours faithfully

Humphrey van der Klugt  
Chairman

## PART II

### PROPOSED INVESTMENT OBJECTIVE AND INVESTMENT POLICY

#### Proposed Investment Objective

The Company's objective is to achieve long-term capital growth principally from the stockmarkets of continental Europe.

#### Proposed Investment Policy

The Company invests principally in continental European securities with a view to achieving long-term capital growth for Shareholders. The portfolio is selected by the Investment Manager on the basis of its assessment of the fundamental value available in individual situations. Whilst the Company's overall exposure to individual countries and industry sectors is monitored, the portfolio is not structured primarily on a country or industrial weightings basis, although certain investment restrictions apply in an attempt to diversify risk.

A minimum of 80 per cent of gross assets will be invested in companies from countries which are included in the Benchmark Index (the FTSE World Europe (ex UK) Index).

A maximum of:

- (i) 20 per cent of gross assets may be invested in stocks of European countries<sup>1</sup> which are not included in the Company's Benchmark Index. This will include investing in UK companies, defined as companies in the FTSE All-Share Index; and
- (ii) 5 per cent of gross assets may be invested in stocks of non-European countries where those stocks have some exposure to, or connection with Europe. Any investments in this category will count towards the 20 per cent maximum in paragraph (i) above.

A maximum of 10 per cent of the Company's gross assets may be invested in the aggregate of:

- a) securities not listed on a recognised stock exchange; and
- b) holdings in which the interest of the Company amounts to 20 per cent or more of the equity capital of any listed company.

The Company will not invest more than 10 per cent of gross assets in any one quoted company at the time of acquisition.

A maximum of 5 per cent of the Company's gross assets may be held in unquoted securities in aggregate at any one time.

The maximum amount of cash or cash equivalents held by the Company will be 25 per cent of the Company's total net assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on derivatives. In practice the cash position will normally be much lower.

The Board reserves the right to lend stock and/or assets of up to 10 per cent of the Company's total net assets.

The Board also reserves the right to hedge the portfolio by way of currency.

<sup>1</sup> European country for the purposes of this paragraph means a country included within the FTSE All-World Europe Index and non-European is to be construed accordingly.



A maximum of 10 per cent of the Company's gross assets may be invested in the securities of other investment companies (including listed investment trusts).

The Company may utilise derivative instruments, including index-linked notes, futures, contracts for differences ("CFDs"), covered call options, put options and other equity-related derivative instruments on a limited basis as a tool to meet the investment objectives of the Company. They are used principally in the following ways:

- As an alternative form of gearing to bank loans. The Company would enter into long CFDs which would achieve an equivalent effect to buying an asset financed by bank borrowing but often at lower financing costs.
- To hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost.
- To enhance the investment returns by taking short exposures on stocks that the Investment Manager considers to be over-valued.
- To enhance returns through writing covered call options and writing put options.

The Board has created strict policies and exposure limits and sub-limits to manage derivatives. These limits and their impacts are monitored by the Manager on a daily basis and reported regularly to the Board.

The Company's normal policy is to be geared in the belief that long-term investment returns will exceed the costs of gearing. This gearing will be obtained through the use of borrowing and/or through the use of CFDs to obtain exposure to securities selected by the Investment Manager. The effect of gearing is to magnify the consequence of market movements on the portfolio and if the portfolio value rises the NAV will be positively impacted, but if it falls the NAV will be adversely impacted. The Board is responsible for the order of magnitude of gearing in the Company while the Investment Manager decides gearing on a day-to-day basis within a range set by the Board. Gearing is reviewed at every Board meeting.

The aggregate exposure of the Company to equities, including as a result of borrowing and the use of derivatives, but excluding hedging, will not exceed 130 per cent of total net assets (a gearing level of 30 per cent) at the time at which any derivative contract is entered into or a security acquired.

The aggregate exposure of the Company under short derivatives, excluding hedges and covered call options, will not exceed 10 per cent of total net assets at the time at which any derivative contract is entered into.

The aggregate exposure of the Company under covered call options, being the notional exposure of the calls will not exceed 20 per cent of total net assets at the time at which any derivative is entered into. The notional exposure of covered call options is the number of contracts written x the notional contract size x the market value of the underlying share.

It should be stressed that the majority of the Company's exposure to equities will be through direct investment, not through derivatives. In addition, the limits on exposure to individual companies and groups will be calculated on the basis that the Company has acquired the securities to which any derivative is providing exposure.

## AMENDMENTS TO THE COMPANY'S EXISTING INVESTMENT OBJECTIVE AND EXISTING INVESTMENT POLICY

### Proposed Investment Objective

The Company's objective is to achieve long-term capital growth principally from the stockmarkets of continental Europe.

### Proposed Investment Policy

The Company invests principally in continental European securities with a view to achieving long-term capital growth for shareholders~~Shareholders~~. The portfolio is selected by the Investment Manager on the basis of its assessment of the fundamental value available in individual situations. Whilst the Company's overall exposure to individual countries and industry sectors is monitored, the portfolio is not structured primarily on a country or industrial weightings basis, although certain investment restrictions apply in an attempt to diversify risk.

A minimum of 80%~~per cent~~ of gross assets will be invested in companies from countries which are included in the Benchmark Index (the FTSE World Europe (ex UK) Index). ~~A maximum of 5% of gross assets may be invested in companies of non-European countries which have some European exposure or connection.~~

A maximum of:

- (i) 20 per cent of gross assets may be invested in stocks of European countries<sup>2</sup> which are not included in the Company's Benchmark Index. This will include investing in UK companies, defined as companies in the FTSE All-Share Index; and
- (ii) 5 per cent of gross assets may be invested in stocks of non-European countries where those stocks have some exposure to, or connection with Europe. Any investments in this category will count towards the 20 per cent maximum in paragraph (i) above.

A maximum of 10%~~per cent~~ of the Company's gross assets may be invested in the aggregate of:

- a) securities not listed on a recognised stock exchange; ~~and~~
- b) holdings in which the interest of the Company amounts to 20%~~per cent~~ or more of the equity capital of any listed company.

The Company will not invest more than 10%~~per cent~~ of gross assets in any one quoted company at the time of acquisition.

A maximum of 5%~~per cent~~ of the Company's gross assets may be held in unquoted securities in aggregate at any one time.

The maximum amount of cash or cash equivalents held by the Company will be 25 per cent of the Company's total net assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on derivatives. In practice the cash position will normally be much lower.

The Board reserves the right to lend stock and/or assets of up to 10 per cent of the Company's total net assets.

<sup>2</sup>European country for the purposes of this paragraph means a country included within the FTSE All-World Europe Index and non-European is to be construed accordingly.

The Board also reserves the right to hedge the portfolio by way of currency.

A maximum of 10 per cent of the Company's gross assets may be invested in the securities of other investment companies (including listed investment trusts).

The Company may utilise derivative instruments, including index-linked notes, futures, contracts for differences ("CFDs"), covered call options, put options and other equity-related derivative instruments on a limited basis as a tool to meet the investment objectives of the Company. They are used principally in the following ways:

- As an alternative form of gearing to bank loans. The Company would enter into long CFDs which would achieve an equivalent effect to buying an asset financed by bank borrowing but often at lower financing costs.
- To hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost.
- To enhance the investment returns by taking short exposures on stocks that the Investment Manager considers to be over-valued.
- To enhance returns through writing covered call options and writing put options.

The Board has created strict policies and exposure limits and sub-limits to manage derivatives. These limits and their impacts are monitored by the Manager on a daily basis and reported regularly to the Board.

The Company's normal policy is to be geared in the belief that long term investment returns will exceed the costs of gearing. This gearing will be obtained through the use of borrowing and/or through the use of ~~Contracts For Difference~~ ("CFDs") to obtain exposure to securities selected by the Investment Manager. The effect of gearing is to magnify the consequence of market movements on the portfolio and if the portfolio value rises the NAV will be positively impacted, but if it falls the NAV will be adversely impacted. The Board is responsible for the level order of magnitude of gearing in the Company and ~~reviews the position on a regular basis while the Investment Manager decides gearing on a day-to-day basis within a range set by the Board.~~ Gearing is reviewed at every Board meeting.

The aggregate exposure of the Company to equities, including as a result of borrowing or under CFDs and the use of derivatives, but excluding hedging, will not exceed 130% per cent of total net assets (a gearing level of 30% per cent) at the time at which any CFD derivative contract is entered into or a security acquired.

The aggregate exposure of the Company under short derivatives, excluding hedges and covered call options, will not exceed 10 per cent of total net assets at the time at which any derivative contract is entered into.

The aggregate exposure of the Company under covered call options, being the notional exposure of the calls will not exceed 20 per cent of total net assets at the time at which any derivative is entered into. The notional exposure of covered call options is the number of contracts written x the notional contract size x the market value of the underlying share.

It should be stressed that the majority of the Company's exposure to equities will be through direct investment, not ~~CFDs~~ through derivatives. In addition, the limits on exposure to individual companies and groups will be calculated on the basis that the Company has acquired the securities to which any CFD derivative is providing exposure.

## PART III

### GLOSSARY OF TERMS AND DEFINITIONS

<b>Benchmark Index</b>	FTSE World Europe (ex UK) Index
<b>Board or Directors</b>	the board of directors of the Company (or any duly authorised committee thereof)
<b>Call Option</b>	See under <b>Option</b>
<b>Circular</b>	this document
<b>Collateral</b>	assets provided as security
<b>Company</b>	Fidelity European Values PLC
<b>Contract for Difference or CFD</b>	a Contract for Difference is a derivative. It is a contract between the Company and an investment bank for a fixed period at the end of which the parties exchange the difference between the opening price and the closing price of the 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 margin. 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
<b>Covered Call Option</b>	See under <b>Option</b>
<b>Derivatives</b>	financial instruments (such as futures, options and Contracts for Difference) whose value is derived from the value of an underlying asset
<b>European</b>	for the purposes of the Proposed Investment Policy, means a country within the FTSE All-World Europe Index, and non-European shall be interpreted accordingly
<b>Existing Investment Policy</b>	the Company’s investment policy as at the date of this Circular
<b>Financial Conduct Authority or FCA</b>	the UK’s Financial Conduct Authority or any successor regulator
<b>Form of Proxy</b>	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)
<b>Future</b>	an agreement to buy or sell a stated fixed amount of an asset at a fixed future date and fixed price

<b>Gearing</b>	describes the level of the Company’s exposure and is expressed as a percentage of NAV. It reflects the amount of exposure the Company uses to invest in the market. It can be obtained through the use of bank loans, bank overdrafts or derivatives, in order to increase the Company’s exposure to investments. The Company uses two key measures of gearing: <ul style="list-style-type: none"> <li>– Gross gearing is the total of all long exposures, plus the total of all short exposures and less the total of all exposures hedging the portfolio, expressed as a percentage of NAV</li> <li>– Net gearing is the total of all long exposures, less the total of all short exposures and less the total of all exposures hedging the portfolio, expressed as a percentage of NAV</li> </ul>
<b>General Meeting</b>	the general meeting of the Company to be held at 25 Cannon Street, London EC4M 5TA on 15 December 2014 at 10.30am or any adjournment thereof, notice of which is set out at the end of this document
<b>Gross Assets</b>	the aggregate exposure of the Company to equities including as a result of borrowings or derivatives
<b>Gross Asset Exposure</b>	the value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure and the underlying asset of the derivatives, but excluding forward currency contracts)
<b>Hedging</b>	a hedge position demonstrates risk reduction qualities by delivering short exposure to an asset which has a high correlation to equities (direct and via CFDs) in the Company’s portfolio. It therefore distinguishes itself from a “short” which is a position not opened with the objective of reducing the long exposure in the portfolio. Qualifying hedge exposures do not count towards the short exposure limits. For the purposes of calculating Gross Asset Exposure, the exposure attributed to the hedge positions will be deducted from the exposure of the corresponding long positions
<b>Investment Manager</b>	FIL Investments International
<b>Manager</b>	FIL Investments Services (UK) Limited, appointed as manager in accordance with the Alternative Investment Fund Managers Directive, which has delegated, inter alia, investment management to the Investment Manager
<b>NAV</b>	net asset value as calculated in accordance with the Company’s valuation policies and the Articles of Association
<b>Proposed Investment Policy</b>	the proposed investment policy that will be adopted by the Company if the Resolution is passed
<b>Official List</b>	the official list maintained by the UK Listing Authority pursuant to Part IV of FSMA

<b>Option</b>	<p>an option is a contract which gives a person the right, but not the obligation, to buy or sell an underlying asset at an agreed price on or before an agreed date. An option may be a call option or a put option</p> <p>Where the Company is writing a call option, it is selling to the other party to the transaction (the option holder), the right to require the Company to sell the underlying asset to the option holder at the agreed price, but only if the option holder chooses to exercise the option. If it is a covered call option, this means that the Company has covered its obligation to sell the underlying asset on exercise because when it writes the option, it already owns the underlying asset</p> <p>If the Company writes a put option, it will have the obligation to buy the underlying asset at the agreed price from the option holder if the option holder exercises its right to exercise the option</p> <p>The Company could also buy either call options or put options (and be the option holder)</p> <p>Options may therefore be used to gain or reduce exposure to the underlying asset on a conditional basis</p>
<b>Ordinary Shareholders or Shareholders</b>	holders of Ordinary Shares
<b>Ordinary Shares or Shares</b>	ordinary shares of 2.5p each in the capital of the Company
<b>Portfolio Manager</b>	the Portfolio Manager of the Company who at the date of this document is Sam Morse
<b>Put Option</b>	See under <b>Option</b>
<b>Registrars</b>	Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF
<b>Resolution</b>	the ordinary resolution to be proposed at the General Meeting to amend the investment policy of the Company, details of which are contained in the Circular
<b>Savings Schemes</b>	the Fidelity Investment Trust Share Plan and Fidelity ISA schemes or either of them
<b>Scheme Participants</b>	beneficial owners of Shares held through the Savings Schemes
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK Listing Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List
<b>Voting Instruction Form</b>	the voting instruction form which accompanies (where relevant) this Circular for use by Scheme Participants in connection with the General Meeting

# FIDELITY EUROPEAN VALUES PLC

*(Incorporated and registered in England and Wales with registered number 2638812)*

## NOTICE OF GENERAL MEETING

**Notice is hereby given** that a General Meeting of shareholders will be held at 25 Cannon Street, London EC4M 5TA on 15 December 2014, at 10.30am, for the purpose of considering and, if thought fit, passing the resolution which will be proposed as an ordinary resolution (the “Resolution”):

### **Ordinary Resolution**

The Resolution, if approved, will amend the Company’s Existing Investment Policy. The complete text of the Proposed Investment Policy along with a mark-up including the proposed changes to the Existing Investment Policy is set out in Part II of a circular of the Company dated 6 November 2014 (the “Circular”). Terms defined in the Circular shall have the same meanings in this Notice unless otherwise defined.

THAT the Investment Policy set out in Part II of the Circular, a copy of which will be marked “A” and signed for the purpose of identification by the Chairman of the Meeting, be and is hereby approved and adopted with immediate effect as the Company’s investment policy in place of its Existing Investment Policy.

*Registered office:*  
Beech Gate  
Millfield Lane  
Lower Kingswood  
Tadworth  
Surrey KT20 6RP

*By order of the Board:*  
FIL Investments International  
*Secretary*

6 November 2014

### **NOTES TO NOTICE OF MEETING**

1. A member of the Company entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that member. A proxy need not be a member of the Company.
2. To appoint a proxy you may use the Form of Proxy enclosed with this Notice. Subject to Note 3 below, to be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Company’s Registrars at Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or delivered by hand during office hours to the same address as soon as possible and in any event by no later than 10.30am on 11 December 2014.
3. In the case of an adjourned meeting, to be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company’s Registrars at Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time for holding the adjourned Meeting. In the case of a poll taken more than 48 hours after it is demanded, to be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company’s Registrars at the above address not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
4. In the case of joint holders, the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

5. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 10.30am on 11 December 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your Form of Proxy must be received by the Company's Registrars no later than 10.30am on 11 December 2014.
6. Completion of the Form of Proxy will not prevent you from attending and voting in person.
7. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a "Nominated Person") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
8. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
9. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make separate notification to the Company and the Financial Conduct Authority.
10. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the Meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the Register of Members by 5.30pm on 11 December 2014. If the Meeting is adjourned then, to be so entitled, members must be entered on the Register of Members at 5.30pm on the day two days before the time fixed for the adjourned meeting excluding non-working days, or, if the Company gives notice of the adjourned Meeting, at any other time specified in that notice. Changes to the Register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
11. As at 5 November 2014 (the latest practicable date prior to the publication of this document) the Company's issued Ordinary Share capital consisted of 416,447,910 Ordinary Shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 5 November 2014 was 416,447,910.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Shares.
13. Shareholders and any proxies or representatives they appoint understand that by attending the Meeting that they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the Meeting.
14. The Proposed Investment Policy is available for inspection at the registered office of the Company, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Meeting and will be available for inspection at the place of the Meeting for at least 15 minutes prior to and during the Meeting.
15. A copy of this Notice and other information required by Section 311A of the Companies Act 2006 is published on the Company's website at [www.fidelity.co.uk/its](http://www.fidelity.co.uk/its). The content of the website referred to in this document does not form part of this Circular.