



FidelityTM
INTERNATIONAL

FIDELITY SPECIAL VALUES PLC

Annual Report for the year ended 31 August 2025

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 primarily invests in companies listed in the UK, but can invest up to 20% of the portfolio in companies listed on overseas exchanges.

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.

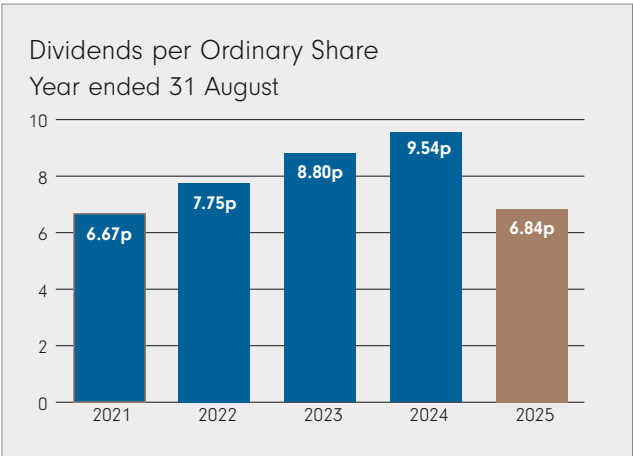
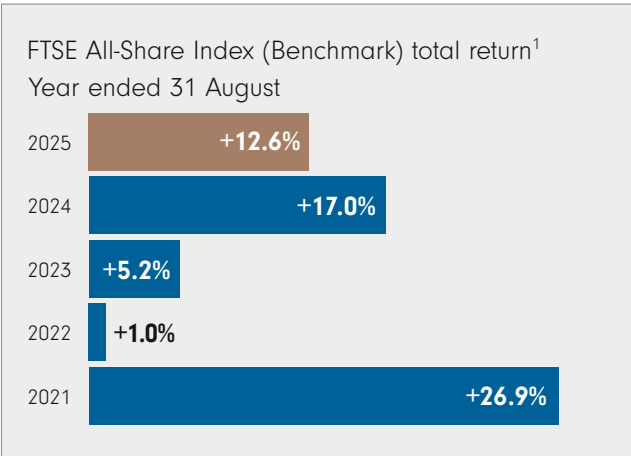
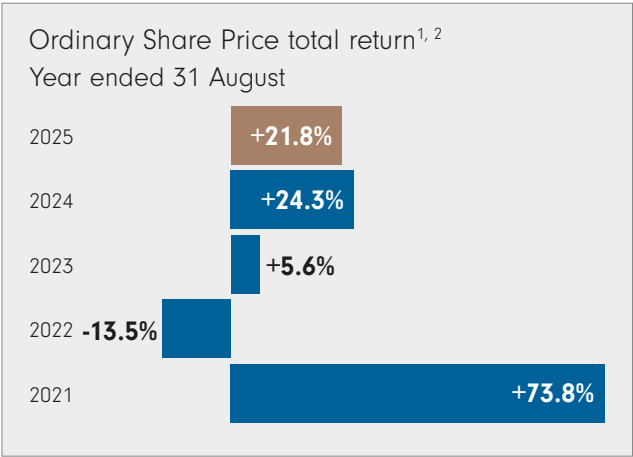
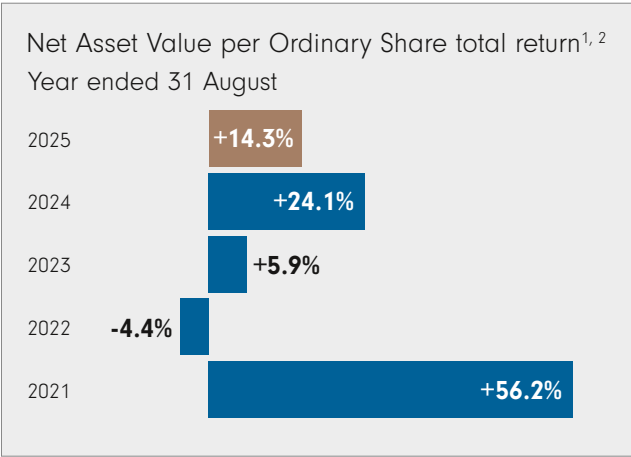
Performance – In the reporting year, the Company's net asset value total return was +14.3% and the share price total return was +21.8%, compared to the FTSE All-Share Index (Benchmark) return of +12.6%.

Dean Buckley,
Chairman



At a Glance

In the reporting year, the Company's net asset value per ordinary share increased by 14.3% and the share price by 21.8%, whilst the Benchmark increased by 12.6% (all performance data on a total return basis).



1 Includes reinvested income.
2 Alternative Performance Measures (see pages 91 and 92).

As at 31 August 2025

Shareholders' Funds

£1,267.2m

Market Capitalisation

£1,227.6m

Capital Structure

Ordinary Shares of 5 pence each

323,048,920

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 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.

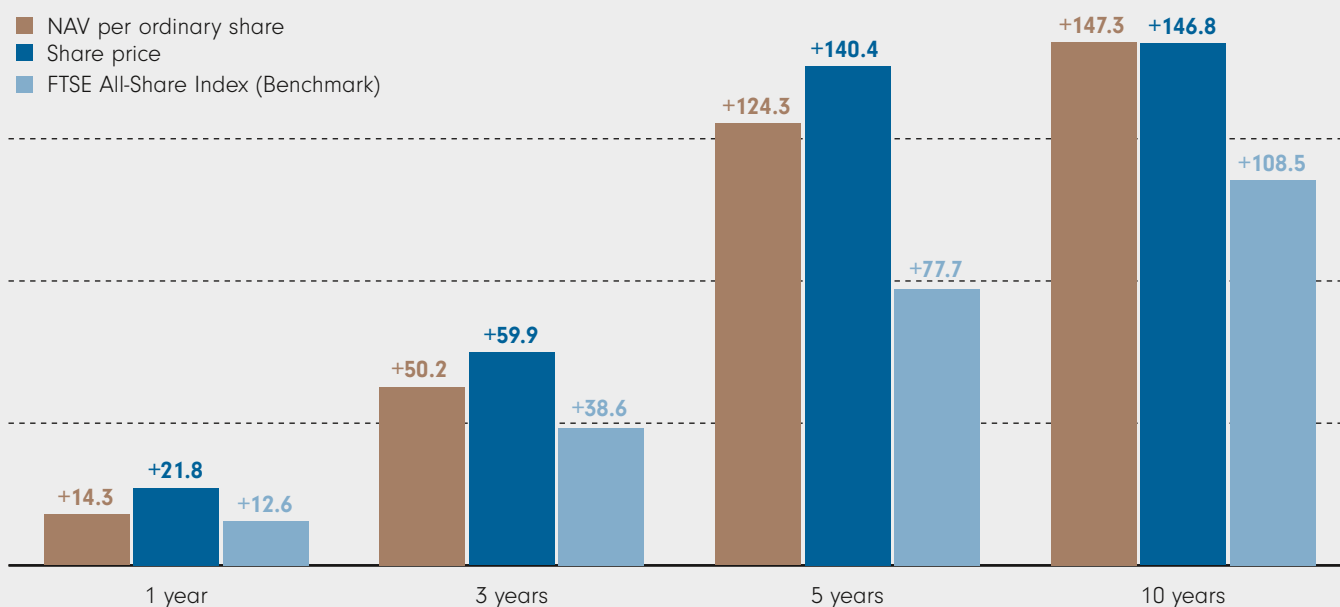
Financial Highlights

	2025	2024
Assets at 31 August		
Shareholders' funds	£1,267.2m	£1,143.5m
Net Asset Value ("NAV") per ordinary share ¹	392.26p	352.84p
Dividends for the year to 31 August		
Final dividend proposed per ordinary share	6.84p	6.30p
Interim dividend paid per ordinary share	3.36p	3.24p
Total dividends proposed and paid for the year	10.20p	9.54p
Share price and discount data for the year ended 31 August		
Share price at the year end	380.00p	321.50p
Share price: year high	388.50p	334.00p
Share price: year low	295.50p	252.50p
Discount at the year end ¹	3.1%	8.9%
Discount: year high	10.6%	10.0%
Discount: year low	2.3%	4.8%
Ongoing Charges for the year ended 31 August ^{1,2}	0.68%	0.70%

¹ Alternative Performance Measures (see pages 91 and 92).

² Ongoing Charges (excluding finance costs and taxation) expressed as a percentage of the average net asset values for the year (prepared in accordance with guidance issued by the Association of Investment Companies ("AIC")). A definition of Ongoing Charges is in the Glossary of Terms on page 94.

Total Return Performance¹ (%)



Periods ended 31 August 2025.

¹ Includes reinvested income.

Sources: Fidelity and Datastream.
Past Performance is not a guide to future returns.

Contents



Chairman's Statement

Read more on pages 02 to 06



Portfolio Manager's Review

Read more on pages 07 to 10



Spotlight on the Top 10 Holdings

Read more on pages 11 and 12

Share Price as at 31 August

2025	380.00p
2024	321.50p
2023	267.50p

Ten Year Record

Read more on page 19

Strategy

Chairman's Statement	02
Portfolio Manager's Review	07
Spotlight on the Top 10 Holdings	11
Portfolio Listing	13
Distribution of the Portfolio	17
Ten Year Record	19
Summary of Performance Charts	20
Attribution Analysis	22
Strategic Report	23

Governance

Board of Directors	33
Directors' Report	34
Corporate Governance Statement	39
Directors' Remuneration Report	43
Statement of Directors' Responsibilities	46
Report of the Audit Committee	47

Financial

Independent Auditor's Report	50
Income Statement	57
Balance Sheet	58
Statement of Changes in Equity	59
Cash Flow Statement	60
Notes to the Financial Statements	61
Alternative Performance Measures	81
Financial Calendar	83

Information for Shareholders

Notice of Meeting	84
Shareholder Information	88
Data Protection	90
Alternative Investment Fund Manager's Disclosure	91
Glossary of Terms	93

Chairman's Statement



I have pleasure in presenting the Annual Report of Fidelity Special Values PLC for the year ended 31 August 2025.

Dean Buckley, Chairman

£1,267.2m

(As at 31 August 2025)
Shareholders' Funds

+14.3%

(Year ended 31 August 2025)
Net Asset Value per Ordinary Share
total return

+21.8%

(Year ended 31 August 2025)
Share Price total return

+12.6%

(Year ended 31 August 2025)
Benchmark total return

In last year's Annual Report I noted that, despite potentially destabilising world events such as the conflicts in Ukraine and Gaza and the forthcoming US presidential election, there was a growing feeling of normalisation in the global economy and stock markets. In fact, the year under review has been far from 'normal', dominated as it has been by efforts in the US to reshape global trade via various tariff announcements. Since April's 'Liberation Day' trade tariff announcement, US policymaking has taken centre stage for market watchers as tariffs were announced, paused and renegotiated.

If the scale of this upheaval had been clear when I wrote my statement last year, I might have thought twice before using the word 'normality'. But what has been truly remarkable in the face of such uncertainty is how well stock markets, and in particular the UK market, have performed.

UK equities remain deeply unloved on the domestic stage, with more than £12bn pulled out of open-ended funds across the UK All Companies, UK Equity Income and UK Smaller Companies sectors between July 2024 and July 2025¹. The last month to see aggregate inflows rather than outflows was July 2021, since which time more than £48bn has been withdrawn. Funds under management in UK equities have fallen by one-fifth, with the biggest reduction (c 60%) being in the UK Smaller Companies sector. Somewhat paradoxically, the start of this period of sustained outflows (mid to late 2021) almost exactly tracks the beginning of a recovery in the UK equity market versus the rest of the world, following a time of relative decline that began with the Brexit vote in 2016 and lasted until late 2020.

Against this background, it is very pleasing to report another year of strong absolute and relative performance for the Company, with a net asset value ("NAV") total return of +14.3% and a share price total return of 21.8% for the year ended 31 August 2025, versus a total return of +12.6% for our Benchmark, the FTSE All-Share Index. Returns have been both positive and ahead of the Benchmark in four of the past five years, building a cumulative five-year NAV total return of 124.3% and a share price total return of 140.4%, compared with 77.7% for the FTSE All-Share Index. In a world where the investment headlines are often dominated by the 'AI revolution' in general, and US technology stocks in particular, shareholders may also be pleasantly surprised to know that the Company has also substantially outperformed the 87.5% sterling total return from the Nasdaq index over the same period.

This is my last report to you after nearly 10 years as a Director and almost three years as Chairman, so I also wanted to reflect on the Company's longer-term performance, which has been remarkable. Your Portfolio Manager, Alex Wright, has been in post since September 2012, with Jonathan Winton alongside him as Co-Portfolio

¹ Based on monthly net retail sales figures from The Investment Association.

Manager since February 2020. During Alex's tenure, the Company has produced an annualised NAV total return of 11.8%, which represents an outperformance of 4.0% per year versus the Benchmark's 7.8% annualised return. As I step down as your Chairman, I would like to congratulate Alex and also Jonathan for this tremendous record, which is testament both to a robust investment process and to the long-term value of investing in good quality companies when they are unloved.

Dividends

While your Company's investment approach is focused on long-term capital growth rather than income generation, dividends have historically formed an important part of the total shareholder return. The Board's policy is to pay dividends twice a year in order to smooth the dividend payments for the Company's financial year.

The Company's revenue return for the year to 31 August 2025 was 12.28 pence per share (2024: 11.58 pence). An interim dividend of 3.36 pence per share (2024: 3.24 pence) was paid on 19 June 2025. The Board is recommending a final dividend of 6.84 pence per share for the year ended 31 August 2025 (2024: 6.30 pence) for approval by shareholders at the Annual General Meeting ("AGM") on 11 December 2025. Together, the interim and final dividends total 10.20 pence, representing an increase of 6.9% over the 9.54 pence paid for the year ended 31 August 2024. The final dividend will be payable on 13 January 2026 to shareholders on the register at the close of business on 28 November 2025 (ex-dividend date 27 November 2025).

The total dividends for the year will provide shareholders with a 16th consecutive year of sustained annual dividend growth. While income is not the core objective of your Company's investment strategy, we as a Board understand the value of a regular dividend stream to smooth the less certain trajectory of short-term capital performance.

Gearing

Net gearing fell in aggregate during the financial year, from 7.9% on 31 August 2024 to 5.4% as at 31 August 2025, although it was higher in the intervening period (10.9% at the half-year end, 28 February 2025). Normally a lower level of gearing (within the stated range of 0-25%) might indicate that there are fewer attractive investment opportunities to be found. However, this has not been the case in the year under review, with Alex and Jonathan keen to stress they still see plenty of exciting investment ideas, particularly lower down the market capitalisation spectrum. Rather, an elevated level of merger and acquisition ("M&A") activity has seen an unusually large amount of cash coming back into the portfolio, which has the natural effect of reducing the level of gearing. Detailed due diligence is a key tenet of the investment process, particularly among smaller companies that may be less

widely researched, so there is something of a time lag between receiving M&A proceeds and reinvesting in new positions. Should the pace of M&A (which has largely been driven by overseas private equity funds and trade buyers) moderate, we would expect to see the level of gearing rise somewhat in the medium-term.

The ability to gear is a key structural advantage of investment trusts compared with their open-ended counterparts. Combined with Alex and Jonathan's contrarian and value-focused investment approach, your Board believes that the judicious use of gearing should continue to add value for shareholders over the longer-term, as has been proven historically. The Board believes that a gearing range of 0-25% remains appropriate in normal market conditions.

Discount

Across the investment trust sector, discounts to NAV have remained at wider than average levels, standing at 14.1% on 31 August 2025², a similar level to a year earlier. Your Company's discount has remained appreciably narrower than this, beginning the review year at 8.4% and ending it at 3.1%, although it did briefly widen to more than 10% in October 2024. Under the Company's discount management policy, the Board seeks to maintain the discount in single digits in normal market conditions. We therefore undertook a limited number of share buybacks in early 2025, repurchasing a total of 1,050,000 shares into Treasury between January and March. Following this, and without the need for further action, the discount narrowed sharply and has remained in the low single digits since May 2025, averaging 6.3% for the year. At the time of writing, the Company's discount to NAV remains the lowest in its AIC UK All Companies sector by some margin, a testament to our strong performance record.

Each year at the AGM, the Board seeks shareholders' authority to repurchase up to 14.99% of the issued share capital. Rest assured that we continue to monitor the level of the Company's discount closely and will take further action when we believe that to do so will be effective and to the benefit of shareholders.

Raising our profile

Share repurchases are only one of the tools available to investment company boards seeking to ensure that share prices do not materially diverge from the value of underlying investments. Increasing demand is arguably of far greater value than absorbing excess supply through share repurchases, and your Board and Fidelity – helped enormously by your Portfolio Managers' strong long term performance record and differentiated investment approach – have continued to work hard to raise the Company's profile with both retail and institutional investors. This is critically important work, and while a lot

2 Source: Winterflood Investment Trusts, Refinitiv.

Chairman's Statement continued

of it happens behind the scenes, you may have also seen coverage in the press as a result of Alex and Jonathan's engagement.

While some coverage comes as a direct result of the efforts of Fidelity and external PR partners, in other cases it arises naturally as a consequence of your Company's strong long-term track record. We were very pleased this year to have been included on the Association of Investment Companies' annual 'ISA millionaires' list again. This list looks at the returns' investors could have achieved by investing their full ISA allowance each year (and reinvesting any dividends) since the vehicle was introduced in 1999. A total investment of £326,560 in your Company over the period from 6 April 1999 to 31 January 2025 would have grown to £1,198,034 – an impressive result that illustrates the value of investing for the long-term.

We were also delighted to have won the prestigious Investment Company of the Year award from Investment Week magazine for the best trust in the UK All Companies sector for a third year running in November 2024, and we have the chance to make it four in a row, having been shortlisted once again for this year's award.

Board of Directors

It has been an enormous pleasure and a privilege for me to help guide your Company over the past decade. Upon my retirement from the Board at the conclusion of the AGM on 11 December 2025, I am delighted to advise that Claire Boyle, who was appointed to the Board in June 2019, will take on the role as Chair of the Board. I firmly believe that Claire has the relevant sector and market expertise to lead the Board going forwards and will provide continuity in the stewardship of your Company. In addition, Claire has extensive experience as an investment trust director, currently serving on the boards of three other investment trusts. The Board is confident that Claire has sufficient capacity to act as Chair of your Company in light of the time commitments ordinarily associated with the board of an investment company. I know that Claire will continue to serve shareholders well. Christopher Casey joined the Board on 1 January 2025 as part of the Board's succession planning and he will replace Claire as Chair of the Audit Committee and Senior Independent Director. He is a chartered accountant by profession and a highly experienced Non-Executive Director, particularly of investment trusts, and we are pleased to have a candidate of his calibre to Chair our Audit Committee as Claire steps up to replace me as Chair of the Board. I wish them both every success in their new roles.

In accordance with the UK Corporate Governance Code for Directors of FTSE 350 companies, all Directors are subject to annual re-election at the AGM on 11 December 2025. The Directors' biographies can be found on page 33, and, between them, they have a wide range of appropriate skills and experience to form a balanced Board for the Company.

Articles of Association

The Board is proposing to increase the aggregate cap on Directors' fees to provide greater flexibility for any future changes. The proposed new cap is £350,000 in aggregate per annum, which replaces the existing cap of £250,000 per annum which was put in place in 2021.

The Board is also proposing to extend the time period allowed to draw up proposals regarding the Company's voluntary liquidation and/or reorganisation and to hold a general meeting at which such proposals are submitted to members following an unsuccessful continuation vote, from three to six months. The proposed new time period, which runs from the date of the general meeting at which the unsuccessful vote occurred, is felt to provide a more practicable period to allow proposals to be fully considered and to be in line with market practice. The continuation votes are held every three years, and the next such vote is due at the 2025 AGM.

We have also taken the opportunity to make other changes of a minor, clarificatory or technical nature, including clarifications in relation to hybrid general meetings to follow how practice has developed. However, the amendments do not provide for, and the Board has no intention to move to, fully virtual meetings. A full tracked version of all the changes proposed to the Articles is available at www.fidelity.co.uk/specialvalues. The principal changes proposed to the Articles are set out in more detail in the Directors' Report at pages 37 and 38.

Annual General Meeting and Continuation Vote

The Company's AGM will be held at 11.00am on Thursday, 11 December 2025 at 4 Cannon Street, London EC4M 5AB and virtually via the online Lumi AGM meeting platform.

The AGM provides a great opportunity for shareholders to hear first-hand from Alex Wright, your Portfolio Manager, to meet the Company's Directors, and of course, for us to meet you. We hope to see as many of you as possible on the day. Full details of the AGM are on the next page.

In accordance with the Articles of Association, your Company is subject to a continuation vote every three years. The next continuation vote will take place at this year's AGM on 11 December 2025. At the last continuation vote in December 2022, it was pleasing to see strong evidence of shareholder support from the 99.89% of votes cast in favour of continuation of the Company. The enfranchisement of shareholders is a key advantage for investment trust investors over open-ended company investors, and we would urge all shareholders to use their vote at the forthcoming AGM to vote in favour of the continuation of the Company.

Items of special business to be proposed at the AGM are detailed in the Directors' Report on pages 37 and 38.

Outlook

Although your Company invests in UK equities, the UK is a very international market, with around 75% of FTSE All-Share revenues (and around 65% of portfolio holdings' revenues) coming from overseas. As such, the global backdrop – which on current evidence is likely to remain fractious – will continue to be relevant in shaping the fortunes of your Company in the year ahead. While performance has been very positive in the year under review, the UK economic outlook remains muted and subject to further uncertainty ahead of the Budget in late November. However, as Alex pointed out in a recent webinar, just because there is a lot of negativity on politics and the economy, this does not mean there are not good returns on offer and, in fact, this is often why there are good returns to be had. However, while the UK equity market remains the cheapest (on a forward P/E basis) compared with the US, Europe, Japan and Asia, its valuation has risen somewhat from the bargain-basement levels seen in the last few years, and is now in line with long-term averages.

With much of the market return in recent years having come from re-rating rather than earnings growth, the prospect of another strong year for UK equities as a whole is less than certain, particularly given the economic backdrop. That said, the valuation of your Company's portfolio remains substantially below the market average (at around 11x forward P/E, versus 14x for the FTSE All-Share), despite superior growth metrics compared with the index average. Although the near-term outlook may be clouded, we believe these characteristics underscore your Portfolio Managers' commitment to finding out-of-favour companies across the market capitalisation spectrum that have the potential to make good progress well into the future.



Dean Buckley

Chairman

5 November 2025

Chairman's Statement continued

Annual General Meeting – Thursday, 11 December 2025 at 11.00 am

The AGM of the Company will be held at 11.00 am on **Thursday, 11 December 2025** at 4 Cannon Street, London EC4M 5AB (nearest tube stations are St Paul's or Mansion House) and virtually via the online Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting on pages 84 to 87.

For those shareholders who are unable to attend in person, we will live-stream the formal business and presentations of the meeting online.

Alex Wright, the Portfolio Manager, will be making a presentation to shareholders highlighting the achievements and challenges of the year past and the prospects for the year to come. He and the Board will be very happy to answer any questions that shareholders may have. Copies of his presentation can be requested by email at **investmenttrusts@fil.com** or in writing to the Secretary at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Properly registered shareholders joining the AGM virtually will be able to vote on the proposed resolutions. Please see Note 9 to the Notes to the Notice of Meeting on pages 86 and 87 for details on how to vote virtually. Investors viewing the AGM online will be able to submit live written questions to the Board and the Portfolio Manager and we will answer as many of these as possible at an appropriate juncture during the meeting.

Further information and links to the Lumi platform may be found on the Company's website **www.fidelity.co.uk/specialvalues**. On the day of the AGM, in order to join electronically and ask questions via the Lumi platform, shareholders will need to connect to the website **https://web.lumiagm.com**.

Please note that investors on platforms, such as Fidelity Personal Investing, Hargreaves Lansdown, Interactive Investor or AJ Bell Youinvest, will need to request attendance at the AGM in accordance with the policies of their chosen platform. They may request that you submit electronic votes in advance of the meeting. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed **https://meetings.lumiconnect.com** from your web browser on a tablet, smartphone or computer, you will need to enter the **Lumi Meeting ID** which is **100-720-059-199**. You should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

Further information on how to vote across the most common investment platforms is available at the following link: <https://www.theaic.co.uk/how-to-vote-your-shares>

Portfolio Manager's Review



Alex Wright was appointed as Portfolio Manager of Fidelity Special Values PLC on 1 September 2012. He joined Fidelity in 2001 as a research analyst and covered a number of sectors across the market cap spectrum, both in the UK and developed and emerging Europe. He became a portfolio manager in 2007, launching the Fidelity UK Smaller Companies Fund in 2008. He is also Portfolio Manager of Fidelity Special Situations Fund.

Question

How has the Company performed in the year to 31 August 2025?

Answer

The Company has recorded strong absolute returns over the reporting year with a net asset value and a share price total return of +14.3% and +21.8% respectively, compared to the Benchmark (FTSE All-Share Index) total return of +12.6%.

Overall, our portfolio holdings have delivered robust performance against a dynamic market environment. UK equities reached new all-time highs, driven by large-cap stocks, while improving investor confidence has sparked renewed interest in domestic shares. However, these positive results conceal a volatile period as markets navigated shifting trade policy announcements, elevated interest rates, subdued domestic economic data and stubborn inflation.

Market performance diverged sharply between large-cap and mid-to-small-cap stocks. The FTSE 100 delivered a gain of 13.6%, significantly outpacing the FTSE 250 and FTSE Small Cap Indices, which returned 6.0% and 6.9%, respectively. Despite our significant underweight position in large-cap stocks, the outperformance was primarily driven by stock selection within this part of the market.

Compared to the Benchmark, our underweight position in health care group AstraZeneca was the top contributor to relative performance. The company's shares came under pressure after corruption allegations in its China operations and broader concerns that US drug pricing reforms could weigh on the pharmaceutical sector. We used this weakness as an opportunity to initiate a position in AstraZeneca, supported by its attractive drug pipeline and its relatively lower exposure to US drug pricing reforms.

Within the banking sector, several of our holdings, including Standard Chartered, NatWest Group and AIB Group, benefited from strong trading updates, share buyback announcements and rising interest rate expectations. In February 2025, Standard Chartered unveiled a new \$1.5 billion share buyback program after reporting a substantial increase in annual pre-tax profits. The diversified bank, which has an emerging market focus, is continuing to make strides in its turnaround journey. Meanwhile, NatWest and Irish bank AIB consistently delivered results ahead of consensus expectations throughout the year.

Defence has also been a key theme in the market. Our holding in defence contractor Babcock International Group benefited from a supportive environment with increased government spending commitments. In recent years, Babcock has made strong progress in its turnaround activity. The company has strengthened its balance sheet, exited lower quality businesses and improved contract

Portfolio Manager's Review continued

execution. Similarly, outsourcing company Serco Group, which has half of its business linked to defence, saw greater returns after securing three meaningful contracts from the Ministry of Defence to provide maritime services for the Royal Navy. Conversely, the underweight position in Rolls Royce, while delivering strong absolute gains for the Company's portfolio, weighed on performance relative to the Benchmark.

Merger and acquisition ("M&A") activity continued to provide a positive tailwind and also contributed to the portfolio's performance. Our holding in Bakkavor Group, a leading UK supplier of freshly prepared foods, gained after peer Greencore agreed to acquire the company in a £1.2 billion cash-and-share deal. Direct Line Insurance Group also advanced following Aviva's agreement to acquire the company for £3.7 billion, which completed in July 2025 and created the UK's largest motor insurer. The latest announcement is from Just Group, a life insurance company, which struck a deal to be acquired by Canada's Brookfield Wealth Solutions. M&As also supported our holdings in gold pawnbroker H&T Group, Alpha Group, a foreign exchange broker (helping corporates with currency management) and alternative banking provider, and Warehouse REIT, an investor in large logistic warehouses.

Elsewhere, our position in tobacco group Imperial Brands added value, with its results showing continued progress in stabilising its core tobacco business across key markets. The company also continues to provide an attractive distribution to shareholders. In addition, not holding Unilever and Diageo contributed positively, as both companies came under pressure from weaker earnings, and in Diageo's case, structural concerns around future demand for spirits.

Question

What were some of the major changes you made to the Company's portfolio during the year and what drove those?

Answer

We have actively recycled capital from areas of strong performance and leaned into unloved businesses with attractive turnaround potential. While the investment process is driven by bottom-up stock selection, we group the market into four super sectors – financials, resources, defensive and other GDP sensitive companies. Encouragingly, we have increasingly been finding attractive ideas across the full range of these sectors and the market capitalisation spectrum.

Within financials, banks have remained a standout source of returns. We exited our position in Barclays and reduced our stake in AIB Group following strong rallies in the shares of both companies and redeployed some of these profits into Lloyds Banking Group, Close Brothers Group and

Secure Trust Bank, following a more constructive outlook on the motor-finance review. We also sold our holding in leading UK insurer Phoenix Group Holdings after a period of positive performance, with our investment thesis largely playing out. Financials remain well represented in the portfolio and offer diversification across different business models and geographic exposure.

Elsewhere, we continue to find attractive opportunities in defensives. We increased our position in medical device company Smith & Nephew, driven by stronger conviction in its orthopaedics turnaround, and it subsequently rallied after revealing positive progress in its quarterly results. We took profits from Imperial Brands and recycled it into British American Tobacco, given its attractive valuation, geographical footprint and greater exposure to next-generation products. The company is particularly well positioned to benefit from possible regulatory changes in the US, where illicit products currently dominate the next generation nicotine market. We exited our position in pharmaceutical company GSK due to waning confidence in its ability to sustain growth in HIV treatments ahead of an upcoming patent cliff.

Within resources, our underweight position has narrowed as we have identified selective investment opportunities. While we continue to hold a cautious stance on oil given the challenging demand and supply backdrop, it has increasingly become an unloved area. We initiated a position in our preferred oil major, TotalEnergies, while exiting OMV, Shell, and Schlumberger. In mining, we continue to remain underweight in large-cap names due to a weak outlook on iron ore. However, we added a position in Glencore, which offers attractive commodity exposure and supports our constructive view on copper.

Our exposure to domestically focused businesses has increased, particularly linked to UK consumption. This includes holdings in retailers such as Frasers Group and DFS, housing-related stocks such as Genuit and Travis Perkins, as well as three smaller UK housebuilders. These businesses combine attractive stock-specific opportunities with depressed industry volumes, offering multiple catalysts to support a turnaround. While consumers have been saving heavily over the past few years, consumption levels are historically low due to concerns around inflation, interest rates and ongoing geopolitical conflicts. We anticipate an improving outlook as housing market volumes strengthen and interest rates decline.

Until recently, we maintained limited exposure to the property sector due to tight yields and an oversupply of office space following the rise of working from home. However, this has started to unwind, and we have selectively increased exposure to areas offering higher yields, rising rental growth and attractive total returns. Many of these stocks trade at significant discounts to their net asset values, for example, in student accommodation (Empiric Student Properties), industrial logistics (Warehouse

REIT) and prime London office space (Derwent). We have favoured smaller companies within the sector given the potential for economies of scale from consolidation. Notably, both Empiric Student Properties and Warehouse REIT are currently subject to takeover activity.

Question

UK equities continue to trade at a discount to global markets. What opportunities does this present for investors and what could drive this valuation gap to close?

Answer

UK equities have performed strongly over the past year, yet many domestic investors continue to withdraw funds from the UK market. This investment behaviour has been a long-standing trend, leaving UK shares trading at a substantial valuation discount compared with other regions. Nevertheless, inflows are not necessary to generate good performance and capital exiting industries can present exciting investment opportunities, as it leads to greater market inefficiencies.

We have seen a reduction in competitor resources and fewer investors following UK companies, particularly further down the market capitalisation spectrum. This allows us to gain an analytical edge, supported by Fidelity's extensive analyst network, helping us to explore unloved areas of the market and uncover hidden investment gems.

The valuation gap between the UK and global markets has narrowed, following a period of strong returns. Encouragingly, buying interest has returned from international investors, helping to support a revival in UK equities. The UK has been an attractive destination, particularly for US investors, given the highly international nature of many domestic companies and the cheap valuations on offer.

We have seen another strong year of M&A activity, with several of our holdings subject to bids, reflecting the value on offer in the UK market. This activity has been broad-based, ranging from domestic consolidation, overseas acquirers and private equity interest. The increase in bid activity highlights an additional channel to unlock value in our positions. Other supportive dynamics include attractive dividends compared to global markets and a record number of UK companies buying back their own shares.

The UK's unpopularity in recent years has prompted frequent questions around what catalyst is needed to improve domestic performance and close the valuation gap. My response continues to be that nothing needs to

change, we do not require a re-rating to deliver attractive returns. Importantly, forecasts for company earnings across our holdings remain strong and we work closely with Fidelity's analyst teams to assess the likelihood of these earnings being delivered. Overall, we remain happy with the performance environment, and it remains a fertile hunting ground for contrarian stock pickers.

Question

Can you elaborate on the Company's increased tilt towards mid and small-cap companies, domestically focused businesses and how their recovery is playing out?

Answer

One of the key advantages of the investment company structure is that we can hold meaningful exposure further down the market cap spectrum. We have always maintained a structural bias towards these smaller companies, as they are typically less well known to investors and often poorly covered by the sell side.

Over the past twelve months, we have selectively increased our exposure to this part of the market given the attractive turnaround opportunities, particularly within more cyclical areas. Many of these businesses have been hit hard in recent years, and also investors have tended to favour larger, global companies. At the time of writing, large-cap companies were trading marginally above their long-term averages, with the FTSE 100 on 14.1x forward price-to-earnings, whereas mid-cap and small-cap companies present a more pronounced valuation opportunity, trading at c12x forward price-to-earnings.

We have exposure to the domestic consumer through retail and housing-related stocks, as well as property companies. These areas are particularly attractive as industry cycles are depressed compared with history, such as housebuilding volumes, sofa sales and new kitchens, which are 10-25% below pre-Covid volumes. There have been tentative signs of a recovery, with DFS and Halfords delivering positive profit updates earlier in the year. However, consumer spending remains low and sentiment poor, and these stocks are sensitive to what is going on in the domestic economic environment. While it is difficult to predict when a turnaround will materialise, importantly they have idiosyncratic factors that could drive their growth and valuations without pricing in a recovery in volumes.

Portfolio Manager's Review continued

Question

M&A activity has been a positive source of performance for the Company over the past few years. Why is this a consistent feature and do you expect these levels of M&A to continue going forward?

Answer

Our contrarian-value approach focuses on finding unloved companies with the potential for positive change. We firstly evaluate the downside protection of a company before considering its prospects over a three-to-five-year view. While the investment thesis is not predicated on a takeover, it can be a secondary effect arising from our investment approach. This is due to our structural bias towards investing in undervalued medium and smaller sized companies, where takeover activity is typically higher.

As companies progress through their positive change journey, we conduct extensive due diligence and closely monitor developments with support from Fidelity's analyst network. We generally find that our contrarian ideas typically re-rate as positive developments excite the market and more investors buy into the story. However, occasionally the route is a takeover, which can unlock shareholder value earlier. While not every takeover bid is what we consider fair value, the majority of deals have offered attractive premiums, and our process recycles this capital into new ideas.

Despite turbulent markets and sharp currency movements, there has been no pause in takeover activity this year. We have seen a flurry of bids for companies within the portfolio. The surge in activity underscores the inherent value and investment opportunities available in the UK market. There are numerous overlooked companies across the market cap spectrum and our holdings continue to trade at an attractive discount to the broader market.

Our contrarian investment approach should continue to benefit from an active takeover market. While the level of M&A activity will not always remain this high, we are excited that our holdings have this additional potential channel to unlock value. The investment universe remains deep and attractive, offering plenty of choice and investment opportunities.

Question

There has been a resurgence in UK equities – do you expect this outperformance to continue over the next 12 months and beyond?

Answer

The return of overseas investors is an encouraging trend, as they capitalise on the relative value available in the UK market. Given that the UK represents only a small share of global indices, even modest reallocations from overseas can have a meaningful positive impact.

Encouragingly, despite subdued domestic economic data and political uncertainty prevailing in the market, performance recently has remained positive. This underscores the fact that attractive returns are available in an uncertain environment, which can act as a driver of investment opportunities. We continue to believe that the combination of attractive valuations and the large divergence in performance between different parts of the market creates good opportunities for returns from UK stocks on a three-to-five-year view.

While there has been some narrowing in regional valuations following strong performance, we believe that the UK has room to run further. It continues to trade at a meaningful discount to other regions, both on an absolute basis and when adjusting for sectoral differences in markets. Importantly, this gives investors a more attractive starting point compared to other more expensive markets.

We remain excited with the prospects for our holdings. Overall, we believe the UK market has an underappreciated richness of opportunity, combining strong earnings growth, high dividend yields and low valuations. The portfolio benefits from a favourable upside/downside profile and our holdings trade at a meaningful discount to the broader UK market, despite exhibiting resilient earnings, strong returns on capital and relatively low levels of debt. This quality profile reinforces our confidence in delivering attractive long-term returns for investors.

Alex Wright

Portfolio Manager
5 November 2025

Spotlight on the Top 10 Holdings

as at 31 August 2025

(Based on Asset Exposure expressed as a percentage of Net Assets. Asset Exposure comprises the value of direct equity investments plus market exposure to derivative instruments.)

Industry Life Insurance 	Aviva % of Net Assets 4.1% Aviva is a composite insurer offering both life and non-life insurance, as well as asset management services. Following its acquisition of Direct Line, it is now the UK's largest motor insurer. The company also holds strong positions in pensions and retirement income within its portfolio. The life insurance sector presents an appealing combination of cheap valuations, attractive dividend yields and favourable market dynamics.
Industry Tobacco 	British American Tobacco % of Net Assets 4.0% British American Tobacco ("BAT") is the second largest producer in its sector and has meaningful exposure to next generation products. The company has developed fast growing products, including Velo+, which is gaining market share in the United States. BAT maintains a disciplined approach to capital allocation and continues to return cash to shareholders through dividends and share buybacks.
Industry Banks 	Standard Chartered % of Net Assets 3.7% Standard Chartered is an international banking group with a strong presence in Asia, Africa and the Middle East. The bank provides a full range of retail, corporate and institutional banking services, and benefits from deep local relationships and strong brand recognition across fast-growing emerging markets. Management have de-risked the business over the past decade and made progress in its turnaround.
Industry Industrial Support Services 	DCC % of Net Assets 3.4% DCC is a global distributor of thermal products and has been restructuring its portfolio through planned divestments in its healthcare and technology businesses. The proceeds from these sales will be used to support share buybacks and strengthen its balance sheet. The company has a strong track record of disciplined capital allocation and value-accretive acquisitions, and these have generated long-term attractive returns.
Industry Banks 	NatWest Group % of Net Assets 3.4% NatWest Group has made significant strides in repositioning itself. It is now a smaller, mostly UK focused, bank with good retail and commercial banking franchises, a solid balance sheet, a high-quality deposit base and a well diversified loan book. Capital generation is strong, allowing for very attractive dividends and share buybacks.

Spotlight on the Top 10 Holdings continued

Industry Tobacco



Imperial Brands

% of Net Assets

3.2%

Imperial Brands is a global fast-moving consumer goods company, the fourth largest in its industry sector. It has made progress with stabilising its tobacco revenue and catching up with the competition in developing a range of less harmful next generation products. Imperial Brands maintains a disciplined approach to capital allocation and continues to return cash to shareholders through dividends and share buybacks.

Industry Oil, Gas & Coal



TotalEnergies

% of Net Assets

2.9%

TotalEnergies is a global multi-energy company operating in over 130 countries, producing and marketing fuels, natural gas, and electricity. The French-listed company has a strong long-term track record and demonstrates consistent execution, particularly relative to UK peers. TotalEnergies offers attractive growth potential as it balances profitability with renewable energy sources including solar, wind, biomass, hydrogen and electricity, as well as traditional natural gas and oil business.

Industry Household Goods & Home Construction



Glenveagh Properties

% of Net Assets

2.7%

Glenveagh Properties is one of two prominent Irish housebuilders, reflecting the attractive fundamentals in the Irish housing market. The company is a beneficiary of a prolonged period of undersupply and growing structural demand, supported by favourable demographics and government initiatives.

Industry Pharmaceuticals & Biotechnology



AstraZeneca

% of Net Assets

2.7%

Astrazeneca is the largest UK pharmaceutical company, specialising in oncology, respiratory and cardiovascular drugs. The company's broad and diverse pipeline presents attractive growth opportunities, particularly within its oncology business.

Industry Life Insurance



Just Group

% of Net Assets

2.4%

Just Group is a UK based life insurance company with exposure to writing individual annuities as well as corporate bulk purchase annuities. In July 2025, Just Group agreed to a £2.4 billion all-cash takeover by Canadian insurer Brookfield Wealth Solutions.

Portfolio Listing

as at 31 August 2025

The Asset Exposures shown below and on pages 14 to 16 measure exposure to market price movements as a result of owning shares, bonds and derivative instruments. The Fair Value is the realisable value of the portfolio as reported in the Balance Sheet. Where the Company holds shares and bonds, the Asset Exposure and Fair Value will be the same. For derivative instruments, Asset Exposure is the market value of the underlying asset to which the Company is exposed, while 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 asset has moved.

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Long Exposures – shares unless otherwise stated			
Aviva – Life Insurance	52,125	4.1	52,125
British American Tobacco – Tobacco	51,154	4.0	51,154
Standard Chartered – Banks	46,445	3.7	46,445
DCC – Industrial Support Services	42,965	3.4	42,965
NatWest Group – Banks	42,790	3.4	42,790
Imperial Brands – Tobacco	40,032	3.2	40,032
TotalEnergies (long CFDs) – Oil, Gas & Coal	37,190	2.9	(699)
Glenveagh Properties – Household Goods & Home Construction	34,255	2.7	34,255
AstraZeneca – Pharmaceuticals & Biotechnology	33,690	2.7	33,690
Just Group – Life Insurance	30,650	2.4	30,650
Smith & Nephew – Medical Equipment & Services	30,424	2.4	30,424
Mitie Group – Industrial Support Services	30,123	2.4	30,123
Bakkavor Group – Food Producers	27,596	2.2	27,596
Cairn Homes (long CFDs) – Household Goods & Home Construction	26,276	2.1	113
SSE – Electricity	26,228	2.1	26,228
Serco Group (shares and long CFD) – Industrial Support Services	25,823	2.0	23,252
Reckitt Benckiser Group – Personal Care, Drug & Grocery Stores	24,342	1.9	24,342
AIB Group (long CFD) – Banks	23,361	1.8	(776)
Lloyds Banking Group – Banks	22,211	1.8	22,211
Frasers Group – Retailers	20,157	1.6	20,157
C&C Group (shares and long CFDs) – Beverages	19,385	1.5	17,066
Coats Group – General Industrials	18,358	1.4	18,358
National Grid – Gas, Water & Multi-Utilities	18,071	1.4	18,071
Genuit Group (shares and long CFDs) – Construction & Materials	18,058	1.4	11,944
Keller Group – Construction & Materials	17,499	1.4	17,499
Hellenic Telecommunications Organisation – Telecommunications Service Providers	17,335	1.4	17,335
Babcock International Group – Aerospace & Defense	17,321	1.4	17,321
Energiean – Oil, Gas & Coal	15,850	1.3	15,850
Elementis – Chemicals	15,095	1.2	15,095
West African Resources – Precious Metals & Mining	14,744	1.2	14,744
Conduit Holdings (shares and long CFDs) – Non-Life Insurance	14,117	1.1	10,886
Moonpig Group – Retailers	13,794	1.1	13,794
WPP (long CFD) – Media	13,659	1.1	433
Ryanair Holdings (long CFD) – Travel & Leisure	13,066	1.0	(467)
Zigup – Industrial Transportation	13,054	1.0	13,054
St. James's Place – Investment Banking & Brokerage Services	12,946	1.0	12,946

Portfolio Listing continued

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Warehouse REIT (shares and long CFD) – Real Estate Investment Trusts	12,893	1.0	11,194
TBC Bank Group – Banks	12,824	1.0	12,824
Spire Healthcare Group – Health Care Providers	12,815	1.0	12,815
Close Brothers Group – Banks	12,734	1.0	12,734
Glencore – Industrial Metals & Mining	12,653	1.0	12,653
Future – Media	12,620	1.0	12,620
Howden Joinery Group – Retailers	12,186	1.0	12,186
Morgan Advanced Materials (shares and long CFDs) – Electronic & Electrical Equipment	12,125	1.0	10,245
Hays – Industrial Support Services	11,808	0.9	11,808
Rolls-Royce Holdings – Aerospace & Defense	11,506	0.9	11,506
Roche Holding – Pharmaceuticals & Biotechnology	11,268	0.9	11,268
Halfords Group (shares and long CFDs) – Retailers	11,168	0.9	6,821
Norcros (shares and long CFD) – Construction & Materials	10,580	0.8	7,236
Jupiter Fund Management – Investment Banking & Brokerage Services	9,753	0.8	9,753
DFS Furniture (shares and long CFD) – Retailers	9,590	0.8	7,285
TT Electronics (shares and long CFDs) – Technology Hardware & Equipment	9,576	0.8	4,807
Alpha Group International – Investment Banking & Brokerage Services	9,262	0.7	9,262
Origin Enterprises (shares and long CFD) – Food Producers	8,650	0.7	7,969
Essentra (shares and long CFDs) – Industrial Support Services	8,578	0.7	6,906
Central Asia Metals (shares and long CFD) – Industrial Metals & Mining	8,373	0.7	3,750
Crest Nicholson Holdings (shares and long CFD) – Household Goods & Home Construction	8,356	0.7	5,504
PZ Cussons – Personal Care, Drug & Grocery Stores	7,788	0.6	7,788
Sherborne Investors Guernsey (shares and long CFDs) – Closed End Investments	7,663	0.6	4,614
Kaspi.kz – Banks	7,467	0.6	7,467
PetroTal – Oil, Gas & Coal	6,838	0.5	6,838
Travis Perkins – Industrial Support Services	6,590	0.5	6,590
Permanent TSB Group Holdings (shares and long CFDs) – Banks	6,365	0.5	520
Johnson Service Group – Industrial Support Services	6,355	0.5	6,355
NewRiver REIT – Real Estate Investment Trusts	6,204	0.5	6,204
RS Group – Industrial Support Services	6,143	0.5	6,143
IG Design Group (shares and long CFDs) – Personal Care, Drug & Grocery Stores	5,458	0.4	3,185
Victrex – Chemicals	5,418	0.4	5,418
Derwent London – Real Estate Investment Trusts	5,392	0.4	5,392
LSL Property Services – Real Estate Investment & Services	5,350	0.4	5,350
Hikma Pharmaceuticals – Pharmaceuticals & Biotechnology	4,931	0.4	4,931
Greencore Group – Food Producers	4,828	0.4	4,828
Pan African Resources – Precious Metals & Mining	4,603	0.4	4,603
Gooch & Housego – Technology Hardware & Equipment	4,452	0.4	4,452
Man Group – Investment Banking & Brokerage Services	4,419	0.3	4,419
Watkin Jones (shares and long CFDs) – Household Goods & Home Construction	4,362	0.3	3,147
Gateley Holdings – Industrial Support Services	4,117	0.3	4,117

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Senior – Aerospace & Defense	3,958	0.3	3,958
Empiric Student Property – Real Estate Investment Trusts	3,876	0.3	3,876
Begbies Traynor Group – Investment Banking & Brokerage Services	3,634	0.3	3,634
Secure Trust Bank – Banks	3,570	0.3	3,570
VP – Industrial Transportation	3,528	0.3	3,528
NAC Kazatomprom – Oil, Gas & Coal	3,424	0.3	3,424
Bango – Software & Computer Services	3,317	0.3	3,317
James Fisher & Sons – Industrial Transportation	3,289	0.3	3,289
Henry Boot – Real Estate Investment & Services	3,153	0.2	3,153
Speedy Hire – Industrial Support Services	3,150	0.2	3,150
Savills – Real Estate Investment & Services	2,967	0.2	2,967
Kenmare Resources (long CFDs) – Industrial Metals & Mining	2,718	0.2	(54)
Capital – Industrial Metals & Mining	2,658	0.2	2,658
Costain Group – Industrial Support Services	2,452	0.2	2,452
Tritax Big Box REIT – Real Estate Investment Trusts	2,384	0.2	2,384
Shaftesbury Capital (convertible bond) – Real Estate Investment Trusts	2,357	0.2	2,357
MJ Gleeson – Household Goods & Home Construction	2,316	0.2	2,316
Jadestone Energy (shares and long CFDs) – Oil, Gas & Coal	2,284	0.2	1,580
PageGroup – Industrial Support Services	2,186	0.2	2,186
John Wood Group (shares and long CFD) – Oil, Gas & Coal	1,996	0.2	1,728
Digital 9 Infrastructure – Closed End Investments	1,903	0.2	1,903
Premier Miton Group – Investment Banking & Brokerage Services	1,760	0.1	1,760
BT Group – Telecommunications Service Providers	1,567	0.1	1,567
Foresight Group Holdings – Investment Banking & Brokerage Services	1,559	0.1	1,559
Gemfields Group – Precious Metals & Mining	1,347	0.1	1,347
Schroders – Investment Banking & Brokerage Services	1,347	0.1	1,347
FDM Group Holdings – Industrial Support Services	744	0.0	744
Worsley Investors – Closed End Investments	580	0.0	580
Atlantic Lithium – Industrial Metals & Mining	495	0.0	495
Prax Exploration & Production – Oil, Gas & Coal	390	0.0	390
abrdn Property Income Trust – Closed End Investments	225	0.0	225
Marwyn Value Investors – Closed End Investments	154	0.0	154
TVC Holdings – Investment Banking & Brokerage Services	49	0.0	49
McColl's Retail Group – Personal Care, Drug & Grocery Stores	–	0.0	–
Hostmore – Travel & Leisure	–	0.0	–
Studio Retail Group – Retailers	–	0.0	–
Unbound Group (shares and long CFD) – Retailers	–	0.0	–
Gross Asset Exposure (114 holdings)	1,335,587	105.4	
Portfolio Fair Value			1,162,106

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.

Portfolio Listing continued

Fair Value and Asset Exposure of Investments as at 31 August 2025

	Fair Value £'000	2025 Asset Exposure £'000	% ¹	2024 Asset Exposure £'000	% ¹
Investments (Note 10 – see page 68)	1,164,423	1,164,423	91.9	1,120,686	98.0
Long CFDs (Note 11 – see page 69)	(2,317)	171,164	13.5	115,050	10.1
Short CFDs (Note 11 – see page 69)	–	–	–	2,117	0.2
	1,162,106	1,335,587	105.4	1,237,853	108.3
Cash at bank ²	1,937	(171,544)	(13.6)	(110,977)	(9.7)
Fidelity Institutional Liquidity Fund	92,172	92,172	7.3	9,677	0.8
Other net current assets (excluding derivative assets and liabilities)	10,973	10,973	0.9	6,988	0.6
Shareholders' Funds	1,267,188	1,267,188	100.0	1,143,541	100.0

The Company uses gearing through the use of CFD positions. Gross gearing as at 31 August 2025 was 5.4% (2024: 8.3%) and net gearing was 5.4% (2024: 7.9%) – see Note 18 on page 79 for further details.

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 CFD positions. The amount is derived by taking the cost of the shares underlying the CFDs when the contracts were opened less the cash at bank balance at the year end.

Distribution of the Portfolio

as at 31 August 2025

The table below and on the next page details the Distribution of the Portfolio based on Asset Exposure which measures the exposure of the portfolio to market price movements as a result of owning shares, bonds and derivatives instruments.

Shares, bonds and derivative instruments	UK ¹ %	Overseas ² %	2025 Asset Exposure ³ %	Index ⁴ %	2024 Asset Exposure ³ %
Financials					
Banks	10.7	3.4	14.1	13.3	14.2
Life Insurance	6.5	-	6.5	2.6	7.0
Investment Banking & Brokerage Services	3.4	-	3.4	3.5	1.6
Non-Life Insurance	-	1.1	1.1	0.8	3.9
Closed End Investments	-	0.8	0.8	5.6	1.3
Finance & Credit Services	-	-	-	1.9	0.5
	20.6	5.3	25.9	27.7	28.5
Industrials					
Industrial Support Services	11.8	-	11.8	3.0	7.7
Construction & Materials	3.6	-	3.6	0.5	5.0
Aerospace & Defense	2.6	-	2.6	6.3	2.4
Industrial Transportation	1.6	-	1.6	1.0	2.0
General Industrials	1.4	-	1.4	0.9	2.9
Electronic & Electrical Equipment	1.0	-	1.0	1.1	0.5
Industrial Engineering	-	-	-	0.6	-
	22.0	-	22.0	13.4	20.5
Consumer Staples					
Tobacco	7.2	-	7.2	4.1	6.3
Food Producers	2.2	1.1	3.3	0.6	2.3
Personal Care, Drug & Grocery Stores	2.9	-	2.9	7.6	6.2
Beverages	-	1.5	1.5	2.7	1.7
	12.3	2.6	14.9	15.0	16.5
Consumer Discretionary					
Household Goods & Home Construction	1.2	4.8	6.0	0.8	4.8
Retailers	5.4	-	5.4	1.5	1.9
Media	2.1	-	2.1	1.1	1.5
Travel & Leisure	1.0	-	1.0	2.0	0.7
Automobiles & Parts	-	-	-	-	0.6
Consumer Services	-	-	-	1.7	-
Personal Goods	-	-	-	0.2	-
Leisure Goods	-	-	-	0.2	-
	9.7	4.8	14.5	7.5	9.5

Distribution of the Portfolio continued

as at 31 August 2025

Shares, bonds and derivative instruments	UK ¹ %	Overseas ² %	2025 Asset Exposure ³ %	Index ⁴ %	2024 Asset Exposure ³ %
Health Care					
Pharmaceuticals & Biotechnology	4.0	–	4.0	10.7	5.3
Medical Equipment & Services	2.4	–	2.4	0.6	0.1
Health Care Providers	1.0	–	1.0	–	1.9
	7.4	–	7.4	11.3	7.3
Basic Materials					
Industrial Metals & Mining	0.7	1.4	2.1	4.4	1.8
Precious Metals & Mining	–	1.7	1.7	0.3	1.8
Chemicals	1.6	–	1.6	0.3	2.7
	2.3	3.1	5.4	5.0	6.3
Energy					
Oil, Gas & Coal	3.3	2.1	5.4	9.2	6.1
	3.3	2.1	5.4	9.2	6.1
Utilities					
Electricity	2.1	–	2.1	0.9	1.5
Gas, Water & Multi-Utilities	1.4	–	1.4	2.9	2.8
	3.5	–	3.5	3.8	4.3
Real Estate					
Real Estate Investment Trusts	2.6	–	2.6	1.8	1.9
Real Estate Investment & Services	0.8	–	0.8	0.4	0.6
	3.4	–	3.4	2.2	2.5
Technology					
Technology Hardware & Equipment	1.2	–	1.2	–	1.4
Software & Computer Services	0.3	–	0.3	3.6	2.0
	1.5	–	1.5	3.6	3.4
Telecommunications					
Telecommunications Service Providers	0.1	1.4	1.5	1.3	1.4
Telecommunications Equipment	–	–	–	–	2.0
	0.1	1.4	1.5	1.3	3.4
Total Asset Exposure – 2025	86.1	19.3	105.4	100.0	108.3
Total Asset Exposure – 2024	96.0	12.3			108.3

1 Comprises shares listed on a UK exchange, UK derivatives (classified by reference to the UK exchange of the underlying equity) and UK bonds (classified by country of risk).

2 Comprises shares listed on an overseas exchange, overseas derivatives (classified by reference to the overseas exchange of the underlying equity) and overseas bonds (classified by country of risk).

3 Asset Exposure is expressed as a percentage of Shareholders' Funds.

4 The FTSE All-Share Index which is the Company's Benchmark Index.

Ten Year Record

as at 31 August 2025

As at 31 August	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital										
Shareholders' funds (£m)	1,267.2	1,143.5	951.0	922.6	954.1	579.5	698.7	725.0	673.5	578.3
NAV per ordinary share (p) ¹	392.26	352.84	293.44	284.67	304.79	199.81	252.99	271.98	254.63	217.94
Share price (p)	380.00	321.50	267.50	260.50	308.50	181.60	251.50	276.00	246.50	196.25
(Discount)/premium to NAV (%) ¹	(3.1)	(8.9)	(8.8)	(8.5)	1.2	(9.1)	(0.6)	1.5	(3.2)	(10.0)
Revenue										
Revenue return per ordinary share (p) ¹	12.28	11.58	10.67	9.42	7.22	4.81	8.65	5.70	5.33	4.15
Dividends per ordinary share (p)	10.20	9.54	8.80	7.75	6.67	5.80	7.25 ²	5.00	4.60	3.70
Ongoing charges (costs of running the Company) (%) ¹	0.68	0.70	0.70	0.69	0.76	0.98	0.97	1.04	1.06	1.10
Gearing¹										
Gross gearing (%) ³	5.4	8.3	6.5	10.0	14.6	14.0	2.5	10.4	9.1	15.5
Net gearing (%) ⁴	5.4	7.9	6.5	10.0	14.6	14.0	2.5	6.6	0.9	7.9
Performance Total Returns										
NAV (%) ¹	+14.3	+24.1	+5.9	-4.4	+56.2	-18.5	-4.9	+8.7	+19.1	+9.9
Share price (%) ¹	+21.8	+24.3	+5.6	-13.5	+73.8	-25.4	-6.9	+14.0	+28.1	+1.1
Benchmark (%)	+12.6	+17.0	+5.2	+1.0	+26.9	-12.6	+0.4	+4.7	+14.3	+11.7

1 Alternative Performance Measures.

2 Includes a special dividend of 1.50 pence per ordinary share.

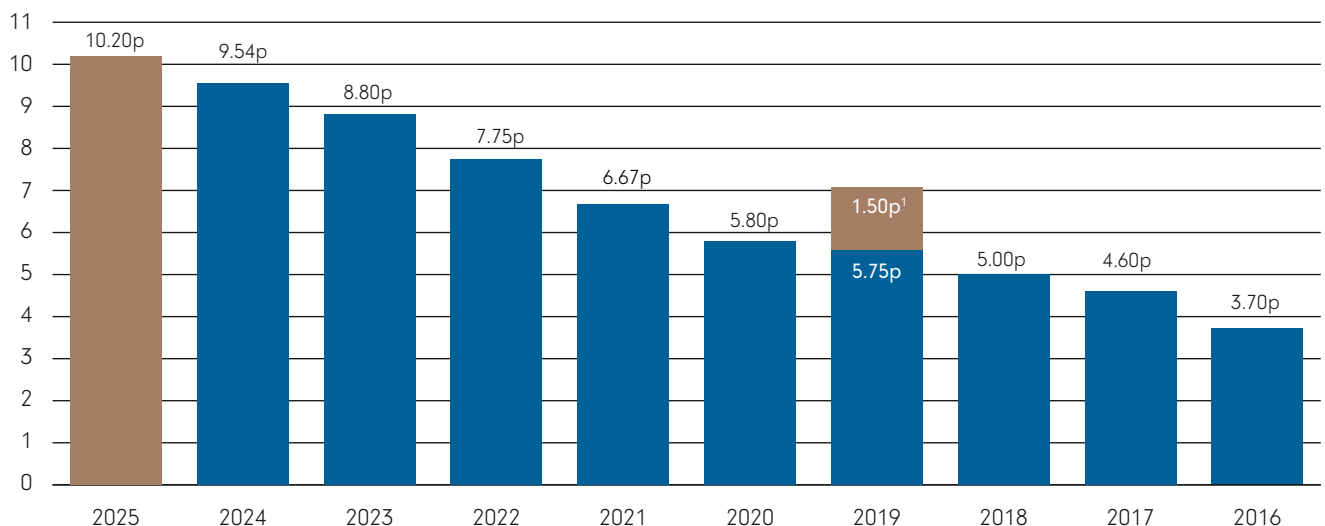
3 Gross gearing is the total of: long exposures, plus short exposures and less exposures hedging the portfolio, expressed as a percentage of Shareholders' Funds.

4 Net gearing is the total of: long exposures, less short exposures and less exposures hedging the portfolio, expressed as a percentage of Shareholders' Funds.

Sources: Fidelity and Datastream.

Past performance is not a guide to future returns.

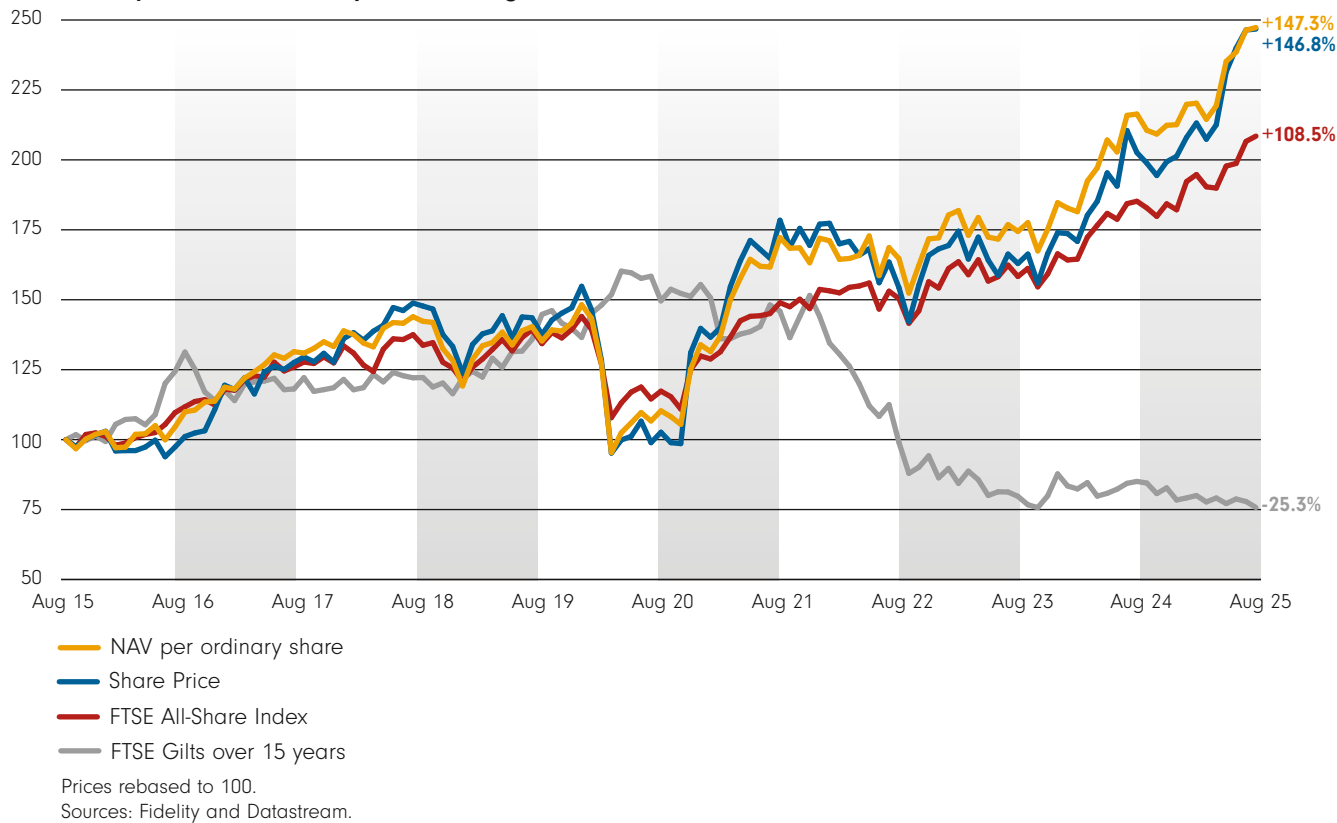
Dividends per ordinary share for ten years to 31 August 2025



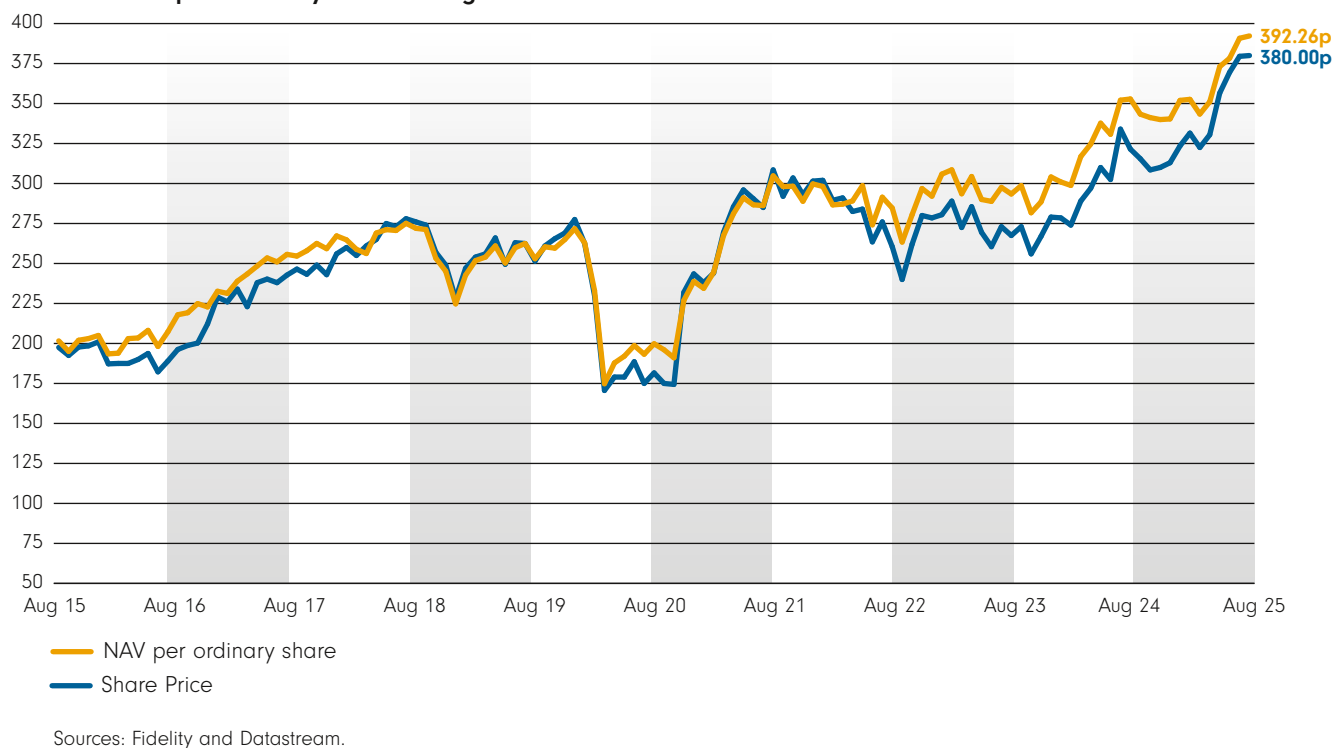
1 Special dividend from the increased income generated for the year ended 31 August 2019.

Summary of Performance Charts

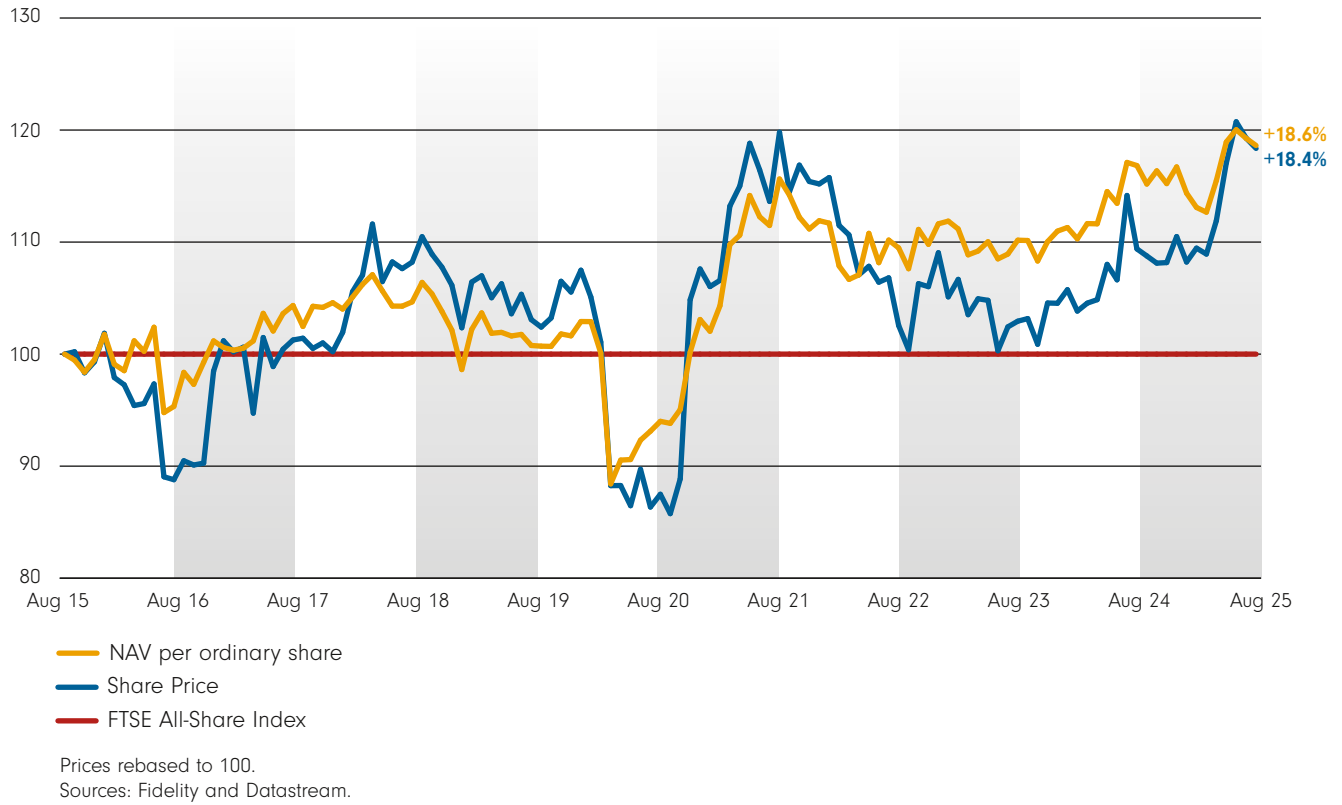
Total return performance for ten years to 31 August 2025



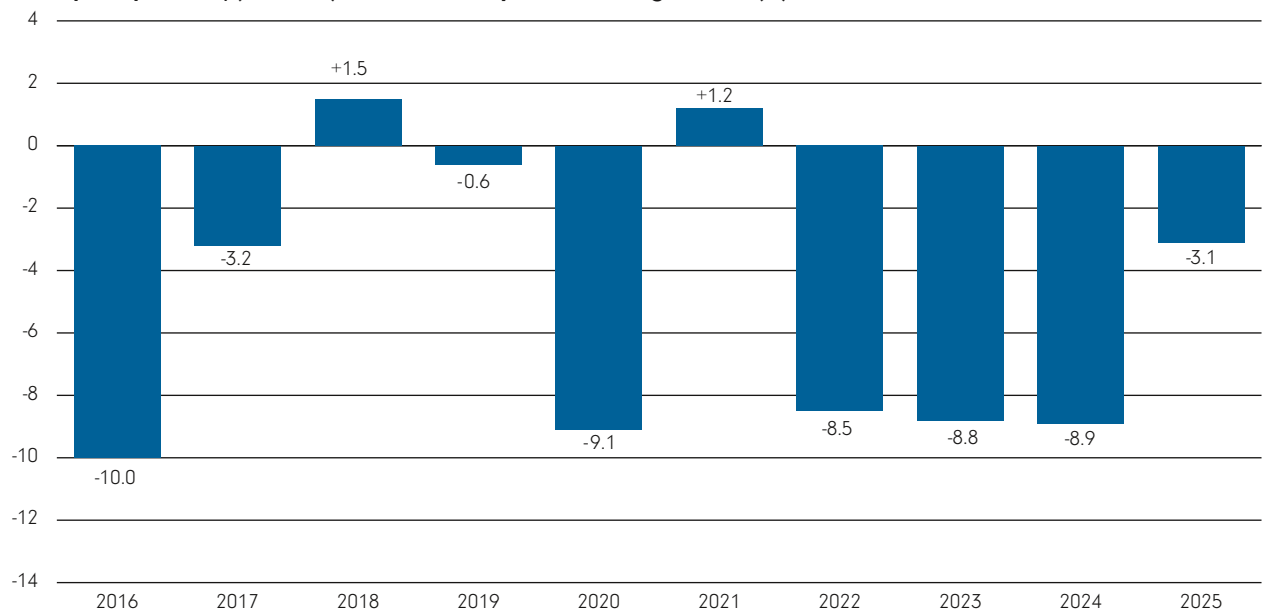
NAV and share price for ten years to 31 August 2025



Total return performance relative to the Benchmark for ten years to 31 August 2025



Share price premium/(discount) to NAV for ten years to 31 August 2025 (%)



Source: Fidelity.

Attribution Analysis

Analysis of change in NAV total return for the year ended 31 August 2025

%

Impact of:

Index	+12.6
Stock selection	+0.8
Gearing	+1.0
Operational Costs	-0.7
Cash	+0.6

NAV total return for the year ended 31 August 2025

+14.3

Sector contributors and detractors as at 31 August 2025 (in absolute terms)

Top 5 Sector Contributors	%	Bottom 5 Sector Detractors	%
Banks	+5.6	Media	-1.1
Tobacco	+3.4	Oil, Gas & Coal	-1.0
Life Insurance	+2.1	Construction & Metals	-0.7
Aerospace & Defense	+1.7	General Industrials	-0.6
Investment Banking & Brokerage Services	+1.1	Software & Computer Services	-0.3

Stock contributors and detractors as at 31 August 2025 (in absolute terms)

Top 5 Stock Contributors	%	Bottom 5 Stock Detractors	%
Standard Chartered	+2.1	John Wood Group	-1.1
Imperial Brands	+1.8	WPP	-0.9
British American Tobacco	+1.6	Conduit Holdings	-0.7
NatWest Group	+1.4	IG Design Group	-0.6
Direct Line Insurance Group	+1.4	Coats Group	-0.6

Source: Fidelity.

Strategic Report

The Directors have pleasure in presenting the Strategic Report of the Company. The Chairman's Statement and the Portfolio Manager's Review on pages 2 to 10 form part of the Strategic Report.

Business and Status

The Company carries on business as an investment company and has been accepted as an approved investment trust by HM Revenue & Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company is registered as an investment company under Section 833 of the Companies Act 2006 and its ordinary shares are listed and traded on the London Stock Exchange. It is not a close company and has no employees.

Investment Objective

The Company's objective is 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.

Strategy

In order to achieve this objective, the Company operates as an investment company and has an actively managed portfolio of special situation investments, consisting primarily of UK listed companies. It has the benefit of investing up to 20% of the portfolio in listed companies on overseas exchanges in order to enhance shareholder returns. As an investment company, it is able to gear the portfolio and the Board takes the view that long-term returns for shareholders can be enhanced by using gearing in a carefully considered and monitored way.

As part of the strategy, the Board has delegated the management of the portfolio and certain other services to the Manager (FIL Investment Services (UK) Limited). The Portfolio Manager aims to achieve a total return on the Company's assets over the longer-term in excess of the equivalent return on the FTSE All-Share Index, the Company's Benchmark. The stock selection approach adopted by the Portfolio Manager is considered to be well suited to achieving this objective. The Board recognises that investing in equities is a long-term process and the Company's returns will vary from year to year.

The Company's objective, strategy and principal activity have remained unchanged throughout the year ended 31 August 2025.

Investment Management Philosophy, Style and Process

Fidelity International's ("Fidelity") distinctive investment approach is "bottom up" stock picking – investing in companies on the basis of their underlying strengths, facilitated by extensive research capabilities. Fidelity's analysts evaluate companies, meet their management and speak to suppliers, competitors and customers in order to build up a picture of the true state of a company's fundamentals. This first-hand research is fundamental to Fidelity's ability to form a view of a company's future profitability and ultimately for the Portfolio Manager to decide if he considers it an

attractive investment for our shareholders. The Portfolio Manager works closely with the Fidelity analyst team and also has access to a wide range of research produced by third parties.

Investment Policy

The Company seeks to meet its investment objective through investment in a diversified portfolio of securities and instruments issued by or related primarily to UK companies.

The Company will have a blend of investments in larger, medium and smaller sized companies and be guided by a contrarian philosophy.

The Portfolio Manager has a contrarian style which focuses on significant valuation anomalies in stocks which are out of favour with other investors, yet show potential for change. The Portfolio Manager believes these opportunities exist across the market capitalisation spectrum, and the investment approach is flexible, with positions in large, medium and smaller sized companies. The proportions in each size category may vary over time, as investment opportunities are selected on a bottom up basis.

Investments typically have the following characteristics:

- Unrecognised potential for positive change: The Portfolio Manager wants to see evidence of the company embarking upon a period of positive change. Once this change begins to be recognised by the market, there is potential for substantial upside.
- Limited downside risk: The Portfolio Manager invests in companies where market expectations are low. They will have some asset or characteristic that should prevent significant falls in the share price.

The Benchmark of the Company against which performance is measured is the FTSE All-Share Index.

The Company may invest directly in the shares of companies or indirectly through equity-related instruments (such as derivative contracts, warrants or convertible bonds) and in debt instruments. The Company may also invest in unquoted securities, subject to the investment restrictions set out on page 24.

Derivatives

The Company may utilise derivative instruments, including index-linked notes, CFDs, covered options and other equity-related derivative instruments as a tool to meet the investment objective of the Company.

Derivatives usage will focus on, but not be limited to the following investment strategies:

- As an alternative form of gearing to bank loans or bonds, the Company will purchase long CFDs that achieve an equivalent effect to bank gearing but normally at lower financing costs.
- To hedge equity market risks where the Portfolio Manager considers that suitable protection can be purchased to limit the downside of a falling market at a reasonable cost; and

Strategic Report continued

- By taking short exposures on stocks that the Portfolio Manager considers to be over-valued.

The Company will not undertake any naked shorts.

Gearing

The Company may use gearing to enhance long-term capital growth. The maximum level of gross gearing is 40%. Within this limit the Portfolio Manager has the discretion to use a range of instruments for gearing, such as debt and CFDs, depending on the relative cost and availability of those instruments. It is the current intention of the Board that, in normal market circumstances, the Portfolio Manager will maintain net gearing in the range of 0% to 25%. Both gross and net gearing are defined in the Glossary of Terms on page 94. The level of gearing is considered by the Board at each of its meetings.

Investment Restrictions

The Company will invest and manage its assets with an objective of spreading risk through the following investment restrictions:

- No single investment (excluding cash and cash equivalents), nor the aggregate investment in any one company, shall represent more than 10% of the Company's portfolio, measured as at the time of investment.
- No more than 20% of the portfolio will be invested in companies listed on overseas exchanges.
- The Company will not invest more than 5% of its gross assets in unquoted securities.
- The Company will not invest more than 15% of its gross assets at the time of investment in listed investment companies (including listed investment trusts), including no more than 10% of its gross assets at the time of investment in funds that do not have stated policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds.

Modification of the Investment Objective and/or the Investment Policy

In accordance with the UK Listing Rules, any material change to the Company's published Investment Objective or Investment Policy will require the prior approval of both the Financial Conduct Authority and the shareholders of the Company (by way of an ordinary resolution).

Performance

The Company's performance for the year ended 31 August 2025 and a summary of the year's activities and indications of trends and factors that may impact the future performance of the Company are included in the Chairman's Statement and the Portfolio Manager's Review on pages 2 to 10. The Portfolio Listing, the Distribution of the Portfolio, the Ten Year Record, the Summary of Performance Charts and the Attribution Analysis are set out on pages 13 to 22.

Dividends and Results

The portfolio is managed actively in pursuit of capital growth. Hence, in any one year the dividend income received from investments will vary according to which stocks are owned during the reporting period and so will the dividend that will be paid.

In order to continue to qualify as an investment company, the Company is required by Section 1159 of the Corporation Tax Act 2010 to distribute sufficient net income so that it retains no more than 15% of its net income in any reporting year.

The Company's results for the year ended 31 August 2025 are set out in the Income Statement on page 57. The revenue return was 12.28 pence and the capital return was 36.67 pence, giving a total return of 48.95 pence per ordinary share.

The Board recommends that a final dividend of 6.84 pence per ordinary share be paid on 13 January 2026 to shareholders who appear on the register as at the close of business on 28 November 2025 (ex-dividend date 27 November 2025). This is in addition to the interim dividend of 3.36 pence per ordinary share paid to shareholders on 19 June 2025.

Key Performance Indicators

The key performance indicators ("KPIs") used to determine the performance of the Company and which are comparable to those reported by other investment companies are set out in the tables below.

Shareholder Total Returns

Share price total return for the year ended 31 August 2025	1 year (%)	3 years (%)	5 years (%)
Fidelity Special Values PLC ¹	+21.8	+59.9	+140.4
Benchmark ²	+12.6	+38.6	+77.7
Peer group ³	+9.8	+44.1	+69.7

Net Asset Value ("NAV") Total Returns

NAV per ordinary share total return for the year ended 31 August 2025	1 year (%)	3 years (%)	5 years (%)
Fidelity Special Values PLC ¹	+14.3	+50.2	+124.3
Benchmark ²	+12.6	+38.6	+77.7
Peer group ³	+6.0	+36.4	+64.3

Discount

Discount as at 31 August	2025 (%)	2024 (%)	2023 (%)
Fidelity Special Values PLC ¹	3.1	8.9	8.8
Peer group ³	5.7	9.3	11.4

Ongoing Charges

Ongoing charges for the year ended 31 August ⁴	2025 (%)	2024 (%)	2023 (%)
Fidelity Special Values PLC ¹	0.68	0.70	0.70

¹ Alternative Performance Measures.

² FTSE All-Share Index.

³ AIC UK All Companies sector (including Fidelity Special Values PLC).

⁴ Defined in the Glossary of Terms on page 94.

Sources: Fidelity and Datastream.

In addition to the KPIs set out on the previous page, the Board also monitors the factors contributing to investment results, as set out in the Attribution Analysis on page 22. Long-term performance is also monitored and is set out in the Ten Year Record and the Summary of Performance Charts on pages 19 to 21.

Principal Risks and Uncertainties and Risk Management

As required by provisions 28 and 29 of the 2018 UK Corporate Governance Code, the Board has a robust ongoing process for identifying, evaluating and managing the principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity. The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investment Services (UK) Limited/ the “Manager”), 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 that the Company faces.

The Board considers the risks listed on pages 26 to 29 as the principal risks and uncertainties faced by the Company.

Emerging Risks

The Audit Committee continues to identify any new emerging risks and take any action necessary to mitigate their potential impact. The risks identified are placed on the Company’s risk matrix and graded appropriately. This process, together with the policies and procedures for the mitigation of existing and emerging risks, is updated and reviewed regularly in the form of comprehensive reports by the Audit Committee. The Board determines the nature and extent of any risks it is willing to take in order to achieve the Company’s strategic objectives.

Climate change, which refers to a large scale shift in the planet’s weather patterns and average temperatures, continues to be a key emerging as well as a principal risk confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of changing weather patterns. Extreme weather events can potentially impact the operations of investee companies, their supply chains and their customers. The Board notes that the Manager includes 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 to investment valuations and potentially shareholder returns.

The Board, together with the Manager, is also monitoring the emerging risks posed by the rapid advancement of artificial intelligence (“AI”) and technology and how it may threaten the Company’s activities and its potential impact on the portfolio and investee companies. AI can provide asset managers powerful tools, such as enhancing data analysis risk management, trading strategies, operational efficiency and client servicing, all of which can lead to better investment outcomes and more efficient operations. However, with these advances in computing power that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

Other emerging risks may continue to evolve from unforeseen geopolitical and economic events.

Emerging Risks – Manager’s Role

The Manager also has responsibility for risk management for the Company. It works with the Board to identify and manage the principal and emerging risks and uncertainties and to ensure that the Board can continue to meet its UK corporate governance obligations.

Annual Review of the Risk Register

The Company has a full risk register which includes less material risks which the Board reviews at least annually.

Strategic Report continued

PRINCIPAL RISKS

1. Economic, Political and Market Risks

Trend: Increased

Description and Impact

- The Company and its assets may be affected by market and economic risks. These include market downturns, interest rate movements, inflation and market events, such as the UK economic recovery. Inflation and economic instability continue to lead to a prolonged cost-of-living crisis and may potentially impact investors' risk appetite.
- The Company is exposed to several geopolitical risks. The global geopolitical landscape continues to change and is largely shaped by the ongoing effects of armed conflicts, tariff wars, deglobalisation trends and significant supply disruption. The Middle East and Russia are both significant net exporters of oil, natural gas and a variety of soft commodities and supply limitations have fuelled global inflation and economic instability, specifically within Western nations. The ongoing conflicts add to geopolitical risk and economic instability, including social unrest across Europe and the macro-economic uncertainty continues to impact Western investment appetite.
- Heightened tensions between the U.S. and global trading partners, particularly China, continue to impact markets. The US/China relationship is also impacted by the dynamic of the balance between national security and economic interests and could lead to higher volatility, sanctions for broader markets, technology and oil in particular, as well as risk of changes in foreign policies across the globe.
- China's outlook for 'controlled stabilisation' remains intact, supported by targeted policy measures. China's growth stabilisation is more credible post-deal (i.e. the government's commitment to implementing strategic economic measures to achieve steady growth and economic resilience), and the agreement with the U.S. reduces pressure on China to deliver new fiscal easing. Exports and industrial activities continue to outperform despite the slower than expected recovery in domestic demand.

Mitigation

- The Company's portfolio is made up mainly of listed securities. The Portfolio Manager's success or failure to protect and increase the Company's value against the market, economic and political background is core to the Company's continued success. His investment philosophy of stock-picking and investing in attractively valued companies should outperform the Benchmark over time.
- The risk from the likely effects of unforeseen economic and market events is somewhat mitigated by the Company's investment trust structure which means no forced sales need to take place to deal with any redemptions. Therefore, investments can be held over a longer time horizon.
- The Board reviews market, economic and political risks and legislative changes at each Board meeting. The Portfolio Manager provides an investment review at each meeting which includes a review of the economic and political environment, and any risks and challenges faced by the Company.
- The Board regularly reviews the impact of gearing and derivatives, and has comfort that the portfolio is sufficiently diversified by sector and number of holdings.
- Risks to which the Company is exposed to in the market and currency risk category are included in Note 17 to the Financial Statements on pages 72 to 78 together with summaries of the policies for managing these risks. It is the Company's policy not to hedge the underlying currencies of the holdings in the portfolio but rather to take the currency risk into consideration when making investment decisions.

2. Competition Risks and Marketplace Threats Impacting Business Growth

Trend: Increased

Description and Impact

- There is increased activity around mergers and acquisitions across the investment company marketplace and alternative investment offerings (including passive vehicles) which could influence the demand for the Company's shares. In addition, cheaper capital and the search for technology scale is also likely to mean increased consolidation.
- There is a risk of costly shareholder activism in the investment company sector, pursuing goals that may not be in the interests of most shareholders.

Mitigation

- The Board, the Company's Broker and the Manager closely monitor industry activity, the peer group and the share register.
- An annual review of strategy is undertaken by the Board to ensure that the Company continues to offer a relevant product to investors.

3. Investment Performance Risk (including the use of Derivatives and Gearing)

Trend: Stable

Description and Impact

- The achievement of the Company's investment performance objective relative to the market requires the taking of risk, such as investment strategy, asset allocation and stock selection, and may lead to NAV and share price underperformance compared to the Benchmark and/or peer group companies.
- The Board relies on the Portfolio Manager's skills and judgement to make investment decisions based on research and analysis of individual stocks and sectors and there is a risk of volatility of performance in the short-term. Continued underperformance could lead to the Company and its objective becoming unattractive to investors.
- Derivative instruments are used to enhance investment returns. The principal risk is that the Portfolio Manager fails to use gearing effectively, resulting in a failure to outperform in a rising market or to underperform in a falling market. The Company gears using derivatives including long CFDs which provide greater flexibility and are generally cheaper than bank loans.

Mitigation

- The Portfolio Manager is responsible for actively monitoring the portfolio selected in accordance with the asset allocation parameters and seeks to ensure that individual stocks meet an acceptable risk/reward profile.
- The Board reviews Fidelity's compliance with agreed investment restrictions; investment performance and risk; relative performance; the portfolio's risk profile; and whether appropriate strategies are employed to mitigate any negative impact of substantial changes in the markets. The Board also regularly canvasses major shareholders for their views with respect to company matters.
- The Board has put in place policies and limits to control the Company's use of derivatives and exposures. These are monitored daily by the Manager's Compliance team and regular reports are provided to the Board. Further detail on derivative instruments risk is included in Note 17 to the Financial Statements on pages 72 to 78.
- The Board regularly considers the level of gearing and gearing risk. The Investment Policy sets the gearing limits within which the Manager must operate.

4. Changes in Legislation, Taxation or Regulation

Trend: Stable

Description and Impact

- Changes in legislation, taxation or regulation, or other external influence that require changes to the investment trust structure of the Company are a significant risk for the Company.
- A breach of Section 1158 of the Corporation Tax Act 2010 could lead to a loss of investment trust status resulting in the Company being subject to tax on capital gains.
- There have been increased concerns about investment cost disclosures and their impact on the industry. There is a risk that the FCA's proposed Consumer Composite Investment (CCI) regime may make investment companies more complex for consumers and other investors to understand and increase the regulatory burden imposed on the sector if it proceeds with some of the proposals as drafted.

Mitigation

- The Board and Manager closely monitor regulatory, taxation and legislative changes, with developments impacting the Company summarised in the form of regular reporting to the Board.
- The Manager monitors Section 1158 status to ensure any issues are escalated to the Board and addressed promptly.
- The Manager participates in industry discussions regarding regulatory changes impacting investment companies, and regulatory developments continue to be monitored and managed by Fidelity through active lobbying and negotiations as well as a robust change management process.

Strategic Report continued

5. Cybercrime and Information Security

Trend: Stable

Description and Impact

- There is cybersecurity risk from cyberattacks or threats to the functioning of global markets and to the Manager's own business model, including its and the Company's outsourced suppliers.
- There is risk of cybercrime such as phishing, remote access threats, extortion, and denial-of-service attacks from highly organised criminal networks and sophisticated ransomware operators, including threats such as service disruption/extortion attacks (DDoS, ransomware), financial theft and data breaches, regulatory non-compliance, reputational damage/loss of customer trust. The threat environment continues to evolve rapidly, including the heightened potential threat from nation state backed threat actor due to geopolitical tensions from the current wars in Ukraine and Gaza. Ransomware continues to increase globally and is also becoming a supply chain risk.
- There are additional risks from the increased use of artificial intelligence (AI).

Mitigation

- The risk is monitored by the Board with the help of the Manager's global cybersecurity team and their extensive Strategic Cyber and Information Security programme and assurances from outsourced suppliers.
- The Manager has established a comprehensive framework of information security policies and standards which provide a structured approach to identify, prevent, and respond to information security threats. The framework ensures consistency in Fidelity's security measures, enhances its ability to adapt to evolving/emerging threats, and compliance with changing regulatory requirements. The Company's other service providers also have similar measures in place.
- Key performance indicators and metrics have been developed by the Manager to monitor the overall efficacy of cybersecurity processes and controls and to further enhance the Manager's cybersecurity strategy and operational resilience.

6. Business Continuity and Crisis Management

Trend: Stable

Description and Impact

- There is business process disruption risk from continued threats of cyberattacks, geopolitical events, outages, fire events and natural disasters, resulting in financial and/or reputational impact to the Company affecting the functioning of the business.
- The Company relies on a number of third-party service providers, principally the Registrar, Custodian and Depository who may be subject to cybercrime.

Mitigation

- Fidelity has Business Continuity and Crisis Management Frameworks in place to deal with business disruption and assure operational resilience.
- All third-party service providers are subject to a risk-based programme of risk oversight and internal audits by the Manager and their own internal controls reports are received on an annual basis and any concerns are investigated.
- The Board regularly reviews the services provided by third parties.

7. Operational Risks

Trend: Stable

Description and Impact

- There is risk of financial losses or reputational damage from inadequate or failed internal processes, people and systems or from external parties and events.

Mitigation

- Fidelity's Operational Risk Management Framework is designed to pro-actively prevent, identify and manage operational risks inherent in most activities.
- Fidelity uses robust systems and procedures dedicated to its operational processes. Its risk management structure is designed according to the FCA's three lines of defence model.

8. Key Person Risk and Operational Support Risks

Trend: Stable

Description and Impact

- The loss of the Portfolio Manager or other key individuals could lead to potential performance and/or operational issues.
- The Portfolio Manager, Alex Wright, has a differentiated style in relation to his peers. This style is intrinsically linked with the Company's investment philosophy and strategy, and therefore, the Company has a key person dependency on him.
- There is also a risk that the Manager has inadequate succession plans for other key operational individuals.

Mitigation

- The Company has a Co-Portfolio Manager, Jonathan Winton, who works alongside the Portfolio Manager, and has extensive experience in the same markets and companies and shares a common investment approach and complementary investment experience with the Portfolio Manager. The Portfolio Manager is also supported by an Investment Specialist and a team of Fidelity analysts.
- The Manager identifies key dependencies which are then addressed through succession plans, particularly for portfolio managers.

9. Discount Control Risk

Trend: Stable

Description and Impact

- The price of the Company's shares and its discount to NAV are factors which are not completely within the Company's control.
- The Board has a discount management policy and some short-term influence over the discount may be exercised by carrying out share repurchases at acceptable prices and within the parameters set by the Board.
- In considering the risk that the discount to NAV poses to shareholder value and returns, both the absolute level of the discount and the amount relative to the Company's peer group and the wider market are considered.

Mitigation

- The Board reviews the investment strategy, investment performance and the marketing approach, given the influence of all these factors on the discount.
- The Company's share price, NAV and discount volatility are monitored daily by the Manager and the Company's Broker and considered by the Board on a regular basis. The demand for shares can be influenced through good performance and an active investor relations programme.
- The Board regularly reviews the Company's share register and the Chairman meets with large shareholders.
- Discretionary repurchases of ordinary shares are made within guidelines set by the Board, and considering prevailing market conditions.

Continuation Vote

A continuation vote takes place every three years. There is a risk that shareholders do not vote in favour of continuation during periods when performance of the Company's NAV and share price is poor. The last continuation vote was at the AGM held on 14 December 2022, and 99.89% of shareholders voted in favour of the continuation of the Company. The next continuation vote will take place at this year's AGM on 11 December 2025 and the Directors expect the vote to be passed.

Viability Statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve month period required by the "Going Concern" basis. The Company is an investment trust with the objective of achieving long-term capital growth. The Board considers that five years is an appropriate investment horizon to assess the viability of the Company, although the life of the Company is not intended to be limited to this or any other period.

In making an assessment of the viability of the Company, the Board has considered the following:

- The ongoing relevance of the investment objective in prevailing market conditions;
- The Company's level of gearing;
- The Company's NAV and share price performance compared to its Benchmark;
- The principal and emerging risks and uncertainties facing the Company and their potential impact, as set out on pages 25 to 29;
- The likely future demand for the Company's shares;
- The Company's share price discount to the NAV and the Board's discount management policy;
- The liquidity of the Company's portfolio;
- The level of income generated by the Company;
- Future income and expenditure forecasts; and
- The Company's continuation vote.

Strategic Report continued

The Company's performance for the five year reporting period to 31 August 2025 was strong and well ahead of the Benchmark. The NAV total return was +124.3% and the share price total return was +140.4% compared to the Benchmark total return of +77.7%.

The Board regularly reviews the investment policy and considers whether it remains appropriate.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years based on the following considerations:

- The Investment Manager's compliance with the Company's investment objective and policy, its investment strategy and asset allocation;
- The Company's portfolio mainly comprises of readily realisable securities which can be sold to meet funding requirements if necessary;
- The Board's discount management policy; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets.

In preparing the Financial Statements, the Directors have considered the continued impact of climate change and potential emerging risks from the use of artificial intelligence as detailed on page 25. The Board has also considered the impact of regulatory changes, unforeseen market events, geopolitical issues and the ongoing global implications of the war in Ukraine and the Middle East conflict and how this may affect the Company.

In addition, the Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement which is included in the Directors' Report on page 34.

PROMOTING THE SUCCESS OF THE COMPANY

Under Section 172(1) of the Companies Act 2006, the Directors of a company must act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long-term; the need to foster relationships with the Company's suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the company.

As an externally managed investment company, the Company has no employees or physical assets, and a number of its functions are outsourced to third parties. The key outsourced function is the provision of investment management services by the Manager, but other professional service providers support the Company by providing administration, custodial, banking, accounting and audit services. The Board considers

the Company's key stakeholders to be the existing and potential shareholders, the external appointed Manager (FIL Investment Services (UK) Limited) and other third-party professional service providers. The Board considers that the interest of these stakeholders is aligned with the Company's objective of delivering long-term capital growth to investors, in line with the Company's stated objective and strategy, while providing the highest standards of legal, regulatory and commercial conduct.

The Board, with the Portfolio Manager, sets the overall investment strategy and reviews this at an annual strategy day which is separate from the regular cycle of board meetings. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, whether in the maximum size of individual holdings, the use of derivatives, the level of gearing and others. These limits and guidelines are regularly monitored and reviewed and are set out on pages 23 and 24.

The Board receives regular reports from the Company's Broker which covers market activity, how the Company compares with its peers in its sector on performance, discount and share repurchase activity, an analysis of the Company's share register and market trends.

The Board places great importance on communication with shareholders. The Annual General Meeting ("AGM") provides the key forum for the Board and the Portfolio Manager to present to the shareholders on the Company's performance and future plans and the Board encourages all shareholders to attend in person or virtually and raise any questions or concerns. The Chairman and other Board members are available to meet shareholders as appropriate. Shareholders may also communicate with Board members at any time by writing to them at the Company's registered office at FIL Investments International, Beech Gate, Millfield Lane, Tadworth, Surrey KT20 6RP or via the Company Secretary in writing at the same address or by email at investmenttrusts@fil.com.

The Portfolio Manager meets with major shareholders, potential investors, stock market analysts, journalists and other commentators throughout the year. These communication opportunities help inform the Board in considering how best to promote the success of the company over the long-term.

The Board seeks to engage with the Manager and other service providers and advisers in a constructive and collaborative way, promoting a culture of strong governance, while encouraging open and constructive debate, in order to ensure appropriate and regular challenge and evaluation. This aims to enhance service levels and strengthen relationships with service providers, with a view to ensuring shareholders' interests are best served, by maintaining the highest standards of commercial conduct while keeping cost levels competitive.

Whilst the Company's direct operations are limited, the Board recognises the importance of considering the impact of the Company's investment strategy on the wider community and environment and considers the Manager's ESG approach.

In addition to ensuring that the Company's investment objective was being pursued, key decisions and actions taken by the Directors during the reporting year, and up to the date of approval of this report, have included:

- As part of the Board's succession plan, appointing Christopher Casey as a Non-Executive Director with effect from 1 January 2025 to replace Nigel Foster who having completed nine years on the Board on 1 September 2024 stepped down at the conclusion of the AGM on 12 December 2024;
- As part of the Board's succession plan, initiating a recruitment process to replace Dean Buckley as a Non-Executive Director when he steps down from the Board as Chairman and Non-Executive Director at the conclusion of the AGM on 11 December 2025. His replacement as a Non-Executive Director will be announced in due course;
- The decision to appoint Claire Boyle as Chair of the Board to replace Dean Buckley from 11 December 2025 and for Christopher Casey to replace her as Chair of the Audit Committee on the same date. Mr Casey will also replace Mrs Boyle as Senior Independent Director;
- The decision to pay an interim dividend of 3.36 pence per share and to propose the payment of a final dividend of 6.84 pence per share (a total of 10.20 pence per share). This maintains the Company's 16 year track record of increasing dividends, while retaining funds for reinvestment, consistent with the objective of long-term capital growth;
- Authorising the repurchase of 1,050,000 ordinary shares into Treasury up to the latest practicable date of this Annual Report in line with the Board's discount management policy;
- Carrying out an audit tender as the current Auditor will have been in place for 10 years in November this year and proposing to appoint PricewaterhouseCoopers LLP as the Company's auditor from and including the financial year ending 31 August 2026;
- Meetings by the Chairman with some of the Company's key shareholders during the reporting year; and
- The decision to once again hold a hybrid AGM in 2025 so as to make it more accessible to those investors who are unable or prefer not to attend in person.

Board Diversity

The Board's overriding intention is to ensure that it is made up of the best combination of people in order to achieve long-term capital growth for the Company's shareholders from an actively managed portfolio of investments. To this effect, the Board, as part of its succession plan, will continue to appoint individuals who, together as a Board, will aim to ensure the continued optimal promotion of the Company in the marketplace. Due regard will be given to the benefit of diversity on the Board, including gender and ethnicity.

The Board has taken into consideration the FCA's UK Listing Rules requirements (UKLR 6.6.6(9), (10) and (11)) regarding the targets on board diversity that:

- at least 40% of individuals on the Board are women;
- at least one senior Board position (chairman, chief executive officer ("CEO"), senior independent director or chief financial officer ("CFO")) is held by a woman; and
- at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics criteria.

The Board considers that as an externally managed investment trust, with no CEO or CFO, the Chairman of the Company, the Senior Independent Director and the Chair of the Audit Committee to be senior positions.

As required by the FCA's UK Listing Rules, the Company's reporting against these targets is set out in the tables below. The data was collected on a self-identifying basis. As at 31 August 2025 and up to the date of this report, the target of 40% of women on the Board, the target of at least one senior Board position held by a woman and for at least one individual to be from a minority ethnic background have been met.

Gender Reporting as at 31 August 2025

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Chair, Senior Independent Director and Chair of Audit Committee)
Men	3	60%	1
Women	2	40%	2

The Company is a FTSE 250 company and meets the recommendations of the Parker Review Committee that each FTSE 250 company should have at least one director from an ethnic minority background by 2024 so as to improve the ethnic and cultural diversity of UK company boards as can be seen from the table below. The Board also meets the UK Listing Rule and the FCA's targets that at least one Director is from an ethnic minority background.

Strategic Report continued

Ethnic Background Reporting as at 31 August 2025

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Chair, Senior Independent Director and Chair of Audit Committee)
White British or other White (including minority white groups)	4	80%	3
Asian/Asian British	1	20%	0

CORPORATE AND SOCIAL RESPONSIBILITY

Environmental, Social and Governance ("ESG") in the Investment Process

The Board has contracted with Fidelity to provide the Company with investment management and administrative services. The Board believes that ESG considerations are an important input into the assessment of the value of the Company's investments. The investment universe is undergoing significant structural change and is likely to be impacted by increasing regulation as a result of climate change and other social and governance factors. The Board is committed to reviewing how the Manager applies ESG factors in its investment process. The Fidelity group of companies (including the Manager and Investment Manager) sets out its commitment to responsible investing, and provides a copy of its detailed Responsible Investing at www.fidelity.co.uk/sustainable/sustainability-at-fidelity.

Socially Responsible Investment

The Manager's primary objective is to produce superior financial returns for the Company's shareholders. It believes that high standards of corporate social responsibility (CSR) make good business sense and have the potential to protect and enhance investment returns.

Corporate Engagement

The Board believes that the Company should, where appropriate, take an active interest in the affairs of the companies in which it invests and that it should exercise its voting rights at their general meetings. It delegates the responsibility for corporate engagement and shareholder voting to the Manager who updates the Board on issues and activities. These activities are reviewed regularly by the Manager's corporate governance team.

Streamlined Energy and Carbon Reporting (SECR)

As an investment company with all its activities outsourced to third parties, the Company's own direct environmental impact is minimal. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. The Company is categorised as a low energy user (less than 40MWH) under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose any energy and carbon information in this Annual Report.

Task Force on Climate-Related Financial Disclosures (TCFD)

Product reports of Task Force on Climate-related Financial Disclosures (TCFD) issued by the Manager can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues.

FUTURE DEVELOPMENTS

Some trends likely to affect the Company in the future are also common to many investment companies together with the impact of regulatory change and emerging risks. The factors likely to affect the Company's future development, performance and positions are set out in the Chairman's Statement and the Portfolio Manager's Review on pages 2 to 10.

By Order of the Board

FIL Investments International

Secretary

5 November 2025

Board of Directors



Dean Buckley

Chairman

(since 14 December 2022)

Appointed 3 November 2015



Dean Buckley is Chairman of Alliance Witon PLC, a Non-Executive Director of Baillie Gifford & Co Limited, and a Non-Executive Director of JPMorgan Emerging Markets Investment Trust Limited. Until recently, he was also Chairman of Evelyn Partners Fund Solutions Limited. He was previously Senior Independent Director and Chairman of the Audit Committee and the Remuneration Committee of JPMorgan Asia Growth & Income plc, a Non-Executive Director of Saunderson House Ltd and Chief Executive Officer at Scottish Widows Investment Partnership. Prior to this, he held several positions at HSBC Bank plc, including Chief Executive Officer for HSBC Asset Management UK and Middle East and Chief Investment Officer for HSBC Asset Management, European equities, and held a number of senior Fund Manager positions at Prudential Portfolio Managers. He is a Fellow of the Institute of Actuaries.



Claire Boyle

Chair of the Audit Committee

(since 12 December 2019)

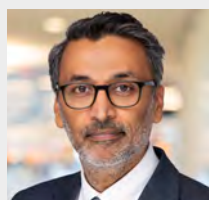
Senior Independent Director

(since 12 December 2024)

Appointed 24 June 2019



Claire Boyle is Chair of Life Science REIT plc, Audit Chair of The Monks Investment Trust PLC and a Non-Executive Director of Nippon Active Value Fund plc. She was previously a Non-Executive Director and Chair of the Audit Committee of abrdn Japan Investment Trust plc. She was a Partner at Oxburgh Partners LLP with responsibility for the European Equity Hedge Fund and, prior to that, a European Equity Fund Manager at American Express Asset Management. She started her investment career with Robert Fleming Investment Management. She is a Fellow of the Institute of Chartered Accountants, having worked in fraud investigations at Coopers & Lybrand.

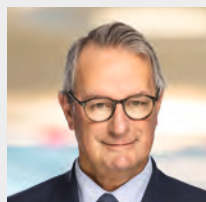


Ominder Dhillon

Appointed 23 June 2022



Ominder Dhillon is a Non-Executive Director of The City of London Investment Trust plc. He was previously a Senior Advisor to IC Research and a Trustee to a UK charity, Facing History & Ourselves. He has over 30 years' experience of asset management covering institutional, wholesale and retail channels. Until January 2020, he was Global Head of Institutional Distribution at M&G Investments and prior to that, Managing Director of Global Business Development at sustainable and impact investment specialist Impax Asset Management. Prior to Impax, he was Head of UK & Ireland Institutional Distribution at Fidelity International, Director Institutional Business Development at Scottish Widows Investment Partnership and a Director and Portfolio Manager at John Morrell & Associates Limited.



Christopher Casey

Appointed 1 January 2025



Christopher Casey is Chairman of CQS Natural Resources Growth and Income plc, a non-executive Director and Chairman of the Audit Committee of Life Settlement PLC and a Non-Executive Director of BlackRock Frontiers Investment Trust plc. Until recently he was Chairman and Non-Executive Director of European Smaller Companies Trust plc and a Non-Executive Director and Chairman of the Audit Committee of Mobius Investment Trust plc. He also served as Audit Committee Chairman and then Chairman of China Polymetallic Mining Ltd, Audit Committee Chairman at Latchways plc, and Audit committee Chairman and then Interim Chairman at Eddie Stobart Logistics plc, and Audit Committee Chairman at BlackRock American Income Trust plc. He is a Chartered Accountant and was previously a Partner at KPMG LLP.



Alison McGregor

Appointed 1 January 2020



Alison McGregor is Chair of The Malcolm Group, a Non-Executive Director of the Scottish Football Association and a Non-Executive Director of Bell Global Property Services (UK) Limited. She was previously the Chair and a Non-Executive Director of Scottish Power Energy Networks. Until December 2019, she was CEO of HSBC Scotland. Prior roles include Managing Director at Corporate Banking North HSBC, Head of Corporate Banking Clydesdale and Yorkshire Bank and 24 years' experience in various banking roles at Barclays Bank PLC. Prior board roles include Non-Executive Director of Beatson Cancer Charity, Chair of the Scottish Apprenticeship Advisory Board, Non-Executive Director of CBI and Non-Executive Director of Scottish Enterprise. In 2018, she received the Women in Banking and Finance UK award for Achievement and was recognised by Action for Children as Woman of Influence in Business. In 2017, she was awarded the Scotland Corporate Leader of the Year Award at The Scottish Women's Awards.

All Directors are Non-Executive Directors and all are independent.

Committee membership key



Audit



Management Engagement



Nomination



Committee Chair

Directors' Report

The Directors have pleasure in presenting their report together with the audited Financial Statements of the Company for the year ended 31 August 2025.

The Company was incorporated in England and Wales as a public limited company on 27 September 1994 under the name of Fidelity Special Values PLC with the registered number 2972628 and commenced business as an investment trust on 17 November 1994.

Management Company

FIL Investment Services (UK) Limited ("FIL") is the Company's appointed Alternative Investment Fund Manager (the "AIFM"/"Manager"). FIL, as the Manager, has delegated the portfolio management of assets and the role of company secretary to FIL Investments International.

The Alternative Investment Fund Management and Secretarial Services Agreement (the "Management Agreement") will continue unless and until terminated by either party giving to the other not less than six months' notice in writing. However, it may be terminated without compensation if the Company is liquidated pursuant to the procedures laid down in the Articles of Association of the Company. The Management Agreement may also be terminated forthwith as a result of a material breach of the Agreement or on the insolvency of the Manager or the Company. In addition, the Company may terminate the Agreement by sixty days' notice if the Manager ceases to be a subsidiary of FIL Limited. FIL Limited has no beneficial interest in the shares of the Company (2024: nil).

The Board reviews the Management Agreement at least annually and details are included in the Corporate Governance Statement on pages 40 and 41.

Management Fee

Since 1 January 2021, the management fee is a single fee of 0.60% of net assets.

Fees for the reporting year were £6,857,000 (2024: £6,095,000) and are disclosed in Note 4 on page 64.

The Board

Dean Buckley, Claire Boyle, Ominder Dhillon and Alison McGregor served on the Board throughout the year ended 31 August 2025. Christopher Casey has served on the Board since his appointment on 1 January 2025. Nigel Foster served on the Board until he stepped down after the AGM on 12 December 2024. A brief description of all serving Directors as at the date of this Annual Report is shown on page 33 and indicates their qualifications for Board membership.

In line with the Board's succession plan, Dean Buckley will not be seeking re-election at the AGM on 11 December 2025.

Directors' and Officers' Liability Insurance

In addition to benefits under the Manager's global Directors' and Officers' liability insurance arrangements, the Company maintains additional insurance cover for its Directors under its own policy as permitted by the Companies Act 2006.

Professional Negligence Liability Risks

The requirement to cover potential liability risks arising from professional negligence is covered by the Manager's own funds. Sufficient capital above the regulatory limit is held which is monitored by the board of the Manager.

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 and 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 continue in operational existence for the foreseeable future. The Board has, therefore, concluded that the Company has adequate resources to continue to adopt the going concern basis for the period to 30 November 2026 which is at least twelve months from the date of approval of the Financial Statements. This conclusion also takes into account the Board's assessment of the ongoing risks from significant global geopolitical and market events and regulatory changes that could impact the Company's performance, prospects and operations.

Accordingly, the Financial Statements of the Company have been prepared on a going concern basis.

The prospects of the Company over a period longer than twelve months can be found in the Viability Statement on pages 29 and 30.

Disclosure of Information to the Company's Auditor

As required by Section 418 of the Companies Act 2006, each Director in office as at the date of this Annual Report confirms that:

- a) so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- b) each Director has taken all the steps that ought to have been taken as a Director to make himself/herself aware of any audit information, and to establish that the Company's Auditor is aware of that information.

Auditor's Appointment

As the current Auditor, Ernst & Young LLP, will have been in place for 10 years in November 2025. An audit tender process was carried out during the year following which the Board proposes that PricewaterhouseCoopers LLP ("PwC") should be selected to act as the Company's auditor from and including the financial year ending 31 August 2026. A resolution will be proposed to appoint PwC as the Company's auditor at the AGM on 11 December 2025.

Articles of Association

Any changes to the Company's Articles of Association must be made by a special resolution. A special resolution to amend the Company's Articles of Association is being proposed at this year's AGM on 11 December 2025. Further details of the proposed changes are on pages 37 and 38.

Corporate Governance

The Corporate Governance Statement on pages 39 to 42 forms part of this report.

Registrar, Custodian and Depositary Arrangements

The Company has appointed MUFG Corporate Markets (name change from Link Group on 20 January 2025) as its Registrar to manage the Company's share register, JPMorgan Chase Bank as its Custodian, which is primarily responsible for safeguarding the Company's assets, and J.P. Morgan Europe Limited as its Depositary, which is primarily responsible for oversight of the custody of investment funds and the protection of investors' interests. Fees paid to these service providers are disclosed in Note 5 on page 65.

Share Capital

The Company's issued share capital comprises ordinary shares of 5 pence each which are fully listed on the London Stock Exchange. As at 31 August 2025, the issued share capital of the Company was 324,098,920 ordinary shares (2024: 324,098,920) of which 1,050,000 shares (2024: nil) are held in Treasury. Therefore, the number of ordinary shares with voting rights was 323,048,920 (2024: 324,098,920).

Premium/Discount Management: Enhancing Shareholder Value

The Board actively manages the Company's level of premium/discount. If the Company is trading at a discount, it seeks to maintain the discount in single digits in normal market conditions. The Board seeks authority from shareholders each year to issue shares at a premium or to repurchase shares at a discount to the NAV either for cancellation or for holding in Treasury. The Board will exercise these authorities if deemed to be in the best interests of shareholders at the time.

Share Issues

The Company did not issue any ordinary shares in the year to 31 August 2025 (2024: nil). Since the year end and as at the date of this Annual Report, no ordinary shares have been issued.

The authorities to issue shares and to disapply pre-emption rights expire at the AGM on 11 December 2025 and resolutions to renew these authorities will be put to shareholders at this AGM.

Share Repurchases

During the year ended 31 August 2025, the Company repurchased 1,050,000 ordinary shares (2024: nil) into Treasury. Since the year end and as at the latest practicable date of this Annual Report, no shares have been repurchased into Treasury or for cancellation.

The authority to repurchase shares expires at the AGM on 11 December 2025 and a resolution to renew the authority to purchase shares, either for cancellation or to buy into Treasury,

will be put to shareholders at this AGM.

Substantial Share Interests

As at 31 August 2025 and 30 September 2025, notification had been received that the shareholders listed in the table below held more than 3% of the voting share capital of the Company.

Shareholders	31 August 2025	30 September 2025
Fidelity Platform Investors	17.88	17.84
Interactive Investor	9.89	10.03
Evelyn Partners	9.29	9.24
Rathbones	9.10	9.11
Hargreaves Lansdown	8.63	8.77
AJ Bell	4.50	4.55
RBC Brewin Dolphin	4.28	4.14
Charles Stanley	3.26	3.29

An analysis of shareholders as at 31 August 2025 is detailed in the table below.

Shareholders as at 31 August 2025	% of voting share capital
Private Shareholders ¹	88.75
Institutions	9.27
Insurance	0.93
Pension	0.88
Other	0.17

¹ Includes Fidelity Platform Investors (17.88%).

Additional Information Required in the Directors' Report

Information on proposed dividends, financial instruments, disclosure on Streamlined Energy and Carbon Reporting (SECR) and Task Force on Climate-Related Financial Disclosures (TCFD) is set out in the Strategic Report on pages 23 to 32.

Responsibility as an Institutional Shareholder

The Board has adopted the Manager's Principles of Ownership in relation to investments. These Principles include the pursuit of an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining a continuing dialogue with the management of investee companies. Fidelity International is a signatory to the UK Stewardship Code which sets out the responsibilities of institutional shareholders and agents. Further details of the Manager's Principles of Ownership and voting may be found at www.fidelity.co.uk.

Directors' Report continued

Relations with Shareholders

Communication with shareholders is given a high priority by the Board and it liaises with the Manager and the Company's Broker who are in regular contact with the Company's major institutional investors to canvass shareholder opinion and to communicate its views to shareholders. All Directors are made aware of shareholders' concerns and the Chairman, the Senior Independent Director and, where appropriate, other Directors, are available to meet with shareholders to discuss strategy and governance. The Board regularly monitors the shareholder profile of the Company and receives regular reports from the Manager on meetings attended with shareholders and any concerns raised in such meetings. The Board aims to provide the maximum opportunity for dialogue between the Company and shareholders. If any shareholder wishes to contact a member of the Board directly, they should either email the Company Secretary at investmenttrusts@fil.com or in writing at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP. The Company Secretary will attend to any enquiries promptly and ensure that they are directed to the Chairman, Senior Independent Director or the Board as a whole, as appropriate.

The Board encourages all shareholders to attend the Company's AGM on 11 December 2025, details of which can be found on page 6.

Alex Wright, the Portfolio Manager, will be making a presentation to shareholders highlighting the achievements and challenges of the year past and the prospects for the year to come. He and the Board will be very happy to answer any questions that shareholders may have. Copies of his presentation can be requested by email at investmenttrusts@fil.com or in writing to the Secretary at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

The Notice of Meeting on pages 84 to 87 sets out the business of the AGM and the special business resolutions are explained more fully on pages 37 and 38. A separate resolution is proposed on each substantially separate issue including the Annual Report and Financial Statements. The Notice of Meeting and related papers are sent to shareholders at least 20 working days before the AGM.

Voting Rights in the Company's Shares

Every person entitled to vote on a show of hands has one vote. On a poll every shareholder who is present in person or by proxy or representative has one vote for every ordinary share held. At general meetings, all proxy votes are counted and, except where a poll is called, proxy voting is reported for each resolution after it has been dealt with on a show of hands. The proxy voting results are disclosed on the Company's page of the Manager's website at www.fidelity.co.uk/specialvalues after the AGM.

ANNUAL GENERAL MEETING – THURSDAY, 11 DECEMBER 2025 AT 11.00 AM

THIS SECTION 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 financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

The AGM of the Company will be held at **11.00 am on Thursday, 11 December 2025** at 4 Cannon Street, London EC4M 5AB and virtually via the online Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting on pages 84 to 87.

For those shareholders who are unable to attend in person, we will live-stream the formal business and presentations of the meeting online.

Properly registered shareholders joining the AGM virtually will be able to vote on the proposed resolutions. Please see Note 9 to the Notes to the Notice of Meeting on pages 86 and 87 for details on how to vote virtually. Investors viewing the AGM online will be able to submit live written questions to the Board and the Portfolio Manager and we will answer as many as possible at an appropriate juncture during the meeting.

Further information and links to the Lumi platform may be found on the Company's website www.fidelity.co.uk/specialvalues. On the day of the AGM, in order to join electronically and ask questions via the Lumi platform, shareholders will need to connect to the website at <https://meetings.lumiconnect.com/100-720-059-199>.

We urge shareholders to vote and make use of the proxy form provided. Please note that investors on platforms, such as Fidelity Personal Investing, Hargreaves Lansdown, Interactive Investor or AJ Bell Youinvest, will need to request attendance at the AGM in accordance with the policies of your chosen platform. They may request that you submit electronic votes in advance of the meeting. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed <https://meetings.lumiconnect.com/100-720-059-199> from your web browser on a tablet or computer, you should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

Fidelity Platform Investors - Voting at AGMs

If you hold your shares in the Company through the Fidelity Platform, then Fidelity passes on to you the right to vote on the proposed resolutions at the Company's AGM. Fidelity Platform Investors are advised to vote online via the Broadridge Service (a company that specialises in investor voting facilities). Investors can sign up to this facility via their Fidelity Investor Account.

Proxy Voting

A paper Proxy Form will be sent to all shareholders who hold shares on the main share register. This will assist shareholders to vote in advance of the meeting should they decide not to attend in person.

If you have sold, transferred or otherwise disposed of all your shares in the Company, you should pass this document, together with any accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

At the AGM on 11 December 2025, resolutions will be proposed relating to the items of business set out in the Notice of Meeting on pages 84 and 85, including the items of special business summarised below and on the next page.

Authority to Allot Shares

Resolution 11 is an ordinary resolution and provides the Directors with a general authority to allot securities in the Company up to an aggregate nominal value of £1,620,494. If passed, this resolution will enable the Directors to allot a maximum of 32,409,880 ordinary shares which represents approximately 10% of the issued ordinary share capital of the Company (including Treasury shares) as at 5 November 2025 and to impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. The Directors would not intend to use this power unless they considered that it was in the interests of shareholders to do so. Any shares issued would be at NAV per share or at a premium to NAV per ordinary share.

Authority to Disapply Pre-Emption Rights

Resolution 12 is a special resolution disapplying pre-emption rights and granting authority to the Directors, without the need for further specific shareholder approval, to make allotments of equity securities or sale of Treasury shares for cash up to an aggregate nominal value of £1,620,494 (including Treasury shares) (approximately 10% of the issued ordinary share capital of the Company as at 5 November 2025 and equivalent to 32,409,880 ordinary shares).

Authority to Repurchase Shares

Resolution 13 is a special resolution which renews the Company's authority to purchase up to 14.99% (48,425,020) of ordinary shares in issue (excluding Treasury shares) on 5 November 2025 either for immediate cancellation or for retention as Treasury

shares at the determination of the Directors. Once shares are held in Treasury, the Directors may only dispose of them in accordance with the relevant legislation by subsequently selling the shares for cash or by cancelling the shares. Purchases of ordinary shares will be at the discretion of the Directors and within guidelines set from time to time by them in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing NAV per ordinary share.

Continuation Vote

Resolution 14 is an ordinary resolution regarding the continuation of the Company as an investment trust for a further three years. The Directors expect this continuation vote to pass.

Proposed Changes to the Company's Articles of Association

Resolution 15 is a special resolution regarding the adoption of the New Articles of Association ("**New Articles**") by the Company.

Summarised below are the principal changes proposed to be introduced through the adoption of the New Articles by the Company. A copy of the proposed New Articles showing all the changes as against the current Articles of Association is available for inspection at www.fidelity.co.uk/specialvalues, together with a copy of the current Articles of Association and a 'clean' copy of the New Articles (which do not highlight the amendments), from the date of this report until the end of the AGM (and at the AGM itself for the duration of the meeting and for at least 15 minutes prior to the meeting). The documents are also available for inspection at Simmons & Simmons LLP, Citypoint, 1 Ropemaker Street, London, EC2Y 9SS until the close of the AGM.

Directors' fees

The Board considers it is appropriate to increase the limit on Directors' fees ("**Fee Cap**"), which was set at the Company's Annual General Meeting in 2021 at £250,000 in aggregate per annum. The proposed new Fee Cap is £350,000 in aggregate per annum. The Board considers that the increase will provide sufficient head-room to enable the Board to execute any succession plans for the future. The Board is satisfied that this new Fee Cap is in keeping with current market practice.

Period to draw up and submit proposals following a continuation vote

The Board also considers it appropriate to extend the time period within which proposals for the Company's voluntary liquidation, unitisation or other reorganisation must be drawn up and a general meeting held at which they are submitted to members following an unsuccessful continuation vote ("**Shareholder Deadline**"). The Shareholder Deadline is currently set at three months after the date of the general meeting at which the continuation vote was unsuccessful. The Board proposes that the Shareholder Deadline be extended to six months from this date. The Board considers that this extension is in line with market practice and will allow the Board a more appropriate period of time to consider, prepare and submit its proposals to shareholders following the continuation vote.

Directors' Report continued

Clarificatory, administrative and technical changes

Various changes of a minor, clarificatory or technical nature are not commented on separately. This includes in relation to arrangements for validity of proxies, to provide for if there are too few Directors following retirements at annual general meetings and clarifications in relation to hybrid general meetings to follow how practice has developed. The Board does not however have any plans at this stage to allow general meetings to be held purely by electronic means, and so no provision has been included in the New Articles to provide for fully virtual meetings.

Recommendation: The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

By Order of the Board

FIL Investments International

Secretary

5 November 2025

Corporate Governance Statement

"Corporate governance" is the process by which the Board of Directors of a company look after shareholders' interests and by which it endeavours to enhance those interests (often referred to as "shareholder value"). Shareholders hold the Directors responsible for the stewardship of a company's affairs, delegating authority to the Directors to manage the Company on their behalf and holding them accountable for its performance.

This report, which forms part of the Directors' Report, explains how the Directors of Fidelity Special Values PLC (the "Company") deal with that responsibility, authority and accountability.

Corporate Governance Codes

The Board follows the principles and provisions of the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council (the "FRC") in July 2018 and the AIC's Code of Corporate Governance (the "AIC Code") issued by the Association of Investment Companies (the "AIC") in February 2019. The AIC Code addresses the principles and provisions of the UK Code. The FRC has confirmed that investment companies which report against the AIC Code will meet their obligations under the UK Code and paragraph 6.6.6(6) of the UK Listing Rules. This statement, together with the Statement of Directors' Responsibilities on page 46, set out how the principles have been applied.

The AIC Code can be found on the AIC's website at www.theaic.co.uk and the UK Code on the FRC's website at www.frc.org.uk.

Statement of Compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code for the year under review and up to the date of this report, except in relation to the UK Code provisions relating to the role of the chief executive, executive directors' remuneration, and the need for an internal audit function. The Board considers that these provisions are not relevant to the position of the Company, as it is an externally managed investment company and has no executive directors, employees or internal operations. All of its day to day management and administrative functions are delegated to the Manager.

The Corporate Governance of an Investment Trust Company

The corporate governance of most investment companies is different from most other commercial companies in one important respect: they do not employ their own people as management but instead the services of a fund management company. This affects the way investment companies are governed but not the purpose of their governance. Given that the Manager's business is not dedicated solely to the interests of investment companies and their shareholders, investment company boards must be largely independent of management. However, the Board must have knowledge and experience of both fund management and investment company management. The Company was established and is managed and promoted by its Manager, which is, therefore, one of the main reasons some shareholders choose to invest in the Company's shares. It follows that it is an important aspect of the corporate governance of the Company that its Manager should be party to the responsibility, authority and accountability to those investing in their management.

The Corporate Governance Policies and Modus Operandi of Fidelity Special Values PLC

The corporate governance of any investment company, while following the guidelines of the UK Code and AIC Code, will vary in certain respects depending on its own circumstances. The Board of the Company has considered its own circumstances and determined its own corporate governance policies and modus operandi.

In this section we have outlined the corporate governance policies and modus operandi through the following three aspects of corporate governance: Responsibility, Authority and Accountability. It is, first of all, important that shareholders have confidence in the Board of Directors, whom they hold responsible and accountable for the Company's affairs.

In determining the guidelines for the composition of the Board, the Directors believe that Board members, including the Chairman, are independent of management, and that within the Board there is understanding and experience of investment management, investment company management, the investment objective of the Company, marketing, general business experience and finally of Fidelity's investment philosophy and its operations.

All Directors are independent and considered to be free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Details of the Directors' current business associations are set out on page 33. In addition, all Directors are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively. The Board follows a procedure of notification of any interests that may arise as part of considering any potential conflicts.

All of the Directors are Non-Executive. Each Director's individual independence, including that of the Chairman, has been assessed and confirmed, taking into consideration:

- Integrity, commitment, intelligent challenge;
- Independence of mind and character;
- Experience and knowledge of investment trusts, of the investment business generally and of Fidelity;
- Financial literacy;
- Conflicts of interest; and
- Performance as a Director.

Corporate Governance Statement continued

	Regular Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings
Claire Boyle	5/5	3/3	1/1	1/1
Dean Buckley ¹	5/5	n/a	1/1	1/1
Christopher Casey ²	3/3	2/2	n/a	1/1
Ominder Dhillon	5/5	3/3	1/1	1/1
Nigel Foster ³	2/2	1/1	1/1	n/a
Alison McGregor	5/5	3/3	1/1	1/1

¹ As Chairman of the Board, Mr Buckley is not a member of the Audit Committee but is invited to attend the meetings.

² Appointed on 1 January 2025.

³ Resigned on 12 December 2024.

Figures in the table above indicate those meetings for which each Director was eligible to attend and attended in the year. Regular Board meetings exclude ad hoc meetings for other Board business.

The Board considers the tenure of each Director annually as well as each Director's time commitment to ensure they have the capacity required to fulfill their role as a Director. A Director may serve for more than nine years, provided that such Director is considered by the Board to continue to be independent and provides experience that remains relevant. In addition, each Director is subject to annual re-election, or election if newly appointed, by shareholders.

The Board meets regularly to discharge its duties effectively and the table above gives the attendance record for the meetings held during the reporting year.

Responsibility

Under Section 172(1) of the Companies Act, the Directors have a duty to promote the success of the Company for the benefit of our shareholders. This includes having regard (amongst other matters) to the likely consequences of any decision in the long-term, fostering relationships with the Company's stakeholders and the desirability of the Company in maintaining a reputation for high standards of business conduct. Further detail on promoting the success of the Company is in the Strategic Report on pages 30 and 31.

Authority

The Board is furnished by shareholders with the authority to manage the Company on their behalf, in order to discharge the responsibilities outlined above. The Board, being independent of the Manager, carries out its duties through Board meetings and Board appointed Committee meetings. The most important aspect of Directors' duties concerns the management of the Company's portfolio of assets and of the risk profile of its balance sheet. While the day-to-day investment management is delegated to the Manager, there are certain decisions retained and made by the Directors, including the payment of dividends, the share issue and share repurchase guidelines and the derivatives and gearing policies.

In structuring Board meetings, the Directors try to concentrate

as much as possible of their regular Board meetings on (i) investment matters (including strategy, investment policy, gearing and derivatives policies, portfolio and stock reviews, portfolio turnover, monitoring performance etc.); and (ii) shareholder value matters (including monitoring the premium or discount, share issues and share repurchases and the marketing of the Company). The Chairman is responsible for the promotion of a culture of openness and debate, for ensuring that the Directors receive accurate, timely and clear information and for ensuring that there is adequate time available for the discussion of agenda items, particularly strategic issues.

The Board meets regularly with the Company's Broker to discuss shareholder value and investor relation matters. The Portfolio Manager and Manager meet with the larger shareholders on a regular basis and report back to the Board on those meetings. The Chairman, when required, also attends some of these meetings. Key representatives of the Manager attend each Board meeting, enabling the Board to discuss business matters further.

BOARD COMMITTEES

The Board has three Committees, as set out below and on the next page, through which it discharges certain of its corporate governance responsibilities. These are the Audit Committee, the Management Engagement Committee and the Nomination Committee. Terms of reference of each Committee are available on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues.

Audit Committee

The Audit Committee consists of Claire Boyle as Chair, Christopher Casey, Ominder Dhillon and Alison McGregor. Full details of the Audit Committee are disclosed in the Report of the Audit Committee on pages 47 to 49.

Management Engagement Committee

Composition

The Management Engagement Committee is chaired by Dean Buckley and consists of all the Directors.

Role and Responsibilities

It is charged with reviewing and monitoring the performance of the Manager and for ensuring that the terms of the Company's Management Agreement remains competitive and reasonable for shareholders. It meets at least once a year and reports to the Board, making recommendations where appropriate.

Manager's Reappointment

Ahead of the AGM on 11 December 2025, the Committee has reviewed the performance of the Manager and the current fee basis and also that of its peers. The Committee noted the Company's NAV and share price performance over the reporting year and also over five years and over the Portfolio Manager's tenure compared to the returns of the Benchmark. The Committee also noted the commitment, quality and continuity of the team responsible for the Company and concluded that it was in the interests of shareholders that the appointment of the Manager should continue. Details of the fee structure for the reporting year ended 31 August 2025 can be found in the Directors' Report on page 34.

Nomination Committee

Composition

The Nomination Committee is chaired by Dean Buckley and consists of all the Directors.

Role and Responsibilities

The Committee meets at least once a year and reviews the composition, size and structure of the Board. The Committee is responsible for succession planning and it is charged with nominating new Directors for consideration by the Board, and in turn for approval by shareholders.

In respect of new Directors, the Board believes that it is important in the search for and recommendation of a candidate to the Board that it is carried out by all of the Committee members who are all independent Directors. The Committee carries out its candidate search from the widest possible pool of talent based on the benefits of having a diverse range of skills, knowledge, experience, perspectives and background, including gender and diversity. External consultants are used to identify potential candidates and to assist the Board in recruiting new independent Non-Executive Directors. Potential candidates are also vetted to ensure that they have the required time commitment to fulfill their role as a Director. In the reporting year, the services of Longwater Partners, which has no connection with the Company or the Manager, was used to recruit Christopher Casey as a Board member.

Upon appointment, each Director is provided with all relevant information regarding the Company and receives an induction on the investment operation and administration functions of the Company, together with a summary of their duties and responsibilities. Directors are encouraged to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. They also receive regular briefings from, amongst others, the AIC, the Company's Auditor and the Company Secretary, regarding any proposed developments or changes in law or regulations that could affect the Company and/or the Directors.

The Committee also considers the election and re-election

of Directors ahead of each AGM. For the forthcoming AGM, it has considered the performance and contribution of each Director and concluded that each Director seeking election and re-election has been effective and continues to demonstrate commitment to their role. This has been endorsed by the Board which recommends their appointment reappointment by shareholders at the forthcoming AGM. The terms and conditions of appointment of Directors are available for inspection at the registered office of the Company.

As part of the election and re-election process, and other than every third year when an external evaluation is undertaken, a Board evaluation process is undertaken ahead of the AGM which takes the form of written questionnaires and one to one discussions. The Chairman leads the assessment of the individual Directors' contributions to the Board and the Senior Independent Director leads the assessment for the evaluation and performance of the Chairman. Directors' time commitment and capacity to perform their role is taken into account as part of the evaluation. The process is considered to be constructive in terms of identifying areas for improving the functioning and performance of the Board and its Committees and action is taken on the basis of the results.

As a FTSE 350 Company and in accordance with provision 21 of the 2018 UK Corporate Governance Code, the Board carried out an externally facilitated evaluation in 2023. The next external evaluation will take place in 2026.

Accountability

Given that the shareholders entrust the Board of Directors with the management of the Company's affairs, it is necessary that the Board accounts for itself to shareholders. The process of accountability involves providing all the necessary information for shareholders to make judgements about the Board's stewardship and performance through a full and informative annual financial report, a half-yearly financial report, the presentation of the Company's results and future prospects at the AGM and accessibility to the Board at any time via the Company Secretary.

The AGM is the occasion when the Board accounts for itself in a public meeting. It regards any bona fide issue that any shareholder raises as one that should be put to all shareholders at the AGM so that all those attending can hear any concerns expressed in an open forum and make their own judgement. The AGM provides shareholders with an opportunity to vote on certain issues that are not ultimately delegated to the Board. This includes the election and re-election of Directors every year in addition to the normal matters of approving the financial statements, the appointment of the Company's Auditor, the issue of new shares and the repurchase of shares. Your Board has an established policy that enables shareholders to decide whether they wish to continue the Company's existence by putting a "continuation vote" before shareholders at every third AGM. The next continuation vote will take place at this year's AGM on 11 December 2025.

Directors' Remuneration

The Board determines the level of Directors' fees and full details are disclosed in the Directors' Remuneration report on pages 43 and 44.

Corporate Governance Statement continued

Senior Independent Director

Claire Boyle is the Senior Independent Director and fulfils the role as a sounding board for the Chairman, intermediary for the other Directors as necessary and acts as a channel of communication for shareholders in the event that contact through the Chairman is inappropriate. Christopher Casey will succeed Mrs Boyle when she takes over as Chair of the Board from Dean Buckley on 11 December 2025.

Company Secretary

The Board has access to the advice and services of the Company Secretary. The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Directors also have the ability to take independent professional advice, if necessary, at the Company's expense.

Supply of Information

The Board meeting papers are the key source of regular information for the Board, the contents of which are determined by the Board and contain sufficient information on the financial condition of the Company. The Board receives this information in a timely manner and of a quality appropriate to enable it to discharge its duties.

Risk Management and Internal Controls

The Board is responsible for the Company's systems of risk management and internal controls and for reviewing their effectiveness. The review takes place at least once a year. Such systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives. It is responsible for the design, implementation and maintenance of controls and procedures to safeguard the assets of the Company although these tasks have been delegated on a day-to-day basis to the Manager. The system extends to financial, operational and compliance controls and risk management. Clear lines of accountability have been established between the Board and the Manager. The Manager provides regular reports on controls and compliance issues to the Audit Committee and the Board.

In carrying out its review, the Audit Committee has regard to the activities of the Manager, the Manager's compliance and risk functions and the work carried out by the Company's Auditor relevant to the Company's audit. It also includes consideration of internal controls covered in similar reports issued by the other service providers.

The Board, assisted by the Manager, has undertaken a rigorous risk and controls assessment. The process also assists in identifying any new emerging risks and the action necessary to mitigate their potential impact. The Board confirms that there is an effective ongoing process in place to identify, evaluate and manage the Company's principal business and operational risks, and that it has been in place throughout the year ended 31 August 2025 and up to the date of this report. This process is in accordance with the FRC's "Risk Management, Internal Control and Related Financial Business Reporting" guidance.

The Board has reviewed the need for an internal audit function and has determined that the systems and procedures employed by the Manager, which are subject to inspection by the Manager's internal and external audit processes, provide sufficient assurance that a sound system of internal controls is maintained to safeguard shareholders' investments and the Company's assets. An internal audit function, specific to the Company, is therefore considered unnecessary. The Audit Committee meets the Manager's internal audit representative at least once a year. It receives a summary of the Manager's externally audited internal controls report on an annual basis.

Whistle-Blowing Procedure

Part of the Managers' role in ensuring the provision of a good service pursuant to the Management Agreement, includes the ability for employees of Fidelity to raise concerns through a workplace concerns escalation policy (or "whistle-blowing procedure"). Fidelity has advised the Board that it is committed to providing the highest level of service to its customers and to applying the highest standards of quality, honesty, integrity and probity. The aim of the policy is to encourage employees and others working for Fidelity to assist the Company in tackling fraud, corruption and other malpractice within the organisation and in setting standards of ethical conduct. This policy has been endorsed accordingly by the Board.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Board recognises the benefits this has to reputation and business confidence. The Board, the Manager, the Manager's employees and others acting on the Company's behalf, are expected to demonstrate high standards of behaviour when conducting business.

The Board acknowledges its responsibility for the implementation and oversight of the Company's procedures for preventing bribery, and the governance framework for training, communication, monitoring, reporting and escalation of compliance together with enforcing action as appropriate. The Board has adopted a zero tolerance policy in this regard.

Criminal Finances Act 2017

The Company is subject to the Criminal Finances Act 2017 and follows a zero tolerance policy to tax evasion and its facilitation. The Directors are fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Company, its service providers, counterparties and business partners operate.

On Behalf of the Board



Dean Buckley

Chairman

5 November 2025

Directors' Remuneration Report

Chairman's Statement

The Directors' Remuneration Report for the year ended 31 August 2025 has been prepared in accordance with the Large & Medium-sized Companies & Groups (Accounts & Reports) (Amendment) Regulations 2013 (the "Regulations"). As the Board is comprised entirely of Non-Executive Directors and has no chief executive officer and employees, many parts of the Regulations, in particular those relating to chief executive officer pay and employee pay, do not apply and are therefore not disclosed in this report.

Ordinary resolutions to approve the Directors' Remuneration Report and the Remuneration Policy will be put to shareholders at the AGM on 11 December 2025.

The Company's Auditor is required to audit certain sections of this report and where such disclosures have been audited, the specific section has been indicated as such. The Auditor's opinion is included in its report on pages 50 to 56.

Directors' Remuneration

The annual fee structure with effect from 1 September 2025 is as follows:

Role	1 September 2025	1 September 2024
Chairman	£52,000	£47,000
Chair of the Audit Committee	£42,000	£37,500
Senior Independent Director	£35,000	£33,000
Director	£33,000	£31,000

Levels of remuneration are reviewed to ensure that they remain competitive and sufficient to attract and retain the quality of Directors needed to manage the Company successfully.

The Remuneration Policy stated in last year's Annual Report is proposed to be updated at this year's AGM for the aggregate fees payable to the Directors to a total of £350,000 per annum. No other changes are proposed. The proposed Policy is below.

The Remuneration Policy

The Company's Articles of Association limit the aggregate fees payable to the Directors to a total of £350,000 per annum. Subject to this overall limit, it is the Board's policy to determine the level of Directors' fees having regard to the time spent by them on the Company's affairs; the level of fees payable to non-executive directors in the industry generally; the requirement to attract and retain individuals with suitable knowledge and experience; and the role that individual Directors fulfil. Other than fees and reasonable out-of-pocket expenses incurred in attending to the affairs of the Company, the Directors are not eligible for any performance related pay or benefits, pension related benefits, share options, long-term incentive schemes, or other taxable benefits. All Directors will be entitled to claim additional remuneration in the event of significant additional work outside of normal Company affairs. Directors are not entitled to exit payments and are not provided with any compensation for loss

of office. Directors' fees are paid monthly in arrears. Directors do not serve a notice period if their appointment were to be terminated.

The level of Directors' fees is determined by the whole Board. Directors do not vote on their own individual fees.

The Board reviews the Company's Remuneration Policy and implementation on an annual basis. Reviews are based on information provided by the Company's Manager, and research from third parties and it includes information on the fees of other similar investment trusts.

As a FTSE 350 company, and in accordance with provision 21 of the 2018 UK Corporate Governance Code, the Board is required to carry out an externally facilitated evaluation every third year of its performance. This also includes input into the appropriate level of Directors' fees from an independent source.

No Director has a service contract with the Company. New Directors are provided with a letter of appointment which, amongst other things, provides that their appointment is subject to the Companies Act 2006 and the Company's Articles of Association. Copies of the Directors' letters of appointment are available at each of the Company's Annual General Meetings and can be obtained from the Company's registered office.

The Company's remuneration policy will apply to new Board members, who will be paid the equivalent amount of fees as current Board members.

Voting on the Remuneration Policy

The Remuneration Policy (the "Policy"), as stated is last year's Annual report, was approved at the AGM held on 14 December 2022 with 99.19% of votes cast in favour, 0.22% of votes cast against and 0.59% of votes withheld. The proposed Policy, as set out above, will be put to shareholders at the AGM on 11 December 2025, and the votes cast will be disclosed on the Company's website at: www.fidelity.co.uk/specialvalues.

Voting on the Directors' Remuneration Report

The Directors' Remuneration Report for the year ended 31 August 2024 was approved at the AGM held on 12 December 2024 with 99.45% of votes cast in favour, 0.26% of votes cast against and 0.29% of votes withheld.

The Directors' Remuneration Report for the year ended 31 August 2025 will be put to shareholders at the AGM on 11 December 2025, and the votes cast will be disclosed on the Company's pages of the Manager's website at: www.fidelity.co.uk/specialvalues.

Directors' Remuneration Report continued

Single Total Figure of Directors' Remuneration

The single total aggregate Directors' remuneration for the year ended 31 August 2025 was £192,631 (2024: £181,456). This includes expenses incurred by Directors in attending to the affairs of the Company and are considered by HMRC to be a taxable expense. Information on individual Directors' fees and taxable Directors' expenses are disclosed in the table below.

Remuneration of Directors

	2026 Projected Fees (£)	2025 Fees (Audited) (£)	2025 Taxable Expenses (Audited) (£)	2025 Total (Audited) (£)	2024 Fees (Audited) (£)	2024 Taxable Expenses (Audited) (£)	2024 Total (Audited) (£)
Claire Boyle ¹	49,907	38,941	2,189	41,130	35,000	3,039	38,039
Dean Buckley ²	14,531	47,000	434	47,434	44,500	663	45,163
Christopher Casey ³	40,488	20,667	–	20,667	n/a	n/a	n/a
Ominder Dhillon	33,000	31,000	3,558	34,558	29,500	1,983	31,483
Nigel Foster ⁴	n/a	9,265	–	9,265	31,500	–	31,500
Alison McGregor	33,000	31,000	8,577	39,577	29,500	5,771	35,271
Total	170,926	177,873	14,758	192,631	170,000	11,456	181,456

1 Appointed as Senior Independent Director on 12 December 2024 in addition to continuing as Audit Committee Chair. To be appointed as Chair of the Board on 11 December 2025.

2 Retiring on 11 December 2025.

3 Appointed on 1 January 2025. To be appointed Chairman of the Audit Committee and Senior Independent Director on 11 December 2025.

4 Retired on 12 December 2024.

Five year change comparison in Directors' Remuneration

The table below sets out the change in Directors' fees over the last five years.

	31 August 2025	31 August 2020	Change (%)
Chairman	47,000	41,000	+14.6%
Chair of the Audit Committee	37,500	31,750	+18.1%
Senior Independent Director	33,000	27,000	+22.2%
Director	31,000	27,000	+14.8%

Expenditure on Directors' Remuneration and Distributions to Shareholders

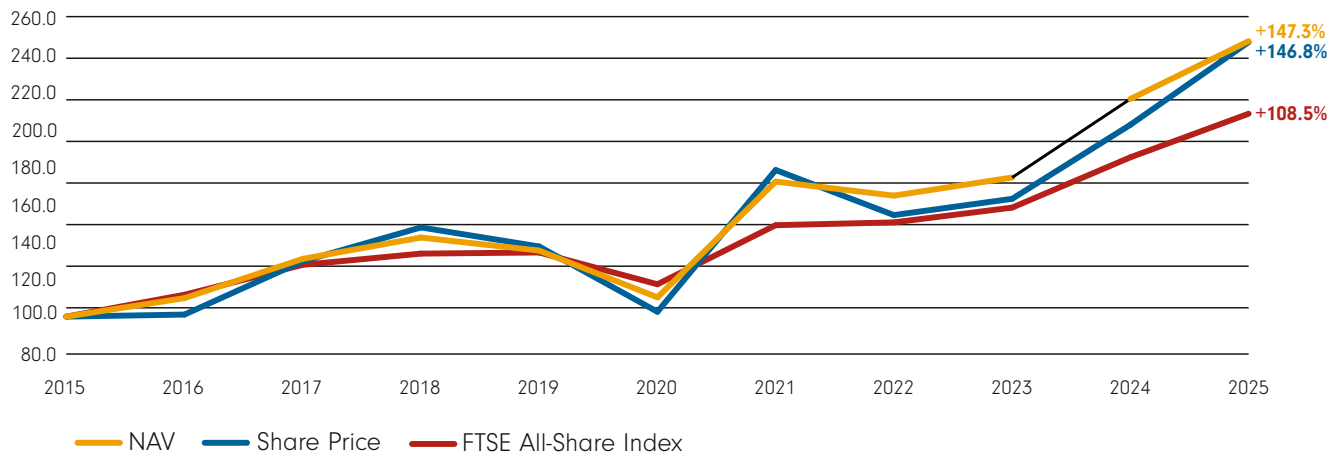
The table below shows the total amount paid out in Directors' remuneration and distributions to shareholders. The projected Directors' remuneration for the year ending 31 August 2026 is disclosed in the first table above.

	31 August 2025 £	31 August 2024 £
Expenditure on Directors' Remuneration:		
Fees and taxable expenses	192,631	181,456
Distribution to Shareholders:		
Dividend payments	31,272,000	30,822,000

Performance

The Company 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 graph below shows the performance of the NAV per ordinary share and share price against the FTSE All-Share Index (Benchmark) over ten years to 31 August 2025.

Total return performance for the ten years to 31 August 2025



Directors' Interests in Ordinary Shares

Although there is no requirement for the Directors to hold shares in the Company, shareholdings by Directors are encouraged. The interests of the Directors' in the ordinary shares of the Company are shown in the table below. All of the shareholdings are beneficial. The Portfolio Manager also holds shares in the Company.

Directors' Shareholdings (Audited)

	31 August 2025	31 August 2024	Change during year
Claire Boyle	7,466	7,466	-
Dean Buckley	50,000	50,000	-
Christopher Casey ¹	7,000	n/a	7,000
Ominder Dhillon	7,750	7,750	-
Nigel Foster ²	n/a	88,000	-
Alison McGregor	20,000	20,000	-

¹ Purchase of shares.

² Retired on 12 December 2024.

All Directors' shareholdings remained unchanged at the date of this report.

On Behalf of the Board

Dean Buckley

Dean Buckley

Chairman

5 November 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law, the Directors have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the reporting period.

In preparing these Financial Statements the Directors are required to:

- Select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Present information, including accounting policies, in a fair and balanced manner that provides relevant, reliable, comparable and understandable information;
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Company and the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report, a Corporate Governance Statement and a Directors' Remuneration Report which comply with that law and those regulations.

The Directors have delegated the responsibility for the maintenance and integrity of the corporate and financial information included on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues to the Manager. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of the Financial Statements may differ from legislation in their jurisdictions.

The Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- The Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces; and
- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Statement of Directors' Responsibility was approved by the Board on 5 November 2025 and signed on its behalf by:



Dean Buckley
Chairman

Report of the Audit Committee

I am pleased to present the formal report of the Audit Committee (the "Committee") to shareholders.

The primary responsibilities of the Committee are to ensure the integrity of the Company's financial reporting, the appropriateness of the risk management and internal controls processes (see page 42 for further details) and the effectiveness of the independent audit process for the year ended 31 August 2025. This report details how we carry out this role.

Composition and Meetings

The members of the Committee are myself as Chair, Christopher Casey, Ominder Dhillon and Alison McGregor. In line with the recommendation of the UK Corporate Governance Code, Dean Buckley as Chairman of the Board, is not a member of the Committee but is invited to attend the Committee meetings. All Committee members are independent Non-Executive Directors, and their skills and experience are set out on page 33. The Committee considers that collectively the members have sufficient recent and relevant sector and financial experience to fully discharge their responsibilities.

The Committee met three times during this reporting year. The Committee invites the Company's Auditor and personnel from the Manager's financial, risk and internal audit functions to attend and report to the Committee on relevant matters. During the year, I also met privately with the Auditor to raise any issues without management present. After each Committee meeting, I report to the Board on the main items discussed at the meeting.

During the year, an audit tender was carried out as the current Auditor will have been in place for 10 years in November 2025. Further details of the process and outcome are on page 49.

Ahead of each AGM, the Committee's performance is evaluated as part of the overall Board evaluation process as reported on page 41.

Role and Responsibilities of the Audit Committee

The Committee's authority and duties are defined in its terms of reference, which were reviewed during the year and are available on the Company's pages of the Manager's website at www.fidelity.co.uk/specialvalues. The principal activities carried out during the year were:

- **Financial Reporting:** We considered the Company's financial reports, including the significant accounting issues and the appropriateness of the accounting policies adopted. We considered and are satisfied that, taken as a whole, the 2025 Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. We considered the ongoing impact of the war in Ukraine and market events and reviewed the assessment of the Company as a going concern and also its viability over a five year time frame. We reviewed the revenue that has been recognised and the liquidity of the portfolio;
- **Internal Audit:** We considered the scope of the internal audit of the Manager and the subsequent findings from this work, receiving regular reports from the internal audit function of the Manager. The Committee also monitored progress in the implementation of the Manager's internal audit recommendations;
- **Risk and Internal Control:** During one of the Committee meetings, we considered the key existing and emerging risks facing the Company and the adequacy and effectiveness of the internal controls and risk management processes. This included a review of the Manager's business continuity plans and operational resilience strategies in order to continue to meet regulatory obligations and also continuing to serve and support investors and the Board. The Company's third party service providers also continue to implement similar measures to ensure that there is no disruption in service. The Committee received sufficient assurance that the Manager's and third party service providers measures have continued to work effectively in the reporting year; and
- **External Auditor:** we considered the independence, effectiveness and fees of the Auditor, as detailed later in this report.

Report of the Audit Committee continued

Significant issues considered by the Audit Committee during the year

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors’ Responsibilities can be found on page 46. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise in relation to these and any specific areas which require judgement.

Summarised below are the most significant issues which were considered by the Committee in respect of these Financial Statements and how these issues were addressed.

Recognition of Investment Income	Investment income is recognised in accordance with Accounting Policy Note 2 (e) on pages 61 and 62. The Manager provided detailed revenue forecasts and the Committee reviewed and sought explanations for any significant variances to these forecasts. The Committee also considered the allocation of special dividends between revenue and capital and the reasons for the classification of these special dividends. The Committee reviewed the internal audit and compliance monitoring reports received from the Manager, including an additional agreed upon procedures report in connection with investment trusts specific controls operated by FIL Investment Services (UK) Limited (the Manager), prepared by PricewaterhouseCoopers LLP, to satisfy itself that adequate systems were in place for properly recording the Company’s investment income. The Committee also reviewed the reports provided by the Auditor on its work on the recognition of investment income, including the allocation of special dividends.
Valuation, existence and ownership of investments (including derivatives and unlisted investments)	The valuation of investments (including derivatives) is in accordance with Accounting Policy Notes 2 (k) and 2 (l) on pages 62 and 63. The Committee took comfort from the Depositary’s regular oversight function that investment related activities were conducted in accordance with the Company’s investment policy. The Committee received reports from the Manager, the Depositary and an additional agreed upon procedures report in connection with investment trusts specific controls operated by FIL Investment Services (UK) Limited (the Manager), prepared by PricewaterhouseCoopers LLP, which concluded that the controls around the valuation, existence and ownership of investments operate effectively. The valuation of unlisted investments is appraised by the Manager’s Fair Value Committee (“FVC”) in accordance with UK GAAP and International Private Equity and Venture Capital Valuation Guidelines. The Committee reviewed the information received from the FVC on the proposed valuation methodologies for all unlisted investments. The Committee also reviewed the reports provided by the Auditor on its work on the valuation, existence and ownership of the Company’s investments, including derivatives and unlisted investments.

The Company confirms that it has complied with the September 2014 Competition and Markets Authority Order in relation to the performance and appointment of the Auditor, as set out below and on the next page.

Independence and Effectiveness of the Audit Process

Ernst & Young LLP acted as the Company’s Auditor for the year ended 31 August 2025.

With regard to the independence of the Auditor, the Committee reviewed:

- The Auditor’s arrangements for any conflicts of interest;
- The fact that no non-audit services were provided to the Company during the reporting year and up to the date of this report; and
- The statement by the Auditor that it remained independent within the meaning of the regulations and their professional standards.

With regard to the effectiveness of the audit process, the Committee reviewed:

- The fulfilment by the Auditor of the agreed audit plan, including the audit team and approach to significant risks;
- The audit findings report issued by the Auditor on the audit of the Annual Report and Financial Statements for the year ended 31 August 2025; and
- Feedback from the Manager on the audit of the Company.

The Committee concluded that the Auditor remains independent and the audit process was effective.

Auditor's Appointment and Audit Tenure

Ernst & Young LLP was appointed as the Company's Auditor on 30 November 2015 and will have been in place for 10 years in November 2025. Accordingly, the Company conducted an audit tender process during the year. From the shortlisted firms who presented to a subcommittee of the Audit Committee, a range of criteria was covered, including industry experience and credentials; team experience and continuity; audit approach; quality assurance; transition planning and fees and value for money. As a result of this, PricewaterhouseCoopers LLP ("PwC") has been proposed by the Board as the auditor to the Company from and including the financial year ending 31 August 2026. A resolution to appoint PwC as auditor to the Company will accordingly be proposed at the AGM on 11 December 2025.

The Committee will continue to review the Auditor's appointment each year to ensure that the Company continues to receive an optimal level of service. There are no contractual obligations which restrict the Company's choice of auditor.

Audit Fees

Fees paid to the Auditor for the audit of the Company's Financial Statements are disclosed in Note 5 on page 65. The audit fee for the reporting year was £58,856 (2024: £52,987). Included in the current year's audit fee is an amount of £3,750 in respect of additional scope of work relating to the transition of Fidelity's reporting functions to JP Morgan and this has been paid by Fidelity.

Claire Boyle

Chair of the Audit Committee
5 November 2025

Independent Auditor's Report to the Members of Fidelity Special Values PLC

Opinion

We have audited the Financial Statements of Fidelity Special Values PLC (the 'Company') for the year ended 31 August 2025 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related Notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('United Kingdom Generally Accepted Accounting Practice').

In our opinion, the Financial Statements:

- give a true and fair view of the Company's affairs as at 31 August 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment;
- Inspecting the Directors' assessment of going concern, including the revenue and expense forecast, for the period to 30 November 2026 which is at least 12 months from the date of approval of these Financial Statements. In preparing the

revenue and expense forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due;

- Reviewing the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue and expense forecast and the liquidity assessment of the investments and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company;
- Consideration of the mitigating factors included in the revenue and expense forecast that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly;
- Assessing the impact of the continuation vote at the 2025 Annual General Meeting on the going concern basis of preparation by considering the current and historical performance of the Company, obtaining the Broker's representation on certain shareholders about their current intentions in relation to the continuation vote and assessing the Directors' own analysis of the impact the continuation vote may have on going concern; and
- Reviewing the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 30 November 2026 which is at least twelve months from the date of approval of these Financial Statements.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement. • Risk of incorrect valuation or ownership of the investment portfolio, including derivatives.
Materiality	• Overall materiality of £12.67m which represents 1% of Net Asset Value of the Company as of 31 August 2025.

An overview of the scope of our audit
Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the companies. The Company has determined that the impact of climate change could affect the Company’s investments and their valuations and potentially shareholder returns. This is explained on page 25 in the emerging risks section, which form part of the “Other information,” rather than the audited Financial Statements. Our procedures on the disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

Our audit effort in considering climate change was focused on the adequacy of the Company’s disclosures in the Financial Statements as set out in Note 2(a) and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with FRS 102, investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the balance sheet date. Investments which are unlisted are priced using market-based valuation approaches. All investments therefore reflect the market participants view of climate change risk on the investments held by the Company.

Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of Fidelity Special Values PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement <i>Refer to the Report of the Audit Committee (page 48); Accounting Policies (pages 61 and 62); and Note 3 of the Financial Statements (page 64)</i> The Company has reported revenue of £54.02m (2024: £51.16m). During the year, the Company received special dividends amounting to £3.61m (2024: £7.12m), of which £0.66m (2024: £1.91m) was classified as revenue and £2.95m (2024: £5.21m) was classified as capital. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgement in determining whether income received in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	We performed the following procedures: We obtained an understanding of the processes and controls surrounding the revenue recognition and classification of special dividends by performing our walkthrough procedures to evaluate the design and implementation of controls; For all dividends received and accrued, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend rate as agreed to an independent data vendor. We also agreed all exchange rates to an external source and, for a sample of dividends received and dividends accrued, we agreed amounts to bank statements; For all dividends accrued, we assessed whether the dividend obligations arose prior to 31 August 2025 with reference to an external source; To test completeness of recorded income, we tested that all expected dividends for each of the investee companies had been recorded as income with reference to an external source; and For all investments held during the year, we reviewed the type of dividends paid with reference to an external data source to identify those which were special dividends. We tested three special dividends and have assessed the appropriateness of the Company's classification as either revenue or capital by reviewing the rationale for the underlying distribution.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incorrect valuation or ownership of the investment portfolio, including derivatives <i>Refer to the Report of the Audit Committee (page 48); Accounting Policies (pages 62 and 63); and Notes 10 and 11 of the Financial Statements (pages 68 and 69).</i> At 31 August 2025, the Company held investments with a value of £1,164.42m (2024: £1,120.69m). The Company also has net derivative liabilities amounting to £2.32m (2024: net derivative assets of £4.12m). The valuation of the assets held in the investment portfolio, including derivatives, is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of the listed investments and derivatives is determined using quoted market prices at close of business on the reporting date. Investments which are unlisted are priced using market-based valuation approaches.	We performed the following procedures: We obtained an understanding of the processes and controls surrounding investment pricing and legal title by performing our walkthrough procedures; For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor. For all derivatives, we compared the market prices of the underlying instrument to an independent pricing vendor and agreed cost price to the Brokers' confirmations. We recalculated the investment and derivative valuations as at the year end; We inspected the stale pricing report to identify prices that had not changed and verified whether the quoted price is a valid fair value; and We compared the Company's investment holdings as at 31 August 2025 to the independent confirmation received directly from the Company's Custodian and Depository. We agreed all open year-end derivative positions to confirmations received independently from the Company's Brokers.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation of the or the ownership of the investment portfolio, including derivatives.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £12.67m (2024: £11.44m), which is 1% (2024: 1%) of the Company's Net Assets. We believe that the Net Assets provides us with materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £9.50m (2024: £8.58m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Income Statement of £2.00m (2024: £1.92m) being 5% (2024: 5%) of revenue profit before tax.

Independent Auditor's Report to the Members of Fidelity Special Values PLC continued

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.64m (2024: £0.57m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and Directors' Reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 34;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 29 and 30;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 34;
- Directors' statement on fair, balanced and understandable set out on page 46;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 42; and
- The section describing the work of the Audit Committee set out on page 47.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 46, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Association of Investment Companies Code of Corporate Governance, the Association of Investment Companies Statement of Recommended Practice, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by considering the key risks impacting the Financial Statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the Financial Statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 30 November 2015 to audit the Financial Statements for the year ending 31 August 2016 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is ten years, covering the years ending 31 August 2016 to 31 August 2025.
- The audit opinion is consistent with the additional report to the Audit Committee.

Independent Auditor's Report to the Members of Fidelity Special Values PLC continued

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ashley Coups

Senior Statutory Auditor

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

5 November 2025

Income Statement

for the year ended 31 August 2025

	Notes	Year ended 31 August 2025			Year ended 31 August 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	10	–	117,016	117,016	–	166,057	166,057
Gains on derivative instruments	11	–	2,195	2,195	–	19,524	19,524
Investment and derivative income	3	51,646	–	51,646	48,413	–	48,413
Other interest	3	2,375	–	2,375	2,751	–	2,751
Investment management fees	4	(6,857)	–	(6,857)	(6,095)	–	(6,095)
Other expenses	5	(944)	–	(944)	(898)	–	(898)
Foreign exchange (losses)/gains		–	(546)	(546)	–	204	204
Net return on ordinary activities before finance costs and taxation		46,220	118,665	164,885	44,171	185,785	229,956
Finance costs	6	(6,225)	–	(6,225)	(5,794)	–	(5,794)
Net return on ordinary activities before taxation		39,995	118,665	158,660	38,377	185,785	224,162
Taxation on return on ordinary activities	7	(272)	–	(272)	(848)	–	(848)
Net return on ordinary activities after taxation for the year		39,723	118,665	158,388	37,529	185,785	223,314
Return per ordinary share	8	12.28p	36.67p	48.95p	11.58p	57.32p	68.90p

The Company does not have any other comprehensive income. Accordingly, the net return on ordinary activities after taxation for the year is also the total comprehensive income for the year 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 year and all items in the above statement derive from continuing operations.

Balance Sheet

as at 31 August 2025

Company number 2972628

	Notes	2025 £'000	2024 £'000
Fixed assets			
Investments	10	1,164,423	1,120,686
Current assets			
Derivative instruments	11	1,213	4,318
Debtors	12	10,672	8,200
Amounts held at futures clearing houses and brokers		1,300	-
Cash and cash equivalents		94,109	11,749
		107,294	24,267
Current liabilities			
Derivative instruments	11	(3,530)	(200)
Other creditors	13	(999)	(1,212)
		(4,529)	(1,412)
Net current assets		102,765	22,855
Net assets		1,267,188	1,143,541
Capital and reserves			
Share capital	14	16,205	16,205
Share premium account	15	238,442	238,442
Capital redemption reserve	15	3,256	3,256
Other non-distributable reserve	15	5,152	5,152
Capital reserve	15	949,776	834,580
Revenue reserve	15	54,357	45,906
Total Shareholders' funds		1,267,188	1,143,541
Net asset value per ordinary share	16	392.26p	352.84p

The Financial Statements on pages 57 to 80 were approved by the Board of Directors on 5 November 2025 and were signed on its behalf by:



Dean Buckley
Chairman

The Notes on pages 61 to 80 form an integral part of these Financial Statements.

Statement of Changes in Equity

for the year ended 31 August 2025

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
Total Shareholders' funds at 31 August 2024		16,205	238,442	3,256	5,152	834,580	45,906	1,143,541
Net return on ordinary activities after taxation for the year		-	-	-	-	118,665	39,723	158,388
Repurchase of ordinary shares	14	-	-	-	-	(3,469)	-	(3,469)
Dividends paid to Shareholders	9	-	-	-	-	-	(31,272)	(31,272)
Total Shareholders' funds at 31 August 2025		16,205	238,442	3,256	5,152	949,776	54,357	1,267,188
Total Shareholders' funds at 31 August 2023		16,205	238,442	3,256	5,152	648,795	39,199	951,049
Net return on ordinary activities after taxation for the year		-	-	-	-	185,785	37,529	223,314
Dividends paid to Shareholders	9	-	-	-	-	-	(30,822)	(30,822)
Total Shareholders' funds at 31 August 2024		16,205	238,442	3,256	5,152	834,580	45,906	1,143,541

The Notes on pages 61 to 80 form an integral part of these Financial Statements.

Cash Flow Statement

for the year ended 31 August 2025

	Notes	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Operating activities			
Investment income received		42,920	42,980
Net derivative income received		5,969	4,454
Interest received		2,352	2,723
Investment management fee paid		(6,820)	(6,008)
Directors' fees paid		(181)	(170)
Other cash payments		(801)	(696)
Net cash inflow from operating activities before finance costs and taxation	20	43,439	43,283
Finance costs paid		(6,228)	(5,853)
Overseas taxation suffered		(223)	(536)
Net cash inflow from operating activities		36,988	36,894
Investing activities			
Purchases of investments		(352,069)	(353,057)
Sales of investments		425,818	282,830
Receipts on long CFDs		70,434	51,625
Payments on long CFDs		(61,062)	(35,747)
Receipts on short CFDs		460	950
Payments on short CFDs		(1,622)	(588)
Movement on amounts held at futures clearing houses and brokers		(1,300)	-
Net cash inflow/(outflow) from investing activities		80,659	(53,987)
Net cash inflow/(outflow) before financing activities		117,647	(17,093)
Financing activities			
Dividends paid	9	(31,272)	(30,822)
Repurchase of ordinary shares	14	(3,469)	-
Net cash outflow from financing activities		(34,741)	(30,822)
Net increase/(decrease) in cash and cash equivalents		82,906	(47,915)
Cash and cash equivalents at the beginning of the year		11,749	59,460
Effect of movement in foreign exchange		(546)	204
Cash and cash equivalents at the end of the year		94,109	11,749
Represented by:			
Cash at bank		1,937	2,072
Amount held in Fidelity Institutional Liquidity Fund		92,172	9,677
		94,109	11,749

The Notes on pages 61 to 80 form an integral part of these Financial Statements.

Notes to the Financial Statements

1 Principal Activity

Fidelity Special Values PLC is an Investment Company incorporated in England and Wales that is listed 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 Accounting Policies

The Company has prepared its Financial Statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council ("FRC"). The Financial Statements have also been 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.

a) Basis of accounting – The Financial Statements have been prepared on a going concern basis and under the historical cost convention, except for the measurement at fair value of investments and derivative instruments. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 30 November 2026 which is at least twelve months from the date of approval of these Financial Statements. In making their assessment the Directors have reviewed income and expense projections, reviewed the liquidity of the investment portfolio and considered the Company's ability to meet liabilities as they fall due. This conclusion also takes into account the Director's assessment of the risks faced by the Company as detailed in the Going Concern Statement on page 34 and their consideration of the upcoming continuation vote at the AGM on 11 December 2025. The Directors recommend that shareholders vote in favour of the continuation of the Company.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as an emerging risk as set out on page 25, and have concluded that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with FRS 102, investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the Balance Sheet date. Investments which are unlisted are priced using market-based valuation approaches. All investments therefore reflect the market participants view of climate change risk on the investments held by the Company.

The Company's Going Concern Statement in the Directors' Report on page 34 takes account of all events and conditions up to 30 November 2026, which is at least twelve months from the date of approval of these Financial Statements.

b) Significant accounting estimates and judgements – The Directors make judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The judgements required in order to determine the appropriate valuation methodology of level 3 financial instruments have a risk of causing an adjustment to the carrying amounts of assets. These judgements include making assessments of the possible valuations in the event of a listing or other marketability related risks.

c) Segmental reporting – The Company is engaged in a single segment business and, therefore, no segmental reporting is provided.

d) Presentation of the Income Statement – In order to reflect better the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement. The net revenue return after taxation for the year is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1159 of the Corporation Tax Act 2010.

e) Income – Income from equity investments is accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. Overseas dividends are accounted for gross of any tax deducted at source. Amounts are credited to the revenue column of the Income Statement. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised in the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital column of the Income Statement. Special dividends are treated as a revenue receipt or a capital receipt depending on the facts and circumstances of each particular case. Interest on securities is accounted for on an accruals basis and is credited to the revenue column of the Income Statement.

Derivative instrument income received from dividends on long contracts for difference ("CFDs") is accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. The amount net of tax is credited to the revenue column of the Income Statement.

Notes to the Financial Statements continued

2 Accounting Policies continued

Interest received on short CFDs, bank deposits, collateral and money market funds is accounted for on an accruals basis and credited to the revenue column of the Income Statement. Interest received on CFDs represents the finance costs calculated by reference to the notional value of the CFDs.

f) Investment management fees and other expenses – Investment management fees and other expenses are accounted for on an accruals basis and are charged as follows:

- Investment management fees are allocated in full to revenue; and
- All other expenses are allocated in full to revenue with the exception of those directly attributable to share issues or other capital events.

g) Functional currency and foreign exchange – The functional and reporting currency of the Company is UK sterling, which is the currency of the primary economic environment in which the Company operates. Transactions denominated in foreign currencies are reported in UK sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Foreign exchange gains and losses arising on translation are recognised in the Income Statement as a revenue or a capital item depending on the nature of the underlying item to which they relate.

h) Finance costs – Finance costs comprise interest on bank overdrafts and finance costs paid on CFDs, which are accounted for on an accruals basis. Finance costs are charged in full to the revenue column of the Income Statement.

i) Taxation – The taxation charge represents the sum of current taxation and deferred taxation.

Current taxation is taxation suffered at source on overseas income less amounts recoverable under taxation treaties. Taxation is charged or credited to the revenue column of the Income Statement, except where it relates to items of a capital nature, in which case it is charged or credited to the capital column of the Income Statement. Where expenses are allocated between revenue and capital any tax relief in respect of the expenses is allocated between revenue and capital returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period. The Company is an approved Investment Trust under Section 1158 of the Corporation Tax Act 2010 and is not liable for UK taxation on capital gains.

Deferred taxation is the taxation expected to be payable or recoverable on timing differences between the treatment of certain items for accounting purposes and their treatment for the purposes of computing taxable profits. Deferred taxation is based on tax rates that have been enacted or substantively enacted when the taxation is expected to be payable or recoverable. Deferred tax assets are only recognised if it is considered more likely than not that there will be sufficient future taxable profits to utilise them.

j) Dividend paid – Dividends payable to equity Shareholders are recognised when the Company's obligation to make payment is established.

k) Investments – The Company's business is investing in financial instruments with a view to profiting from their total return in the form of income and capital growth. This portfolio of investments is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided on that basis to the Company's Board of Directors. Investments are measured at fair value with changes in fair value recognised in profit or loss, in accordance with the provisions of both Section 11 and Section 12 of FRS 102. 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 not quoted, or are not frequently traded, and are stated at the best estimate of fair value. The Manager's Fair Value Committee ("FVC"), which is independent of the Portfolio Manager's team, meets quarterly to determine the fair value of unlisted investments.

The FVC provide a recommendation of fair values to the Board using market-based approaches such as multiples, industry valuation benchmarks and available market prices. Consideration is given to the cost of the investment, recent arm's length transactions in the same or similar investments and the financial performance of the investment since purchase. This pricing methodology is subject to a detailed review and appropriate challenge by the Directors.

2 Accounting Policies continued

In accordance with the AIC SORP, the Company includes transaction costs, incidental to the purchase or sale of investments, within gains on investments in the capital column of the Income Statement and has disclosed these costs in Note 10 on page 68.

l) Derivative instruments – When appropriate, permitted transactions in derivative instruments are used. Derivative transactions into which the Company may enter include long and short CFDs, futures, options and warrants. Derivatives are classified as other financial instruments and are initially accounted for and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value as follows:

- Long and short CFDs – the difference between the strike price and the value of the underlying shares in the contract;
- Futures – the difference between the contract price and the quoted trade price; and
- Options – value based on similar instruments or the quoted trade price for the contract.

Where transactions are used to protect or enhance income, if the circumstances support this, the income and expenses derived are included in net income in the revenue column of the Income Statement. Where such transactions are used to protect or enhance capital, if the circumstances support this, the gains and losses derived are included in gains/(losses) on derivative instruments in the capital column of the Income Statement. Any positions on such transactions open at the year end are reflected on the Balance Sheet at their fair value within current assets or current liabilities.

m) Debtors – Debtors include securities sold for future settlement, amounts receivable on settlement of derivatives, accrued income, taxation recoverable and other debtors and prepayments incurred in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer) they are classified as current assets. If not, they are presented as non-current assets. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

n) Amounts held at futures clearing houses and brokers – These are amounts held in segregated accounts as collateral on behalf of brokers and are carried at amortised cost.

o) Cash and cash equivalents – Cash and cash equivalents may comprise cash at bank and money market funds which are short-term, highly liquid and are readily convertible to a known amount of cash. These are subject to an insignificant risk of changes in value.

p) Other creditors – Other creditors include securities purchased for future settlement, finance costs payable, investment management fees and other creditors and expenses accrued in the ordinary course of business. If payment is due within one year or less (or in the normal operating cycle of the business, if longer) they are classified as current liabilities. If not, they are presented as non-current liabilities. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

q) Capital reserve – The following are accounted for in the capital reserve:

- Gains and losses on the disposal of investments and derivative instruments;
- Changes in the fair value of investments and derivative instruments held at the year end;
- Foreign exchange gains and losses of a capital nature;
- Dividends receivable which are capital in nature; and
- Costs of repurchasing or issuing ordinary shares.

Technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 02/17BL, guidance on the determination of realised profits and losses in the context of distributions under the Companies Act 2006, states that changes in the fair value of investments which are readily convertible to cash, without accepting adverse terms at the Balance Sheet date, can be treated as realised. Capital reserves realised and unrealised are shown in aggregate as capital reserve in the Statement of Changes in Equity and the Balance Sheet. At the Balance Sheet date, the portfolio of the Company consisted of investments listed on a recognised stock exchange and derivative instruments contracted with counterparties having an adequate credit rating, and the portfolio was considered to be readily convertible to cash, with the exception of the level 3 investments which had unrealised investment holding losses of £26,458,000 (2024: losses of £10,868,000).

Notes to the Financial Statements continued

3 Income

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Investment income		
UK dividends	33,971	30,235
UK property income distributions	1,522	135
UK scrip dividends	512	1,310
UK property income scrip dividends	–	157
Interest on securities	1,512	1,528
Overseas dividends	7,562	10,395
	45,079	43,760
Derivative income		
Dividends received on long CFDs	6,567	4,653
Investment and derivative income	51,646	48,413
Other interest		
Interest received on bank deposits, collateral and money market funds	2,352	2,723
Interest received on CFDs	23	28
	2,375	2,751
Total income	54,021	51,164

Special dividends of £2,947,000 (2024: £5,206,000) have been recognised in capital during the year.

4 Investment Management Fees

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Investment management fees	6,857	6,095

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.

5 Other Expenses

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
AIC fees	24	21
Custody fees	28	27
Depository fees	59	58
Directors' expenses	18	15
Directors' fees ¹	182	170
Legal and professional fees	93	101
Marketing expenses	230	229
Printing and publication expenses	147	122
Registrars' fees	80	74
Fees payable to the Company's Independent Auditor for the audit of the Financial Statements ^{2,3}	59	53
Sundry other expenses	24	28
Other expenses	944	898

1 Details of the breakdown of Directors' fees are disclosed in the Directors' Remuneration Report on page 44.

2 The VAT payable on audit fees is included in sundry other expenses.

3 Included in the current year's audit fee is an amount of £3,750 in respect of additional scope of work relating to the transition of Fidelity's reporting functions to JP Morgan and this has been paid by Fidelity.

6 Finance Costs

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Interest paid on CFDs	6,122	5,765
Interest paid on bank overdrafts	103	29
	6,225	5,794

Notes to the Financial Statements continued

7 Taxation on Return on Ordinary Activities

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
a) Analysis of the taxation charge for the year		
Overseas taxation	272	848
Taxation charge for the year (see Note 7b)	272	848

b) Factors affecting the taxation charge for the year

The taxation charge for the year is lower than the standard rate of UK corporation tax for an investment trust company of 25% (2024: 25%). A reconciliation of the standard rate of UK corporation tax to the taxation charge for the year is shown below:

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Net return on ordinary activities before taxation	158,660	224,162
Net return on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25% (2024: 25%)	39,665	56,040
Effects of:		
Capital gains not taxable ¹	(29,666)	(46,446)
Income not taxable	(10,558)	(10,485)
Excess management expenses	559	891
Overseas taxation	272	848
Total taxation charge for the year (see Note 7a)	272	848

¹ The Company is exempt from UK corporation tax on capital gains as it meets the HM Revenue & Customs criteria for an investment company set out in Section 1159 of the Corporation Tax Act 2010.

c) Deferred taxation

A deferred tax asset of £18,685,000 (2024: £18,126,000), in respect of excess expenses of £74,740,000 (2024: £72,504,000) available to be set off against future taxable profits has not been recognised as it is unlikely that there will be sufficient future taxable profits to utilise these expenses.

8 Return per Ordinary Share

	Year ended 31.08.25	Year ended 31.08.24
Revenue return per ordinary share	12.28p	11.58p
Capital return per ordinary share	36.67p	57.32p
Total return per ordinary share	48.95p	68.90p

The return per ordinary share is based on the net return on ordinary activities after taxation for the year divided by the weighted average number of ordinary shares held outside of Treasury during the year, as shown below:

	£'000	£'000
Net revenue return on ordinary activities after taxation	39,723	37,529
Net capital return on ordinary activities after taxation	118,665	185,785
Net total return on ordinary activities after taxation	158,388	223,314

	Number	Number
Weighted average number of ordinary shares held outside of Treasury	323,570,427	324,098,920

9 Dividends Paid to Shareholders

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Dividends paid		
Interim dividend of 3.36 pence per ordinary share paid for the year ended 31 August 2025	10,854	-
Final dividend of 6.30 pence per ordinary share paid for the year ended 31 August 2024	20,418	-
Interim dividend of 3.24 pence per ordinary share paid for the year ended 31 August 2024	-	10,501
Final dividend of 6.27 pence per ordinary share paid for the year ended 31 August 2023	-	20,321
	31,272	30,822
Dividends proposed		
Final dividend proposed of 6.84 pence per ordinary share for the year ended 31 August 2025	22,097	-
Final dividend proposed of 6.30 pence per ordinary share for the year ended 31 August 2024	-	20,418
	22,097	20,418

The Directors have proposed the payment of a final dividend of 6.84 pence per ordinary share for the year ended 31 August 2025, which is subject to approval by Shareholders at the Annual General Meeting on 11 December 2025 and has not been included as a liability in these Financial Statements. The dividends will be paid on 13 January 2026 to Shareholders on the register at the close of business on 28 November 2025 (ex-dividend date 27 November 2025).

Notes to the Financial Statements continued

10 Investments

	2025 £'000	2024 £'000
Listed investments	1,162,102	1,119,970
Unlisted investments	2,321	716
Total investments at fair value	1,164,423	1,120,686
Opening book cost	1,003,728	914,377
Opening investment holding gains/(losses)	116,958	(31,685)
Opening fair value	1,120,686	882,692
Movements in the year		
Purchases at cost	352,391	354,795
Sales – proceeds	(425,670)	(282,858)
Gains on investments	117,016	166,057
Closing fair value	1,164,423	1,120,686
Closing book cost	989,274	1,003,728
Closing investment holding gains	175,149	116,958
Closing fair value	1,164,423	1,120,686

The Company received £425,670,000 (2024: £282,858,000) from investments sold in the year. The book cost of these investments when they were purchased was £366,845,000 (2024: £265,444,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

Investment transaction costs

Transaction costs incurred in the acquisition and disposal of investments, which are included in the gains on investments above, were as follows:

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Purchases transaction costs	1,869	1,606
Sales transaction costs	215	135
	2,084	1,741

11 Derivative Instruments

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Gains on long CFD positions closed	9,792	15,864
(Losses)/gains on short CFD positions closed	(1,162)	362
Movement in investment holding (losses)/gains on long CFDs	(6,537)	3,400
Movement in investment holding gains/(losses) on short CFDs	102	(102)
	2,195	19,524

	2025 Fair value £'000	2024 Fair value £'000
Derivative instruments recognised on the Balance Sheet		
Derivative instrument assets	1,213	4,318
Derivative instrument liabilities	(3,530)	(200)
	(2,317)	4,118

	Fair value £'000	2025 Asset exposure £'000	Fair value £'000	2024 Asset exposure £'000
At the year end the Company held the following derivative instruments				
Long CFDs	(2,317)	171,164	4,220	115,050
Short CFDs	-	-	(102)	2,117
	(2,317)	171,164	4,118	117,167

12 Debtors

	2025 £'000	2024 £'000
Securities sold for future settlement	-	146
Amounts receivable on settlement of derivatives	420	-
Accrued income	8,866	6,598
Overseas taxation recoverable	1,359	1,408
Other debtors and prepayments	27	48
	10,672	8,200

Notes to the Financial Statements continued

13 Other Creditors

	2025 £'000	2024 £'000
Securities purchased for future settlement	81	271
Finance costs payable	147	150
Creditors and accruals	771	791
	999	1,212

14 Share Capital

	Number of shares	2025 Nominal value £'000	Number of shares	2024 Nominal value £'000
Issued, allotted and fully paid Ordinary shares of 5 pence each held outside of Treasury				
Beginning of the year	324,098,920	16,205	324,098,920	16,205
Ordinary shares repurchased into Treasury	(1,050,000)	(53)	-	-
End of the year	323,048,920	16,152	324,098,920	16,205
Ordinary shares of 5 pence each held in Treasury¹				
Beginning of the year	-	-	-	-
Ordinary shares repurchased into Treasury	1,050,000	53	-	-
End of the year	1,050,000	53	-	-
Total share capital		16,205		16,205

¹ Ordinary shares held in Treasury carry no rights to vote, to receive a dividend or to participate in a winding up of the Company.

The cost of ordinary shares repurchased into Treasury during the year was £3,469,000 (2024: £nil).

15 Capital and Reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
At 1 September 2024	16,205	238,442	3,256	5,152	834,580	45,906	1,143,541
Gains on investments (see Note 10)	-	-	-	-	117,016	-	117,016
Gains on long CFDs (see Note 11)	-	-	-	-	3,255	-	3,255
Losses on short CFDs (see Note 11)	-	-	-	-	(1,060)	-	(1,060)
Foreign exchange losses	-	-	-	-	(546)	-	(546)
Revenue return on ordinary activities after taxation for the year	-	-	-	-	-	39,723	39,723
Dividends paid to Shareholders (see Note 9)	-	-	-	-	-	(31,272)	(31,272)
Repurchase of ordinary shares (see Note 14)	-	-	-	-	(3,469)	-	(3,469)
At 31 August 2025	16,205	238,442	3,256	5,152	949,776	54,357	1,267,188

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other non-distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
At 1 September 2023	16,205	238,442	3,256	5,152	648,795	39,199	951,049
Gains on investments (see Note 10)	-	-	-	-	166,057	-	166,057
Gains on long CFDs (see Note 11)	-	-	-	-	19,264	-	19,264
Gains on short CFDs (see Note 11)	-	-	-	-	260	-	260
Foreign exchange gains	-	-	-	-	204	-	204
Revenue return on ordinary activities after taxation for the year	-	-	-	-	-	37,529	37,529
Dividends paid to Shareholders (see Note 9)	-	-	-	-	-	(30,822)	(30,822)
At 31 August 2024	16,205	238,442	3,256	5,152	834,580	45,906	1,143,541

The capital reserve balance at 31 August 2025 includes investment holding gains of £175,149,000 (2024: gains of £116,958,000) as detailed in Note 10. See Note 2 (q) for further details.

Notes to the Financial Statements continued

16 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.

	2025	2024
Total Shareholders' funds	£1,267,188,000	£1,143,541,000
Ordinary shares held outside of Treasury at year end	323,048,920	324,098,920
Net asset value per ordinary share	392.26p	352.84p

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.

17 Financial Instruments

Management of risk

The Company's investing activities in pursuit of its investment objective involve certain inherent risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the internal control process, identifies the risks that the Company faces. Risks are identified and graded in this process, together with steps taken in mitigation, and are updated and reviewed on an ongoing basis. Risks identified are shown in the Strategic Report on pages 25 to 29.

This note refers to the identification, measurement and management of risks potentially affecting the value of financial instruments. The Company's financial instruments may comprise:

- Equity shares (listed and unlisted) and bonds held in accordance with the Company's investment objective and policies;
- Derivative instruments which comprise CFDs, forward currency contracts, futures and options on listed stocks and equity indices; and
- Cash, liquid resources and short-term debtors and creditors that arise from its operations.

The risks identified arising from the Company's financial instruments are market price risk (which comprises interest rate risk, foreign currency risk and other price risk), liquidity risk, counterparty risk, credit risk and derivative instruments risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies are consistent with those followed last year.

17 Financial Instruments continued

MARKET PRICE RISK

Interest rate risk

The Company finances its operations through its share capital and reserves. In addition, the Company has gearing through the use of derivative instruments. The Board imposes limits to ensure gearing levels are appropriate. The Company is exposed to a financial risk arising as a result of any increases in interest rates associated with the funding of the derivative instruments.

Interest rate risk exposure

The values of the Company's financial instruments that are exposed to movements in interest rates are shown below:

	2025 £'000	2024 £'000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	173,481	110,830
Exposure to financial instruments that earn interest		
Cash and cash equivalents	94,109	11,749
Short CFDs – exposure plus fair value	–	2,015
Amounts held at futures clearing houses and brokers	1,300	–
	95,409	13,764
Net exposure to financial instruments that bear interest	78,072	97,066

Foreign currency risk

The Company does not carry out currency speculation. The Company's net return on ordinary activities after taxation for the year and its net assets can be affected by foreign exchange rate movements because the Company has income, assets and liabilities which are denominated in currencies other than the Company's functional currency which is UK sterling. The Company can also be subject to short-term exposure to exchange rate movements, for example, between the date when an investment is purchased or sold and the date when settlement of the transaction occurs.

Three principal areas have been identified where foreign currency risk could impact the Company:

- Movements in currency exchange rates affecting the value of investments and derivative instruments;
- Movements in currency exchange rates affecting short-term timing differences; and
- Movements in currency exchange rates affecting income received.

The portfolio management team monitor foreign currency risk, but it is not the Company's policy to hedge against currency risk.

Notes to the Financial Statements continued

17 Financial Instruments continued

Currency exposure of financial assets

The currency exposure profile of the Company's financial assets is shown below:

	2025				
Currency	Investments held at fair value £'000	Long exposure to derivative instruments ¹ £'000	Debtors ² £'000	Cash and cash equivalents ³ £'000	Total £'000
Euro	60,130	80,138	1,510	–	141,778
US dollar	10,891	–	981	59,871	71,743
Australian dollar	14,744	–	–	–	14,744
Swiss franc	11,268	–	443	–	11,711
South African rand	1,347	–	–	–	1,347
Georgian lari	–	–	121	–	121
Canadian dollar	–	–	–	27	27
UK sterling	1,066,043	91,026	8,917	34,211	1,200,197
	1,164,423	171,164	11,972	94,109	1,441,668

1 The exposure to the market of long CFDs.

2 Debtors include amounts held at futures clearing houses and brokers.

3 Cash and cash equivalents are made up of £1,937,000 cash at bank and £92,172,000 held in Fidelity Institutional Liquidity Fund.

	2024				
Currency	Investments held at fair value £'000	Long exposure to derivative instruments ¹ £'000	Debtors £'000	Cash and cash equivalents ² £'000	Total £'000
Euro	54,522	41,800	751	–	97,073
US dollar	39,752	–	542	33	40,327
Swiss franc	37,673	–	273	–	37,946
Swedish krona	22,811	–	–	–	22,811
Australian dollar	12,439	–	–	–	12,439
South African rand	2,024	–	–	–	2,024
Canadian dollar	–	–	–	28	28
UK sterling	951,465	73,250	6,634	11,688	1,043,037
	1,120,686	115,050	8,200	11,749	1,255,685

1 The exposure to the market of long CFDs.

2 Cash and cash equivalents are made up of £2,072,000 cash at bank and £9,677,000 held in Fidelity Institutional Liquidity Fund.

17 Financial Instruments continued

Currency exposure of financial liabilities

The Company finances its investment activities through its ordinary share capital and reserves. The Company's financial liabilities comprises short positions on derivative instruments and other creditors. The currency profile of these financial liabilities is shown below:

Currency	Short exposure to derivative instruments ¹ £'000	Other creditors £'000	2025 Total £'000
Euro	–	48	48
UK sterling	–	951	951
	–	999	999

1 The exposure to the market of short CFDs.

Currency	Short exposure to derivative instruments ¹ £'000	Other creditors £'000	2024 Total £'000
US dollar	2,117	1	2,118
Euro	–	62	62
UK sterling	–	1,149	1,149
	2,117	1,212	3,329

1 The exposure to the market of short CFDs.

Other price risk

Other price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Board meets quarterly to consider the asset allocation of the portfolio and the risk associated with particular industry sectors within the parameters of the investment objective. The Portfolio Manager is responsible for actively monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk/reward profile. Other price risks arising from derivative positions, mainly due to the underlying exposures, are estimated using Value at Risk and Stress Tests as set out in the Company's internal Risk Management Process Document.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's assets mainly comprise readily realisable securities and derivative instruments which can be sold easily to meet funding commitments if necessary. Short-term flexibility is achieved by the use of a bank overdraft, if required.

Liquidity risk exposure

At 31 August 2025, the undiscounted gross cash outflows of the financial liabilities were all repayable within one year and consisted of derivative instrument liabilities of £3,530,000 (2024: £200,000) and other creditors of £999,000 (2024: £1,212,000).

Counterparty risk

Certain derivative instruments in which the Company may invest are not traded on an exchange, but instead will be traded between counterparties based on contractual relationships, under the terms outlined in the International Swaps and Derivatives Association's ("ISDA") market standard derivative legal documentation. These are known as Over the Counter ("OTC") trades. As a result, the Company is subject to the risk that a counterparty may not perform its obligations under the related contract. In accordance with the risk management process which the Investment Manager employs, this risk is minimised by only entering into transactions with counterparties which are believed to have an adequate credit rating at the time the transaction is entered into, by ensuring that formal legal agreements covering the terms of the contract are entered into in advance, and through adopting a counterparty risk framework which measures, monitors and manages counterparty risk by the use of internal and external credit agency ratings and by evaluating derivative instrument credit risk exposure.

Notes to the Financial Statements continued

17 Financial Instruments continued

For OTC and exchange traded derivative transactions, collateral is used to reduce the risk of both parties to the contract. Collateral is managed on a daily basis for all relevant transactions.

Collateral	collateral received £'000	2025 collateral pledged £'000	collateral received £'000	2024 collateral pledged £'000
Goldman Sachs International Ltd	260	-	150	-
HSBC Bank plc	140	-	380	-
J.P. Morgan plc	-	260	2,370	-
Morgan Stanley & Co. International Ltd	-	-	-	-
UBS AG	-	1,040	510	-
Total	400	1,300	3,410	-

Credit risk

Financial instruments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or other financial difficulties. All transactions are carried out with brokers that have been approved by the Manager and are settled on a delivery versus payment basis. Limits are set on the amount that may be due from any one broker and are kept under review by the Manager. Exposure to credit risk arises on unsettled security transactions and derivative instrument contracts and cash at bank.

Derivative instrument risk

The risks and risk management processes which result from the use of derivative instruments are set out in a Risk Management Process Document. Derivative instruments are used by the Manager for the following purposes:

- To gain unfunded long exposure to equity markets, sectors or single stocks. Unfunded exposure is exposure gained without an initial flow of capital;
- To hedge equity market risk using derivatives with the intention of at least partially mitigating losses in the exposures of the Company's portfolio as a result of falls in the equity market; and
- To position short exposures in the Company's portfolio. These uncovered exposures benefit from falls in the prices of shares which the Portfolio Managers believes to be over valued. These positions, therefore, distinguish themselves from other short exposures held for hedging purposes since they are expected to add risk to the portfolio.

RISK SENSITIVITY ANALYSIS

Interest rate risk sensitivity analysis

Based on the financial instruments held and interest rates at 31 August 2025, an increase of 1.00% in interest rates throughout the year, with all other variables held constant, would have decreased the Company's net return on ordinary activities after taxation for the year and decreased the net assets of the Company by £781,000 (2024: decreased the net return and decreased the net assets by £971,000). A decrease of 1.00% in interest rates throughout the year would have had an equal but opposite effect.

Foreign currency risk sensitivity analysis

Based on the financial instruments held and currency exchange rates at 31 August 2025, a 10% strengthening of the UK sterling exchange rate against foreign currencies, with all other variables held constant, would have decreased the Company's net return on ordinary activities after taxation for the year and decreased the net assets of the Company by £21,947,000 (2024: decreased the net return and decreased the net assets by £19,133,000). A 10% weakening of the UK sterling exchange rate against foreign currencies, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £26,824,000 (2024: increased the net return and increased the net assets by £23,385,000).

Other price risk – exposure to investments sensitivity analysis

Based on the listed investments held and share prices at 31 August 2025, an increase of 10% in share prices, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £116,398,000 (2024: increased the net return and increased the net assets by £111,997,000). A decrease of 10% in share prices would have had an equal and opposite effect.

17 Financial Instruments continued

An increase of 10% in the valuation of unlisted investments held at 31 August 2025 would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £44,000 (2024: increased the net return after taxation and increased the net assets by £72,000). A decrease of 10% in the valuation would have had an equal and opposite effect.

Other price risk – net exposure to derivative instruments sensitivity analysis

Based on the derivative instruments held and share prices at 31 August 2025, an increase of 10% in the share prices underlying the derivative instruments, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £17,116,000 (2024: increased the net return and increased the net assets by £11,717,000). A decrease of 10% in share prices would have had an equal and opposite effect.

Fair Value of Financial Assets and Liabilities

Financial assets and liabilities are stated in the Balance Sheet at values which are not materially different to their fair values. As explained in Notes 2 (k) and (l) on pages 62 and 63 investments and derivative instruments are shown at fair value.

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

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 explained in Notes 2 (k) and (l). The table below sets out the Company's fair value hierarchy:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2025 Total £'000
Financial assets at fair value through profit or loss				
Investments	1,159,745	2,357	2,321	1,164,423
Derivative instrument assets	–	1,213	–	1,213
	1,159,745	3,570	2,321	1,165,636
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(3,530)	–	(3,530)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2024 Total £'000
Financial assets at fair value through profit or loss				
Investments	1,096,402	23,413	871	1,120,686
Derivative instrument assets	–	4,318	–	4,318
	1,096,402	27,731	871	1,125,004
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(200)	–	(200)

Notes to the Financial Statements continued

17 Financial Instruments continued

The table below sets out the movements in level 3 financial instruments during the year:

	2025 £'000	2024 £'000
Beginning of the year	871	2,095
Sales proceeds – Marwyn Value Investors	–	(99)
Sales gain – Marwyn Value Investors	–	59
Transfer into level 3 at cost – Hostmore and John Wood Group ¹	17,040	–
Movement in investment holding losses	(15,590)	(1,184)
End of the year	2,321	871

¹ Financial instruments are transferred into level 3 on the date they are suspended, delisted or when they have not traded for thirty days.

Marwyn Value Investors

Marwyn Value Investors is a closed-ended fund incorporated in the United Kingdom. The fund is highly illiquid and the valuation at 31 August 2025 continues to be based on the indicative bid price in the absence of a last trade price. As at 31 August 2025, its fair value was £154,000 (2024: £154,000).

TVC Holdings

TVC Holdings is an unlisted investment holding company incorporated in Ireland. The company was delisted from the Dublin Stock Exchange on 11 August 2014. In December 2024 a distribution of EUR 0.09 was received and the price was subsequently changed to EUR 0.014. As at 31 August 2025, its fair value was £49,000 (2024: £251,000).

Studio Retail Group

Studio Retail Group operated as a multi-channel retail company. On 14 February 2022, the company was suspended from trading on the London Stock Exchange. The company is now delisted and in administration. As at 31 August 2025, its fair value was £nil (2024: £nil).

McColl's Retail Group

McColl's Retail Group owns and operates convenience and newsagent stores. The company was suspended from trading on 6 May 2022 after appointing administrators. As at 31 August 2025, its fair value was £nil (2024: £nil).

Prax Exploration & Production

Hurricane Energy plc, an oil and gas exploration company, delisted from the London Stock Exchange in June 2023, after it was acquired by Prax Exploration & Production. The valuation on 31 August 2025 is based on the latest trade price from the JP Jenkins platform. As at 31 August 2025, its fair value was £390,000 (2024: £466,000).

Unbound Group

Unbound Group plc is a UK based company engaged in selling a range of brands focused on the over 55 age demographics. On 17 July 2023, the company ceased trading and has subsequently gone into administration. As at 31 August 2025, its fair value was £nil (2024: £nil).

Hostmore

Hostmore, a hospitality business, was suspended from the London Stock Exchange on 1 May 2025 and entered administration on 18 September 2024. As at 31 August 2025, its fair value was £nil (2024: £213,000).

John Wood Group

John Wood, provider of project, engineering and technical services, was suspended from the London Stock Exchange following delays in publishing its financial statements. The valuation at the reporting date was based on the suspended price at 1 May 2025. As at 31 August 2025, the fair value for both the common stock and CFD was £1,996,000 (2024: £11,530,000).

18 Capital Resources and Gearing

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital and reserves, as disclosed in the Balance Sheet on page 58 and any gearing, which is managed by the use of derivative instruments. Financial resources are managed in accordance with the Company's investment policy and in pursuit of its investment objective, both of which are detailed in the Strategic Report on pages 23 and 24. The principal risks and their management are disclosed in the Strategic Report on pages 25 to 29.

The Company's gross and net gearing at the year end is set out below:

	2025			
	Gross gearing Asset exposure		Net gearing Asset exposure	
	£'000	% ¹	£'000	% ¹
Investments	1,164,423	91.9	1,164,423	91.9
Long CFDs	171,164	13.5	171,164	13.5
Total long exposures	1,335,587	105.4	1,335,587	105.4
Short CFDs	-	-	-	-
Gross asset exposure/net market exposure	1,335,587	105.4	1,335,587	105.4
Shareholders' funds	1,267,188		1,267,188	
Gearing²		5.4%		5.4%

	2024			
	Gross gearing Asset exposure		Net gearing Asset exposure	
	£'000	% ¹	£'000	% ¹
Investments	1,120,686	98.0	1,120,686	98.0
Long CFDs	115,050	10.1	115,050	10.1
Total long exposures	1,235,736	108.1	1,235,736	108.1
Short CFDs	2,117	0.2	(2,117)	(0.2)
Gross asset exposure/net market exposure	1,237,853	108.3	1,233,619	107.9
Shareholders' funds	1,143,541		1,143,541	
Gearing²		8.3%		7.9%

1 Asset exposure to the market expressed as a percentage of Shareholders' funds.

2 Gearing is the amount by which gross asset exposure/net market exposure exceeds Shareholders' funds expressed as a percentage of Shareholders' funds.

Notes to the Financial Statements continued

19 Transactions with the Managers 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 current fee arrangements are given in the Directors' Report on page 34. During the year, the following expenses were payable to FIL:

	31 August 2025 £'000	31 August 2024 £'000
Investment management fees	6,857	6,095
Marketing fees	230	229

At the Balance Sheet date, the following balances payable to FIL were accrued and included in other creditors:

	31 August 2025 £'000	31 August 2024 £'000
Investment management fees	607	570
Marketing fees	33	52

Disclosures of the Directors' interests in the ordinary shares of the Company and Director's fees and taxable expenses relating to reasonable travel expenses payable to the Directors are given in the Directors' Remuneration Report on pages 44 and 45. In addition to the fees and taxable expenses disclosed in the Directors' Remuneration Report, £24,000 (2024: £19,000) of employers' National Insurance contributions were paid by the Company. At the Balance Sheet date, Directors' fees of £13,000 (2024: £14,000) were accrued and payable.

20 Reconciliation of Net Return on Ordinary Activities before Finance Costs and Taxation to Net Cash Inflow from Operating Activities before Finance Costs and Taxation

	Year ended 31.08.25 £'000	Year ended 31.08.24 £'000
Net total return on ordinary activities before finance costs and taxation	164,885	229,956
Less: net capital return on ordinary activities before finance costs and taxation	(118,665)	(185,785)
Net revenue return on ordinary activities before finance costs and taxation	46,220	44,171
Scrip dividends	(512)	(1,467)
(Increase)/decrease in debtors	(2,247)	440
(Decrease)/increase in other creditors	(22)	139
Net cash inflow from operating activities before finance costs and taxation	43,439	43,283

Alternative Performance Measures

The Company uses the following Alternative Performance Measures and these are all defined in the Glossary of Terms on pages 93 to 95.

Discount/Premium

Details of the Company's discount are on the Financial Highlights page.

Gearing

See Note 18 on page 79 for details of the Company's gearing (both gross and net).

Net Asset Value ("NAV") per Ordinary Share

See the Balance Sheet on page 58 and Note 16 on page 72 for further details.

Ongoing Charges

The ongoing charges have been calculated in accordance with guidance issued by the AIC as the total of investment management fees and other expenses expressed as a percentage of the average net asset values throughout the year.

	2025	2024
Investment management fees (£'000)	6,857	6,095
Other expenses (£'000)	944	898
Ongoing charges (£'000)	7,801	6,993
Ongoing charges	0.68%	0.70%

Revenue, Capital and Total Returns per Share

See the Income Statement on page 57 and Note 8 on page 67 for further details.

Alternative Performance Measures continued

Total Return Performance

Total return performance is considered to be an Alternative Performance Measure. The NAV per ordinary share total return includes reinvestment of the dividend in the NAV of the Company on the ex-dividend date. The ordinary share price total return includes the reinvestment of the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAV per ordinary share and the ordinary share price of the Company, the impact of the dividend reinvestments and the total returns for the years ended 31 August 2025 and 31 August 2024.

	Net asset value per ordinary share	Ordinary share price
2025		
31 August 2024	352.84p	321.50p
31 August 2025	392.26p	380.00p
Change in year	+11.2%	+18.2%
Impact of dividend reinvestments	+3.1%	+3.6%
Total return for the year	+14.3%	+21.8%

	Net asset value per ordinary share	Ordinary share price
2024		
31 August 2023	293.44p	267.50p
31 August 2024	352.84p	321.50p
Change in year	+20.2%	+20.2%
Impact of dividend reinvestments	+3.9%	+4.1%
Total return for the year	+24.1%	+24.3%

Financial Calendar

The key dates in the Company's calendar are:

31 August 2025 – Financial Year End
November 2025 – Announcement of the annual results for the year ended 31 August 2025
November 2025 – Publication of the Annual Report
27 November 2025 – Ex-Dividend Date
28 November 2025 – Dividend Record Date
11 December 2025 – Annual General Meeting
13 January 2026 – Payment of Final Dividend
28 February 2026 – Half-Year End
April 2026 – Announcement of the Half-Yearly Results for the six months to 28 February 2026
April 2026 – Publication of the Half-Yearly Report
May 2026 – Ex-Dividend and Dividend Record Date
June 2026 – Payment of Interim Dividend

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Fidelity Special Values PLC will be held 4 Cannon Street, London EC4M 5AB and virtually via the Lumi AGM meeting platform on Thursday, 11 December 2025 at 11.00 am for the following purposes:

1. To receive and adopt the Annual Report and Financial Statements for the year ended 31 August 2025.
2. To declare that a final dividend for the year ended 31 August 2025 of 6.84 pence per ordinary share be paid to shareholders on the register as at close of business on 28 November 2025.
3. To re-elect Mrs Claire Boyle as a Director.
4. To elect Mr Christopher Casey as a Director.
5. To re-elect Mr Ominder Dhillon as a Director.
6. To re-elect Mrs Alison McGregor as a Director.
7. To approve the Directors' Remuneration Report (excluding the section headed "The Remuneration Policy" set out on page 43) for the year ended 31 August 2025.
8. To approve the Directors' Remuneration Policy as stated in the Directors' Remuneration Report on page 43.
9. To appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company.
10. To authorise the Directors to determine the Auditor's remuneration.

To consider and, if thought fit, pass the following special business resolutions of which Resolutions 11 and 14 will be proposed as ordinary resolutions and Resolutions 12, 13 and 15 will be proposed as special resolutions.

Authority to Allot Ordinary Shares and Disapply Pre-Emption Rights

Resolutions 11 and 12 will, if approved, authorise the Directors to allot a limited number of new ordinary shares (or to sell any ordinary shares which the Company elects to hold in Treasury) for cash without first offering such shares to existing ordinary shareholders pro rata to their existing holdings. The limit set by the Board is 10% of the number of ordinary shares of the Company (including Treasury shares) in issue on 5 November 2025. The Directors will only issue new ordinary shares, or dispose of ordinary shares held in Treasury, under this authority in order to take advantage of opportunities in the market as they arise and only if they believe it is advantageous to the Company's shareholders to do so. Any ordinary shares held in Treasury would be re-issued at net asset value ("NAV") per ordinary share or at a premium to NAV per ordinary share. This would ensure that the net effect of repurchasing and then re-issuing the ordinary shares would enhance NAV per ordinary share.

11. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company ("relevant securities") up to an aggregate nominal amount of £1,620,494 (approximately 10% of the aggregate nominal amount of the issued share capital of the Company (including Treasury shares) as at 5 November 2025) and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authority to expire at the conclusion of the next Annual General Meeting ("AGM") of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired. All previous unexpired authorities are revoked, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
12. THAT, subject to the passing of Resolution 11, as set out above, the Directors be and they are hereby authorised, pursuant to Sections 570-573 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given by the said Resolution 11 and/or to sell ordinary shares held by the Company as Treasury shares for cash, as if Section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited:
 - a) to the allotment of equity securities or sale of Treasury shares up to an aggregate nominal amount of £1,620,494 (approximately 10% of the aggregate nominal amount of the issued share capital of the Company (including Treasury shares) as at 5 November 2025); and
 - b) by the condition that allotments of equity securities or sales of Treasury shares may only be made pursuant to this authority at a price of not less than the NAV per ordinary share,

and this power shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this Resolution, whichever is the earlier, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority, and the Directors may allot equity securities in relation to such an offer or agreement as if the authority conferred by this Resolution had not expired.

Authority to Repurchase Ordinary Shares

Resolution 13 is a special resolution which, if approved, will renew the Company's authority to purchase up to 14.99% of the number of ordinary shares in issue (excluding Treasury shares) on 5 November 2025 either for immediate cancellation or for retention as Treasury shares, at the determination of the Board. Once shares are held In Treasury, the Directors may only dispose of them in accordance with the relevant legislation by subsequently selling the shares for cash or cancelling the shares. Purchases of ordinary shares will be at the discretion of the Board and within guidelines set from time to time by the Board in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing NAV per ordinary share, thereby resulting in an increased NAV per ordinary share.

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 5 pence each ("the shares") in the capital of the Company provided that:
 - a) the maximum number of shares hereby authorised to be purchased shall be 48,425,000;
 - b) the minimum price which may be paid for a share is 5 pence;
 - c) the maximum price (excluding expenses) which may be paid for each share is the higher of:
 - i) 5% above the average of the middle market quotations for the shares as derived from the London Stock Exchange Official List for the five business days immediately preceding the day of purchase; and
 - ii) the higher of the price of the last independent trade and the highest current independent purchase bid on the London Stock Exchange at the time the purchase is carried out;
 - d) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this resolution, whichever is earlier, unless such authority is renewed prior to such time; and
 - e) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract.

Continuation of the Company

Resolution 14 is an ordinary resolution that relates to the continuation of the Company.

14. THAT the Company continues to carry on business as an investment trust.

Adoption of New Articles of Association

Resolution 15 is a special resolution that relates to the adoption of new Articles of Association by the Company to make changes in relation to Directors' fees, the period for submitting proposals to members following a continuation vote and other clarificatory, administrative and technical changes, as described further in the Directors' Report on pages 37 and 38.

15. THAT with effect from the passing of this resolution, the draft Articles of Association produced to the meeting and, for the purpose of identification, initialled by the Chairman, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

By Order of the Board

FIL Investments International

Secretary

5 November 2025

Notes to the Notice of Meeting:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the Annual General 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. To appoint a proxy via the Investor Centre at <https://uk.investorcentre.mpms.mufig.com/>, you will need to log in to your Investor Centre account or register if you have not previously done so. To register you will need your Investor Code which can be found on your Form of Proxy. Alternatively, shareholders can vote via the Investor Centre app, which is a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's Registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.



Notice of Meeting continued

2. A Form of Proxy is enclosed and must be returned to the Registrar at the address on the form to arrive not later than 11:00 on Tuesday, 9 December 2025. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if they so wish.
3. 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 Registrar, PXS 1, MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL not less than 48 hours before the time for holding the meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used (in each case excluding non-business days).
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 11:00 on Tuesday, 9 December 2025. 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) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's Registrar no later than 11:00 on Tuesday, 9 December 2025.
6. Proxymity Voting – If you are an institutional investor, you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by no later than 11:00 on Tuesday, 9 December 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic

appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

7. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
8. All members are entitled to attend and vote at the AGM and ask questions. The right to vote at the meeting will be determined by reference to the Register of Members as at close of business on Tuesday, 9 December 2025. Shareholders are urged to vote using the proxy form provided or electronically where permitted by your nominee or platform provided or electronically where permitted by your nominee or platform.
9. The Company is pleased to be able to offer facilities for shareholders to attend, ask questions and vote at the AGM electronically in real time should they wish to do so. The details are set out below.

In order to join the AGM electronically and to vote and ask questions via the platform, shareholders will need to connect to the following site **<https://meetings.lumiconnect.com/100-720-059-199>**. Lumi is available as a mobile web client, compatible with the latest browser versions of Chrome, Firefox, Edge and Safari and can be accessed using any web browser on a tablet, smartphone or computer.

Once you have accessed **<https://meetings.lumiconnect.com/100-720-059-199>** from your device, you will be prompted to enter your unique 11 digit Investor Code ("IVC") including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate or as detailed on your proxy form. You can also obtain this by contacting MUFG Corporate Markets, our Registrar, by calling **+44 (0) 371 277 1020***

Access to the AGM will be available from **30 minutes before the meeting start time**, although the voting functionality will not be enabled until the Chairman of the meeting declares the poll open. During the AGM, you must ensure you are connected to the internet at all times in order to vote when Chairman commences polling on the Resolutions. Therefore, it is your responsibility to ensure connectivity for the duration of the AGM via your wi-fi. A user guide to the Lumi platform available on the Company's pages of the Manager's website at: **www.fidelity.co.uk/specialvalues**.

If you wish to appoint a proxy other than the Chairman of the meeting and for them to attend the virtual meeting on your behalf, please submit your proxy appointment in the usual way before contacting MUFG Corporate Markets on **+44 (0) 371 277 1020*** in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting.

If your shares are held within a nominee/platform and you wish to attend the electronic meeting, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to MUFG Corporate Markets, the Registrar, as soon as possible and at least 72 hours (excluding non-business days) before the meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend the electronic meeting.

If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed <https://meetings.lumiconnect.com/100-720-059-199> from your web browser on a tablet, smartphone or computer, you should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

* Lines are open from 09:00 to 17:30 Monday to Friday, excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

10. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (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 Note 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
11. 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% 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.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the AGM (and for the purpose of determining the number of votes they may cast), members

must be entered on the Register of Members by close of business on Tuesday, 9 December 2025. If the meeting is adjourned then, to be so entitled, members must be entered on the Register of Members by close of business two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.

13. As at 5 November 2025 (the latest practicable date prior to the publication of this document), the Company's issued share capital consisted of 324,098,920 ordinary shares carrying one vote each. There were 1,050,000 ordinary shares held by the Company in Treasury, therefore, the total number of shares with voting rights in the Company was 323,048,920.
14. Any corporation which is a member can appoint one or more corporate representative 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.
15. Shareholders and any proxies or representatives they appoint understand that by attending the meeting they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the meeting.
16. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that is to be laid before the AGM or any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and Financial Statements were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with such requests. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on its website.
17. No Director has a service contract with the Company.
18. 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/specialvalues.

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

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 MUFG Corporate Markets, Registrar to Fidelity Special Values PLC, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: shareholderenquiries@cm.mpms.mufg.com

Telephone: **+44 (0) 371 664 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 Investor Centre at <https://uk.investorcentre.mpms.mufg.com/>. Shareholders are able to manage their shareholding online by registering for the Investor Centre, 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 Investor Centre, contact the helpline on **+44 (0) 371 664 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).

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.

Managers and Advisors

Alternative Investment Fund Manager (the AIFM/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

Depositary

J.P. Morgan Europe Limited
25 Bank Street
London
E14 5JP

Financial Adviser and Stockbroker

Winterflood Securities
Riverbank House
2 Swan Lane
London
EC4R 3GA

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Lawyer

Simmons and Simmons LLP
1 Ropemaker Street
London
EC2Y 9SS

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Company Information

The Company was launched on 17 November 1994. The original subscription price was £1 for each ordinary share of 25 pence each. Following the sub-division of ordinary shares on a five for one basis on 29 June 2015, the Company's share capital now comprises ordinary shares of 5 pence each and the restated original subscription price is 20 pence for each ordinary share.

The Company is a member of The Association of Investment Companies (the "AIC") from whom general information on investment trusts can be obtained by telephoning **020 7282 5555** (email: enquiries@theaic.co.uk).

Price Information

The share price of Fidelity Special Values PLC is published daily in the Financial Times under the heading "Investment Companies". It is also published in The Times and The Daily Telegraph. Price and performance information is also available at: www.fidelity.co.uk/specialvalues

Investors can also obtain current price information by telephoning Fidelity for free on **0800 41 41 10** or FT Cityline on **0905 817 1690** (voice activated service) (calls charged at 60p per minute on a per second basis from a BT landline. Charges from other telephone networks may vary). The Reuters code for Fidelity Special Values PLC is FSV.L, the SEDOL is BWXC7Y9 and the ISIN is GB00BWXC7Y93.

Net Asset Value ("NAV") Information

The Company's NAV is calculated and released to the London Stock Exchange on a daily basis.

UK Capital Gains Tax

All UK individuals under present legislation are permitted to have £3,000 of capital gains in the current tax year 2025/2026 (2024/2025: £3,000) before being liable for capital gains tax. Capital gains tax is charged at 10% and 20% dependent on the total amount of taxable income.

Data Protection

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 at 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 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.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally. In particular, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Alternative Investment Fund Manager's Disclosure

In compliance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has appointed FIL Investment Services (UK) Limited ("FISL") as the Company's Alternative Investment Fund Manager ("AIFM"). FISL has delegated the portfolio management of assets and company secretarial function to FIL Investments International. Details of the Management Agreement can be found in the Directors' Report on page 34.

The table below discloses information required by the Alternative Investment Fund Managers Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment management	The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FIL Investments International. The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines.	Details of the Company's investment objective, policy and strategy, including investment limits, are on pages 23 and 24.
Risk management	The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management. The Company has a Risk Management Process Document which demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under the AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing. The Board, as part of UK corporate governance, remains responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.	The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of risk management and internal controls and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 25 to 29 and in Note 17 to the Financial Statements on pages 72 to 78.
Valuation of illiquid assets	The AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company.	As at the date of this report, none of the Company's assets were subject to special arrangements arising from their illiquid nature.

Alternative Investment Fund Manager's Disclosure continued

Function	AIFM Role and Responsibility	AIFMD Disclosure
Leverage	The Company uses leverage to increase its exposure primarily to UK companies and currently holds derivative instruments. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times. There are two methods of calculating leverage – the Gross Method which does not reduce exposure for hedging; and the Commitment Method which does reduce exposure for hedging.	The maximum leverage limits are 1.80 for the Gross Method of calculating leverage and 1.50 for the Commitment Method. At 31 August 2025, actual leverage was 1.13 for the Gross Method and 1.14 for the Commitment Method.
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually.	No new arrangements for managing the liquidity of the Company have been made. Further details can be found in Note 17 on page 75.
Remuneration of the AIFM	The AIFM operates under the terms of Fidelity International's Global Remuneration Policy Statement. This ensures that the AIFM complies with the requirements of the FCA's Remuneration Code (SYSC19A); the AIFM Remuneration Code (SYSC19B); and the BIPRU Remuneration Code (SYSC19C).	Details of Fidelity International's Global Remuneration Policy can be found at www.fidelityinternational.com/global/remuneration/default.page

EU Securities Financing Transactions Regulations ("SFTR")

The following disclosures relate to contracts for difference ("CFDs") held by the Company which may be considered Total Return Swaps under the SFTR, which came into force on 12 January 2016.

As at 31 August 2025, all CFDs were contracted bilaterally with open maturities:

Broker	Fair Value £'000	Percentage of Net Assets	Collateral held by the Broker £'000	Collateral held by the Company £'000
Goldman Sachs International (UK)	(103)	(0.01%)	260	-
HSBC Bank plc (UK)	(377)	(0.03%)	140	-
J.P. Morgan plc (UK)	(842)	(0.07%)	-	260
Morgan Stanley & Co International plc (UK)	25	0.00%	-	-
UBS AG (UK)	(1,020)	(0.08%)	-	1,040

Collateral held by the broker was held in a segregated account on behalf of the Company with a maturity of one day. The total return for the year ended 31 August 2025 from CFDs was a gain of £2,663,000.

Glossary of Terms

AAF Report

A report prepared in accordance with the Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

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;
- 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 to 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.

Capital Gains Tax (CGT)

The tax you may have to pay if you sell your shares at a profit.

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.

Corporation Tax

The UK tax the Company may have to pay on its profits. As an investment trust company, the Company is exempt from UK corporation tax on its capital gains and does not pay tax on any UK dividends. It can also offset expenses against any taxable income, and consequently it is tax efficient for the Company.

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. The discount is shown as a percentage of the net asset value per ordinary share.

Fair Value

The fair value is the best measure of the realisable value of the investments, including derivatives, at a point in time and 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

Glossary of Terms continued

- **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](#)).

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 to 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 of 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](#) and 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.

Ongoing Charges

Total operational expense (excluding finance costs and taxation) incurred by the Company as a percentage of the average daily [net asset values](#) for the reporting year.

Options

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.

Pre-Emption Rights

Section 561 of the Companies Act 2006 provides that a company offering a new issue of shares must first make an offer of these shares, on the same or more favourable terms, in proportion to the nominal value held to existing Shareholders. At each Annual General Meeting, the Board seeks Shareholder approval to disapply [pre-emption rights](#) provision, up to 10% of the Company's issued share capital.

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](#). The [premium](#) 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 MUFG Corporate Markets (name changed from Link Group on 20 January 2025).

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 it 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 it 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 it 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 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 gains and losses on investments and derivative instruments, including foreign exchange related gains and losses;
- **Total Return** reflects the aggregate of revenue and capital returns.

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 for additional shares (for share price total return) or in 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 receive dividends, have no voting rights and are excluded from the [net asset value per ordinary share](#) calculation.

Would you like updates directly from your Portfolio Manager?

Keep up with the latest news, views and insights directly from the investment teams with our monthly newsletter. Sign up now using the link or QR code below to get access to exclusive updates about your current investment and the other investment companies Fidelity manages.

How will I benefit from my investment company updates?



Insights from the desks of your Portfolio Manager outlining their latest thinking on your investment.



Exclusive invitations to events, including AGMs, plus notification of annual reports and results.



Topical and relevant market updates from the wider Fidelity investment team.

 All in a quick-read format, once a month

Activate my investment company updates

So that you do not miss out on your exclusive content, all you need to do is follow these three simple steps:

1. Scan this QR code, or go to fidelity.co.uk/updates
2. Enter your email address
3. Click the button to opt-in & you are done!

You will always have the option to opt-out at any time. For more on how we will use your personal information, see our privacy statement at fidelity.co.uk/its/privacy.





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Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on Revive 100 Silk, a white triple coated sheet that is manufactured from FSC® Recycled certified fibre derived from 100% pre and post-consumer wastepaper containing 100% recycled fibre. The FSC® label on this product ensures responsible use of the world's forest resources.

