Fidelity Special Values PLC

Half-Yearly Results for the six months ended 28 February 2025 (unaudited)

Financial Highlights:

- **The Board of Fidelity Special Values PLC (the "Company") declares an interim dividend of 3.36 pence per share, an increase of 3.7% from the prior year interim dividend.**
- **During the six months ended 28 February 2025, the Company reported a Net Asset Value (NAV) of +1.8%.**
- **Over the same period, the ordinary share price total return of the Company was +5.2% and the Benchmark, the FTSE All-Share Index, also returned +5.2%.**
- **The Portfolio Manager, Alex Wright, believes the UK market is well-positioned to withstand recent volatility due to minimal direct tariff exposure and defensively skewed sector composition.**

Contacts

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Company Secretary
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FIL Investments International

PORTFOLIO MANAGER'S HALF-YEARLY REVIEW

PERFORMANCE

Over the six months ended 28 February 2025, the Company recorded a net asset value ("NAV") per ordinary share return of +1.8% and a share price return of +5.2%, compared to a +5.2% return for the FTSE All-Share Index ("the Benchmark"), all on a total return basis. This report seeks to summarise the period, highlight the key drivers of performance and set out the Portfolio Manager's forward-looking views.

The Company's NAV underperformance against the Benchmark was primarily due to the significant performance divergence between large and mid-cap stocks in the UK market. This was reflected in the FTSE 100's 6.5% gain, compared to the FTSE 250's 2.5% decline. Given the Company's substantial exposure to mid-cap stocks, this market bifurcation weighed on relative returns.

STOCK MARKET AND PORTFOLIO REVIEW

UK equities advanced, driven primarily by gains since the start of the calendar year. Global markets grappled with significant news flow as political developments, economic uncertainty and the outlook for interest rate cuts tempered investor sentiment.

The period began with UK equities posting losses in September and October amid moderating economic activity and uncertainty surrounding the implications of the UK Autumn Budget. Although a relief rally occurred in November, following President Trump's election in the US and China's new stimulus measures, UK equities remained broadly flat in the final quarter of the year. Global central banks continued to ease their restrictive policy stance, with the US Federal Reserve ("Fed") cutting interest rates again in November. The Bank of England ("BoE") followed suit, reducing its base rate to 4.75%. While the BoE downplayed the immediate impact of the new UK Government's expansionary fiscal policies, it cautioned that measures from the Budget could drive higher inflation, potentially prolonging a higher interest rate environment. Investor optimism moderated in December after the Fed signalled fewer rate cuts for 2025. The BoE Governor Andrew Bailey also maintained a cautious stance on future interest rate decisions, refraining from providing specific guidance on the timing or extent of cuts in 2025. Meanwhile, domestic economic data continued to highlight challenges, with manufacturing and consumer confidence indicators remaining subdued.

2025 started on a positive note with UK equities delivering strong returns despite an initial bout of volatility in early January. Equities continued to advance in February, demonstrating resilience despite several geopolitical and trade policy developments emanating from the US. Performance across international markets diverged, as investors sought diversification opportunities away from US equities following their relative weakness. Meanwhile, growing investor confidence in the prospect of a ceasefire in Ukraine provided particular support to European equity markets. Investors also welcomed a further interest rate cut, the third since August 2024, bringing the BoE's base rate to 4.50%.

From a sector perspective, market gains were primarily led by financials, with industrials and technology also delivering notable returns. Conversely, real estate and health care were the weakest performing sectors. While both value and growth segments advanced, value outperformed by a considerable margin. Large-cap stocks were the strongest performers, whereas small and mid-cap stocks underperformed over the period.

Engineering consultancy group John Wood was among the key detractors, as the market reacted negatively to its recent quarterly results. The company announced an independent audit review of its accounts and weaker free cash flow forecast for the next financial year, citing multiple headwinds. Encouragingly, its operational results were robust, and it remains in the early stages of its turnaround, continuing to benefit from an attractive franchise in oil services, energy and consulting. Additionally, at the time of writing, the company has re-engaged with its previous bidder, who had walked away in February 2024.

Geotechnical engineering company Keller underperformed, following a strong run over the past few years. Investors took profits as concerns grew that its US earnings may have peaked after two consecutive years of strong growth. Nevertheless, the company has benefited positively from large US projects despite mixed market conditions. The group's geographically diverse portfolio and attractive valuation relative to peers should provide support as it navigates a potential slowdown in the US.

The position in IG Design, a manufacturer of celebrations products and gifts, also weighed on performance, as challenging retail conditions in the US and the bankruptcy of a large customer negatively impacted sales. Despite this near-term cyclical weakness, the company is trading at a highly attractive valuation and is supported by a robust balance sheet. The company's management is actively working to improve the business's margin profile.

Within the banking sector, several of our holdings, including Standard Chartered, NatWest and AIB Group, benefited from strong results, share buyback announcements and rising interest rate expectations. In February 2025, Standard Chartered announced a new $1.5 billion share buyback program after reporting an 18% increase in annual pre-tax profit. This growth was driven by strong performance in its wealth business and global markets division, pushing shares to a near-decade high. The diversified bank, which has an emerging market focus, is continuing to make strides in its turnaround journey. NatWest's annual results also exceeded consensus estimates, supported by substantial share buybacks, lower impairments and rebounding margins, which contributed to share price gains in 2024. Conversely, not owning HSBC detracted from relative performance.

The position in tobacco group Imperial Brands supported performance. The company's annual results highlighted further progress in stabilising its core tobacco business across key markets. It continues to provide an attractive distribution to shareholders. Meanwhile, the underweight position in health care group AstraZeneca was a key contributor to performance, as its shares declined following allegations of corruption in its China business.

Merger and acquisition ("M&A") activity continued to be a driver for performance. Notably, the holding in Direct Line Insurance added value after Aviva agreed to acquire the company for £3.7 billion, a deal that would create the UK's largest motor insurer.

We have been finding new investment opportunities in cyclical areas such as industrials, advertising and staffing, while also selectively adding back exposure to selected real estate stocks and housing related names, where demand appears to be stabilising and valuations remain attractive. We recently increased exposure to retailers specialising in big-ticket items such as kitchens and sofas, where sales are 10-25% below historical volumes. We anticipate an improving outlook as housing market volumes strengthen and interest rates decline, coinciding with a reduction in industry competition. We have also found opportunities in defensive sectors, adding to positions in Reckitt Benckiser, British American Tobacco and National Grid following recent weakness. Within the resources sector, we continue to maintain an underweight position in large-cap mining companies, reflecting our cautious view on iron ore. We also do not hold the two large-cap UK oil companies, Shell and BP.

Smaller-cap equities are a particularly attractive hunting ground today, as they trade at an aggregate price to earnings ratio of below 10x. The Company's portfolio maintains a strategic bias toward small and mid-cap companies, comprising approximately 50% of the portfolio. We remain well diversified, with 105 holdings as at the end of February.

USE OF GEARING

We have continued to use contracts for difference to gear the portfolio's long exposure and eliminate some of the currency exposure for those holdings listed outside of the UK. Overall, the Company's net gearing increased from 7.9% at the beginning of the period to 10.9% at the end of February 2025. Gross gearing increased from 8.3% at the start of the period to 10.9% at the end of the period.

OUTLOOK

Despite their improved performance over recent years, UK equities remain relatively cheap compared to other markets. Historically, the UK market traded at around 85-90% of global markets, but this has dropped to around 75% in recent years[1]. While other markets face excessive valuations and the risk of a de-rating, the UK market benefits from a meaningful margin of safety, offering protection if exogenous events impact markets. The market's consensus last year was that US dominance would persist; however, trends have moved in the opposite direction so far this year.

While we are undoubtedly entering a turbulent period in global politics and economic uncertainty, as tariffs will likely impede global economic growth, the UK market is well-positioned to withstand this US-centric storm. Direct tariff exposure is minimal given the UK's small export base and service-oriented economy. Moreover, the UK's sector composition is skewed toward defensive areas such as consumer staples and utilities, which could provide resilience against global growth weakness and trade downturns. This is strikingly different to other regions with high export dependencies to the US and significant sector weightings in affected areas, such as technology, aerospace and manufacturing which are heavily reliant on dispersed globalised supply chains.

The UK market's international nature means that it will feel some effects from the tariffs, but mostly from the broader implications of a likely deceleration in US and global economic growth, rather than direct tariff-related hits. Recession risks have clearly escalated, and the lingering uncertainty is what the market is currently pricing in. The Company's diversified portfolio and its underweight positions to the most exposed areas, such as oil and pharmaceuticals, should prove relatively supportive, but its cyclical holdings will feel the effects of this. We have been strategically adding to attractively valued domestic-facing businesses that are relatively insulated from these events, supporting a meaningful overweight to UK revenues compared to the Benchmark. We believe there are numerous attractive opportunities prevailing in the current market, available at low valuations, and we continue to uncover compelling investment ideas, particularly in periods of high market volatility.

The unpopularity of the UK market has made it an attractive hunting ground for contrarian value investors. We believe that the combination of favourable valuations and the large divergence in performance between different markets provides a strong opportunity for attractive returns on a three-to-five-year view. Their unloved status means we are finding overlooked companies with good upside potential across industries and the market cap spectrum.

While domestic investors have yet to fully recognise this value, it is being acknowledged by other market participants. Overseas corporates and private equity firms are actively capitalising on these attractive valuations, as evidenced by the strong historical M&A activity in the UK market. We have experienced considerable success with M&A activity across the portfolio in the last year. The low valuations are also reflected in the substantial buyback activity among UK corporates.

We believe current market conditions continue to favour our value-contrarian investment style. The vulnerability of growth companies is that they tend to be priced for optimism, with share prices declining significantly if good news does not materialise. The opposite is true for value companies: If the consensus view is negative, an investor does not lose much if it turns out to be correct; in contrast, if it is wrong, the share price can move significantly higher.

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, superior returns on capital and relatively low levels of debt. This quality profile reinforces our confidence in delivering attractive long-term returns for investors.

1 JP Morgan Equity Strategy, DataStream, February 2025. Valuations adjusted for sectoral differences between markets and is based on 12m forward P/E of the MSCI UK Index vs MSCI World Index (both are sector neutral indices).

ALEX WRIGHT
Portfolio Manager
25 April 2025

TWENTY LARGEST INVESTMENTS AS AT 28 FEBRUARY 2025

The Asset Exposures shown below measure exposure to market price movements as a result of owning shares, corporate 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 corporate 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 £'000	%[1]	Fair Value £'000
Long Exposures – shares unless otherwise stated			
AIB Group (corporate bond and long CFD)			
Banks	49,664	4.4	18,017
Standard Chartered			
Banks	48,077	4.2	48,077
Imperial Brands			
Tobacco	45,869	4.0	45,869
DCC			
Industrial Support Services	40,660	3.6	40,660
Reckitt Benckiser Group			
Personal Care, Drug and Grocery Stores	39,428	3.5	39,428
NatWest Group			
Banks	39,226	3.4	39,226
Direct Line Insurance Group			
Non-Life Insurance	34,186	3.0	34,186
Just Group			
Life Insurance	31,978	2.8	31,978
British American Tobacco			
Tobacco	31,899	2.8	31,899
National Grid			
Gas, Water and Multi-Utilities	31,401	2.8	31,401
Keller Group (shares and long CFD)			
Construction and Materials	30,854	2.7	18,994
Coats Group			
General Industrials	29,298	2.6	29,298
Barclays			
Banks	27,351	2.4	27,351
Mitie Group			
Industrial Support Services	25,081	2.2	25,081
Glenveagh Properties			
Household Goods and Home Construction	24,786	2.2	24,786
Cairn Homes (long CFDs)			
Household Goods and Home Construction	24,585	2.2	(769)
Aviva			
Life Insurance	24,320	2.1	24,320
TotalEnergies (long CFD)			
Oil, Gas and Coal	24,242	2.1	(117)
Roche Holding			
Pharmaceuticals and Biotechnology	23,661	2.1	23,661
Serco Group (shares and long CFD)			
Industrial Support Services	22,414	1.9	17,549
	---------------	---------------	---------------
Twenty largest long exposures	**648,980**	**57.0**	**550,895**
Other long exposures	614,977	53.9	541,947
	---------------	---------------	---------------
Gross Asset Exposure (107 holdings)	**1,263,957**	**110.9**	
	=========	=========	
Portfolio Fair Value			**1,092,842**
			=========

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

FAIR VALUE AND ASSET EXPOSURE OF INVESTMENTS
AS AT 28 FEBRUARY 2025

	Fair Value	Asset Exposure

	£'000	£'000	%[1]
Investments	1,094,910	1,094,910	96.1
Long CFDs	(2,068)	169,047	14.8
	---------------	---------------	---------------
	1,092,842	**1,263,957**	**110.9**
	=========	=========	=========
Cash at bank[2]	2,408	(168,707)	(14.8)
Fidelity Institutional Liquidity Fund	39,268	39,268	3.4
Other net current assets (excluding derivative assets and liabilities)	5,459	5,459	0.5
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Shareholders' Funds	**1,139,977**	**1,139,977**	**100.0**
	=========	=========	=========

The Company uses gearing through the use of CFD positions. Gross gearing as at 28 February 2025 was 10.9% (31 August 2024: 8.3% and 29 February 2024: 5.9%).

1 Asset Exposure is expressed as a percentage of Shareholders' Funds.
2 The Asset Exposure column for cash at bank has been adjusted to assume the Company traded direct holdings rather than exposure being gained through long CFD positions. The amount is derived by taking the cost of the shares underlying the long CFDs when the contracts were opened less the cash at bank balance at the period end.

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT

BOARD CHANGES
Nigel Foster, having served as a non-executive Director and Senior Independent Director, completed his nine year tenure on the Board and stepped down at the conclusion of the Annual General Meeting on 12 December 2024. Following a recruitment process for his replacement as non-executive Director, Christopher Casey was appointed to the Board on 1 January 2025. Claire Boyle replaced Mr Foster as Senior Independent Director on 12 December 2024, whilst also continuing to serve as Audit Committee Chair.

INTERIM DIVIDEND
The Company's investment approach is focused on long-term capital growth rather than income generation, however the Board recognises that dividends are an important part of total shareholder returns. 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 six months to 28 February 2025 was 3.51 pence per share.

The Board has declared an interim dividend of 3.36 pence per share which is 3.7% higher than the 3.24 pence per share paid as the interim dividend in 2024. This will be paid on 19 June 2025 to shareholders on the register on 9 May 2025 (ex-dividend date 8 May 2025). Shareholders should note that the Board will review the final dividend payment later in the year based on dividend receipts from the companies held in the portfolio in the second half of the reporting year. However, based on current forecasts, the Board would hope to maintain at least the same level of dividend as paid in the prior year and would intend to pay it entirely from the revenue earned in the reporting period.

DISCOUNT MANAGEMENT AND SHARE REPURCHASES
Investment trust discounts continue to generally remain wide across the investment companies' market and compared to long-term averages, and the Company at times has not been immune to this trend. As at 28 February 2025, the average discount for the companies in the UK All Companies peer group was 8.1% compared to the Company's discount of 6.0%. Under the Company's discount management policy, the Board seeks to maintain the discount in single digits in normal market conditions and will repurchase shares to help stabilise the share price discount. During the reporting period, the Company repurchased 800,000 ordinary shares into Treasury. Since then and at the latest practicable date of this report, a further 250,000 ordinary shares have been repurchased into Treasury.

The Board continues to monitor the level of the Company's discount closely and takes action when it believes to do so will be effective and to the benefit of shareholders.

PRINCIPAL AND EMERGING RISKS
The Board, with the assistance of the Manager (FIL Investment Services (UK) Limited), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company continue to fall into the following categories: market, economic and political; investment performance (including the use of derivatives and gearing); regulatory; cybercrime and information security; business continuity; key person and operational support; discount control; and environmental, social and governance ("ESG") risks. Information on each of these risks is given on pages 26 to 28 in the Strategic Report section of the Annual Report for the year ended 31 August 2024, a copy of which can be found on the Company's pages of the Manager's website at **www.fidelity.co.uk/specialvalues.**

There continues to be increased geopolitical risks facing the company, including political and trade tensions globally, trade sanctions and a challenging regulatory environment hindering investment. Global economic uncertainty is raised by the ongoing war in Ukraine, the potential for further conflict in the Middle East, trade tensions between the US and China, ongoing tensions between South Korea and North Korea, the South China Sea dispute and implications of China and Taiwan relations. The Board and the Manager remain vigilant in monitoring such risks.

In recent months, there have been increased concerns around investment cost disclosure and its 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 investors to understand and increase the regulatory burden imposed on the sector if it proceeds with some of the proposals as drafted.

Climate change continues to be a key principal risk confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of a changing pattern of weather events. Climate change can potentially impact the operations of investee companies, their supply chains and their customers. Additional risks may also arise from increased regulations, costs and net-zero programmes which can all impact investment returns. The Board notes that the Manager has integrated ESG considerations into the Company's investment process. The Board will continue to monitor how this may impact the Company as a risk on investment valuations and potentially affect shareholder returns.

The Board and the Manager are also monitoring the emerging risks and rewards posed by the rapid advancement of artificial intelligence (AI) and technology and how this may threaten the Company's activities and its potential impact on the portfolio and investee companies. AI can provide asset managers with 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 computer 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 future geopolitical and economic events.

Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long-term investment. Risks are mitigated by the investment trust structure of the Company which means that the Portfolio Manager is not required to trade to meet investor redemptions. Therefore, investments in the Company's portfolio can be held over a longer-time horizon.

The Manager has appropriate business continuity and operational resilience plans in place to ensure the continued provision of services. This includes investment team key activities, including those of portfolio managers, analysts and trading/support functions. The Manager reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations, assess its ability to continue operating and the steps it needs to take to serve and support its clients, including the Board.

The Company's other third-party service providers also have similar measures in place to ensure that business disruption is kept to a minimum.

TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES
The Manager has delegated the Company's portfolio management and company secretariat services to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 13 to the Financial Statements below.

GOING CONCERN STATEMENT
The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio, its expenditure and cash flow projections. The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable) and the projected income and expenditure, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and can continue in operational existence for a period of at least twelve months from the date of this Half-Yearly Report.

This conclusion also takes into account the Board's assessment of the ongoing risks as outlined above.

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

Continuation votes are held every three years and the next continuation vote will be put to shareholders at the AGM in December 2025.

BY ORDER OF THE BOARD
FIL INVESTMENTS INTERNATIONAL
25 April 2025

DIRECTORS' RESPONSIBILITY STATEMENT

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

a) the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council's Standard: FRS 104: Interim Financial Reporting; and

b) the Portfolio Manager's Half-Yearly Review and the Interim Management Report above, include a fair review of the information required by DTR 4.2.7R and 4.2.8R.

In line with previous years, the Half-Yearly Report has not been audited by the Company's Independent Auditor.

The Half-Yearly Report was approved by the Board on 25 April 2025 and the above responsibility statement was signed on its behalf by Dean Buckley, Chairman.

FINANCIAL STATEMENTS

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

		Six months ended 28 February 2025 Unaudited			Year ended 31 August 2024 audited			Six months ended 29 February 2024 audited		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	9,427	9,427	–	166,057	166,057	–	20,869	20,869
(Losses)/gains on derivative instruments		–	(1,264)	(1,264)	–	19,524	19,524	–	5,742	5,742
Investment and derivative income	4	17,399	–	17,399	48,413	–	48,413	15,462	–	15,462

Other interest	4	845	–	845	2,751	–	2,751	1,861	–	1,861
Investment management fees	5	(3,315)	–	(3,315)	(6,095)	–	(6,095)	(2,863)	–	(2,863)
Other expenses		(470)	–	(470)	(898)	–	(898)	(468)	–	(468)
Foreign exchange (losses)/gains		–	(66)	(66)	–	204	204	–	220	220
Net return on ordinary activities before finance costs and taxation		14,459	8,097	22,556	44,171	185,785	229,956	13,992	26,831	40,823
Finance costs	6	(2,956)	–	(2,956)	(5,794)	–	(5,794)	(2,994)	–	(2,994)
Net return on ordinary activities before taxation		11,503	8,097	19,600	38,377	185,785	224,162	10,998	26,831	37,829
Taxation on return on ordinary activities	7	(118)	–	(118)	(848)	–	(848)	(154)	–	(154)
Net return on ordinary activities after taxation for the period		11,385	8,097	19,482	37,529	185,785	223,314	10,844	26,831	37,675
Return per ordinary share	8	3.51p	2.50p	6.01p	11.58p	57.32p	68.90p	3.34p	8.28p	11.62p

The Company does not have any other comprehensive income. Accordingly, the net return on ordinary activities after taxation for the period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

No operations were acquired or discontinued in the period and all items in the above statement derive from continuing operations.

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

Six months ended 28 February 2025 (unaudited)	**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
Repurchase of ordinary shares into Treasury	11	–	–	–	–	(2,628)	–	(2,628)
Net return on ordinary activities after taxation for the period		–	–	–	–	8,097	11,385	19,482
Dividend paid to shareholders	9	–	–	–	–	–	(20,418)	(20,418)
Total shareholders' funds at 28 February 2025		16,205	238,442	3,256	5,152	840,049	36,873	1,139,977
Year ended 31 August 2024 (audited)								
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
Six months ended 29 February 2024 (unaudited)								
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 period		–	–	–	–	26,831	10,844	37,675
Dividend paid to shareholders	9	–	–	–	–	–	(20,321)	(20,321)
Total shareholders' funds at 29 February 2024		16,205	238,442	3,256	5,152	675,626	29,722	968,403

BALANCE SHEET
AS AT 28 FEBRUARY 2025
Company number 2972628

	Notes	**28.02.25 unaudited £'000**	**31.08.24 audited £'000**	**29.02.24 unaudited £'000**

Fixed assets				
Investments	10	1,094,910	1,120,686	912,136
Current assets				
Derivative instruments	10	4,028	4,318	2,675
Debtors		12,374	8,200	5,908
Amounts held at futures clearing houses and brokers		795	–	775
Cash and cash equivalents		41,676	11,749	55,180
		58,873	24,267	64,538
Current liabilities				
Derivative instruments	10	(6,096)	(200)	(1,580)
Bank overdraft		–	–	(5,260)
Other creditors		(7,710)	(1,212)	(1,431)
		(13,806)	(1,412)	(8,271)
Net current assets		45,067	22,855	56,267
Net assets		1,139,977	1,143,541	968,403
Capital and reserves				
Share capital	11	16,205	16,205	16,205
Share premium account		238,442	238,442	238,442
Capital redemption reserve		3,256	3,256	3,256
Other non-distributable reserve		5,152	5,152	5,152
Capital reserve		840,049	834,580	675,626
Revenue reserve		36,873	45,906	29,722
Total shareholders' funds		1,139,977	1,143,541	968,403
Net asset value per ordinary share	12	352.61p	352.84p	298.80p

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	28.02.25 unaudited £'000	31.08.24 audited £'000	29.02.24 unaudited £'000
Operating activities			
Investment income received	18,750	42,980	18,069
Net derivative income	1,796	4,454	859
Interest received	822	2,723	1,861
Investment management fee paid	(3,361)	(6,008)	(2,887)
Directors' fees paid	(93)	(170)	(85)
Other cash payments	(141)	(696)	(332)
Net cash inflow from operating activities before finance costs and taxation	17,773	43,283	17,485
Finance costs paid	(2,974)	(5,853)	(3,040)
Overseas taxation recovered/(suffered)	251	(536)	216
Net cash inflow from operating activities	15,050	36,894	14,661
Investing activities			
Purchases of investments	(162,160)	(353,057)	(133,738)
Sales of investments	194,529	282,830	124,932

Receipts on long CFDs	27,326	51,625	23,200
Payments on long CFDs	(21,241)	(35,747)	(17,719)
Receipts on short CFDs	460	950	–
Payments on short CFDs	(1,621)	(588)	–
Movement on amounts held at futures clearing houses and brokers	(795)	–	(775)
	---------------	---------------	---------------
Net cash inflow/(outflow) from investing activities	36,498	(53,987)	(4,100)
	=========	=========	=========
Net cash inflow/(outflow) before financing activities	51,548	(17,093)	10,561
	=========	=========	=========
Financing activities			
Dividends paid	(20,418)	(30,822)	(20,321)
Repurchase of ordinary shares	(1,137)	–	–
Net cash outflow from financing activities	(21,555)	(30,822)	(20,321)
Net increase/(decrease) in cash and cash equivalents	29,993	(47,915)	(9,760)
Cash and cash equivalents at the beginning of the period	11,749	59,460	59,460
Effect of movement in foreign exchange	(66)	204	220
	---------------	---------------	---------------
Cash and cash equivalents at the end of the period	41,676	11,749	49,920
	=========	=========	=========
Represented by:			
Cash at bank	2,408	2,072	66
Bank overdraft	–	–	(5,260)
Amount held in Fidelity Institutional Liquidity Fund	39,268	9,677	55,114
	---------------	---------------	---------------
	41,676	11,749	49,920
	=========	=========	=========

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 PUBLICATION OF NON-STATUTORY ACCOUNTS

The Financial Statements in this Half-Yearly Report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 August 2024 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 ACCOUNTING POLICIES

(i) Basis of Preparation

The Company prepares its Financial Statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The Financial Statements are also prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC") in July 2022. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 August 2024.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Directors' assessment of the risks faced by the Company as detailed in the Interim Management Report above.

4 INCOME

	Six months ended 28.02.25 unaudited £'000	Year ended 31.08.24 audited £'000	Six months ended 29.02.24 unaudited £'000
Investment income			
UK dividends	**11,409**	30,235	10,044
UK property income distributions	**788**	135	–
UK scrip dividends	**512**	1,310	526
UK property income scrip dividends	**–**	157	–
Interest on securities	**964**	1,528	785
Overseas dividends	**2,283**	10,395	3,096
	15,956	43,760	14,451
Derivative income			
Dividends received on long CFDs	**1,443**	4,653	1,011
Investment and derivative income	**17,399**	48,413	15,462
Other interest			
Interest received on bank deposits, collateral and money market funds	**823**	2,723	1,861
Interest received on short CFDs	**22**	28	–
	845	2,751	1,861
Total income	**18,244**	51,164	17,323

Special dividends of £2,947,000 have been recognised in capital during the period (year ended 31 August 2024: £5,206,000 and six months ended 29 February 2024: £nil).

5 INVESTMENT MANAGEMENT FEES

	Six months ended 28.02.25 unaudited £'000	Year ended 31.08.24 audited £'000	Six months ended 29.02.24 unaudited £'000
Investment management fees	**3,315**	6,095	2,863

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investments International ("FII"). Both companies are Fidelity group companies.

FII charges investment management fees at an annual rate of 0.60% of net assets. Fees are accrued on a daily basis and payable monthly.

6 FINANCE COSTS

	Six months ended 28.02.25 unaudited £'000	Year ended 31.08.24 audited £'000	Six months ended 29.02.24 unaudited £'000
Interest paid on long CFDs	**2,938**	5,765	2,992
Interest paid on bank overdrafts and collateral balances	**18**	29	2
	2,956	5,794	2,994

7 TAXATION ON RETURN ON ORDINARY ACTIVITIES

	Six months ended 28.02.25 unaudited £'000	Year ended 31.08.24 audited £'000	Six months ended 29.02.24 unaudited £'000
Overseas taxation	**118**	848	154
	---------------	---------------	---------------
Total taxation charge for the period	**118**	848	154
	=========	=========	=========

8 RETURN PER ORDINARY SHARE

	Six months ended 29.02.25 unaudited	Year ended 31.08.24 audited	Six months ended 29.02.24 unaudited
Revenue return per ordinary share	**3.51p**	11.58p	3.34p
Capital return per ordinary share	**2.50p**	57.32p	8.28p
	---------------	---------------	---------------
Total return per ordinary share	**6.01p**	68.90p	11.62p
	=========	=========	=========

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

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation	**11,385**	37,529	10,844
Net capital return on ordinary activities after taxation	**8,097**	185,785	26,831
	---------------	---------------	---------------
Net total return on ordinary activities after taxation	**19,482**	223,314	37,675
	=========	=========	=========
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury	**324,066,047**	324,098,920	324,098,920
	=========	=========	=========

9 DIVIDENDS PAID TO SHAREHOLDERS

	Six months ended 28.02.25 unaudited £'000	Year ended 31.08.24 audited £'000	Six months ended 29.02.24 unaudited £'000
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	20,321
	---------------	---------------	---------------
	20,418	30,822	20,321
	=========	=========	=========

The Company has declared an interim dividend for the six month period to 28 February 2025 of 3.36 pence per ordinary share (2024: 3.24 pence). The interim dividend will be paid on 19 June 2025 to shareholders on the register at the close of business on 9 May 2025 (ex-dividend date 8 May 2025). The total cost of this interim dividend, which has not been included as a liability in these Financial Statements, is £10,854,000 (2024: £10,501,000). This amount is based on the number of ordinary shares in issue held at the date of this report.

10 FAIR VALUE HIERARCHY

The Company is required to disclose the fair value hierarchy that classifies its financial instruments measured at fair value at one of three levels, according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets

Level 2 Valued by reference to inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly

Level 3 Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are as disclosed in the Company's Annual Report for the year ended 31 August 2024 (Accounting Policies Notes 2 (k) and 2 (l) on pages 59 and 60). The table below sets out the Company's fair value hierarchy:

28 February 2025 (unaudited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss				
Investments	1,070,007	24,358	545	1,094,910
Derivative instrument assets	–	4,028	–	4,028
	1,070,007	28,386	545	1,098,938
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(6,096)	–	(6,096)

31 August 2024 (audited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**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)

29 February 2024 (unaudited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss				
Investments	884,245	23,919	3,972	912,136
Derivative instrument assets	–	2,675	–	2,675
	884,245	26,594	3,972	914,811
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(1,559)	(21)	(1,580)

11 SHARE CAPITAL

	28 February 2025 unaudited		31 August 2024 audited		29 February 2024 unaudited	
	Number of shares	**Nominal value £'000**	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Issued, allotted and fully paid Ordinary shares of 5 pence each held outside of Treasury						
Beginning of the period	**324,098,920**	**16,205**	324,098,920	16,205	324,098,920	16,205
Ordinary shares repurchased into Treasury	**(800,000)**	**(40)**	–	–	–	–
End of the period	**323,298,920**	**16,165**	324,098,920	16,205	324,098,920	16,205

Issued, allotted and fully paid Ordinary shares of 5 pence each held in Treasury[1]

Beginning of the period	**–**	**–**	–	–	–	–
Ordinary shares repurchased into Treasury	**800,000**	**40**	–	–	–	–
End of the period	**800,000**	**40**	–	–	–	–
Total share capital		**16,205**		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.

During the period, the Company repurchased 800,000 ordinary shares (year ended 31 August 2024: nil shares and six months to 29 February 2024: nil shares) and held them in Treasury. The £2,628,000 cost of repurchase was charged to the capital reserve (31 August 2024 and 29 February 2024 £nil).

12 Net Asset Value per Ordinary Share

The calculation of the net asset value per ordinary share is based on the total shareholders' funds divided by the number of ordinary shares held outside of Treasury.

	28.02.25 unaudited	**31.08.24 audited**	**29.02.24 unaudited**
Total shareholders' funds	£1,139,977,000	£1,143,541,000	£968,403,000
Ordinary shares held outside of Treasury at the period end	323,298,920	324,098,920	324,098,920
Net asset value per ordinary share	352.61p	352.84p	298.80p

It is the Company's policy that shares held in Treasury will only be reissued at net asset value per ordinary share or at a premium to net asset value per ordinary share and, therefore, shares held in Treasury have no dilutive effect.

13 Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management and the role of Company Secretary to FIL Investments International ("FII"). Both companies are Fidelity group companies.

Details of the fee arrangements are given in Note 5 above. During the period, fees payable to FII for portfolio management services of £3,315,000 (year ended 31 August 2024: £6,095,000 and six months ended 29 February 2024: £2,863,000). At the Balance Sheet date, fees for portfolio management services of £525,000 (year ended 31 August 2024: £570,000 and six months ended 29 February 2024: £459,000).

FII also provides the Company with marketing services. The total amount payable for these services during the period was £123,000 (year ended 31 August 2024: £229,000 and six months ended 29 February 2024: £132,000). At the Balance Sheet date, marketing services of £87,000 (year ended 31 August 2024: £52,000 and six months ended 29 February 2024: £98,000) were accrued and included in other creditors.

As at 28 February 2025, the Board consisted of five Non-Executive Directors (as shown in the Directory in the Half-Yearly Report), all of whom are considered to be independent. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £47,000, the Audit Committee Chair an annual fee of £37,500, plus an additional £1,500 for acting as the Senior Independent Director and each other Director an annual fee of £31,000.

As at the date of this report, the following members of the Board held ordinary shares in the Company: Claire Boyle 7,466 shares, Dean Buckley 50,000 shares, Christopher Casey nil shares, Ominder Dhillon 7,750 shares and Alison McGregor 20,000 shares.

The financial information contained in this Half-Yearly Results Announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 28 February 2025 and 29 February 2024 has not been audited or reviewed by the Company's Independent Auditor.

The information for the year ended 31 August 2024 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the Auditor on those financial statements contained no qualification or statement under sections 498(2) or (3) of the Companies Act 2006.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

A copy of the Half-Yearly Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM

The Half-Yearly Report will also be available on the Company's website at **www.fidelity.co.uk/specialvalues** where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.