

## Investment Objective

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

## Investment Company Facts

**Launch date:** 17.11.94  
**Portfolio manager:** Alex Wright, Jonathan Winton  
**Appointed to trust:** 01.09.12, 03.02.20  
**Years at Fidelity:** 24, 20  
**Total Net Assets (TNA):** £ 1,355m  
**Ordinary shares in Issue:** 323,048,920  
**Share price:** 418.00p  
**NAV:** 419.30p  
**Discount:** 0.31%  
**Gross Market Gearing:** 7.1%  
**Net Market Gearing:** 7.1%

## Performance comparator

**Market Index:** FTSE All Share Index

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

## Cumulative performance in GBP (%)



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

## Performance to 31.12.25 in GBP (%)

	1m	3m	YTD	1yr	3yr	5yr	Since 17.11.94*
<b>Share Price Cumulative Growth</b>	4.4	7.6	37.2	37.2	64.2	97.5	3714.3
<b>NAV Cumulative Growth</b>	1.7	6.5	26.4	26.4	56.1	100.7	3585.4
<b>Index Cumulative Growth</b>	2.2	6.4	24.0	24.0	46.5	73.9	878.9
<b>Share Price Annualised Growth</b>	-	-	-	-	18.0	14.6	12.4
<b>NAV Annualised Growth</b>	-	-	-	-	16.0	15.0	12.3
<b>Index Annualised Growth</b>	-	-	-	-	13.6	11.7	7.6

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

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

\*Performance commencement date.

## Key Risks

The value of investments and the income from them can go down as well as up, so you may get back less than you invest. Overseas investments are subject to currency fluctuations. This trust invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies and the securities are often less liquid. This trust uses financial derivative instruments for investment purposes, which may expose it to a higher degree of risk and can cause investments to experience larger than average price fluctuations. The shares in the investment trust are listed on the London Stock Exchange and their price is affected by supply and demand. The investment trust can gain additional exposure to the market, known as gearing, potentially increasing volatility.

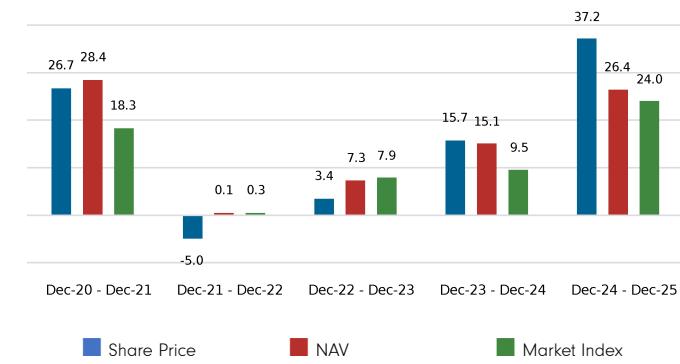
## Portfolio Manager Commentary

UK equity markets rose in December, ending a year that saw stellar domestic returns. The UK outperformed most global regions over the month but marginally trailed the broader European market, as investors balanced a more supportive global backdrop against continued domestic economic weakness. Improved risk sentiment, driven by weaker US economic data and another interest rate cut by the Fed, helped sustain UK equity markets into year-end. Along the expected lines, the Bank of England delivered another 25-bps interest rate cut, lowering the policy rate to 3.75% following a sharply divided vote. At a sector level, basic materials were the strongest performers, followed by financials and telecoms, reflecting strength in value-oriented and internationally exposed areas of the market. The energy sector lagged as oil prices dipped.

While the market's optimism and rise in valuations should warrant caution, we believe the UK market continues to offer relative value against other regions - including the US, Europe, Japan and Asia Pacific ex-Japan - both on a forward P/E basis and when adjusting for sectoral differences. We remain excited by the prospects of our holdings and the deep and attractive investment universe that the UK offers, along with the ability to generate long term performance.

On a rolling 12-month basis, the Trust recorded NAV and share price returns of 26.4% and 37.2% respectively, compared to 24.0% for the index.

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



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

	Exposure (% TNA)
Gross Market Exposure	107.1
Net Equity	106.9
Other	0.2
Uninvested Cash	0.0

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

### Sector/Industry Exposure (% TNA)

<b>ICB Industry</b>	<b>Fund</b>	<b>Index</b>	<b>Relative</b>
Financials	28.7	29.0	-0.3
Industrials	23.9	12.5	11.4
Consumer Staples	13.2	13.7	-0.5
Consumer Discretionary	12.5	7.1	5.4
Health Care	6.8	12.2	-5.3
Basic Materials	5.8	6.5	-0.7
Energy	4.7	8.4	-3.7
Real Estate	4.4	2.1	2.3
Utilities	4.1	4.3	-0.2
Telecommunications	1.4	1.2	0.2
Technology	1.3	2.9	-1.6
<b>Total Sector Exposure</b>	<b>106.9</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>106.9</b>	<b>100.0</b>	

### Top Positions (% TNA)

	<b>ICB Industry</b>	<b>Geographic Location</b>
STANDARD CHARTERED PLC	Financials	United Kingdom
DCC PLC	Industrials	United Kingdom
AVIVA PLC	Financials	United Kingdom
BRITISH AMERICAN TOBACCO PLC	Consumer Staples	United Kingdom
LLOYDS BANKING GROUP PLC	Financials	United Kingdom
TOTALENERGIES SE	Energy	United Kingdom
NATWEST GROUP PLC	Financials	United Kingdom
ASTRAZENECA PLC	Health Care	United Kingdom
SSE PLC	Utilities	United Kingdom
MITIE GROUP PLC	Industrials	United Kingdom

### Top Overweight Positions (% TNA)

	<b>Fund</b>	<b>Index</b>	<b>Relative</b>
DCC PLC	3.8	0.1	3.7
STANDARD CHARTERED PLC	4.7	1.2	3.5
TOTALENERGIES SE	3.2	0.0	3.2
AVIVA PLC	3.5	0.8	2.8
MITIE GROUP PLC	2.6	0.1	2.6
GLENVEAGH PROPERTIES PLC	2.5	0.0	2.5
AIB GROUP PLC	2.3	0.0	2.3
JUST GROUP PLC	2.3	0.1	2.2
BAKKAVOR GROUP PLC	2.1	0.0	2.1
SMITH & NEPHEW PLC	2.5	0.4	2.1

### Positions Concentration (% TNA)

	<b>Fund</b>	<b>Index</b>
Top 10	33.6	41.2
Top 20	55.1	58.6
Top 50	88.0	78.2

### Market Capitalisation Exposure (% TNA)

<b>GBP</b>	<b>Fund</b>	<b>Index</b>	<b>Relative</b>
FTSE 100	41.2	87.7	-46.5
FTSE 250	35.8	10.9	24.9
FTSE Smallcap	8.9	1.4	7.5
Non FTSE	21.0	0.0	21.0
<b>Total Market Cap Exposure</b>	<b>106.9</b>	<b>100.0</b>	
Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>106.9</b>	<b>100.0</b>	

### Country Exposure (% TNA)

	<b>Fund</b>	<b>Index</b>	<b>Relative</b>
United Kingdom	91.3	100.0	-8.7
Ireland	6.1	0.0	6.1
France	3.2	0.0	3.2
Bermuda	1.4	0.0	1.4
Greece	1.3	0.0	1.3
Switzerland	1.1	0.0	1.1
Australia	1.1	0.0	1.1
Kazakhstan	0.9	0.0	0.9
Peru	0.3	0.0	0.3
United States	0.3	0.0	0.3
<b>Total Geographic Exposure</b>	<b>106.9</b>	<b>100.0</b>	
Other Index / Unclassified	0.0	0.0	
<b>Total Equity Exposure</b>	<b>106.9</b>	<b>100.0</b>	

### Top Underweight Positions (% TNA)

	<b>Fund</b>	<b>Index</b>	<b>Relative</b>
HSBC HOLDINGS PLC	0.0	7.4	-7.4
SHELL PLC	0.0	5.8	-5.8
ASTRAZENECA PLC	2.9	7.6	-4.6
UNILEVER PLC	0.0	3.8	-3.8
ROLLS-ROYCE HOLDINGS PLC	0.0	3.6	-3.6
GSK PLC	0.0	2.7	-2.7
BP PLC	0.0	2.5	-2.5
BARCLAYS PLC	0.0	2.4	-2.4
RIO TINTO PLC	0.0	2.3	-2.3
RELX PLC	0.0	2.0	-2.0

Full portfolio listings, with the appropriate time lag as agreed by the Board, are available on request from Fidelity Investment Trusts.

Figures may not always sum to totals due to rounding

## Approach and Style

There are two key elements to Alex's investment approach:

1. Downside risk management

Alex looks for companies where there is limited downside risk. In other words, he wants to invest in companies that have exceptionally cheap valuations or some kind of asset that should stop their share prices falling below a certain level. This can be anything from inventory to intellectual property.

2. Unrecognised growth potential

Alex looks for events that could significantly improve a company's earning power, but are not currently reflected in the company's share price. These include changes in the company's competitors or market, a new product line or an expansion into new business areas.

What's more, the trust benefits from in-depth company and valuation analysis, drawing on the extensive Fidelity research platform.

## Portfolio Construction – Explained

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

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

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

## Administrative & Dealing Information

**Financial Year End:** 31st August

**Reference currency:** UK Sterling (GBP)

**Company domicile:** United Kingdom

**Company legal structure:** Investment Trust

**Capital guarantee:** No

**ISIN:** GB00BWXC7Y93

**SEDOL:** BWXC7Y9

**Bloomberg:** FSV LN

**Distribution frequency:** Bi Annual

**Charges made to income or capital:** Income

**Ongoing Charges:** 0.68%

**Annual Management Charge:** 0.60% (net assets)

## Independent Assessment

Information in this section is the latest available at date of publication. Further details can be found in the Glossary section of this factsheet. As some ratings agencies may use past performance to produce their assessments, these are not a reliable indicator of future results.

**Morningstar rating™ :** \*\*\*\*\*

## How data is calculated and presented

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

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

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

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

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

## [Glossary / Additional Notes](#)

### **Equity Exposure notes**

#### **GROSS MARKET EXPOSURE**

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

#### **NET EQUITY**

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

#### **OTHER**

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

#### **UNINVESTED CASH**

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

#### **Investment Company Facts**

#### **NAV**

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

#### **PREMIUM**

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

#### **DISCOUNT**

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

#### **GEARING**

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

#### **FAIR VALUE**

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

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

#### **General notes**

#### **TOTAL NET ASSETS (TNA)**

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

#### **INDEX**

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

#### **TOP NET LONG POSITIONS**

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

#### **TOP OVERWEIGHT & UNDERWEIGHT POSITIONS**

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

#### **NET LONG POSITIONS CONCENTRATION**

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

## Glossary / Additional Notes

### ONGOING CHARGES

Ongoing Charges are taken from the Company's most recent Annual Report and represents the total of investment management fees and other expenses of the Company (excluding transaction costs, interest payments, tax and non-recurring expenses) expressed as a percentage of the average net asset value throughout the financial year.

### SECTOR INDUSTRY CLASSIFICATION

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

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

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

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

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