

# FIDELITY EUROPEAN VALUES PLC

31 JULY 2019

## Investment Objective

To achieve long-term growth in both capital and income by predominantly investing in equities (and their related securities) of continental European companies.

## Investment Trust Facts

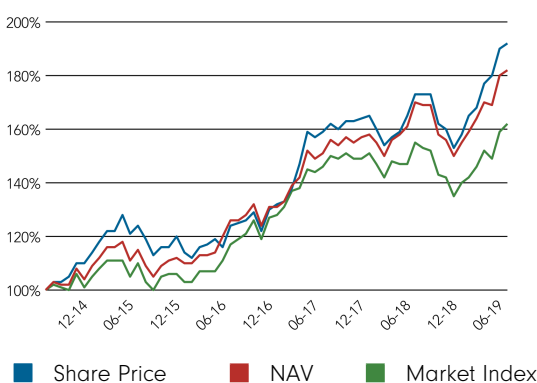
Launch date:	05.11.91
Portfolio manager:	Sam Morse
Appointed to trust:	01.01.11
Years at Fidelity:	15
Total Net Assets (TNA):	£ 1,127m
Ordinary shares in Issue:	411,466,049
Share price:	253.00p
NAV:	273.99p
Discount:	7.66%
Gross Market Gearing:	6.0%
Net Market Gearing:	3.4%

## Performance Comparator

Market Index: FTSE World Europe ex-UK Index Total Return

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 31.07.19 in GBP (%)

	1m	3m	YTD	1yr	3yr	5yr	Since 05.11.91*
Share Price Cumulative Growth	1.0	8.4	25.7	11.0	55.2	91.8	3,452.7
NAV Cumulative Growth	1.1	6.7	21.2	7.0	44.1	81.7	3,648.0
Index Cumulative Growth	1.9	6.6	19.8	4.7	38.1	62.0	1,057.3
Share Price Annualised Growth	-	-	-	11.0	15.8	13.9	13.7
NAV Annualised Growth	-	-	-	7.0	13.0	12.7	13.9
Index Annualised Growth	-	-	-	4.7	11.4	10.1	9.2

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

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

\*Performance commencement date.

## Key Risks

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

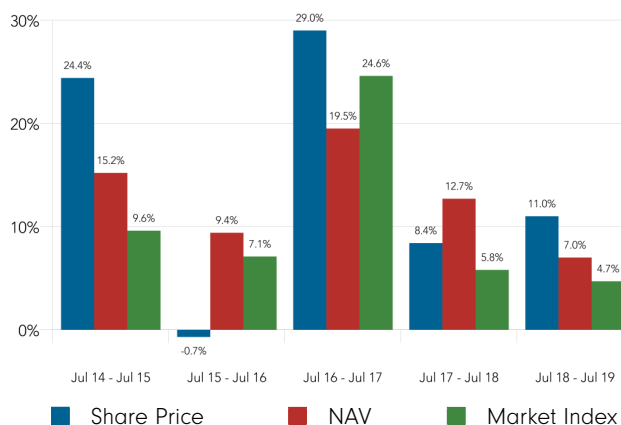
## Portfolio Manager Commentary

European markets were supported in July by the expectations of a rate-cut by the European Central Bank (ECB) given the slowdown in growth and subdued inflation.

An accommodative monetary policy stance by central banks boosted most asset classes this year. However, the overall investor sentiment has weakened recently with the reduced pace of economic expansion and escalation in US-China trade tensions. This, coupled with the late-cycle market environment might lead to continued increase in market volatility.

On a rolling 12-month basis, the Trust recorded NAV and share price returns of 7.0% and 11.0%, respectively, compared to 4.7% for the index.

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



# FIDELITY EUROPEAN VALUES PLC

31 JULY 2019

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

	Exposure (% TNA)
Gross Market Exposure	106.0
Net Equity	103.4
Other	0.0
Uninvested Cash	0.0

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

## Market Capitalisation Exposure (% TNA)

GBP	Net	Index	Relative
>10bn	87.7	81.1	6.6
5-10bn	7.0	11.2	-4.2
1-5bn	5.6	6.6	-1.0
0-1bn	0.0	0.5	-0.5
<b>Total Market Cap Exposure</b>	<b>100.3</b>	<b>99.5</b>	
Other Index / Unclassified	3.0	0.5	
<b>Total Equity Exposure</b>	<b>103.4</b>	<b>100.0</b>	

## Sector/Industry Exposure (% TNA)

ICB Industry	Net	Index	Relative
Health Care	19.3	15.2	4.1
Consumer Goods	19.0	20.7	-1.7
Financials	18.0	19.7	-1.7
Industrials	15.0	15.6	-0.6
Technology	12.9	6.6	6.4
Oil & Gas	6.0	4.9	1.2
Basic Materials	6.0	5.2	0.8
Consumer Services	3.1	4.3	-1.2
Telecommunications	1.9	3.3	-1.3
Utilities	1.2	4.7	-3.5
<b>Total Sector Exposure</b>	<b>102.3</b>	<b>100.0</b>	
Other Index / Unclassified	1.0	0.0	
<b>Total Equity Exposure</b>	<b>103.4</b>	<b>100.0</b>	

## Country Exposure (% TNA)

	Net	Index	Relative
France	29.3	23.4	5.8
Switzerland	17.3	19.8	-2.5
Germany	14.3	18.6	-4.3
United Kingdom	6.1	0.0	6.1
Netherlands	5.9	7.3	-1.4
Norway	5.2	1.6	3.7
Spain	4.3	6.3	-2.0
Finland	4.2	2.6	1.6
Denmark	3.5	3.7	-0.1
Italy	3.4	5.4	-2.0
Other Countries	8.8	11.3	-2.5
<b>Total Country Exposure</b>	<b>102.3</b>	<b>100.0</b>	
Other Index / Unclassified	1.0	0.0	
<b>Total Equity Exposure</b>	<b>103.4</b>	<b>100.0</b>	

## Top Net Long Positions (% TNA)

	ICB Industry	Country	Net	Index	Relative
NESTLE SA	Consumer Goods	Switzerland	7.7	4.8	2.9
ROCHE HOLDING LTD	Health Care	Switzerland	5.3	3.0	2.3
SAP SE	Technology	Germany	4.3	1.8	2.5
LVMH MOET HENNESSY SE	Consumer Goods	France	4.2	1.6	2.6
TOTAL SA	Oil & Gas	France	4.1	1.9	2.2
ASML HOLDING NV	Technology	Netherlands	3.9	1.4	2.5
ESSILORLUXOTTICA	Health Care	France	3.3	0.6	2.7
SANOFI	Health Care	France	3.3	1.4	1.9
L'OREAL SA	Consumer Goods	France	3.2	1.0	2.3
DEUTSCHE BOERSE AG	Financials	Germany	3.2	0.4	2.8

## Top Overweight Positions (% TNA)

	Net	Index	Relative
NESTLE SA	7.7	4.8	2.9
LINDE PLC	2.8	0.0	2.8
DEUTSCHE BOERSE AG	3.2	0.4	2.8
ESSILORLUXOTTICA	3.3	0.6	2.7
3I GROUP PLC	2.7	0.0	2.7
LEGRAND SA	2.9	0.3	2.7
LVMH MOET HENNESSY SE	4.2	1.6	2.6
DNB ASA	2.8	0.3	2.6
ASML HOLDING NV	3.9	1.4	2.5
ROYAL DUTCH SHELL PLC	2.5	0.0	2.5

## Top Underweight Positions (% TNA)

	Net	Index	Relative
NOVARTIS AG	0.0	3.1	-3.1
Short Position - name withheld	-0.3	1.3	-1.6
ALLIANZ SE	0.0	1.5	-1.5
UNILEVER NV	0.0	1.3	-1.3
AIRBUS SE	0.0	1.2	-1.2
ANHEUSER BUSCH INBEV SA NV	0.0	1.2	-1.2
Short Position - name withheld	-0.6	0.6	-1.2
BANCO SANTANDER SA	0.0	1.1	-1.1
Short Position - name withheld	-0.4	0.5	-1.0
ADIDAS AG	0.0	1.0	-1.0

## Net Long Positions Concentration (% TNA)

	Fund	Index
Top 10	42.5	21.8
Top 20	69.0	32.4
Top 50	103.7	51.4

## Approach and Style

Seeking growth at a reasonable price: The portfolio manager seeks companies based on their prospects for producing dividends and dividend growth as this indicates steady structural growth. He searches for companies focusing on four key areas which are positive fundamentals, which includes a good track record, structural growth cycle on cycle and a good return on capital employed; the ability to generate cash, with a robust underlying level of cash generation which relates to profitability; dislikes companies that borrow large sums of money and he looks for opportunities with the flexibility to invest: finally he prefers stocks that are attractively valued as he is not prepared to pay any price for a good opportunity. He looks for good quality at a reasonable price and this is why his style has been associated with growth at a reasonable price or GARP.

The portfolio will generally have low turnover with a typical holding period of three to five years. The composition of his portfolio is fairly concentrated at between 50 to 60 stocks. The portfolio manager does not have a bias to a particular sector or company size with a diversified selection of holdings. Further growth potential is delivered through the selection of stocks rather than sectors or countries.

## 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.

## 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.

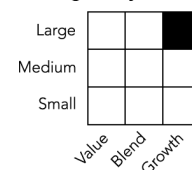
## Administrative & Dealing Information

Financial Year End:	31st December
Reference currency:	UK Sterling (GBP)
Company domicile:	United Kingdom
Company legal structure:	Investment Trust
Capital guarantee:	No
ISIN:	GB00BK1PKQ95
SEDOL:	BK1PKQ9
Bloomberg:	FEV LN
Distribution frequency:	Bi Annual
Charges made to income or capital:	25/75
Ongoing Costs (ex- Portfolio transaction costs):	0.88% 31.12.18
Annual Management Charge (included in the figure above):	0.85% (net) on the first £400m of assets and 0.75% (net) on funds in excess of £400m.

## Independent Assessment

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

### Morningstar Style Box ©



Morningstar rating™

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## 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****OTHER**

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

**UNINVESTED CASH**

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

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

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

**PREMIUM**

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

**DISCOUNT**

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

**GEARING**

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

**FAIR VALUE**

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

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

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

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

**INDEX**

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

**TOP NET LONG POSITIONS**

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

**TOP OVERWEIGHT & UNDERWEIGHT POSITIONS**

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

**NET LONG POSITIONS CONCENTRATION**

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

## Glossary / Additional Notes

### ONGOING CHARGES

The ongoing charges figure represents the charges taken from the fund over a year. It is calculated at the trust's financial year end and may vary from year to year. For new trusts, the ongoing charges figure is estimated until the trust's financial year end.

The types of charges included in the ongoing charges figure are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where applicable) and bank charges.

It excludes: performance fees (where applicable); portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information about charges (including details of the fund's financial year end), please consult the charges section in the most recent Annual Report.

### SECTOR INDUSTRY CLASSIFICATION

GICS: Global Industry Classification Standard (GICS) was developed by Standard & Poor's and MSCI Barra. GICS consists of 11 sectors, 24 industry groups, 68 industries and 157 sub-industries. More information is available at <http://www.standardandpoors.com/indices/gics/en/us>

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

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