

Fidelity European Values PLC

Half-Yearly results for the six months ended 30 June 2017 (unaudited)

Financial Highlights:

- Fidelity European Values PLC share price total return was +21.4% in the six months to 30 June 2017
- The discount narrowed from 11.1% to 5.5% over the period, as a result of the share price total return of +21.4%, significantly outperforming the company's Benchmark Index return of +13.0%
- The Company's Net Asset Value total return for the six month period was +13.6%
- Returns from sectors were mixed. Banking stocks rallied as analysts welcomed an improvement in the European economy and anticipated an easing in regulatory pressures. Energy stocks performed relative poorly as the long term outlook for the oil price softened following growing efficiency of US shale production. Returns from other sectors were dominated by the individual fortunes of component companies
- Portfolio Manager, Sam Morse, continues to focus on attractively valued companies, with sound finances, that can grow dividends consistently over the next three to five years

Contacts

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Portfolio Manager's Half-Yearly Review

Performance Review

During the six months ended 30 June 2017, the net asset value ("NAV") total return was 13.6% compared to a total return of 13.0% for the FTSE World Europe (ex UK) Index which is the Company's Benchmark Index. The share price total return was 21.4%, which is significantly above the NAV total return as a consequence of a narrowing in the share price discount to NAV. (All figures in UK sterling.)

Performance over one, three and five years and since launch to 30 June 2017 (on a total return basis) (%)

	NAV	Share price	FTSE World Europe (ex UK) Index
One year	+24.1	+35.8	+29.0
Three years	+45.5	+46.8	+38.4
Five years	+103.9	+122.9	+105.9
Since launch (1991)	+2,975.7	+2,813.7	+926.0

Analysis of change in NAV for the six months ended 30 June 2017 (%)

Impact of:

Index	+9.9
Exchange Rate	+3.1
Gearing	+0.3
Stock Selection	+0.8
Expenses	-0.5

NAV total return for the six months ended 30 June 2017

+13.6

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Market Review

Investors in continental European markets enjoyed strong returns in the first half of the year. Although markets peaked in May, as they often do, unsettled by talk of central bank tightening and some frustration at delays in the Trump programme for reform, they gave up only a fraction of the gains made.

The main political event of the period was the Presidential elections in France. Ahead of the first round of voting there was some concern that if one of the candidates from the extreme left or right of the national political spectrum was elected, then stock markets would take fright. French equities performed relatively poorly as the date approached. However, as it turned out, the electorate swung decisively behind a new political broom: Emmanuel Macron and his "En Marche!" party. This led many investors to believe that, at last, after a long period of gloom and doom-mongering regarding France, the prospects for the European Union and for the Eurozone, a brighter outlook might emerge. The euro consequently appreciated against the dollar and other currencies, including sterling.

Returns from sectors were mixed. The energy sector performed relatively poorly in the first six months of 2017, as the long term outlook for the oil price softened on the evidence of the growing efficiency of US shale production and despite OPEC's agreement to extend production cuts for a further nine months. Returns from other sectors were dominated by the individual fortunes of component companies. The consumer staples sector, for example, benefited from an audacious approach by the smaller Kraft Heinz to buy Unilever and by activist interest in Nestlé. The banking sector offered up many strong performances as analysts welcomed an improvement in the European economy and anticipated an easing in regulatory pressures. Towards the end of the period, Banco Santander and Intesa Sanpaolo both participated in consolidation deals, respectively in Spain and Italy, to take over the better parts of weaker banks that had continued to suffer from the legacy of the great financial crisis. These deals to strengthen the banking systems of Southern Europe were welcomed by investors as a boost for the acquiring banks but also as a tonic for the health of those economies.

Portfolio Manager's Report

The Company's NAV rose more than the Benchmark index over the reporting period.

The biggest positive contributor was 3i Group which continued to enjoy a re-appraisal by the market given the on-going success of its main asset, Action, the European discount retailer. Action is delivering consistently strong like-for-like growth in its Benelux base while also expanding aggressively into new territories, in particular France and Germany.

Christian Dior was also a very strong performer on the news that the company's majority shareholder was making an offer, at a significant premium, to buy out those shares not already held, in exchange for cash and shares owned in another luxury goods company, Hermes International.

As previously mentioned, the energy sector suffered given the lowering of longer term oil price expectations. This resulted in the portfolio's two holdings in this sector, Royal Dutch Shell and Total, being the largest negative contributors during the reporting period. This was despite relatively encouraging quarterly results which demonstrated that both companies are addressing their cost bases and capital spending plans to enable greater cash generation which should ultimately enable both companies to sustain and, in future years, grow dividends from an attractive level of yield. The lower oil price in the short term will, in the opinion of your Portfolio Manager, continue to sharpen these companies' focus on returns.

Most of the Company's holdings in France performed well following Macron's election as President but one company, Societe Bic, was a major disappointment following weak quarterly results. The company appears to be facing structural pressures in its disposable shavers business but your Portfolio Manager believes that weakness in stationery and lighters will prove temporary and that the valuation of the group as a whole does not reflect the long term growth prospects and resilience of the business.

Gearing

The Company continues to gear through the use of long contracts for difference ("CFDs"). As at 30 June 2017, the level of gearing was 3.6% (31.12.16: 3.0%; and 30.06.16: 4.1%). In the six month period, gearing made a positive contribution to performance. The Board monitors the level of gearing and the use of derivative instruments carefully and has set a risk control framework for this purpose.

Outlook

The market is highly valued, relative to historical norms, and expectations for future earnings growth are also high. This can be a risky combination! The good news, however, is that earnings are currently growing in double-digits year on year and bond yields have, to date, remained supportive to equity valuations. Central bankers, at the recent gathering at Sintra in Portugal, seem to be signalling more normalisation in monetary policy in the coming months. This has resulted in some upward pressure on bond yields with a consequent negative impact on equities which may continue to restrain market progress. Politics remain unpredictable. There are some big elections on the horizon in continental Europe, most notably in Germany this autumn and Italy early next year. The latter is seen as more of a risk to confidence in Europe but the last year shows that a strengthening European economy, which we are seeing, albeit from a low base, can trump political worries in equity markets. Many investors are concerned that the recent lack of volatility will prove the calm before the storm. It is, however, difficult to predict what will upset the apple cart. The conventional list of suspects includes Trump's protectionism, China tightening its monetary policy and geopolitical shocks. The ultimate driver of markets, in aggregate and specifically, is more prosaic: the real dividend growth of companies. Your Portfolio Manager remains focused, therefore, on attractively valued companies, with sound finances, which can grow dividends consistently over the next three to five years.

By order of the Board

Interim Management Report

Board Changes

As previously reported, Paul Yates joined the Board on 6 March 2017 following which Simon Fraser stepped down from the Board at the Annual General Meeting on 15 May 2017 after serving as a Director for fifteen years. The Board thanks him for his invaluable contribution to the Company.

The Board is also pleased to confirm that Fleur Meijs will join the Board as a non-executive Director on 1 September 2017. Ms Meijs is a continental European national and a Chartered Accountant and a former Financial Services Partner at PricewaterhouseCoopers LLP. She is a non-executive Director of Invesco Asia Trust plc, a Director of Bridge to the Future, the endowment fund for UWC (United World College) Mostar and a Member of the Advisory Council for the British Museum Friends. She was also a member of the Dutch Parliamentary committee in 2013 for the structure of banks in the Netherlands.

Discount Management and Treasury Shares

The Board continues to adopt an active discount management policy. Whilst the primary purpose of this policy is to reduce share price volatility in relation to NAV, buying in shares at a discount also results in an enhancement to the NAV per ordinary share. In order to assist in managing the discount, the Board has shareholder approval to hold in Treasury ordinary shares repurchased by the Company, rather than cancelling them altogether. These shares are then available for re-issue at a premium to NAV, facilitating the management of and enhancing liquidity in the Company's shares. As a result of the widening of the discount in the first quarter of this year, the Company repurchased 150,000 ordinary shares into Treasury. Since the end of the reporting period and as at the date of this report, the Company has not repurchased any further ordinary shares.

Principal Risks and Uncertainties

The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key risks faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company fall into the following categories: market risk; performance risk; economic and political risk; discount control risk; gearing risk; derivatives risk; cybercrime risk; tax and regulatory risks; and operational risks. Information on each of these risks is given in the Strategic Report section of the Annual Report for the year ended 31 December 2016 which can be found on the Company's pages of the Manager's website at www.fidelityinvestmenttrusts.com.

These risks and uncertainties have not materially changed during the six months to 30 June 2017 and are equally applicable to the remaining six months of the Company's financial year.

Transactions with the Manager and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager (the "Manager") and has delegated the Company's portfolio management and the role of the Company Secretary to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 12 to the Financial Statements below.

Going Concern

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 (being mainly securities which are readily realisable) and its expenditure and cash flow projections and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

Continuation votes are held every two years and the next continuation vote will be put to shareholders at the Annual General Meeting in 2019.

By order of the Board
FIL Investments International
28 July 2017

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

The Half-Yearly Report has not been audited or reviewed by the Company's Independent Auditor.

The Half-Yearly Report was approved by the Board on 28 July 2017 and the above responsibility statement was signed on its behalf by Vivian Bazalgette, Chairman.

Twenty Largest Holdings

as at 30 June 2017

The Portfolio Exposures shown below measure exposure to market price movements as a result of owning shares and long CFDs. The Fair Values measure the actual value on the Balance Sheet.

	Portfolio Exposure £'000	Portfolio Exposure %¹	Portfolio Fair Value £'000
Shares and long CFDs			
Nestlé			
Packaged food	65,846	6.8	65,846
Roche			
Pharmaceuticals	50,069	5.1	50,069
Sanofi (CFD)			
Pharmaceuticals	39,480	4.0	2,480
Total			
Oil and gas	35,556	3.6	35,556
Novo-Nordisk			
Healthcare services	34,348	3.5	34,348
Intesa Sanpaolo (preference shares and ordinary shares)			
Banks	32,023	3.3	32,023
L'Oreal			
Personal goods	31,736	3.3	31,736
Sap			
Software	31,696	3.2	31,696
Sampo			
Non-life insurance	29,133	3.0	29,133
Deutsche Boerse			
Financial services	27,651	2.8	27,651
3i Group			
Financial services	26,369	2.7	26,369
ABN Amro Group			
Banks	26,177	2.7	26,177
KBC Groupe			
Financial services	24,984	2.6	24,984
Fresenius Medical Care			
Healthcare services	24,519	2.5	24,519
Iliad Group			
Software	23,023	2.4	23,023
Symrise			
Chemicals	22,664	2.3	22,664
Royal Dutch Shell			
Oil and gas	22,573	2.3	22,573

DNB			
Banks	22,445	2.3	22,445
Legrand			
Electronic and electrical equipment	22,278	2.3	22,278
Amadeus IT Group			
Support Services	21,234	2.2	21,234
	-----	-----	-----
Twenty largest exposures	613,804	62.9	576,804
	-----	-----	-----
Other holdings	396,670	40.7	386,856
	-----	-----	-----
Total Portfolio Exposure²	1,010,474	103.6	
	=====	=====	
Total Portfolio Fair Value³			963,660
			=====
Net current assets excluding long CFDs			11,551

Shareholders' Funds (per the Balance Sheet below)			975,211
			=====

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

2 Total Portfolio Exposure comprises £961,022,000 of market exposure to Investments plus £49,452,000 of market exposure to long CFDs.

3 Total Portfolio Fair Value comprises investments in shares £961,022,000 plus long CFD derivative instrument assets £2,742,000 less long CFD derivative instrument liabilities £104,000 (per the Balance Sheet below).

Gearing as at 30 June 2017

	Portfolio Exposure 30 June 2017 £'000	Portfolio Exposure 31 December 2016 £'000
Shares and long CFDs		
Investments	961,022	862,747
Derivative instruments – long CFDs	49,452	38,785
	-----	-----
Total Portfolio Exposure	1,010,474	901,532
	=====	=====
Shareholders' Funds	975,211	875,351
	=====	=====
Gearing	3.6%	3.0%
	=====	=====

FINANCIAL STATEMENTS

Income Statement

for the six months ended 30 June 2017

	Six months ended 30 June 2017			Six months ended 30 June 2016			Year ended 31 December 2016			
	Notes	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
Gains on investments		–	96,378	96,378	–	41,199	41,199	–	114,211	114,211
Gains/(losses) on derivative instruments		–	3,248	3,248	–	(1,895)	(1,895)	–	(1,502)	(1,502)
Income	4	23,701	–	23,701	21,962	–	21,962	27,006	–	27,006
Investment management fees	5	(3,961)	–	(3,961)	(3,262)	–	(3,262)	(6,972)	–	(6,972)
Other expenses		(391)	–	(391)	(423)	–	(423)	(919)	–	(919)
Foreign exchange (losses)/gains		–	(5)	(5)	(8)	64	56	–	6	6
Net return on ordinary activities before finance costs and taxation		19,349	99,621	118,970	18,269	39,368	57,637	19,115	112,715	131,830
Finance costs		–	–	–	–	–	–	–	–	–
Net return on ordinary activities before taxation		19,349	99,621	118,970	18,269	39,368	57,637	19,115	112,715	131,830
Taxation on return on ordinary activities	6	(1,498)	–	(1,498)	(915)	–	(915)	(1,053)	–	(1,053)
Net return on ordinary activities after taxation for the period		17,851	99,621	117,472	17,354	39,368	56,722	18,062	112,715	130,777
Return per ordinary share	7	4.30p	23.99p	28.29p	4.17p	9.46p	13.63p	4.34p	27.10p	31.44p

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 30 June 2017

	Note	share capital £'000	share premium account £'000	capital redemption reserve £'000	capital reserve £'000	revenue reserve £'000	total shareholders' funds £'000
Six months ended 30 June 2017 (unaudited)							
Total shareholders' funds at 31 December 2016		10,411	58,615	5,414	775,588	25,323	875,341
Net return on ordinary activities after taxation for the period		–	–	–	99,621	17,851	117,472
Dividend paid to shareholders	8	–	–	–	–	(17,320)	(17,320)
Repurchase of ordinary shares		–	–	–	(292)	–	(292)
Total shareholders' funds at 30 June 2017		10,411	58,615	5,414	874,917	25,854	975,211
Six months ended 30 June 2016 (unaudited)							
Total shareholders' funds at 31 December 2015		10,411	58,615	5,414	664,735	21,129	760,304
Net return on ordinary activities after taxation for the period		–	–	–	39,368	17,354	56,722
Dividend paid to shareholders	8	–	–	–	–	(13,868)	(13,868)
Repurchase of ordinary shares		–	–	–	(547)	–	(547)
Total shareholders' funds at 30 June 2016		10,411	58,615	5,414	703,556	24,615	802,611
Year ended 31 December 2016 (audited)							
Total shareholders' funds at 31 December 2015		10,411	58,615	5,414	664,735	21,129	760,304
Net return on ordinary activities after taxation for the year		–	–	–	112,715	18,062	130,777
Dividend paid to shareholders	8	–	–	–	–	(13,868)	(13,868)
Repurchase of ordinary shares		–	–	–	(1,862)	–	(1,862)
Total shareholders' funds at 31 December 2016		10,411	58,615	5,414	775,588	25,323	875,351

Balance Sheet
as at 30th June 2017

Company number 2638812

	Notes	30 June 2017 unaudited £'000	30 June 2016 unaudited £'000	31 December 2016 audited £'000
Fixed assets				
Investments held at fair value through profit or loss	9	961,022	792,106	862,747
Current assets				
Derivative instruments	9	2,742	271	–
Debtors		5,454	5,566	3,557
Amounts held at futures clearing houses and brokers		–	2,901	1,382
Fidelity Institutional Liquidity Fund		4,004	937	6,283
Cash at bank		4,403	4,373	4,003
		16,603	14,048	15,225
Creditors				
Derivative instruments	9	(104)	(1,488)	(577)
Other creditors		(2,310)	(2,055)	(2,044)
		(2,414)	(3,543)	(2,621)
Net current assets				
		14,189	10,505	12,604
Net assets				
		975,211	802,611	875,351
Capital and reserves				
Share capital	10	10,411	10,411	10,411
Share premium account		58,615	58,615	58,615
Capital redemption reserve		5,414	5,414	5,414
Capital reserve		874,917	703,556	775,588
Revenue reserve		25,854	24,615	25,323
Total shareholders' funds				
		975,211	802,611	875,351
Net asset value per ordinary share				
	11	234.88p	192.89p	210.75p

Notes to the Financial Statements

1 Principal activity

Fidelity European Values PLC is an Investment Company incorporated in England and Wales with a premium listing on the London Stock Exchange. The Company's registration number is 2638812, 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 Financial 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 December 2016 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 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 November 2014. 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 December 2016.

4 Income

	Six months ended 30.06.17 unaudited £'000	Six months ended 30.06.16 unaudited £'000	Year ended 31.12.16 audited £'000
Investment income			
Overseas dividends	18,830	17,764	20,708
Overseas scrip dividends	2,345	2,079	3,114
UK dividends	874	993	1,379
UK scrip dividends	290	–	458
	22,339	20,836	25,659
Derivative income			
Dividends received on long CFDs	1,329	1,098	1,284
Interest received on long CFDs*	22	8	26
	1,351	1,106	1,310
Investment and derivative income	23,690	21,942	26,969
Other interest			

Interest received on bank deposits and money market funds	11	20	35
Interest received on tax reclaims	–	–	2
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	11	20	37
	-----	-----	-----
Total income	23,701	21,962	27,006
	=====	=====	=====

* Due to negative interest rates during the reporting period, the Company received interest on its long CFDs.

5 Investment management fees

	Six months ended 30.06.17 unaudited £'000	Six months ended 30.06.16 unaudited £'000	Year ended 31.12.16 audited £'000
Investment management fees	3,961	3,262	6,972
	=====	=====	=====

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 0.85% of net assets. Fees are payable quarterly in arrears and are calculated on the last business day of March, June, September and December.

6 Taxation on return on ordinary activities

	Six months ended 30.06.17 unaudited £'000	Six months ended 30.06.16 unaudited £'000	Year ended 31.12.16 audited £'000
Overseas taxation suffered	3,311	2,481	2,903
Overseas taxation recovered	(1,813)	(1,566)	(1,850)
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Total taxation charge for the period	1,498	915	1,053
	=====	=====	=====

7 Return per ordinary share

Six months ended 30.06.17 unaudited	Six months ended 30.06.16 unaudited	Year ended 31.12.16 audited
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Revenue return per ordinary share	4.30p	4.17p	4.34p
Capital return per ordinary share	23.99p	9.46p	27.10p
Total return per ordinary share	28.29p	13.63p	31.44p

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 in issue held outside Treasury during the period.

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation	17,851	17,354	18,062
Net capital return on ordinary activities after taxation	99,621	39,368	112,715
Net total return on ordinary activities after taxation	117,472	56,722	130,777
	number	number	number
Weighted average number of ordinary shares in issue during the period	415,274,276	416,365,665	415,946,054

8 Dividends paid to shareholders

	Six months ended	Six months ended	Year ended
	30.06.17	30.06.16	31.12.16
	unaudited	unaudited	audited
	£'000	£'000	£'000
Final dividend of 4.17 pence per Ordinary Share paid for the year ended 31 December 2016	17,320	–	–
Final dividend of 3.33 pence per Ordinary Share paid for the year ended 31 December 2015	–	13,868	13,868
	17,320	13,868	13,868

No dividend has been declared in respect of the six months ended 30 June 2017.

9 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	Valued by reference to
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1

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 table below sets out the Company's fair value hierarchy:

	30 June 2017 unaudited		30 June 2016 unaudited		31 December 2016 audited	
	level 1	level 2	level 1	level 2	level 1	level 2
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets at fair value						
Investments	961,022	–	792,106	–	862,747	–
Derivative instruments	–	2,742	–	271	–	–
	-----	-----	-----	-----	-----	-----
	961,022	2,742	792,106	271	862,747	–
	=====	=====	=====	=====	=====	=====
Financial liabilities at fair value						
Derivative instruments	–	(104)	–	(1,488)	–	(577)
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10 Share capital

	30 June 2017 unaudited		30 June 2016 unaudited		31 December 2016 audited	
	number of shares	£'000	number of shares	£'000	number of shares	£'000
Ordinary shares of 2.5 pence each – issued, allotted and fully paid						
Held outside Treasury						
Beginning of the period	415,352,177	10,384	416,447,910	10,411	416,447,910	10,411
Ordinary shares repurchased and transferred into Treasury	(150,000)	(4)	(339,736)	(8)	(1,095,733)	(27)
	-----	-----	-----	-----	-----	-----
End of the period	415,202,177	10,380	416,108,174	10,403	415,352,177	10,384
	=====	=====	=====	=====	=====	=====
Held in Treasury*						
Beginning of the period	1,095,733	27	–	–	–	–
Ordinary shares repurchased and held in Treasury	150,000	4	339,736	8	1,095,733	27
	-----	-----	-----	-----	-----	-----
End of the period	1,245,733	31	339,736	8	1,095,733	27
	=====	=====	-----	=====	-----	-----
Total share capital		10,411		10,411		10,411
		=====		=====		=====

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

11 Net asset value per ordinary share

The net asset value per ordinary share is based on net assets of £975,211,000 (30 June 2016: £802,611,000 and 31 December 2016: £875,351,000) and on 415,202,177 ordinary shares (30 June 2016: 416,108,174 and 31 December 2016: 415,352,177), being the number of ordinary shares of 2.5 pence each held outside Treasury in issue at the period end. It is the Company's policy that shares held in Treasury will only be reissued at a premium to net asset value per share and, therefore, shares held in Treasury have no dilutive effect.

12 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 ("FIL"). Both companies are Fidelity group companies. Details of the fee arrangements are given in Note 5.

During the period management fees of £3,961,000 (six months ended 30 June 2016: £3,262,000 and year ended 31 December 2016: £6,972,000) were payable to FIL. At the Balance Sheet date management fees of £2,065,000 (30 June 2016: £1,659,000 and 31 December 2016: £1,848,000) were accrued and included in other creditors. FIL also provides the Company with marketing services. The total amount payable for these services during the period was £65,000 (six months ended 30 June 2016: £102,000 and year ended 31 December 2016: £229,000). At the Balance Sheet date marketing services of £27,000 (30 June 2016: £25,000 and 31 December 2016: £21,000) were accrued and included in other creditors.

As at 30 June 2017, the Board consisted of five non-executive Directors (as shown in the Directory below), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company. The Chairman receives an annual fee of £37,500, the Audit Committee Chairman an annual fee of £28,000 and each other Director an annual fee of £24,000. The following members of the Board held shares in the Company: Vivian Bazalgette 30,000 ordinary shares, James Robinson 30,000 ordinary shares, Robin Niblett 15,000 ordinary shares, Marion Sears 21,020 ordinary shares and Paul Yates 32,000 ordinary shares.

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.

ENDS

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.fidelityinvestmenttrusts.com where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.