

FIDELITY CHINA SPECIAL SITUATIONS PLC

Fidelity China Special Situations PLC will be focused on the long-term growth potential of China. The portfolio will be made up primarily of securities issued by companies listed in China or Hong Kong and Chinese companies listed elsewhere. It may also invest in listed companies with significant interests in China and Hong Kong.

FIDELITY CHINA SPECIAL SITUATIONS PLC DETAILS 30.06.10

Share price:	98.75p
NAV:	93.68p
Premium:	5.41%
Ordinary shares in issue:	471,000,000
Gearing exposure:	116.11%
Launch date:	19/04/2010
Portfolio manager:	Anthony Bolton
Appointed to trust:	19/04/2010
Years at Fidelity:	31
Investment available via ISA and Share Plan	

PORTFOLIO MANAGER



Recent macro indicators point towards slowing growth globally as the sharp economic recovery seen after the recession is losing momentum. In China the tightening process that started late last year is also impacting the economy although growth is still well above that being seen in developed markets. In the current market environment this high relative growth is increasingly attractive.

Anthony Bolton, President, Investments

INVESTMENT HIGHLIGHT

I have positioned the trust to benefit from the structural changes that I believe are taking place in China, particularly the shift from an export-led economy to one driven by domestic consumption. The key sectors the trust is exposed to include a number of retailers such as department stores and sports goods retailers, electrical goods, shoes and jewellery producers and other areas driven by consumer spending such as wine and spirits, restaurants, hotels, automobiles, telecoms and internet. The trust also has a significant exposure to financial stocks that include banking, insurance, brokers and real-estate agents as well as several pharmaceuticals stocks. The portfolio is primarily invested in Chinese stocks listed in Hong Kong and has some exposure to Chinese 'A' shares, as well as Chinese stocks listed in the US and elsewhere.

TOP TEN HOLDINGS AS AT 30.06.10

	Fund (% of Total Net Assets)	Benchmark Weight
China Mobile Limited	6.3%	10.6%
Industrial & Com Bank Of China H	6.3%	6.9%
China Merchants Bank Co Ltd (ELN)	5.6%	–
Tencent Holdings Limited	4.2%	2.9%
China Unicom (Hong Kong) Ltd	4.2%	1.4%
HSBC Holdings Plc (HK)	4.1%	–
Ping An Insurance Co Ltd (ELN)	3.2%	–
CNinsure Inc Spons ADR	3.1%	–
Hang Lung Properties Ltd	2.5%	–
United Laboratories Intl Hldgs	2.3%	–
Top Ten Total	41.8%	21.8%

Source: FIL Limited, 30 June 2010. Benchmark is MSCI China Index (Net Luxembourg tax) Numbers may not total due to rounding

Please remember the eligibility to invest in an ISA depends on individual circumstances and tax rules may be subject to change. The value of investments can go down as well as up and you may not get back the amount invested. Overseas investments may be subject to currency fluctuations which may affect the value of your investment. Investments in small and emerging markets may be more volatile than more established markets. If you are unsure of the suitability of an investment, please contact a financial adviser.

SHARE TYPE BREAKDOWN AS AT 30.06.10

	Fund (% of Total Net Assets)	Benchmark Weight
'A' & 'B' Share	12.0%	1.3%
H-Share*	11.0%	51.2%
Red Chips*	16.5%	26.9%
Other Stocks Listed in HK**	39.0%	20.6%
China Stocks Listed in US	12.9%	–
China Stocks Listed elsewhere (Singapore/Korea/ UK/Taiwan/Japan)	7.2%	–
Others	1.4%	–
Total	100.0%	100.0%

Source: FIL Limited, 30 June 2010. Benchmark is MSCI China Index (Net Luxembourg tax)

*As classified in the website of HKEX

**Non-H-share and non-Red-Chip companies listed in Hong Kong, held by the fund or as part of MSCI China.

GLOSSARY

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.

GEARING EXPOSURE

Investment trusts have the ability to borrow additional money to invest, known as gearing. The trust has the ability to use bank loans, bank overdrafts and Contracts for Difference (CFDs) to increase its exposure to stocks. CFDs are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

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.

TOP 10 SECURITY HOLDINGS

Top holdings are those securities in which the latest percentage of fund's total assets are invested. They do not include FX forwards, derivative positions and deposits. A full list of holdings, including derivatives, can be found in the fund's annual and/or semi-annual report and accounts. The attribution analysis similarly does not include contributions from derivatives.

QFII

A qualified foreign institutional investor approved by China Securities Regulatory Commission (CSRC) pursuant to the Measures.

CHINA H SHARES

China H Shares are shares of People's Republic of China (PRC) companies incorporated in the PRC which are listed on the Hong Kong Stock Exchange. China H Shares are available to non-Chinese investors and are traded in Hong Kong Dollars on the Hong Kong Stock Exchange.

CHINA A SHARES

China A Shares are traded on the Chinese Stock Exchanges in Renminbi. Foreign investors had historically been unable to participate in the China A Share market. However, following China's introduction of the QFII program in 2002, a legal framework has been provided for licensed QFIIs to invest in China A Shares on the Chinese Stock Exchanges and certain other securities previously not eligible for investment by foreign investors.

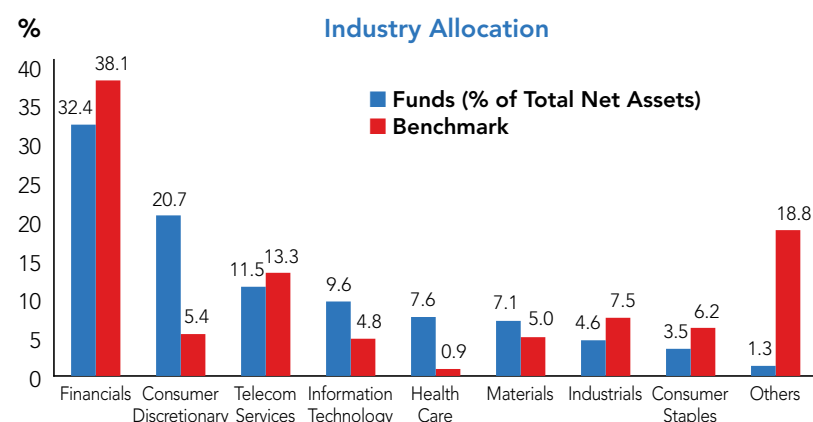
CHINA B SHARES

China B Shares are traded on the Shenzhen Stock Exchange and Shanghai Stock Exchange in Hong Kong Dollars and US Dollars, respectively. China B Shares were originally intended to be available only to foreign individual and institutional investors. However, since February 2001, China B Shares have been available to domestic individual investors who trade through legal foreign currency accounts.

RED CHIPS

Red Chip is the term used to describe companies incorporated outside China but which are based in mainland China. Red Chips are listed on, and are required to observe the filing and reporting requirements of, the Hong Kong Stock Exchange. Red Chips typically have a significant portion of their business interests located in mainland China and many are owned, either directly or indirectly, by organisations or enterprises controlled by the Chinese state, provinces or municipalities.

INDUSTRY BREAKDOWN AS AT 30.6.10



Source: FIL Limited, 30 June 2010; Benchmark is MSCI China Index (Net Luxembourg tax); Cash is excluded from the chart above.

Investors should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity. Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may have already been acted upon by Fidelity. This information does not constitute investment advice and should not be used as the basis for any investment decision nor should it be treated as a recommendation for any investment.

For more information contact us on **0800 41 41 10**,
9am – 6pm Monday to Saturday or go to
www.fidelity.co.uk/chinaspecial

