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FIDELITY EUROPEAN TRUST PLC

Annual Report for the year ended 31 December 2025



Investment Objective and Overview

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

Fidelity European Trust PLC aims to be the cornerstone long-term investment of choice for those seeking European equity exposure across market cycles.

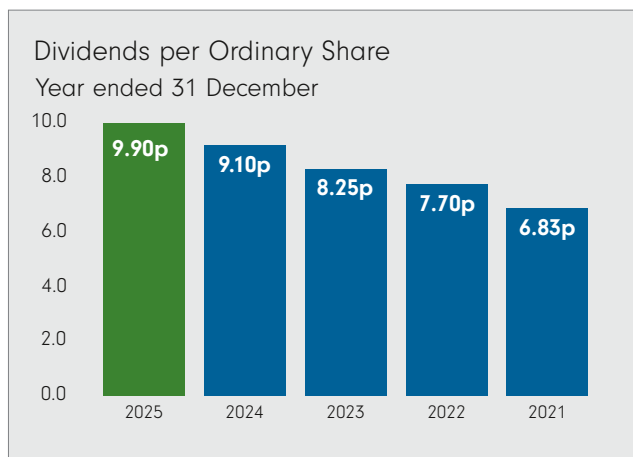
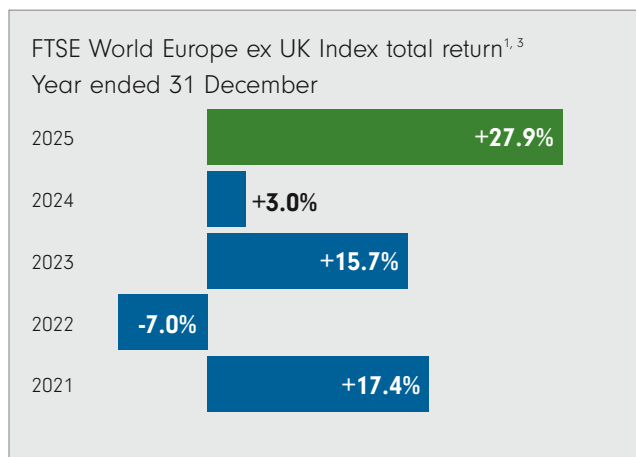
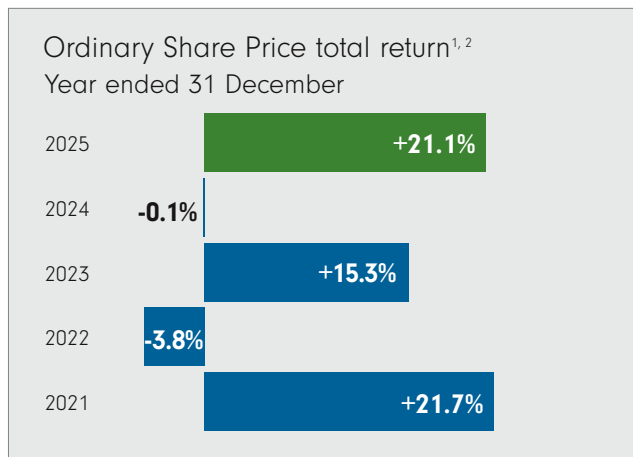
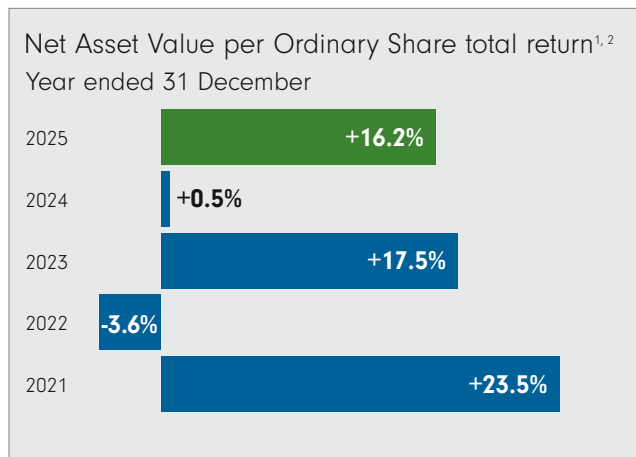
Sam Morse and Marcel Stötzel, your Portfolio Managers, seek companies based on their prospects for producing dividends and dividend growth as this indicates steady structural growth. They search for companies by focusing on four key areas: (i) positive fundamentals, which includes structural growth, disciplined use of capital and proven business models; (ii) cash generation which is often a good indicator of future dividend growth; (iii) strong balance sheets which

ensure that the ability to grow dividends is not jeopardised; and (iv) attractive valuations providing good quality stocks at a reasonable price. The portfolio will generally have low turnover with a typical holding period of three to five years. The Portfolio Managers do not have a bias to any particular sector or size of company and outperformance is targeted through stock selection rather than sector or country.



At a Glance

In the reporting year, the Company's net asset value per ordinary share increased by 16.2% and the ordinary share price increased by 21.1%, whilst the Benchmark Index increased by 27.9% (all performance data on a total return basis).



1 Includes reinvested income.

2 Alternative Performance Measures. See pages 83 and 84.

3 The Company's Benchmark Index.

As at 31 December 2025

Shareholders' Funds

£2,221.2m (2024: £1,563.1m)

Market Capitalisation

£2,129.8m (2024: £1,438.7m)

Capital Structure

Ordinary Shares of 2.5 pence held outside of Treasury

511,345,955 (2024: 408,730,523)

Summary of the key aspects of the Investment Policy

The Investment Manager will typically focus on larger companies which show good prospects for sustainable long-term dividend growth. The Investment Manager is not restricted in terms of size, industry or geographical split.

The Company predominantly invests in equities but may also invest into other transferable securities, investment companies, money market instruments, cash and deposits. It is also able to use bank borrowings and derivatives for efficient portfolio management in order to gain additional market exposure (gearing) and also for investment purposes.

The Investment Manager works within the guidelines set out in the Investment Policy.

Financial Highlights

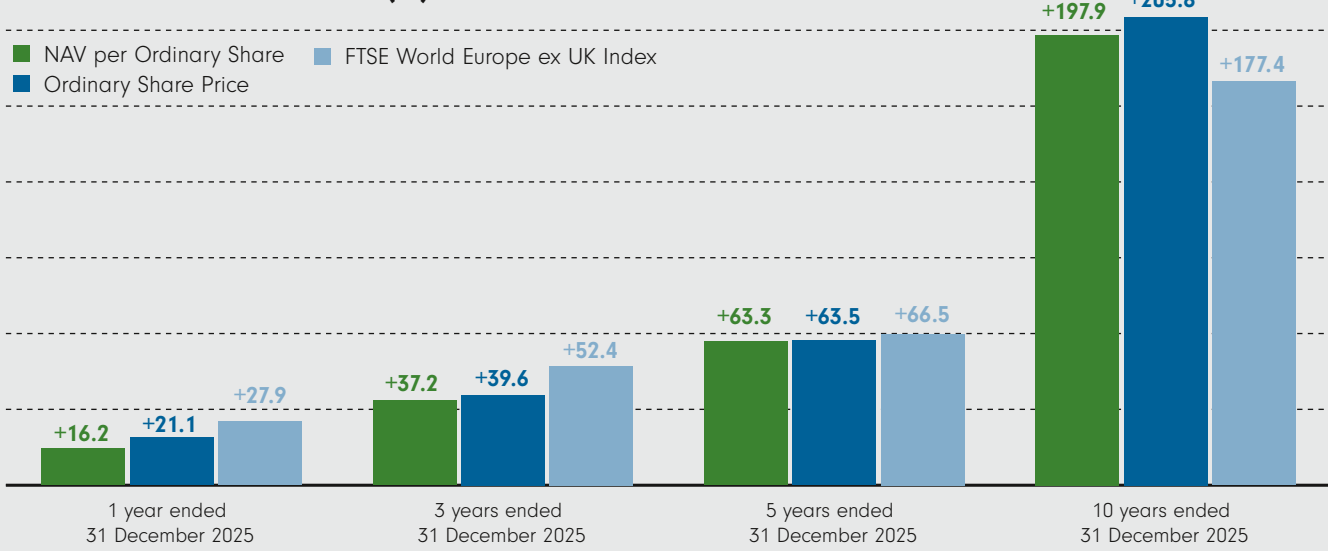
	2025	2024
Assets at 31 December		
Gross Asset Exposure ¹	£2,436.5m	£1,739.2m
Gross Gearing ² (see Note 19 on page 81)	9.7%	11.3%
Net Market Exposure	£2,436.5m	£1,739.2m
Net Gearing ² (see Note 19 on page 81)	9.7%	11.3%
Shareholders' Funds	£2,221.2m	£1,563.1m
Net Asset Value ("NAV") per Ordinary Share ²	434.39p	382.44p
Ordinary Share Price and Discount at 31 December		
Ordinary Share Price at year end	416.50p	352.00p
Ordinary Share Price - year high	431.00p	411.00p
Ordinary Share Price - year low	338.50p	340.00p
Discount at year end ²	4.1%	8.0%
Discount - year high	9.9%	10.0%
Discount - year low	0.2%	2.5%
Results for the year ended 31 December – see page 59		
Revenue Return per Ordinary Share ²	11.30p	10.41p
Capital Return/(Loss) per Ordinary Share ²	51.50p	(7.78p)
Total Return per Ordinary Share ²	62.80p	2.63p
Final Dividend proposed per Ordinary Share	6.00p	5.50p
Interim Dividend paid per Ordinary Share	3.90p	3.60p
Total Dividends for the year	9.90p	9.10p
Ongoing Charges Ratio for the year ended 31 December ^{2,3}	0.73%	0.76%
Fee waived in respect of the combination with Henderson European Trust plc	(0.14%)	-
Ongoing Charges Ratio including fee waived for the year ended 31 December ^{2,3}	0.59%	0.76%

1 The value of the portfolio exposed to market price movements.

2 Alternative Performance Measures. See pages 83 and 84.

3 Ongoing Charges Ratio (excluding finance costs and taxation) as a percentage of the average net asset values for the year (prepared in accordance with guidance issued by the Association of Investment Companies). It is defined in the Glossary of Terms on page 94.

Total Return Performance¹ (%)



¹ See Glossary of Terms on page 95.

Sources: Fidelity and Datastream.

Past performance is not a guide to future returns.

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Chairman's Statement

Read more on pages 02 to 06



Portfolio Managers' Review

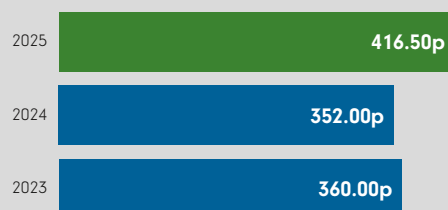
Read more on pages 07 to 12



Spotlight on the Top 10 Holdings

Read more on pages 13 and 14

Ordinary Share Price as at 31 December



Ten Year Record

Read more on page 20

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Chairman's Statement



I am pleased to present the Annual Report of Fidelity European Trust PLC for the year ended 31 December 2025.

Davina Walter, Chairman

£2,221.2m

(As at 31 December 2025)
Shareholders' Funds

+16.2%

(Year ended 31 December 2025)
Net Asset Value per Ordinary Share total return

+21.1%

(Year ended 31 December 2025)
Ordinary Share Price total return

+27.9%

(Year ended 31 December 2025)
Benchmark Index total return

This is my first Annual Report for the Company, having joined the Board of Directors in November 2024 and taken over as Chairman from Vivian Bazalgette at the last AGM in May 2025. On behalf of the Board and our shareholders, I would like to place on record our thanks to Vivian, who became Chairman following the 2016 AGM, for his strong leadership and invaluable contribution to the Company's strategy which has helped sustain its successful returns to shareholders over the long-term.

2025 proved to be another busy year, not just on the world political stage and in European financial markets, but also for your Company given the combination with Henderson European Trust plc ("HET"), which completed in late September. The considerable benefits of the combination are set out below, but first I would like to extend a very warm welcome to former HET shareholders, who I hope will remain happy shareholders of this Company for many years to come.

While European stock market performance in 2024 was muted as a result of geopolitical and macroeconomic concerns, 2025 saw strong returns despite some of the previous year's fears - notably, higher US trade tariffs - becoming reality. In a more fractious global environment, Europe turned to self-help measures, such as the European Central Bank (ECB) interest rate cuts and wide-ranging fiscal stimulus in Germany, leading to an appreciation in the Euro and a tailwind for more cyclically sensitive stocks. As discussed below and in the Portfolio Managers' Review that follows, the nature of the Company's investment philosophy is to seek companies based on four key criteria: attractive valuations, disciplined use of capital; cash generation; and strong balance sheets to ensure the ability to grow dividends. This means that periods characterised by sharp, momentum-led or cyclical rallies, such as those experienced in 2025, can act as a headwind for a portfolio that prioritises sustainable cash generation and downside resilience.

Performance

For the year ended 31 December 2025, your Company delivered a net asset value ("NAV") total return of 16.2% in sterling, which, while a good outcome in absolute terms, was significantly behind the 27.9% total return from the Benchmark Index, the FTSE World Europe ex UK Index in sterling terms. With the discount to NAV having narrowed appreciably during the year, the share price total return was higher, at 21.1%.

Sam and Marcel give a detailed picture of the contributors to and detractors from performance in their Portfolio Managers' Review on the following pages. In brief, however, some of the factors underlying the underperformance against the Benchmark Index include holding Danish pharmaceutical firm Novo Nordisk through

a period of poor news flow; being underweight in defence stocks, which they see as more than pricing in increased European defence spending; and preferring France to more highly favoured Germany, albeit with a skew towards global companies that are less exposed to the French domestic economy. However, perhaps more important than all of these has been investor enthusiasm for a narrow number of stocks that do not necessarily share the combination of attractive starting valuations and long-term capital and income growth potential that your Portfolio Managers favour.

Over the longer-term, performance remains consistent, averaging 10-13% per annum for both the NAV and share price total return over three, five and 10 years, since Sam's appointment in 2011 and since the Company's launch in 1991. We have also matched or outperformed the Benchmark Index return over 10 years, as well as beating the average return of the AIC Europe peer group over three, five and 10 years (and in NAV terms over one year).

Combination with Henderson European Trust plc

Following the resignation of HET's portfolio managers in January 2025 and consultation with shareholders, the Board of HET (which itself was formed through the merger of Henderson EuroTrust plc ("HNE") and Henderson European Focus Trust plc ("HEFT") in 2024), undertook a comprehensive review of its options and a competitive pitch process, leading to the recommendation in June of a combination with Fidelity European Trust PLC ("FEV"). Through combining the two largest investment companies in the Association of Investment Companies' ("AIC") Europe sector, the proposal sought to create a market-leading European equity investment enjoying the benefits of scale and enhanced liquidity with continuity of investment style, given both trusts' focus on quality companies at attractive valuations. HET shareholders were offered the choice of new FEV shares or a cash exit of up to 33%, and it was pleasing to note that the cash option was undersubscribed, with less than 30% electing to take the cash element. The deal completed on 29 September 2025, resulting in the issuance of 111,902,155 shares in the Company.

The proposals for the combination were covered in detail in the Half Year Report for the six months ended 30 June 2025, but now that it has taken place, it is worth revisiting some of the benefits.

- **Increased scale:** Your company now has net assets of more than £2bn, placing it in the top 10 by assets of all equity investment companies. While this may seem to have limited relevance for individual shareholders, consolidation in the wealth management market – historically a key source of demand for investment trust shares – means investment companies now need significant scale to make it on to centralised buy lists,

given the large sums at work and the need to maintain liquidity, which can be challenging for investors who account for a significant proportion of a company's share register. As one of the larger companies in the FTSE 250 Index, we can also enjoy greater demand from index-tracking funds.

- **Lower management fees and ongoing charges:** Fidelity agreed, with effect from completion of the HET deal, a reduction in its tiered annual management fee to: 0.70% on net assets up to £400m, 0.65% on net assets from £400m to £1.4bn and 0.55% on net assets in excess of £1.4bn. This revised fee has resulted in a blended annual management fee rate of 0.62% based on net assets as at 31 December 2025. The lower management fee, together with economies of scale (meaning fixed costs are spread over a larger base), is feeding into a reduced ongoing charges ratio ("OCR"). For the year under review, the OCR was 0.73% (2024: 0.76%) and reflecting the revised fee arrangement together with the economies of scale the OCR going forward is 0.68%.
- **Enhanced discount management policy:** The Board proposed an enhancement to the Company's discount management policy with the aim of maintaining any share price discount to NAV in mid-single digits (previously below 10%) in normal market conditions. The steps taken to manage the discount are discussed in a separate section on the next page.
- **Governance benefits:** As part of the combination, we welcomed two new Directors to the Board: Vicky Hastings, formerly chairman of HET and its predecessor HEFT, and Rutger Koopmans, who was a director of HNE before joining the HET board. As well as providing continuity for former HET (as well as HEFT and HNE) shareholders, Vicky, with her strong investment management background, and Rutger, a Dutch national with a wealth of experience as a financial professional, are strong additions to the Company's Board.

Dividends

Sustainable and growing dividends are a key feature your Portfolio Managers seek when analysing potential holdings for your Company's portfolio. The Board has a policy whereby it seeks to deliver a progressive dividend in normal circumstances, paid twice yearly in order to smooth dividend payments for the reporting year. We understand that dividends are also important to our shareholders, which is why your Company has increased its annual payout for the past 14 years, placing it among the AIC's 'next generation of dividend heroes' (investment companies with more than 10 but fewer than 20 consecutive years of annual dividend growth).

Chairman's Statement continued

In the year under review, the Company's revenue return was 11.30 pence per ordinary share (2024: 10.41 pence) and an interim dividend of 3.90 pence per share was paid on 23 October 2025 (an increase of 8.3% on the 3.60 pence paid for the same period in 2024). The Board is pleased to recommend a final dividend of 6.00 pence for the year ended 31 December 2025 (2024: 5.50 pence), bringing the total dividend for the year to 9.90 pence (2024: 9.10 pence), an increase of 8.8% and a 15th consecutive annual dividend increase.

Subject to approval by shareholders at the Annual General Meeting ("AGM") on 12 May 2026, the final dividend will be paid on 19 May 2026 to shareholders on the register at close of business on 27 March 2026 (ex-dividend date 26 March 2026). Shareholders may choose to reinvest their dividends for additional shares in the Company.

Discount Management and Treasury Shares

The success of the enhanced discount management policy (see Combination with HET on the previous page) can be seen in the narrowing of the discount to NAV during the year, from 8.0% at the beginning of the year to 4.1% as at 31 December 2025. Having previously sought to maintain the discount in single figures, the policy now is to maintain a maximum discount in the mid-single digits in normal market conditions. For the majority of 2025, even before the proposed combination with HET, the discount to NAV was in mid or low single digits, with a low of 0.2% in November, having seen a high of 9.9% at the start of the year.

During the year, a total of 9,286,723 shares were repurchased into Treasury (2024: nil), equal to 2.2% of the shares in issue at the beginning of the year.

To assist in managing the discount, the Board has shareholder approval to hold ordinary shares repurchased by the Company in Treasury, rather than cancelling them. Shares in Treasury (which numbered 17,004,110 at the year end) are then available to be reissued at NAV per ordinary share or at a premium to NAV per ordinary share, facilitating the management of and enhancing liquidity in the Company's shares. As buying back shares at a discount to NAV is accretive, the Board is seeking shareholder approval to renew this authority at the AGM on 12 May 2026.

Gearing

The Company continues to gear mainly through the use of derivative instruments, primarily contracts for difference (CFDs). However, as part of the combination with HET, the Company acquired a small amount of fixed gearing €35m at par value in the form of two very long-term private loan notes at a particularly attractive blended interest rate of only 1.57%. Having this element of structural gearing provides the Company with a degree of diversification in its counterparty risk, as well as potentially allowing Sam and Marcel to take a longer-term view on some of their geared positions.

The Portfolio Managers have flexibility to gear within the parameters set by the Board, the rationale being that over the longer-term carefully monitored levels of gearing will enhance returns from a rising market. The ability to do this is a key advantage of the investment company structure. As at 31 December 2025, the Company's gross gearing was 9.7% (2024: 11.3%), with net gearing also at 9.7% (2024: 11.3%). In the reporting year, gearing was maintained within the limits set by the Board and made a positive contribution to NAV performance, as can be seen from the Attribution Analysis table on page 19.

The Board monitors the level of gearing and the use of derivative instruments carefully and has defined a risk control framework for this purpose which is reviewed at each Board meeting. It should be emphasised that all gearing is subject to the Portfolio Managers' confidence in identifying attractive investment opportunities, and to their remaining attractive.

Due diligence trip to Norway

Towards the end of the reporting year, the Board had the opportunity to visit Oslo with your Portfolio Managers, and we were privileged to be invited to observe a meeting with the senior management of DNB Bank, one of Norway's leading financial institutions. One of Fidelity's great strengths is the depth of its analyst team, with 38 analysts devoted to the European stock market. It was fascinating to see one of the analyst team interacting with Sam, Marcel and DNB, and gave us great confidence both in the calibre of the team and the respect they command in the market.

Board of Directors

As mentioned on the previous page, I joined the Company's Board in November 2024 and assumed the role of Chairman on the retirement of Vivian Bazalgette at the AGM in May 2025. Also new to the Board are Vicky Hastings and Rutger Koopmans, who joined as part of the combination with HET. Whilst Rutger has already served nine years, having been a director of HNE from 2016 until it merged with HEFT to become HET in 2024, the Board feels that it is important to extend his tenure to give him a

full year of representing HET (and HNE) shareholders and the intention therefore is that Rutger will retire at the AGM in May 2027.

Paul Yates, Senior Independent Director, has served on your Company's Board since 2017, and will retire at the AGM on 12 May 2026. Paul has considerable experience in investment management and investment trusts, both valuable assets during his tenure and his contribution to the Board will be greatly missed. In respect of skills that we will lose when Paul retires, Vicky's appointment will give us continuity in this regard with her strong background in investment management.

Fleur Meijs, Chair of the Audit Committee, will have completed nine years on the Board in September 2026 and will therefore not seek re-election at the AGM in May 2027. A recruitment process to appoint her replacement will be conducted later this year.

Following the AGM at which Paul retires, the Board will reduce to six Directors and then become five following the 2027 AGM when Rutger and Fleur retire.

Annual General Meeting

The Company's AGM will be held at 11.00 am on 12 May 2026 at 4 Cannon Street EC4M 5AB and virtually via the online Lumi AGM meeting platform.

The AGM provides a great opportunity for shareholders to hear first-hand from your Portfolio Managers and to meet the Company's Directors, and of course, for us to meet you. We hope to see as many of you as possible on the day. Full details of the AGM are below.

Outlook

After a year of strong performance, with markets having risen significantly, many investors in Europe are looking for further progress supported by potential productivity gains, interest rate cuts, continued fiscal stimulus and a belief that 'the worst is over' in relation to US trade tariffs. This has led to a meaningful improvement in corporate earnings expectations from the flat outlook anticipated for 2025. While the path ahead may not be linear in these uncertain times, our team believe the portfolio is well positioned through its focus on high-quality, cash-generative businesses with strong balance sheets.

Davina Walter

Chairman
17 March 2026

Chairman's Statement continued

ANNUAL GENERAL MEETING – TUESDAY, 12 MAY 2026 AT 11.00 AM

The AGM of the Company will be held at **11.00 am on Tuesday, 12 May 2026** at 4 Cannon Street, London EC4M 5AB (nearest tube stations are St Paul's or Mansion House) and virtually via the online Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting on pages 86 to 89.

For those shareholders who are unable to attend in person, we will live-stream the formal business and presentations of the meeting online.

Sam Morse and Marcel Stötzel, the Portfolio Managers, will be making a presentation to shareholders highlighting the achievements and challenges of the year past and the prospects for the year to come. They and the Board will be very happy to answer any questions that shareholders may have. Copies of their presentation can be requested by email at **investmenttrusts@fil.com** or in writing to the Secretary at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Properly registered shareholders joining the AGM virtually will be able to vote on the proposed resolutions. See Note 9 to the Notes to the Notice of Meeting on page 88 for details on how to vote virtually. Investors viewing the AGM online will be able to submit live written questions to the Board and the Portfolio Managers and we will answer as many of these as possible at an appropriate juncture during the meeting.

Further information and links to the Lumi platform may be found in Note 9 to the Notes to the Notice of Meeting on page 88. On the day of the AGM, in order to join electronically and ask questions via the Lumi platform, shareholders will need to connect to the website **<https://web.lumiagm.com>**.

Please note that investors on platforms, such as Fidelity Personal Investing, Hargreaves Lansdown, Interactive Investor or AJ Bell Youinvest, will need to request attendance at the AGM in accordance with the policies of your chosen platform. They may request that you submit electronic votes in advance of the meeting. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed **<https://meetings.lumiconnect.com>** from your web browser on a tablet or computer, you will need to enter the **Lumi Meeting ID** which is **100-968-191-255**. You should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

Further information on how to vote across the most common investment platforms is available at the following link: <https://www.theaic.co.uk/how-to-vote-your-shares>

Portfolio Managers' Review



Sam Morse, Portfolio Manager

Sam Morse was appointed as Portfolio Manager of Fidelity European Trust PLC on 1 January 2011. He has also managed the Fidelity European Fund since 1 December 2009. He first joined Fidelity as a research analyst and covered a range of sectors before becoming an equity income fund manager. He also worked as Head of Equities at M&G.



Marcel Stötzel, Portfolio Manager

Marcel Stötzel was appointed as Co-Portfolio Manager of Fidelity European Trust PLC on 1 September 2020 and now also acts as Portfolio Manager alongside Sam Morse. He joined Fidelity as an analyst in 2014 covering US Tech before moving on to cover European Software and IT Services and thereafter European Aerospace, Defense and Airlines. After a highly rated period in research, he became a Portfolio Manager, and he has co-managed the Fidelity European Fund since September 2020. Prior to joining Fidelity, he worked as an investment banker at Barclays. He holds an MBA (INSEAD) and is a CFA charter holder.

Portfolio Managers' Review continued

Question

How has the Company performed over the year to 31 December 2025, both in absolute terms and relative to its Benchmark Index?

Answer

The Company delivered a positive double-digit return in absolute terms in 2025, but underperformed its Benchmark Index, the FTSE World Europe ex UK Index. Over the year to 31 December 2025, the net asset value ("NAV") rose 16.2%. Thanks to a narrowing of the discount, the total return to shareholders was 21.1% but this still lagged the Benchmark Index which climbed by 27.9% on a total return basis.

This outcome partly reflects the Company's investment approach, which means it can lag in strong, fast-moving 'risk-on' markets like we saw in 2025 following Germany's fiscal stimulus announcement. Periods characterised by sharp, momentum-led or cyclical rallies, can act as a headwind for our portfolio that prioritises sustainable cash generation and downside resilience.

Question

What were the principal drivers of performance in 2025, and to what extent was this driven by stock selection versus geographic or sector allocation?

Answer

After sustained outflows for the asset class between 2022 and 2024, European equity funds recorded renewed inflows in 2025, as investors diversified away from a US market which had become highly concentrated on a number of expensive technology stocks. A weaker US dollar further enhanced the appeal of non-US assets.

The Company's strategy is to be 'benchmark-aware', with relatively tight controls around sector exposures. As a result, we usually expect performance to be predominantly driven by stock selection rather than sector or geographic allocation, with relative returns largely determined by company-specific outcomes. In 2025, however, performance was influenced to some extent by the prevailing market environment, which favoured cyclical and value-oriented stocks following the announcement of fiscal stimulus in Germany. Unfortunately, the relative contribution from stock selection was also negative and so did not offset the stylistic headwinds. The Company's gearing contributed positively to absolute returns in a strong market (see the Attribution Analysis table on page 19).

European equity markets were characterised by sharp, value-led and cyclical rallies, with areas such as defence, peripheral banks and German cyclicals leading the market. The Company's emphasis on quality businesses, sustainable dividend growth and downside resilience meant that it was underweight in many of these segments, and this acted as a drag on relative performance.

Limited exposure to defence stocks such as Rheinmetall detracted following announcements of increased European defence spending. In addition, holdings including health care company Novo Nordisk and chemicals producer Symrise, detracted on company-specific developments, while software businesses SAP and Dassault Systèmes came under pressure amid weaker software spending and uncertainty around the competitive implications of AI adoption. Despite these near-term headwinds, we believe the long-term fundamentals of most of these companies remain intact and valuations are now attractive relative to their prospects.

Stocks in the financials' sector, including Bankinter, ABN AMRO Bank, KBC Group, and Intesa Sanpaolo, were the top contributors to performance as they delivered strong earnings and re-rated amid rising European bond yields and German fiscal spending plans. However, not holding peripheral banks, including UniCredit, Banco Santander and BBVA, proved costly as were our investments in private equity holdings Partners Group Holding and 3i Group.

Below are the top five stock contributors and detractors to performance in the Company's reporting year.

Top 5 Stock Contributors (on a relative basis)	%
Bankinter	+1.3
ABN AMRO Bank	+1.2
KBC Group	+0.7
Intesa Sanpaolo	+0.7
ASML	+0.6

Top 5 Stock Detractors (on a relative basis)	%
Novo Nordisk	-1.7
Symrise	-1.3
Partners Group Holding	-1.1
SAP	-1.0
Dassault Systèmes	-1.0

Question

How was the combination with Henderson European Trust plc? What have been the key benefits for shareholders of the enlarged Company, and how smoothly was the integration of the portfolios and investment processes executed?

Answer

The combination with Henderson European Trust plc ("HET"), which became effective on 29 September 2025, followed a comprehensive and competitive review process initiated after the resignation of HET's co-portfolio managers earlier in the year. Supported by its advisers, the HET Board undertook a formal request-for-proposal process involving a wide range of potential managers and consolidation partners. Fidelity's proposal was ultimately selected as the option best positioned to deliver long-term value for shareholders, reflecting the strength of your Company's investment capabilities and strategic positioning.

Following the combination, Fidelity European Trust PLC has consolidated its position as the largest European equity investment trust, with a market capitalisation now exceeding £2 billion. We were delighted to have been chosen after a competitive tender process, not least for our bottom-up investment approach, ensuring continuity and stability for both existing and new shareholders.

The enlarged scale of the Company delivers clear shareholder benefits. A new tiered management fee structure and improved operating leverage have resulted in a material reduction in the ongoing charges ratio. Fidelity also made a significant contribution to the costs of the transaction, equivalent to a waiver of twelve months of management fees on the assets rolling over from HET, which is expected to fully offset the Company's direct transaction costs. The Board has also enhanced the Company's discount management policy, with the aim of maintaining the discount in mid-single digits in normal market conditions.

The integration of the portfolios and investment processes was executed smoothly and in an orderly manner, with assets aligned to the Company's established investment framework and risk controls. The enlarged Company continues to operate with its existing capital structure, including its approach to gearing and loan notes, which remain subject to Board oversight and are described in the Financial Statements. The aggregate exposure of the Company to equities, including from borrowing and the use of derivatives, but excluding hedging, will not exceed 130%

of total net assets (a gearing level of 30%). As part of the combination with HET, the Company now has unsecured borrowings of 1.53% Series A senior notes 2047 and 1.66% Series B senior notes 2052 of €25m and €10m, respectively.

Question

For new shareholders, could you outline your bottom-up stock selection approach, and how this process contributed to performance over the past year?

Answer

We employ a bottom-up, fundamentally driven investment approach. The focus is on identifying high-quality European companies with durable business models, strong balance sheets and the ability to generate sustainable, and growing, cash flows and dividends over time.

As active Portfolio Managers, we seek attractively valued companies that exhibit good long-term structural growth prospects and can grow dividends sustainably over the next three to five years. We look for four key characteristics: positive fundamentals (exemplified by structural growth prospects, a proven business model, and disciplined use of capital); the ability to generate cash; a strong balance sheet; and a compelling valuation.

We invest cautiously, looking to manage the strategy's downside risk and build a balanced, fully invested portfolio that is benchmark aware. Turnover is low, reflecting the long-term approach. Risk is managed through diversification and disciplined position sizing.

This approach contributed to performance during the year through bank holdings such as Bankinter, ABN AMRO Bank, KBC Group, and Intesa Sanpaolo, which delivered strong earnings. French industrial group Legrand also performed well as it saw accelerated growth in its datacentre business, ongoing strength in underlying organic trends and positive contributions from recent acquisitions.

Question

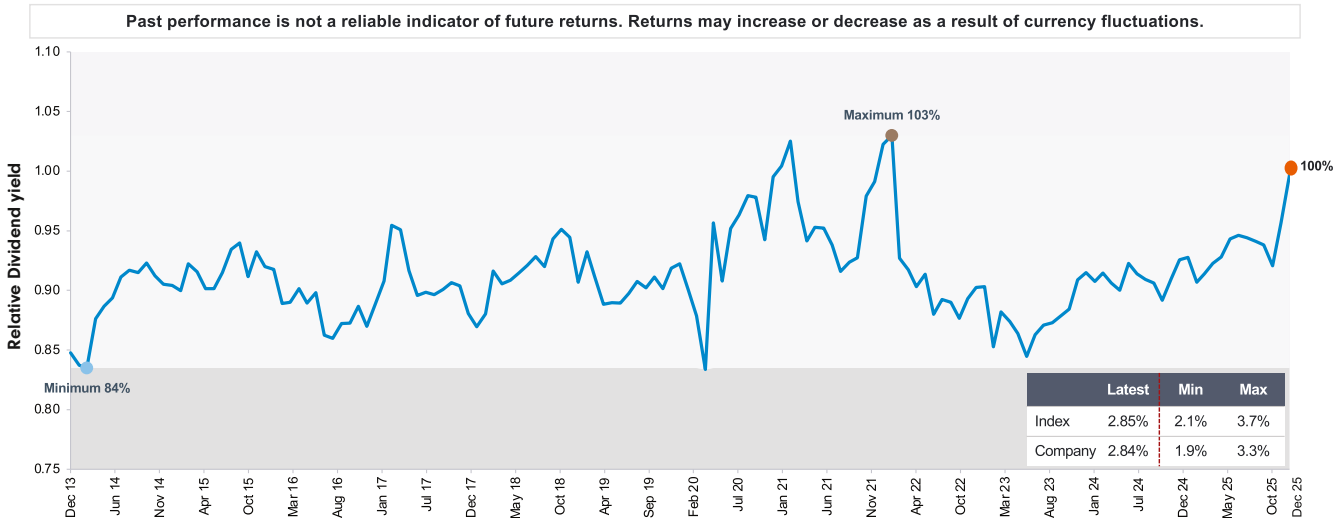
European equities performed strongly in 2025, despite ongoing macroeconomic and geopolitical uncertainty. How are you assessing the ability of the companies in the portfolio to deliver sustainable earnings and dividend growth into 2026 and beyond?

Answer

Although European equities delivered strong absolute

Portfolio Managers' Review continued

Portfolio Dividend Yield versus Benchmark Index



Source: Fidelity International, FactSet, 31 December 2013 to 31 December 2025. Dividend yield (last 12 months) is calculated as last 12 months dividend per share divided by the stock's month end price and is representative of the Company. The Benchmark Index is the FTSE World Europe ex UK Index total return.

and relative performance in 2025, we are conscious that this occurred alongside earnings downgrades, valuation expansion and persistent macroeconomic and geopolitical uncertainty. As we look into 2026 and beyond, our assessment of the ability of companies in the portfolio to deliver sustainable earnings and dividend growth is firmly rooted in bottom-up fundamentals rather than extrapolating recent market strength. We focus on balance sheet resilience, cash flow durability, returns on invested capital and the ability of companies to maintain or grow dividends across the cycle. Indeed, at the time of writing, the escalation in the Middle East suggests that a cautious approach will be prudent.

While not cheap in absolute terms, European equities still look attractive relative to US equities. Valuations across nearly all sectors trade at a discount to US peers, often beyond what differences in growth, margins or returns can justify. This is also the case if we compare valuations on an equal weighted basis to remove the skew to the Mag 7 (Mag 7 are the Magnificent Seven major technology companies that have driven significant stock market growth over the past decade. The seven companies are Apple, Microsoft, Amazon, Alphabet, Meta, Nvidia and Tesla). The equal weight MSCI Europe Index forward price-earnings ratio trades at a 21.5% discount to the US, compared to a 25.7% discount on a market cap weighted basis. All European sectors, except communication services, trade at a forward price-earnings discount to their US counterparts on an equal weight basis. This creates an environment where expectations are low, and companies do not need especially bullish assumptions to deliver acceptable outcomes. In several sectors, including financials, health care, utilities and parts of industrials, European companies generate earnings and returns comparable to US peers,

yet trade much cheaper, providing a meaningful margin of safety.

Within the portfolio, we continue to emphasise companies with strong free cash-flow generation and disciplined capital allocation, which supports sustainable dividends even when earnings growth is uneven. This is evident in holdings such as ASML, which can have cyclicality in its orders, but remains the world's leading supplier of photolithography equipment used in semiconductor manufacturing. More broadly, the portfolio yield, in aggregate, is now close to the market yield, which historically has been a favourable indicator of positive long-term returns relative to the Benchmark Index, although it is no guarantee in terms of absolute returns (see chart above).

Question

Looking back over the year, were there any material developments or outcomes that surprised you? If so, did these lead to changes in portfolio positioning or investment theses?

Answer

Through 2025, several developments were more surprising than initially expected. At a market level, the resilience of European equities stood out, particularly given ongoing geopolitical tensions, renewed US-EU trade frictions and political uncertainty across the region. Despite these headwinds, markets were supported by a soft economic landing, easing inflation, ECB rate cuts and a meaningful fiscal pivot towards defence and infrastructure spending.

The recovery in investor flows into European equity funds after several years of outflows was also notable, reflecting diversification away from relatively expensive and concentrated US equity exposure.

At the stock level, there were some unexpected outcomes that prompted reassessment of individual investment theses. The extent of the setbacks at Novo Nordisk, the leading global health care company, was one such example, with disappointing late-stage trial results, pricing actions in the US, a profit warning and a CEO change all occurring in quick succession. Given the failure of the latest clinical trial for the next-generation weight loss drug, our investment thesis - predicated on Novo's continued market dominance - no longer holds. As a result, we have exited the position.

Towards the end of the year, there was a brief slowdown in like-for-like sales at Action, the discount retailer owned by 3i Group, which was a surprise after a prolonged period of strong performance. However, the weakness was isolated to one geographic area over a one-month period, and other segments continued to report strong sales growth. As such, we are cautious to extrapolate this to a broader trend and remain constructive on the company.

In other areas, companies such as Symrise, Sika and Dassault Systèmes, were affected by cyclical weakness, cautious customer behaviour or softer guidance, which weighed on share prices. These developments did not result in wholesale changes to portfolio strategy, but they did lead to selective adjustments.

Where conviction in the long-term thesis weakened, positions were exited, including LVMH Moët Hennessy following a change in dividend policy and some management departures, as well as Sodexo and PUMA. Conversely, where near-term disappointment appeared to overshadow intact long-term fundamentals, we selectively added or maintained exposure, including in ASML, Dassault Systèmes and Symrise. Overall, surprises during the year reinforced the importance of disciplined stock selection and valuation awareness rather than prompting a change in investment philosophy.

Question

The dividend has increased for fourteen consecutive years, putting the Company on the AIC's 'next generation' of dividend heroes. How do you look at dividends versus growth when making an investment decision?

Answer

When making investment decisions, dividends are considered within the context of a company's overall

cash-generation capability and financial strength, rather than as a standalone objective. The portfolio focuses on identifying attractively valued companies with strong long-term prospects for cash generation and dividend growth, supported by resilient business models and robust balance sheets. This reflects the belief that the ability to sustain and grow dividends over time is closely linked to the durability and quality of underlying earnings and cash flows.

The portfolio is constructed using a bottom-up approach, with investment decisions driven by company-specific fundamentals rather than short-term macroeconomic considerations. Growth opportunities are therefore assessed alongside capital discipline and balance-sheet resilience. Companies such as ASML illustrate this approach: despite having a low absolute dividend yield, the dividend has grown for many years thanks to a strong business model given a monopolistic position in Extreme Ultraviolet (EUV) lithography machines which are critical for making the most advanced semiconductors.

The Company's record of fourteen consecutive years of dividend growth is a consequence of this disciplined focus on cash generation and financial strength, rather than pursuing high yields at the expense of long-term growth. This discipline has been a key contributor to our long-term record of income growth and total return, with the AIC also ranking the Company 13th overall, and the highest placed European strategy in its list of investment trusts that "would have made an ISA Millionaire".

Question

How would you describe the outlook for continental Europe and does this correlate with your thoughts on the individual companies you invest in?

Answer

European equity markets have demonstrated resilience, supported by accommodative monetary policy, attractive relative valuations and a gradual improvement in investor sentiment. Looking ahead, Europe has the potential to close its productivity gap with the US by focusing on technology and innovation and by simplifying business regulations, as outlined in the Draghi report, although progress towards greater European integration is expected to be slow.

Investor expectations for earnings growth have increased, with markets anticipating an improvement driven by interest rate reductions, fiscal stimulus - particularly in Germany - and a belief that the worst of the tariff-related uncertainty is over. However, there is still tariff uncertainty, inflation remains stubborn and rising long-term bond yields may offset some

Portfolio Managers' Review continued

of the benefits of fiscal stimulus. Expectations are high so markets appear vulnerable to disappointment from policy slippage or renewed geopolitical instability. As a result, we remain cautious on the broader market outlook.

This macro view does not directly correlate with our assessment of individual companies. European companies are not simple proxies for the domestic economy, with roughly two-thirds of revenues generated outside the region. This global footprint has long been supportive, and any improvement in domestic European conditions could provide an additional source of upside. Our investment philosophy remains unchanged and is anchored in stock selection, a long-term perspective and capital preservation. The portfolio is balanced across sectors, with positioning driven by bottom-up opportunities rather than macro developments.

We continue to focus on attractively valued companies with good long-term prospects for cash generation and dividend growth. Defensive quality is not expensive on a relative basis, and the portfolio yield is close to the market yield. Higher rates and extreme factor rotations have weighed on many of the high-quality, stable-growing businesses we favour, bringing valuations closer to the market and creating opportunities. We have also made a measured increase in exposure to domestic European revenue streams, reflecting improved structural momentum around fiscal investment, integration and competitiveness reform, while remaining consistent with our bottom-up framework and valuation discipline.

Question

What is the advantage of investing in Fidelity European Trust PLC?

Answer

The Company's investment discipline provides resilience, in absolute terms, across different market environments. While this disciplined positioning, which is focused on sustainable dividend growth, can result in periods of relative underperformance when markets are more exuberant, it is designed to deliver more consistent long-term outcomes. The Company's aim is to outperform its Benchmark Index by one to two percent per annum post fees over the long-term. This is supported by the breadth and depth of Fidelity's research platform, which provides a consistent pipeline of high-quality investment ideas and enables the construction of a fully diversified portfolio across the market cycle. In addition, the Portfolio Managers bring deep experience, and Fidelity's private ownership allows the firm to take a long-term view in maintaining organisational stability and supporting shareholders' investment objectives.

Question

Looking ahead to 2026 and beyond, which sectors, themes or regions within Europe are you most optimistic about, and where do you see the greatest potential for long-term outperformance?

Answer

Looking ahead to 2026 and beyond, our optimism is selective rather than thematic or region wide. The greatest potential for long-term outperformance lies in areas where Europe's valuation discount appears most disconnected from current fundamentals and where confidence can continue to rebuild without requiring a strong macro uplift.

Financials are a clear example. European banks are fundamentally stronger than at any point since the Global Financial Crisis, with significantly higher capital ratios, de-risked balance sheets, improved cost efficiency and structurally higher net interest income. Returns on tangible equity are now broadly in line with the wider market, and in some cases, comparable with US peers, yet valuations continue to reflect historical distrust. As confidence in the sustainability of these returns grows, financials offer meaningful upside through dividend, buybacks and potential valuation normalisation.

More broadly, we see opportunity in high-quality European companies with strong global franchises, pricing power and resilient cash flows, particularly where short-term cyclical weakness or sentiment has created attractive entry points. This includes selective industrials, software and health care names, where long-term structural drivers remain intact, but valuations have adjusted. The potential for Europe to gradually close its productivity gap with the US through technology, innovation and regulatory simplification, as outlined in the Draghi report, also supports selective exposure to companies enabling efficiency and digitalisation, even if progress is slow.

At the same time, we remain cautious on areas where valuations already discount optimistic assumptions around fiscal stimulus, rate cuts or easing trade tensions. Overall, we do not rely on a broad European re-rating to generate returns. Instead, we believe long-term outperformance will come from disciplined stock selection, exploiting valuation gaps created by entrenched pessimism and focusing on companies with durable business models, strong balance sheets and the ability to compound cash flows and dividends over time.

Sam Morse
Portfolio Manager
17 March 2026

Marcel Stötzel
Portfolio Manager
17 March 2026

Spotlight on the Top 10 Holdings

as at 31 December 2025

(Based on Asset Exposure expressed as a percentage of Net Assets. Asset Exposure comprises the value of direct equity investments plus market exposure to derivative instruments.)

Industry Technology Hardware and Equipment



ASML (Netherlands)

% of Net Assets

7.0%

ASML has a dominant competitive position as the world's leading supplier of photolithography systems for the semiconductor industry and holds an effective monopoly in the most advanced technologies. As digitalisation accelerates and demand for increasingly sophisticated chips grows, driven by software proliferation and AI, ASML benefits from a long runway of growth supported by sustained capital expenditure from leading global customers such as Intel and Samsung. Its monopolistic position confers strong pricing power, enabling growth ahead of the broader semiconductor equipment market. The investment case remains underpinned by ASML's technological leadership, strong financial profile and exposure to powerful secular growth drivers, with long-term upside potential outweighing near-term risks related to China and customer concentration.

Industry Pharmaceuticals and Biotechnology



Roche (Switzerland)

% of Net Assets

5.8%

Roche is a compelling long-term investment, supported by its strong financial profile, leading market products and substantial growth potential. As one of the world's largest biotechnology companies, it is focused on improving standards of care across areas such as oncology, immunology, infectious diseases, ophthalmology and neuroscience. Roche's diversified product portfolio, deep and innovative pipeline, disciplined risk management and strong shareholder returns means the company is well positioned to deliver sustained growth and value creation through to the end of the decade and beyond, with limited downside from patent expiries and meaningful upside from pipeline innovation. Roche now has one of the longest duration growth profiles in Pharma after recent drug trial successes in the areas of breast cancer and multiple sclerosis.

Industry Food Producers



Nestlé (Switzerland)

% of Net Assets

4.3%

Nestlé is the world's largest food and beverage company and operates in more than 180 countries with a portfolio of over 2,000 brands spanning coffee, pet care, nutrition, confectionery and health science. Founded over 150 years ago, the group has continually adapted its product offering, with recent investment focused on higher-growth areas such as plant-based foods, infant nutrition and pet care. Following a challenging 2025, Nestlé is undergoing a transformation under new CEO Philipp Navratil, with an increased emphasis on operational efficiency, innovation and a more performance-driven culture. The investment case is supported by a clear strategic roadmap, scope for cost savings and margin recovery, and renewed growth initiatives, alongside the company's scale, brand strength and strong dividend record.

Industry Software and Computer Services



SAP (Germany)

% of Net Assets

4.1%

SAP is a global leader in enterprise application software, providing mission-critical solutions to many of the world's leading multinationals, including companies such as Vodafone, Nestlé, Mercedes-AMG Petronas and Microsoft. SAP serves around 400,000 customers across more than 100 countries and has a workforce of over 100,000 employees. Its transition from legacy on-premise systems to high-margin, cloud-based ERP and business applications centred on SAP S/4HANA Cloud and supported by growing AI-driven analytics, has been a key driver of recent performance and long-term investment appeal. SAP's large installed base, high switching costs and strong cloud backlog provide revenue visibility and resilience, while continued innovation in cloud and AI underpins a compelling outlook for sustained growth and shareholder value creation.

Industry Oil, Gas and Coal



TotalEnergies (France)

% of Net Assets

4.0%

TotalEnergies is a leading integrated energy company with operations across the full energy value chain, producing and marketing oil, natural gas and electricity across more than 120 countries and employing over 100,000 people globally. Founded in the aftermath of the First World War, the group has evolved into a differentiated multi-energy major, combining robust cash generation from its hydrocarbon businesses with disciplined investment in renewables and electricity, including solar, wind, biomass and hydrogen. TotalEnergies has a balanced strategy, strong financial performance and disciplined capital allocation, which support an attractive shareholder return profile. Its clear decarbonisation targets and growing exposure to higher-growth energy solutions position the company well to deliver both near-term resilience and long-term value creation through the global energy transition.

Spotlight on the Top 10 Holdings continued

Industry Personal Goods



Cie Financière Richemont (Switzerland)

% of Net Assets **3.6%**

Cie Financière Richemont is a global leader in luxury goods, with a portfolio of iconic brands including Cartier, Van Cleef & Arpels, Buccellati, Piaget and Montblanc, and a particular strength in high-end jewellery and specialist watchmaking. The group operates across jewellery, watches and selected fashion and accessories, with a strong emphasis on craftsmanship, brand investment and omnichannel retailing. It's dominant position in luxury jewellery, high-margin business mix, robust financial profile and balanced global exposure support a compelling long-term investment case, with ongoing investment in brand equity and operational excellence supporting continued value creation.

Industry Personal Goods



L'Oréal (France)

% of Net Assets **3.6%**

L'Oréal is the world's leading beauty company, with a diversified portfolio of more than 30 global brands spanning haircare, skincare, make-up and fragrances, and a presence in over 120 countries. The company has powerful structural growth drivers including favourable demographic trends, particularly the expansion of the middle class in emerging markets, as well as premiumisation and the increasing importance of innovation in a digital, review-driven consumer landscape. L'Oréal's scale, strong financial position and sustained investment in research and development, digital capabilities and Beauty Tech support resilient growth and cash generation, while its commitment to sustainability and operational excellence positions the company as a long-term structural winner in the global beauty industry.

Industry Banks



Intesa Sanpaolo (Italy)

% of Net Assets **3.3%**

Intesa Sanpaolo is Italy's largest banking group and a leading player in the European financial sector. The bank has a robust, diversified business model, strong financial performance, and a resilient market position, built on disciplined capital management and attractive shareholder returns. It stands out among peers as a highly profitable, well-capitalised, and operationally efficient European bank. Its diversified business model, strong capital returns, and prudent risk management give it a long-term investment appeal. While growth may moderate as interest rates normalise and the Italian market matures, the bank's stable earnings, high dividend yield, and resilience to stress make it a compelling choice for income-focused and defensive-minded investors.

Industry Construction and Materials



Assa Abloy (Sweden)

% of Net Assets **3.2%**

Assa Abloy is the global leader in access solutions, with strong market positions across Europe, North America and Latin America, and expanding exposure to Asia and other emerging markets. The group has a clear strategic focus on innovation, digitalisation and the transition towards electromechanical and connected access solutions. It is also growing its service and data centre businesses, which support higher levels of recurring revenue. Its resilient operating performance, consistent margins and strong balance sheet position it well to deliver sustained growth and long-term value creation.

Industry Electronic and Electrical Equipment



Legrand (France)

% of Net Assets **3.0%**

Legrand is a global leader in electrical and digital building infrastructure, operating in more than 170 countries with a well-balanced geographic footprint across Europe, North America and the rest of the world. Its extensive product range spans wiring devices, cable management, energy efficiency solutions, connected products and specialised offerings for data centres and electric vehicle (EV) charging infrastructure. Legrand's strong fundamentals, leadership in structurally attractive growth areas such as data centres, and proven execution and disciplined capital allocation make it an attractive long-term investment case. There is further potential upside from ongoing digitalisation, electrification and sustainability trends, as well as recovery in more cyclical end markets.

Portfolio Listing

as at 31 December 2025

The Asset Exposures shown below and on the next page measure exposure to market price movements as a result of owning shares and derivative instruments. The Fair Value is the actual value of the portfolio as reported in the Balance Sheet. Where a contract for difference ("CFD") is held, 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 share has moved.

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Long Exposures – shares unless otherwise stated			
ASML			
Technology Hardware and Equipment	154,933	7.0	154,933
Roche			
Pharmaceuticals and Biotechnology	129,647	5.8	129,647
Nestlé			
Food Producers	94,474	4.3	94,474
SAP (shares and long CFD)			
Software and Computer Services	93,462	4.1	28,850
TotalEnergies			
Oil, Gas and Coal	89,317	4.0	89,317
Cie Financière Richemont			
Personal Goods	79,953	3.6	79,953
L'Oréal			
Personal Goods	79,561	3.6	79,561
Intesa Sanpaolo			
Banks	73,090	3.3	73,090
Assa Abloy			
Construction and Materials	71,452	3.2	71,452
Legrand (shares and long CFD)			
Electronic and Electrical Equipment	67,960	3.0	24,908
Ten largest long exposures	933,849	41.9	826,185
Other long exposures			
KBC Group	66,677	3.0	66,677
Novo Nordisk	66,619	3.0	66,619
AXA	65,688	3.0	65,688
Kone	63,377	2.9	63,377
Sampo	63,376	2.9	63,376
Bankinter	62,378	2.8	62,378
Deutsche Börse Group	60,287	2.7	60,287
Schneider Electric	58,775	2.6	58,775
Partners Group Holding	54,721	2.5	54,721
ABN AMRO Bank	53,967	2.4	53,967
Amadeus IT Group	52,943	2.4	52,943
Hermès International	50,716	2.3	50,716
Linde (long CFD)	50,301	2.2	1,423
EssilorLuxottica	49,620	2.2	49,620

Portfolio Listing continued

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
3i Group	49,228	2.2	49,228
Epiroc	45,963	2.1	45,963
Lonza Group	45,543	2.1	45,543
MTU Aero Engines	44,295	2.0	44,295
Intertek Group	42,224	1.9	42,224
Ryanair Holdings (long CFD)	41,838	1.9	99
Veolia Environnement	41,176	1.9	41,176
Industria de Diseno Textil	41,128	1.8	41,128
Symrise	38,930	1.8	38,930
DNB Bank	37,683	1.7	37,683
Sika	35,140	1.6	35,140
Nordea Bank	34,811	1.5	34,811
Dassault Systèmes	31,758	1.4	31,758
Société des Bains de Mer de Monaco	30,828	1.4	30,828
DKSH Holding	25,923	1.2	25,923
DSM-Firmenich	22,227	1.0	22,227
SIG Group	18,081	0.8	18,081
Edenred	9,370	0.5	9,370
Total long exposures before long futures	2,389,440	107.6	2,191,159
Long Futures			
EURO STOXX 50 Future March 2026	47,039	2.1	405
Gross Asset Exposure²	2,436,479	109.7	
Portfolio Fair Value³			2,191,564
Net current assets (excluding derivative liabilities)			29,666
Shareholders' Funds (per Balance Sheet)			2,221,230

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

² Gross Asset Exposure comprises market exposure to investments of £2,189,231,000 (per Note 10: Investments on page 69) plus market exposure to derivative instruments of £247,248,000 (per Note 11: Derivative instruments on page 70).

³ Portfolio Fair Value comprises investments of £2,189,231,000 plus derivative assets of £2,333,000 (per the Balance Sheet on page 61).

Distribution of the Portfolio

as at 31 December 2025

The table below and on the next page details the Distribution of the Portfolio based on Asset Exposure which measures the exposure of the portfolio to market price movements as a result of owning shares and derivatives instruments.

	Switzerland	France	Germany	Netherlands	Finland	Spain	Sweden	Italy	UK	Denmark	Other	Future	Total 2025 ¹	Index 2025 ²	Total 2024 ¹
Financials															
Banks	-	-	-	2.4	1.5	2.8	-	3.3	-	-	4.7	-	14.7	14.2	9.0
Investment Banking and Brokerage Services	2.5	-	2.7	-	-	-	-	-	2.2	-	-	-	7.4	4.0	10.6
Non-Life Insurance	-	3.0	-	-	2.9	-	-	-	-	-	-	-	5.9	6.2	4.3
Life Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7	-
	2.5	3.0	2.7	2.4	4.4	2.8	-	3.3	2.2	-	4.7	-	28.0	25.1	23.9
Industrials															
Electronic and Electrical Equipment	-	3.0	-	-	-	-	-	-	-	-	2.6	-	5.6	3.6	2.9
Industrial Engineering	-	-	-	-	2.9	-	2.1	-	-	-	-	-	5.0	2.2	3.8
Construction and Materials	1.6	-	-	-	-	-	3.2	-	-	-	-	-	4.8	4.5	4.5
Industrial Support Services	1.2	0.5	-	-	-	-	-	-	1.9	-	-	-	3.6	1.2	3.8
Aerospace and Defense	-	-	2.0	-	-	-	-	-	-	-	-	-	2.0	4.2	1.9
General Industrials	0.8	-	-	-	-	-	-	-	-	-	-	-	0.8	2.2	1.3
Industrial Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	2.4	-
	3.6	3.5	2.0	-	2.9	-	5.3	-	1.9	-	2.6	-	21.8	20.3	18.2
Technology															
Software and Computer Services	-	1.4	4.1	-	-	2.4	-	-	-	-	-	-	7.9	4.3	9.8
Technology Hardware and Equipment	-	-	-	7.0	-	-	-	-	-	-	-	-	7.0	5.1	5.8
	-	1.4	4.1	7.0	-	2.4	-	-	-	-	-	-	14.9	9.4	15.6
Consumer Discretionary															
Personal Goods	3.6	5.9	-	-	-	-	-	-	-	-	-	-	9.5	5.4	11.9
Automobiles and Parts	-	-	-	-	-	-	-	-	-	-	-	-	-	2.2	-
Travel and Leisure	-	-	-	-	-	-	-	1.8	-	-	1.4	-	3.2	0.5	3.7
Retailers	-	-	-	-	-	1.9	-	-	-	-	-	-	1.9	0.9	-
Media	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	-
Consumer Services	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Household Goods and Home Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
	3.6	5.9	-	-	-	1.9	-	1.8	-	-	1.4	-	14.6	9.8	15.6
Health Care															
Pharmaceuticals and Biotechnology	7.9	-	-	-	-	-	-	-	-	3.0	-	-	10.9	10.8	14.3
Medical Equipment and Services	-	2.2	-	-	-	-	-	-	-	-	-	-	2.2	2.3	4.5
Health Care Providers	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-
	7.9	2.2	-	-	-	-	-	-	-	3.0	-	-	13.1	13.4	18.8

Distribution of the Portfolio continued

	Switzerland	France	Germany	Netherlands	Finland	Spain	Sweden	Italy	UK	Denmark	Other	Future	Total 2025 ¹	Index 2025 ²	Total 2024 ¹
Consumer Staples															
Food Producers	5.3	-	-	-	-	-	-	-	-	-	-	-	5.3	3.8	5.9
Beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	-
Personal Care, Drug and Grocery Stores	-	-	-	-	-	-	-	-	-	-	-	-	-	1.0	-
	5.3	-	-	-	-	-	-	-	-	-	-	-	5.3	6.0	5.9
Energy															
Oil, Gas and Coal	-	4.0	-	-	-	-	-	-	-	-	-	-	4.0	2.6	4.0
Alternative Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	-
	-	4.0	-	-	-	-	-	-	-	-	-	-	4.0	3.8	4.0
Basic Materials															
Chemicals	-	-	1.8	-	-	-	-	-	-	-	2.2	-	4.0	2.4	4.3
Industrial Metals and Mining	-	-	-	-	-	-	-	-	-	-	-	-	-	0.7	-
Industrial Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-
	-	-	1.8	-	-	-	-	-	-	-	2.2	-	4.0	3.5	4.3
Utilities															
Gas, Water and Multi-Utilities	-	1.9	-	-	-	-	-	-	-	-	-	-	1.9	3.1	1.5
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	-
	-	1.9	-	-	-	-	-	-	-	-	-	-	1.9	4.6	1.5
Telecommunications															
Telecommunications Service Providers	-	-	-	-	-	-	-	-	-	-	-	-	-	2.5	1.5
Telecommunications Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	3.1	1.5
Real Estate															
Real Estate Investment and Services	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	1.5
Real Estate Investment Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.5
Future	-	-	-	-	-	-	-	-	-	-	-	2.1	2.1	-	3.5
Asset Exposure – 2025¹	22.9	21.9	10.6	9.4	7.3	7.1	5.3	5.1	4.1	3.0	10.9	2.1	109.7		
Index – 2025²														100.0	
Asset Exposure – 2024¹	20.1	31.5	13.6	7.1	4.4	4.1	5.9	2.4	4.6	5.5	8.6	3.5			111.3

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

² FTSE World Europe ex UK Index (Benchmark Index).

Attribution Analysis

Analysis of change in NAV total return for the year ended 31 December 2025

	%
Impact of:	
Index	+20.8
Exchange Rate	+7.1
Gearing (CFDs and Loan Notes)	+1.8
Stock Selection	-13.2
Expenses	-0.9
Share Repurchases	+0.1
Cash	+0.5
NAV total return for the year ended 31 December 2025	+16.2

Ten Highest Contributors to NAV total return

	%
Bankinter	+1.3
ABN AMRO Bank	+1.2
KBC Group	+0.7
Intesa Sanpaolo	+0.7
ASML	+0.6
Ryanair Holdings	+0.4
Sampo	+0.4
Industria de Diseno Textil	+0.3
Schneider Electric	+0.3
Roche	+0.3

Ten Highest Detractors to NAV total return

	%
Novo Nordisk	-1.7
Symrise	-1.3
Partners Group Holding	-1.1
SAP	-1.0
Dassault Systèmes	-1.0
3i Group	-1.0
Banco Santander	-1.0
Sika	-0.8
Banco Bilbao Viz Argentaria	-0.7
SIG Group	-0.7

Source: Fidelity.

Ten Year Record

For the year ended 31 December	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assets										
Gross Asset Exposure (£m) ¹	2,436.5	1,739.2	1,796.0	1,542.9	1,638.2	1,364.3	1,221.6	1,052.1	1,166.0	901.5
Shareholders' Funds (£m)	2,221.2	1,563.1	1,587.5	1,381.0	1,474.2	1,220.3	1,140.6	955.3	1,030.0	875.4
NAV per Ordinary Share (p) ²	434.39	382.44	388.39	337.87	358.68	296.57	277.19	231.77	248.08	210.75
Ordinary Share Price and Discount										
Ordinary Share Price (p)	416.50	352.00	360.00	319.50	340.50	286.00	260.00	207.00	226.70	183.50
Discount to NAV (%) ²	4.1	8.0	7.3	5.4	5.1	3.6	6.2	10.7	8.6	12.9
Revenue and Costs										
Revenue Return per Ordinary Share (p) ²	11.30	10.41	9.32	9.00	7.50	5.12	7.00	6.94	4.37	4.34
Dividends per Ordinary Share (p)	9.90	9.10	8.25	7.70	6.83	6.50	6.47	6.28 ³	4.35	4.17
Ongoing Charges Ratio (Cost of running the Company) ²	0.73⁴	0.76	0.77	0.78	0.79	0.86	0.87	0.88	0.93	0.99
Gearing										
Gross Gearing (%) ^{2,5}	9.7	11.3	13.1	11.7	11.1	11.8	7.1	10.1	13.2	3.0
Net Gearing (%) ^{2,6}	9.7	11.3	11.5	11.7	11.1	9.4	4.7	6.1	3.6	3.0
Performance Total Returns										
NAV per Ordinary Share (%) ²	+16.2	+0.5	+17.5	-3.6	+23.5	+9.7	+23.8	-4.8	+20.0	+17.6
Ordinary Share Price (%) ²	+21.1	-0.1	+15.3	-3.8	+21.7	+13.1	+30.6	-6.8	+26.2	+7.6
Benchmark Index (%)	+27.9	+3.0	+15.7	-7.0	+17.4	+8.6	+20.4	-9.5	+17.5	+19.7

1 The value of the portfolio exposed to market price movements.

2 Alternative Performance Measures.

3 Includes 1.79 pence from the additional revenue generated from the change in the allocation of management fees and finance costs.

4 The Ongoing Charges Ratio including the fee waiver by Fidelity as part of the combination of assets with Henderson European Trust plc was 0.59%.

5 Gross Asset Exposure in excess of Shareholders' Funds.

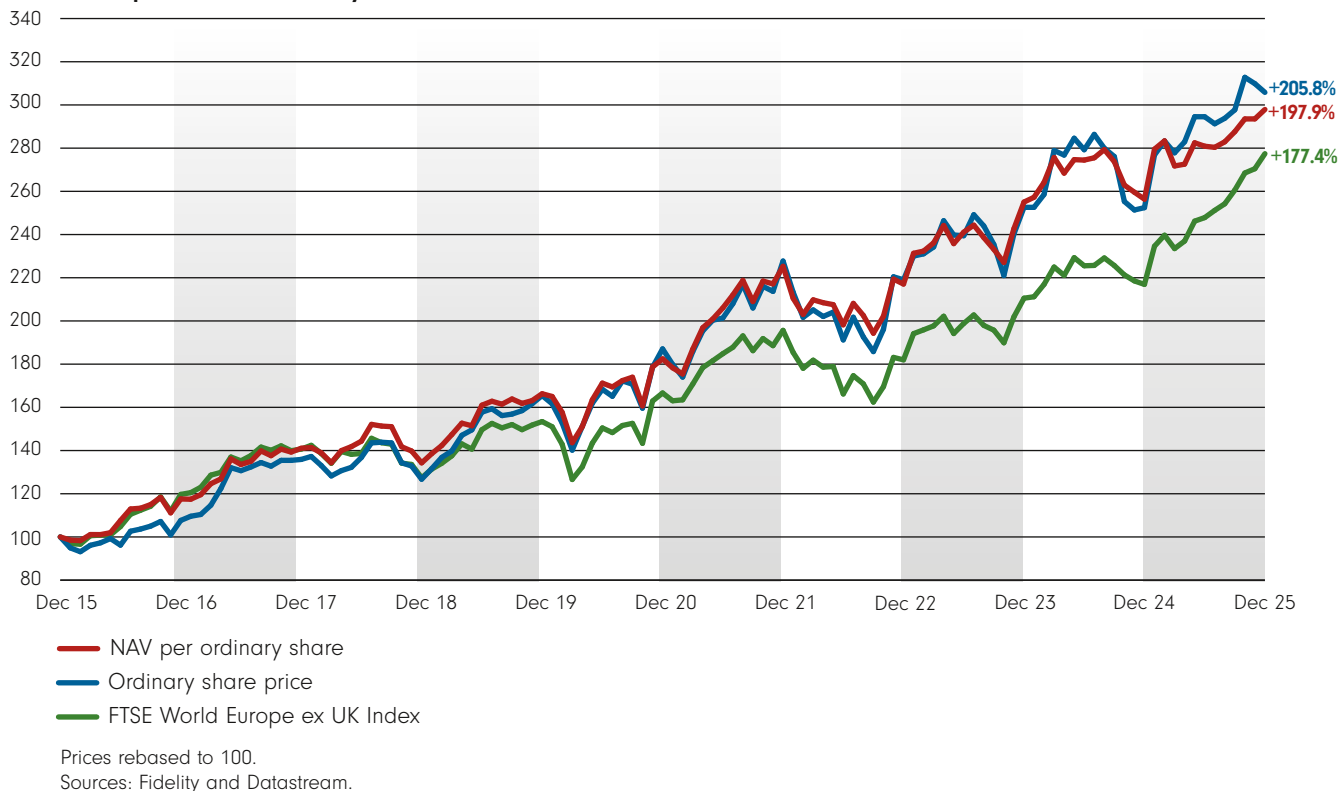
6 Net Market Exposure in excess of Shareholders' Funds.

Sources: Fidelity and Datastream.

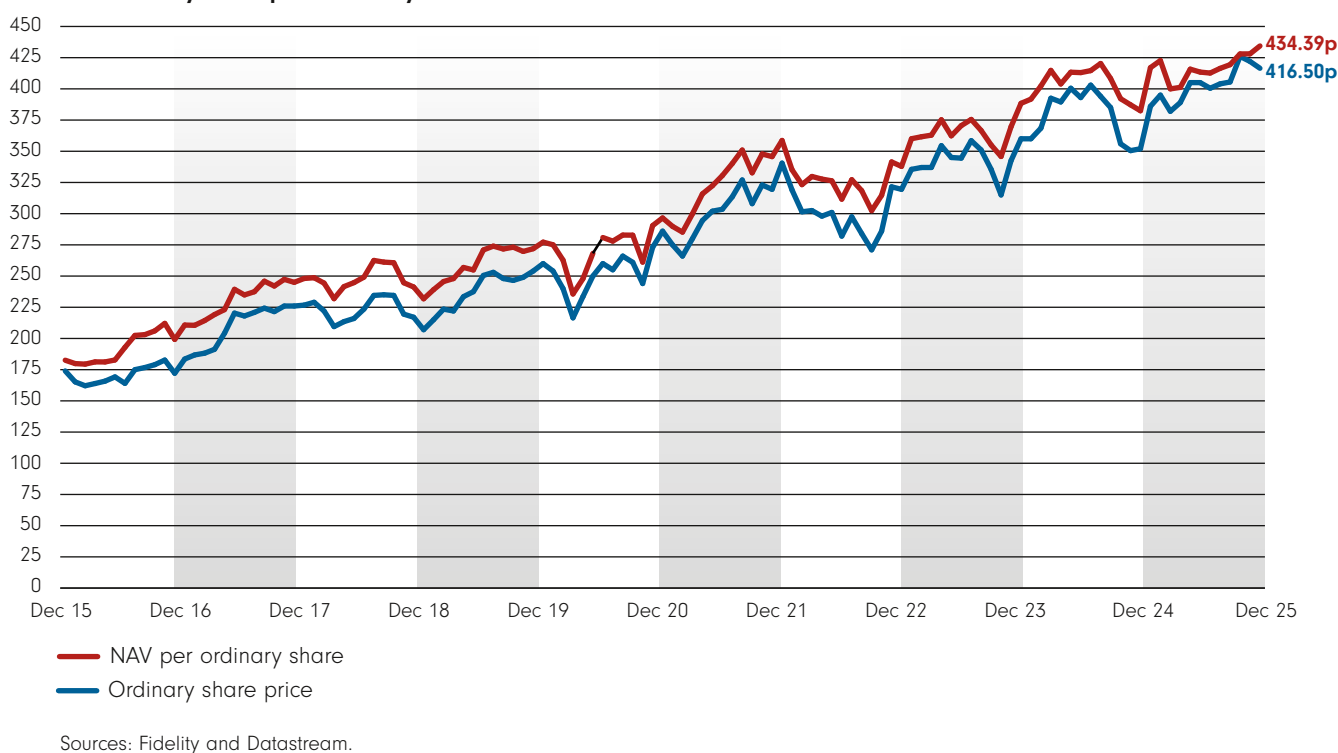
Past performance is not a guide to future returns.

Summary of Performance Charts

Total return performance for ten years to 31 December 2025



NAV and ordinary share price for ten years to 31 December 2025



Summary of Performance Charts continued

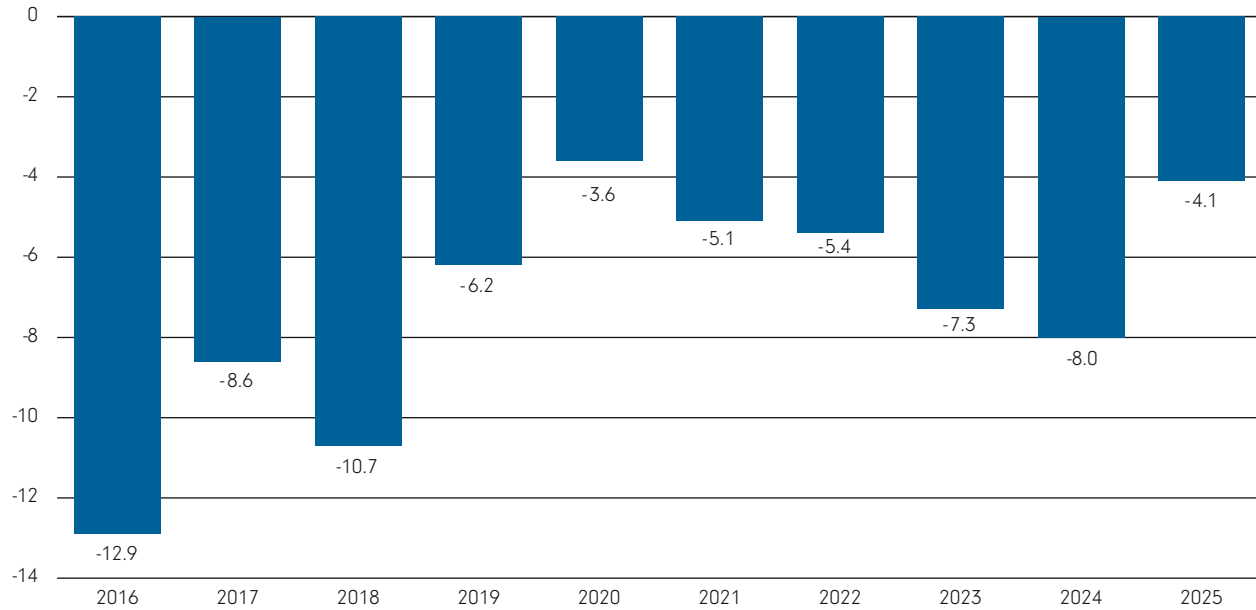
Total return performance relative to the Benchmark Index for ten years to 31 December 2025



— NAV per ordinary share
— Ordinary share price
— FTSE World Europe ex UK Index

Prices rebased to 100.
Sources: Fidelity and Datastream.

Ordinary share price discount to NAV for ten years to 31 December 2025 (%)



Sources: Fidelity.

Strategic Report

INVESTMENT APPROACH

The Directors have pleasure in presenting the Strategic Report of the Company. The Chairman's Statement and Portfolio Managers' Review on pages 2 to 12 also form part of the Strategic Report.

Business and Status

The Company carries on business as an investment company and has been accepted as an approved investment trust by HM Revenue & Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company is registered as an investment company under Section 833 of the Companies Act 2006 and its ordinary shares are listed and traded on the London Stock Exchange. It is not a close company and has no employees.

Investment Objective

The Company's investment objective is to achieve long-term growth in both capital and income by predominantly investing in equities (and their related securities) of continental European companies.

Strategy

In order to achieve the Company's investment objective, it operates as an investment company and has an actively managed portfolio of investments, consisting predominantly of continental European companies. As an investment company, it is able to gear the portfolio, and the Board takes the view that long-term returns for shareholders can be enhanced by using gearing in a carefully considered and monitored way.

As part of the strategy, the Board has delegated the management of the portfolio and certain other services to the Manager (FIL Investment Services (UK) Limited). The Portfolio Managers' aim is to achieve a total return on the Company's assets over the longer-term in excess of the equivalent return on the FTSE World Europe ex UK Index, the Company's Benchmark Index. The stock selection approach adopted by the Portfolio Managers is considered to be well suited to achieving this objective. The Board recognises that investing in equities is a long-term process and the Company's returns will vary year to year.

The Company's investment objective, strategy and principal activity have remained unchanged throughout the year ended 31 December 2025.

Investment Management Philosophy, Style and Process

The Portfolio Managers' three principles for investing in equities are:

- **Bottom up** – stock selection with a focus on dividend growth;
- **Long-term** – a long-term view improves performance and reduces costs; and
- **Cautious** – a focus on managing downside risk creates a strong foundation for long-term outperformance.

The Portfolio Managers' key focus is on identifying attractively valued companies which show good long-term structural growth

prospects and which they believe can grow their dividends over the next few years, as they believe these are likely to outperform over time.

In order to identify these companies, the Portfolio Managers look for the following main characteristics:

- **Positive fundamentals** – structural growth, disciplined use of capital and proven business models;
- **Cash generation** – often a good indication of future dividend growth;
- **Strong balance sheets** – ensures ability to grow dividends is not jeopardised; and
- **Attractive valuations** – good quality stocks at a reasonable price.

The Portfolio Managers draw upon the extensive research generated by Fidelity's team of analysts when researching companies. This first-hand research is fundamental to seeking success stories of the future. A great deal of importance is placed on attending company meetings. Being bottom-up stock pickers, the Portfolio Managers aim to generate outperformance through company selection, on a three to five year investment horizon, rather than through sector or country positions.

Investment Policy

The Company invests predominantly in continental European companies with a view to achieving long-term growth in both capital and income for shareholders. The portfolio is selected by the Investment Manager on the basis of its assessment of the fundamental value available in individual situations and with a typical focus on larger companies which show prospects for sustainable long-term dividend growth. Whilst the Company's overall exposure to individual countries and industry sectors is monitored, the portfolio is not restricted in terms of size, industry, or geographical split, although certain investment restrictions apply in an attempt to diversify risk.

Investment restrictions

- A minimum of 80 per cent of gross assets will be invested in companies from countries which are included in the Benchmark Index (the FTSE World Europe ex UK Index).
- A maximum of:
 - a) 20 per cent of gross assets may be invested in stocks of European countries* which are not included in the Company's Benchmark Index. This will include investing in UK companies, defined as companies in the FTSE All-Share Index; and
 - b) 5 per cent of gross assets may be invested in stocks of non-European countries* where those stocks have some exposure to, or connection, with Europe. Any investments in this category will count towards the 20 per cent maximum limit in paragraph (a) above.

* European country for the purposes of this paragraph means a country included within the FTSE All-World Europe Index and non-European is to be construed accordingly.



Strategic Report continued

- A maximum of 10 per cent of the Company's gross assets may be invested in the aggregate of:
 - a) securities not listed on a recognised stock exchange; and
 - b) holdings in which the interest of the Company amounts to 20 per cent or more of the equity capital of any listed company.
- The Company will not invest more than 10 per cent of gross assets in any one quoted company at the time of acquisition.
- A maximum of 5 per cent of the Company's gross assets may be held in unquoted securities in aggregate at any one time.
- The maximum amount of cash or cash equivalents held by the Company will be 25 per cent of the Company's total net assets, but this limit will not include any cash or cash equivalent paid as collateral for unrealised losses on derivatives. In practice, the cash position will normally be much lower.
- The Board reserves the right to hedge the portfolio by way of currency.
- A maximum of 10 per cent of the Company's gross assets may be invested in the securities of other investment companies (including listed investment trusts).

Derivative instruments

The Company may utilise derivative instruments, including index-linked notes, futures, contracts for difference ("CFDs"), covered call options, put options and other equity-related derivative instruments on a limited basis as a tool to meet the investment objective of the Company and principally in the following ways:

- As an alternative form of gearing to bank loans. The Company can enter into long CFDs to achieve an equivalent effect to buying an asset financed by bank borrowing but often at lower financing costs.
- To hedge equity market risks where suitable protection can be purchased to limit the downside of a falling market at a reasonable cost.
- To enhance the investment returns by taking short exposures on stocks that the Investment Manager considers to be overvalued.
- To enhance returns through writing covered call options and writing put options.

The Board has created strict policies and exposure limits and sub-limits to manage the Company's use of derivative instruments. These limits and their impacts are monitored by the Investment Manager on a daily basis and reported regularly to the Board. The limits are:

- The aggregate exposure of the Company to equities, including as a result of borrowing and the use of derivatives, but excluding hedging, will not exceed 130 per cent of total net assets (a gearing level of 30 per cent) at the time at which any derivative contract is entered into or a security acquired.

- The aggregate exposure of the Company under short derivatives, excluding hedges and covered call options, will not exceed 10 per cent of total net assets at the time at which any derivative contract is entered into.
- The aggregate exposure of the Company under covered call options, being the notional exposure of the calls, will not exceed 20 per cent of total net assets at the time at which any derivative is entered into. The notional exposure of covered call options is: the number of contracts written x the notional contract size x the market value of the underlying share price.

The majority of the Company's exposure to equities will be through direct investment, not through derivatives. In addition, the limits on exposure to individual companies and groups will be calculated on the basis that the Company has acquired the securities to which any derivative is providing exposure.

Gearing

The Company's normal policy is to be geared in the belief that long-term investment returns will exceed the costs of gearing. The effect of gearing is to magnify the consequence of market movements on the portfolio. If the portfolio value rises, the NAV will be positively impacted, but if it falls, the NAV will be adversely impacted.

The Company gears through the use of derivative instruments, primarily through the use of low-cost CFDs and index futures, to seek to enhance investment returns by increasing exposure to securities selected by the Investment Manager. The Company can also obtain gearing through the use of borrowings, and following the combination with Henderson European Trust plc ("HET"), the Company acquired two HET Loan Notes: Unsecured Series A Senior Notes of €25,000,000 at 1.53% due on 31 January 2047; and Unsecured Series B Senior Notes €10,000,000 at 1.66% due on 31 January 2052.

The Board monitors the level of gearing and the use of derivative instruments carefully and has defined a risk control framework for this purpose against which the Company's gearing is reviewed at each Board meeting. The Board is responsible for the magnitude of the Company's gearing whilst the Investment Manager decides gearing on a day-to-day basis within a range set by the Board.

As noted above, the aggregate exposure of the Company to equities, including as a result of borrowing and the use of derivatives, but excluding hedging, will not exceed 130 per cent of total net assets (a gearing level of 30 per cent) at the time at which any derivative contract is entered into or a security acquired.

Modification of the Investment Objection and/or the Investment Policy

In accordance with the UK Listing Rules, any material change to the Company's published Investment Objective or Investment Policy will require the prior approval of both the Financial Conduct Authority and the shareholders of the Company (by way of an ordinary resolution).

Performance

The Company's performance for the year ended 31 December 2025 and a summary of the year's activities and indications of trends and factors that may impact the future performance of the Company are included in the Chairman's Statement and the Portfolio Managers' Review on pages 2 to 12. The Portfolio Listing, the Distribution of the Portfolio, the Attribution Analysis, the Ten Year Record and the Summary of Performance Charts are set out on pages 15 to 22.

Dividend Policy

The Company seeks to deliver a progressive dividend in normal circumstances and pays dividends twice per annum in order to smooth dividend payments for the reporting year. Unlike open-ended funds such as OEICs, investment trusts can hold back some of the income they receive in positive years, thereby building up revenue reserves that can be used to supplement dividends during challenging times. In addition, the Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to ensure that it distributes at least the minimum amount required to maintain investment trust status. The Board may resolve to pay dividends on the Shares from time to time in order to comply with these requirements.

In general, the Company pays one interim dividend and one final dividend in respect of each financial year (usually paid in May and October, respectively, each year).

Results and Dividends

The Company's results for the year ended 31 December 2025 are set out in the Income Statement on page 59. The revenue return was 11.30 pence and the capital gain was 51.50 pence, giving a total return of 62.80 pence per ordinary share.

In order to continue to qualify as an investment company, the Company is required by Section 1159 of the Corporation Tax Act 2010 to distribute sufficient net income so that it retains no more than 15% of its net income in any reporting year.

The Board recommends a final dividend of 6.00 pence per ordinary share for the year ended 31 December 2025 to be paid on 19 May 2026 to shareholders who appear on the share register as at the close of business on 27 March 2026 (ex-dividend date 26 March 2026). Together with the interim dividend of 3.90 pence per ordinary share paid on 23 October 2025, the total dividends for the year are 9.90 pence per ordinary share.

Key Performance Indicators

The key performance indicators ("KPIs") used to determine the performance of the Company, and which are comparable to those reported by other investment companies, are set out in the table below.

	Year ended 31 December 2025 %	Year ended 31 December 2024 %
NAV per Ordinary Share total return ¹	+16.2	+0.5
Ordinary Share Price total return ¹	+21.1	-0.1
FTSE World Europe ex UK Index total return (Benchmark Index)	+27.9	+3.0
Discount to NAV ¹	4.1	8.0
Ongoing Charges Ratio ^{1,2}	0.73	0.76

¹ Alternative Performance Measures.

² The Ongoing Charges Ratio including the fee waiver as part of the combination with Henderson European Trust plc was 0.59%.

Sources: Fidelity and Datastream.

In addition to the KPIs set out in the table above, the Board also monitors the factors contributing to investment results, as set out in the Attribution Analysis table on page 19 and also against its peer group of investment companies. Long-term performance is also monitored and the Ten Year Record and the Summary of Performance Charts on pages 20 to 22 show this information. The costs of running the Company are regularly considered to ensure that they are reasonable and competitive.

RISK FRAMEWORK

Principal Risks and Uncertainties and Risk Management

As required by provisions 28 and 29 of the 2024 UK Corporate Governance Code ("UK Code"), the Board has a robust ongoing process for identifying, evaluating and managing the principal risks and uncertainties faced by the Company, including those that could threaten its business model, future performance, solvency or liquidity. The Board will implement the new requirement under provision 29 of the 2024 UK Code for reporting periods from 1 January 2026, of a Board declaration on the effectiveness of material risk management and internal controls in the Company's next reporting year.

The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investment Services (UK) Limited/the "Manager"), 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 that the Company faces.

Emerging Risks

The Audit Committee continues to identify emerging risks that may arise from existing risks or new situations and take any action necessary to mitigate their potential impact. The risks identified are placed on the Company's risk matrix and graded appropriately. This process, together with the policies and procedures for the mitigation of existing and emerging risks, is updated and reviewed regularly in the form of comprehensive reports by the Audit Committee. The Board determines the nature and extent of any risks it is willing to take in order to achieve the Company's strategic objectives.

Globally, climate change (large scale shift in the planet's weather patterns and average temperatures) effects are already being

Strategic Report continued

experienced in the form of changing weather patterns. Extreme weather events can potentially impact the operations of investee and potential investee companies, their supply chains and their customers. Climate change continues to be a key principal as well as an emerging risk. The Board notes that the Manager includes ESG considerations, including climate change, into the Company's investment process. The Board will continue to monitor how this may impact the Company as a risk to investment valuations and potentially shareholder returns.

The Board, together with the Manager, is also monitoring the emerging risks posed by the rapid advancement of artificial intelligence ("AI") and technology and how it may threaten the Company's activities and its potential impact on the portfolio and investee companies. AI can provide asset managers 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 computing power, 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 unforeseen geopolitical and economic events. There are currently a number of geopolitical factors that could mean greater stock market risks and heightened macro-economic changes such as inflation, interest rates, currency fluctuations, energy costs and an increased regulatory environment.

Emerging Risks – Manager's Role

The Manager also has responsibility for risk management for the Company. It works with the Board to identify and manage the principal and emerging risks and uncertainties and to ensure that the Board can continue to meet its UK corporate governance obligations.

Annual Review of the Risk Register

The Company has a full risk register which includes less material risks which the Board reviews at least annually.

The Board considers the risks listed below and on pages 27 to 29 as the principal risks and uncertainties faced by the Company.

1. Economic, Geopolitical and Market Risks

Trend: Increased

Description and Impact

- The Company and its assets may be impacted by geopolitical, economic and market related risks associated with pursuing an investment policy focused on continental Europe. In particular, the most recent escalation in the Middle East has injected fresh volatility into oil markets, to which Europe is exposed given its dependence on imported energy and the inflationary implications. In addition to the oil prices, natural gas and a variety of soft commodities and supply limitations have fuelled global inflation and economic instability, specifically within Western nations. The war in Ukraine and the potential for Russian aggression (hybrid and kinetic) against European NATO members remains in focus. Global trade and tariff wars continue, with ongoing tensions between the US and EU and China and the EU. Finally, local European sovereigns can be subject to sudden political upheaval. The geopolitical risk and economic instability, including the macroeconomic uncertainty continues to impact Western investment appetite.
- Heightened tensions between the U.S. and global trading partners, particularly China, continue to impact markets. The US/China relationship is also impacted by the dynamic of the balance between national security and economic interests and could lead to higher volatility, sanctions for broader markets, technology and oil in particular, as well as risk of changes in foreign policies across the globe.
- China's outlook for 'controlled stabilisation' remains intact, supported by targeted policy measures. China's growth stabilisation is more credible post-deal (i.e. the government's commitment to implementing strategic economic measures to achieve steady growth and economic resilience), and the agreement with the U.S. reduces pressure on China to deliver new fiscal easing. Exports and industrial activities continue to outperform despite the slower than expected recovery in domestic demand.

Mitigation

- The Company's portfolio is made up mainly of listed securities. The Portfolio Managers success or failure to protect and increase the Company's value against the market, economic and political background is core to the Company's continued success. Their investment philosophy of stock-picking and investing in attractively valued companies should outperform the Benchmark Index over time.
- The risk from the likely effects of unforeseen economic and market events is somewhat mitigated by the Company's investment trust structure which means no forced sales need to take place to deal with any redemptions. Therefore, investments can be held over a longer time horizon.
- The Board reviews market, economic and political risks and legislative changes at each Board meeting. The Portfolio Managers provide an investment review at each meeting which includes a review of the economic and political environment, and any risks and challenges faced by the Company.
- The Board regularly reviews the impact of gearing and derivatives and has comfort that the portfolio is sufficiently diversified by sector and number of holdings.
- Risks to which the Company is exposed to in the market and currency risk category are included in Note 18 to the Financial Statements on pages 74 to 81 together with summaries of the policies for managing these risks. It is the Company's policy not to hedge the underlying currencies of the holdings in the portfolio but rather to take the currency risk into consideration when making investment decisions.

2. Investment Performance Risk (including Gearing Risk)

Trend: Increased

Description and Impact

- The risk of underperformance for a sustained period against the Benchmark Index or peer group. The achievement of the Company's investment performance objective relative to the market requires the taking of risk, such as investment strategy, asset allocation and stock selection, and may lead to NAV and share price underperformance compared to the Benchmark Index and/or peer group companies.
- The Board relies on the Portfolio Managers skills and judgement to make investment decisions based on research and analysis of individual stocks and sectors and there is a risk of volatility of performance in the short-term. Continued underperformance could lead to the Company and its objective becoming unattractive to investors.
- Derivative instruments are used to enhance investment returns. The principal risk is that the Portfolio Managers fails to use gearing effectively, resulting in a failure to outperform in a rising market or to underperform in a falling market. The Company gears using derivatives and bank loans.

Mitigation

- The Portfolio Managers are responsible for actively monitoring the portfolio selected in accordance with the asset allocation parameters and seeks to ensure that individual stocks meet an acceptable risk/reward profile.
- The Board reviews Fidelity's compliance with agreed investment restrictions; investment performance and risk; relative performance; the portfolio's risk profile; and whether appropriate strategies are employed to mitigate any negative impact of substantial changes in the markets. The Board also regularly canvasses major shareholders for their views with respect to company matters.
- The Board has put in place policies and limits to control the Company's use of derivatives and exposures. These are monitored daily by the Manager's Compliance team and regular reports are provided to the Board. Further detail on derivative instruments risk is included in Note 18 to the Financial Statements on pages 74 to 81.
- The Board regularly considers the level of gearing and gearing risk. The Investment Policy sets the gearing limits within which the Manager must operate.

3. Cybercrime and Information Security Risks

Trend: Increased

Description and Impact

- There is cybersecurity risk from cyberattacks or threats to the functioning of global markets and to the Manager's own business model, including its and the Company's outsourced suppliers. The external threat level has shifted with a number of UK companies successfully targeted in recent months, and Artificial Intelligence (AI) has also increased the attack potential from nefarious actors.
- There is risk of cybercrime such as phishing, remote access threats, extortion, and denial-of-service attacks from highly organised criminal networks and sophisticated ransomware operators, including threats such as service disruption/extortion attacks (DDoS, ransomware), financial theft and data breaches, regulatory non-compliance, reputational damage/loss of customer trust. The threat environment continues to evolve rapidly, including the heightened potential threat from nation state backed threat actors due to geopolitical tensions. Ransomware continues to increase globally and is also becoming a supply chain risk.

Mitigation

- The risk is monitored by the Board with the help of the Manager's global cybersecurity team and their extensive Strategic Cyber and Information Security programme and assurances from outsourced suppliers.
- The Manager has established a comprehensive framework of information security policies and standards which provide a structured approach to identify, prevent, and respond to information security threats. The framework ensures consistency in Fidelity's security measures, enhances its ability to adapt to evolving/emerging threats, and compliance with changing regulatory requirements. The Company's other service providers also have similar measures in place.
- Key performance indicators and metrics have been developed by the Manager to monitor the overall efficacy of cybersecurity processes and controls and to further enhance the Manager's cybersecurity strategy and operational resilience.

Strategic Report continued

4. Changes in Legislation, Taxation or Regulation

Trend: Stable

Description and Impact

- Changes in legislation, taxation or regulation, or other external influence that require changes to the investment trust structure of the Company are a significant risk for the Company.
- A breach of Section 1158 of the Corporation Tax Act 2010 could lead to a loss of investment trust status resulting in the Company being subject to tax on capital gains.
- There have been increased concerns about investment cost disclosures and their impact on the industry. There is a risk that the FCA's Consumer Composite Investment (CCI) regime may make investment companies more complex for consumers and other investors to understand and increase the regulatory burden imposed on the sector if it proceeds with some of the proposals as drafted.

Mitigation

- The Board and Manager closely monitor regulatory, taxation and legislative changes, with developments impacting the Company summarised in the form of regular reporting to the Board.
- The Manager monitors Section 1158 status to ensure any issues are escalated to the Board and addressed promptly.
- The Manager participates in industry discussions regarding regulatory changes impacting investment companies, and regulatory developments continue to be monitored and managed by Fidelity through active lobbying and negotiations as well as a robust change management process.

5. Competition Risks and Marketplace Threats Impacting Business Growth

Trend: Stable

Description and Impact

- There is increased activity around mergers and acquisitions across the investment company marketplace and alternative investment offerings (including passive vehicles) which could influence the demand for the Company's shares. In addition, cheaper capital and the search for technology scale is also likely to mean increased consolidation.
- There is a risk of costly shareholder activism in the investment company sector, pursuing goals that may not be in the interests of most shareholders.

Mitigation

- The Board, the Company's Broker and the Manager closely monitor industry activity, the peer group and the share register.
- An annual review of strategy is undertaken by the Board to ensure that the Company continues to offer a relevant product to investors.

6. Business Continuity and Crisis Management

Trend: Stable

Description and Impact

- There is business process disruption risk from continued threats of cyberattacks, geopolitical events, outages, fire events and natural disasters, resulting in financial and/or reputational impact to the Company affecting the functioning of the business.
- The Company relies on a number of third-party service providers, principally the Registrar, Custodian and Depository who may be subject to cybercrime.

Mitigation

- Fidelity has Business Continuity and Crisis Management Frameworks in place to deal with business disruption and assure operational resilience.
- All third-party service providers are subject to a risk-based programme of risk oversight and internal audits by the Manager and their own internal controls reports are received on an annual basis and any concerns are investigated.
- The Board regularly reviews the services provided by third parties.

7. Operational Risks

Trend: Stable

Description and Impact

- There is risk of financial losses or reputational damage from inadequate or failed internal processes, people and systems or from external parties and events.

Mitigation

- Fidelity's Operational Risk Management Framework is designed to pro-actively prevent, identify and manage operational risks inherent in most activities.
- Fidelity uses robust systems and procedures dedicated to its operational processes. Its risk management structure is designed according to the FCA's three lines of defence model.

8. Discount Control Risk

Trend: Stable

Description and Impact

- The price of the Company's shares and its discount to NAV are factors which are not completely within the Company's control.
- The Board has a discount management policy which was updated in the reporting year in order to maintain the discount to NAV in mid-single digits in normal market conditions. Some short-term influence over the discount may be exercised by carrying out share repurchases at acceptable prices and within the parameters set by the Board.
- In considering the risk that the discount to NAV poses to shareholder value and returns, both the absolute level of the discount and the amount relative to the Company's peer group and the wider market are considered.

Mitigation

- The Board reviews the investment strategy, investment performance and the marketing approach, given the influence of all these factors on the discount.
- The Company's share price, NAV and discount volatility are monitored daily by the Manager and the Company's Broker and considered by the Board on a regular basis. The demand for shares can be influenced through good performance and an active investor relations programme.
- The Board regularly reviews the Company's share register, and the Chairman meets with large shareholders.
- Discretionary repurchases of ordinary shares are made within guidelines set by the Board.

9. Key Person Risk and Operational Support Risks

Trend: Stable

Description and Impact

- The loss of the Portfolio Managers or other key individuals could lead to potential performance and/or operational issues.
- The Portfolio Managers have a differentiated style in relation to their peers. This style is intrinsically linked with the Company's investment philosophy and strategy, and therefore, the Company has a key person dependency on them.
- There is also a risk that the Manager has inadequate succession plans for other key operational individuals.

Mitigation

- The Company's Portfolio Managers work closely together and have extensive experience in the same markets and companies and share a common investment approach and complementary investment experience and therefore if there was a loss of one of them, the remaining Portfolio Manager can provide continuity in managing the portfolio. The Portfolio Managers are also supported by an Investment Specialist and a team of Fidelity analysts.
- The Manager identifies key dependencies which are then addressed through succession plans, particularly for portfolio managers.

Strategic Report continued

Continuation Vote

A continuation vote takes place every two years. The last continuation vote was at the AGM held on 8 May 2025, and 93.85% of shareholders voted in favour of the continuation of the Company. The next continuation vote will take place at the AGM in 2027.

Viability Statement

In accordance with provision 31 of the 2024 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve month period required by the "Going Concern" basis. The Company is an investment trust with the objective of achieving long-term growth in both capital and income. The Board considers that five years is an appropriate investment horizon to assess the viability of the Company, although the life of the Company is not intended to be limited to this or any other period.

In making an assessment on the viability of the Company, the Board has considered the following:

- The ongoing relevance of the investment objective in prevailing market conditions;
- The Company's level of gearing;
- The Company's NAV and share price performance compared to its Benchmark Index;
- The principal and emerging risks and uncertainties facing the Company and their potential impact, as set out on pages 25 to 29;
- The likely future demand for the Company's shares;
- The Company's share price discount to the NAV and the Board's discount management policy;
- The liquidity of the Company's portfolio;
- The level of income generated by the Company; and
- Future income and expenditure forecasts.

The Company's performance for the five year reporting period to 31 December 2025 was a NAV total return of 63.3% and an ordinary share price total return of 63.5% compared to the Benchmark Index total return of 66.5%.

The Board regularly reviews the investment policy to consider whether it remains appropriate.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years based on the following additional considerations:

- The Investment Manager's compliance with the Company's investment objective and policy, its investment strategy and asset allocation;

- The portfolio mainly comprises readily realisable securities which can be sold to meet funding requirements if necessary;
- The Board's discount management policy; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets.

In preparing the Financial Statements, the Directors have considered the continued impact of climate change and potential emerging risks from the use of artificial intelligence as detailed on page 26. The Board has also considered the impact of regulatory changes, unforeseen market events, geopolitical concerns and the ongoing global implications of the war in Ukraine, and more recently the war in the Middle East, and how this may affect the Company.

In addition, the Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement which is included in the Directors' Report on page 35.

PROMOTING THE SUCCESS OF THE COMPANY

Under Section 172(1) of the Companies Act 2006, the Directors of a company must act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long-term; the need to foster relationships with the Company's suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

As an externally managed investment company, the Company has no employees or physical assets, and a number of the Company's functions are outsourced to third parties. The key outsourced function is the provision of investment management services by the Manager, but other professional service providers support the Company by providing administration, custodial, banking, accounting and audit services. The Board considers the Company's key stakeholders to be the existing and potential shareholders, the externally appointed Manager (FIL Investment Services (UK) Limited) and other third-party professional service providers. The Board considers that the interest of these stakeholders is aligned with the Company's objective of delivering long-term capital growth to investors, in line with the Company's stated objective and strategy, while providing the highest standards of legal, regulatory and commercial conduct.

The Board, with the Portfolio Managers, sets the overall investment strategy and reviews this at an annual strategy day which is separate from the regular cycle of board meetings. In order to ensure good governance of the Company, the Board has set various limits on the investments in the portfolio, whether in the maximum size of individual holdings, the use of derivatives and bank loans, the level of gearing and others. These limits and guidelines are regularly monitored and reviewed and are set out on pages 23 and 24.

The Board receives regular reports from the Company's Broker which covers market activity, how the Company compares with peers in the AIC Europe and European Smaller Companies sectors on performance, discount and share repurchase activity, an analysis of the Company's share register and market trends.

The Board places great importance on communication with shareholders. The Annual General Meeting ("AGM") provides the key forum for the Board and the Portfolio Managers to present to the shareholders on the Company's performance and future plans and the Board encourages all shareholders to attend in person or virtually and raise any questions or concerns. The Chairman and other Board members are available to meet shareholders as appropriate. Shareholders may also communicate with Board members at any time by writing to them at the Company's registered office at FIL Investments International, Beech Gate, Millfield Lane, Tadworth, Surrey KT20 6RP or via the Company Secretary at the same address or by email at investmenttrusts@fil.com.

The Portfolio Managers meet with major shareholders, potential investors, stock market analysts, journalists and other commentators throughout the year. These communication opportunities help inform the Board in considering how best to promote the success of the company over the long-term.

The Board seeks to engage with the Manager and other service providers and advisers in a constructive and collaborative way, promoting a culture of strong governance, while encouraging open and constructive debate, in order to ensure appropriate and regular challenge and evaluation. This aims to enhance service levels and strengthen relationships with service providers, with a view to ensuring shareholders' interests are best served, by maintaining the highest standards of commercial conduct while keeping cost levels competitive.

Whilst the Company's direct operations are limited, the Board recognises the importance of considering the impact of the Company's investment strategy on the wider community and environment and considers the Manager's Environmental, Social and Governance (ESG) approach.

In addition to ensuring that the Company's investment objective was being pursued, key decisions and actions taken by the Board during the reporting year, and up to the date of this report, have included:

- As part of the Board's succession plan, appointing Davina Walter as Chairman of the Board to replace Vivian Bazalgette as Chairman of the Board when he stepped down at the conclusion of the AGM on 8 May 2025;
- Holding multiple ad hoc Board meetings between March and September 2025 in the lead up to combining assets with Henderson European Trust plc ("HET");
- The decision to combine assets with those of HET on 29 September 2025 (see further details in the Chairman's Statement on page 3 and also in the Notes to the Financial

Statements on page 62). As part of the combination, appointing Vicky Hastings and Rutger Koopmans to the Company's Board.

- Following the combination of assets with HET, agreeing a lower management fee with the Manager with effect from 29 September 2025. This is made up of: 0.70 per cent of net assets up to and including £400 million; 0.65 per cent of net assets in excess of £400 million and up to £1.4 billion; and 0.55 per cent of net assets in excess of £1.4 billion.
- The decision to pay an interim dividend of 3.90 pence per ordinary share and a final dividend of 6.00 pence per ordinary share (a total of 9.90 pence per ordinary share), to maintain the Board's policy to pay progressive dividends in normal circumstances. Subject to shareholder approval, the Company will have paid an increased dividend for 15 years in a row;
- Authorising the repurchase of 9,286,723 shares into Treasury in the reporting year as part of the Board's discount management policy. Since the year ended 31 December 2025 and up to the latest practicable date of this report, a further 2,219,500 shares have been repurchased into Treasury;
- Meetings with some of the Company's key shareholders during the reporting year; and
- The decision once again to hold a hybrid AGM in 2026 in order to make the AGM more accessible to those shareholders who are unable to or prefer not to attend in person.

Board Diversity

The Board's overriding intention is to ensure that it is made up of the best combination of people in order to achieve long-term capital growth for the Company's shareholders from an actively managed portfolio of investments. To this effect, the Board, as part of its succession plan, will continue to appoint individuals who, together as a Board, will aim to ensure the continued optimal promotion of the Company in the marketplace. Due regard will be given to the benefit of diversity on the Board, including gender and ethnicity.

The Board has taken into consideration the FCA's UK Listing Rules requirements (UKLR 6.6.6(9), (10) and (11)) regarding the targets on board diversity that:

- at least 40% of individuals on the Board are women;
- at least one senior Board position (chairman, chief executive officer ("CEO"), senior independent director or chief financial officer ("CFO")) is held by a woman; and
- at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics criteria.

Strategic Report continued

The Board considers that as an externally managed investment trust, with no CEO or CFO, the Chairman of the Company, the Senior Independent Director and the Chair of the Audit Committee to be senior positions.

As required by the FCA's UK Listing Rules, the Company's reporting against these targets is set out in the tables below. The data was collected on a self-identifying basis. As at 31 December 2025 and up to the date of this report, the target of 40% of women on the Board, the target of at least one senior Board position held by a woman and for at least one individual to be from a minority ethnic background have been met.

Gender Reporting as at 31 December 2025

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Chair, Senior Independent Director and Chair of the Audit Committee)
Men	3	43%	1
Women	4	57%	2

Ethnic Background Reporting as at 31 December 2025

	Number of Board Members	Percentage of the Board	Number of Senior Board Positions (Chair, Senior Independent Director and Chair of the Audit Committee)
White British or other White (including minority white groups)	6	86%	3
Asian British	1	14%	0

CORPORATE AND SOCIAL RESPONSIBILITY

Environmental, Social and Governance ("ESG") in the Investment Process

The Board has contracted with Fidelity to provide the Company with investment management and administrative services. The Board believes that ESG considerations are an important input into the assessment of the value of the Company's investments. The investment universe is undergoing significant structural change and is likely to be impacted by increasing regulation as a result of climate change and other social and governance factors. The Board is committed to reviewing how the Manager applies ESG factors in its investment process. The Fidelity group of companies (including the Manager and Investment Manager) sets out its commitment to responsible investing, and provides a copy of its detailed Responsible Investing at www.fidelity.co.uk/sustainable/sustainability-at-fidelity.

Socially Responsible Investment

The Manager's primary objective is to produce superior financial returns for the Company's shareholders. It believes that high standards of corporate social responsibility (CSR) make good business sense and have the potential to protect and enhance investment returns.

Modern Slavery Act 2015

As an externally managed investment company, the Company has no employees and does not provide goods or services in the normal course of business and does not have customers. All its operational functions are outsourced to third-party service providers. Accordingly, the Company falls outside the scope of the Modern Slavery Act 2015. The Company's suppliers are predominantly professional advisers and the Company's service providers are considered to be low risk in this regard. In carrying out its activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Corporate Engagement

The Board believes that the Company should, where appropriate, take an active interest in the affairs of the companies in which it invests and that it should exercise its voting rights at their general meetings. It delegates the responsibility for corporate engagement and shareholder voting to the Manager who updates the Board on issues and activities. These activities are reviewed regularly by the Manager's corporate governance team.

Streamlined Energy and Carbon Reporting (SECR)

As an investment company with all its activities outsourced to third parties, the Company's own direct environmental impact is minimal. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. The Company is categorised as a low energy user (less than 40MWH) under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose any energy and carbon information in this Annual Report.

Task Force on Climate-Related Financial Disclosures (TCFD)

Product reports of Task Force on Climate-related Financial Disclosures (TCFD) issued by the Manager can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/europe.

FUTURE DEVELOPMENTS

Some trends likely to affect the Company in the future are also common to many investment companies together with the impact of regulatory change and emerging risks. The factors likely to affect the Company's future development, performance and position are set out in the Chairman's Statement and the Portfolio Managers' Review on pages 2 to 12. Details of emerging risks are on pages 25 and 26.

By Order of the Board
FIL Investments International
 Secretary
 17 March 2026

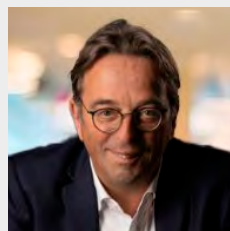
Board of Directors



Davina Walter
Chairman (since 8 May 2025)
Appointed 1 November 2024

M

Davina Walter is Chairman of abrdn Diversified Income and Growth plc. She was previously Chairman of JPMorgan US Smaller Companies Trust plc, Chairman of CT Property Trust plc, a non-executive Director of Miton UK Microcap Trust plc and a non-executive Director of JPMorgan Elect plc. She has extensive investment management experience, latterly as a Managing Director at Deutsche Asset Management. She also worked at Henderson Global and was head of US research at Cazenove & Co.



Rutger Koopmans
Director
Appointed 29 September 2025

A M

Rutger Koopmans is a non-executive Director of Vollenhoven Groep and Chair of Stichting Pluryn and Woningstichting Eigen Haard. He has an advisory practice, PIT Self-Placement BV, offering career counselling practice for senior executives. He was previously a non-executive Director of Henderson European Trust plc. He is also the author of "Your Life Your Rules, taking charge of your working life". He started his career in 1982 at MeesPierson NV (formerly Bank Mees & Hope NV), before moving to ING, where he served as a Managing Director until 2008.



Victoria (Vicky) Hastings
Director
Appointed 29 September 2025

A M

Vicky Hastings was previously non-executive Director and Chair of Henderson European Trust plc and prior to that of Henderson European Focus Trust plc. She was also a non-executive Director of Alliance Witan plc, Edinburgh Investment Trust plc, Impax Environmental Markets plc, JPMorgan Asset Management UK Limited and JPMorgan Asset Management International Limited. She has over 35 years' experience in the investment management industry with leadership positions at Merrill Lynch Private Investors and JO Hambro Capital Management, a European equity fund manager at Mercury Asset Management and Kleinwort Benson Investment Management. She is also a Trustee of Mountbatten Isle of Wight Ltd and Mountbatten Hampshire Ltd.



Fleur Meijs
Chair of the Audit Committee (since 14 May 2018)
Appointed 1 September 2017

A M

Fleur Meijs is a non-executive Director and Audit Committee Chair of Ruffer LLP. She is a Director of Bridge to the Future, the endowment fund for UWC (United World College) Mostar and UWC Mostar and a representative of the Chairs of the Schools on the International Board of UWC International. She was previously a non-executive Director of Invesco Asia Trust plc. She is a Chartered Accountant and was a Financial Services Partner at PricewaterhouseCoopers LLP until May 2016. She was also a member of the Dutch Parliamentary committee in 2013 for the structure of banks in the Netherlands.

All Directors are non-executive Directors and all are independent.

Committee membership key

A Audit **M** Management Engagement **A** Audit Committee Chair **M** Management Engagement Committee Chairman

Board of Directors continued



Milyae Park

Director

Appointed 1 January 2022



Milyae Park is a non-executive Director and Marketing Committee Chair of Alliance Witan PLC, a non-executive Director and Sustainability Committee Chair of THG PLC and a non-executive Director of Faber and Faber Limited. She is a past Board Member of the London Museum and former Chair of the London Museum Trading Ltd Board that governs the Museum's commercial activities. She began her career as a qualified accountant in the US for PwC and in investment banking at Goldman Sachs. In her subsequent executive career, she has held senior positions at Accenture, Tesco PLC and Marks & Spencer Group plc. She also holds an MBA from The Wharton School.



Paul Yates

Senior Independent Director
(since 10 May 2022)

Appointed 6 March 2017



Paul Yates is Chairman of the Advisory Board of 33 St James's Limited and is a non-executive Director of Capital Gearing Trust P.l.c. He was previously a non-executive Director of Witan Investment Trust plc, Aberdeen Diversified Income and Growth Trust plc and The Merchants Trust plc. He has had an extensive career in investment management and was CEO of UBS Global Asset Management (UK) Limited and held a number of global roles at UBS prior to his retirement.



Sir Ivan Rogers

Director

Appointed 1 January 2020



Sir Ivan Rogers is an Advisory Board Member of the Official Monetary and Financial Institutions Forum and of Market News International. He is Chairman of the High Level Group on Neighbourhood Interdependencies, a Member of the European Council for Foreign Relations, a Consultant of the Bertelsmann Foundation and a Senior Advisor at Fordham Global Foresight. He is a former British civil servant, formerly the Permanent Representative of the UK to the European Union for over three years until the beginning of 2017. Prior to this, he was Principal Private Secretary to one British prime minister and head of the Europe and Global Issues Secretariat for another. He was twice the UK's G7/G8 Sherpa and the EU and G20 Sherpa. The majority of his career was working with the UK government and EU institutions. He also spent five years in the private sector holding senior public sector banking roles for Citigroup UK and Barclays Capital.

Directors' Report

The Directors have pleasure in presenting their report together with the audited Financial Statements of the Company for the year ended 31 December 2025.

The Company was incorporated in England and Wales as a public limited company on 16 August 1991 under the registered number 2638812 and commenced business as an investment trust on 5 November 1991.

Management Company

FIL Investment Services (UK) Limited ("FIL") is the Company's appointed Alternative Investment Fund Manager (the "AIFM"/"Manager"). FIL, as the Manager, has delegated the portfolio management of assets and the role of the company secretary to FIL Investments International.

The Alternative Investment Fund Management and Secretarial Services Agreement (the "Management Agreement") will continue unless and until terminated by either party giving to the other not less than six months' notice in writing. However, it may be terminated without compensation if the Company is liquidated, pursuant to the procedures laid down in the Articles of Association of the Company. The Management Agreement may also be terminated forthwith as a result of a material breach of the Management Agreement or on the insolvency of the Manager or the Company. In addition, the Company may terminate the Management Agreement by sixty days' notice if the Manager ceases to be a subsidiary of FIL Limited.

FIL Limited has no beneficial interest in the shares of the Company (2024: same).

The Board reviews the Management Agreement at least annually and details are included in the Corporate Governance Statement on page 41. The most recent review was carried out as part of the combination with Henderson European Trust plc ("HET").

Management Fee

From 1 April 2021 and up to 28 September 2025, the Company's management fee was on a tiered basis of 0.85 per cent on the first £400 million of the Company's net assets reducing to 0.65 per cent of net assets over £400 million. Since 29 September 2025 and following the combination of assets with HET, the Company's management fee remains on a tiered basis and was agreed as follows: 0.70 per cent of net assets up to and including £400 million; 0.65 per cent of net assets in excess of £400 million and up to £1.4 billion; and 0.55 per cent of net assets in excess of £1.4 billion.

Fees for the reporting year were £9,671,000 (2024: £11,512,000) and are disclosed in Note 4 on page 66. The fee for the reporting year includes £2,537,000 waived by Fidelity as part of the combination with HET.

The Board

All Directors served on the Board throughout the year ended 31 December 2025 with the exception of Vivian Bazalgette who stepped down from the Board at the conclusion of the Annual General Meeting ("AGM") on 8 May 2025 and Vicky Hastings and Rutger Koopmans joined the Board on 29 September

2025 (both following the completion of the combination of assets with HET), thereby ensuring that shareholders of HET (which was formerly Henderson European Focus Trust plc) were represented on the Company's Board. A brief description of all serving Directors as at the date of this Annual Report is shown on pages 33 and 34 and indicates their qualifications for Board membership.

In line with the Board's succession plan and tenure policy, Paul Yates will not be seeking re-election at the AGM on 12 May 2026.

Directors' and Officers' Liability Insurance

In addition to the benefits under the Manager's global Directors' and Officers' liability insurance arrangements, the Company maintains additional insurance cover for its Directors under its own policy as permitted by the Companies Act 2006.

Professional Negligence Liability Risks

The requirement to cover potential liability risks arising from professional negligence is covered by the Manager's own funds. Sufficient capital above the regulatory limit is held which is monitored by the board of the Manager.

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 and 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, including the loan notes, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and continue in operational existence for the foreseeable future. The Board has, therefore, concluded that the Company has adequate resources to continue to adopt the going concern basis for the period to 31 March 2027 which is at least twelve months from the date of approval of the Financial Statements. This conclusion also takes into account the Board's assessment of the ongoing risks from significant geopolitical and market events and regulatory changes that could impact the Company's performance, prospects and operations.

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

The prospects of the Company over a period longer than twelve months can be found in the Viability Statement on page 30.

Disclosure of Information to the Company's Auditor

As required by Section 418 of the Companies Act 2006, each Director in office as at the date of this Annual Report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a Director to make himself/herself aware of any audit information, and to establish that the Company's Auditor is aware of that information.

Directors' Report continued

Auditors' Appointment

As the current Auditor, Ernst & Young LLP, will have been in place for 10 years in May 2026, an audit tender process was carried out during the reporting year following which the Board proposed that PricewaterhouseCoopers LLP ("PwC") should be selected to act as the Company's auditor from and including the financial year ending 31 December 2026. A resolution will be proposed to appoint PwC as the Company's auditor at the AGM on 12 May 2026.

Corporate Governance

The Corporate Governance Statement on pages 39 to 42 forms part of this report.

Registrar, Custodian and Depository Arrangements

The Company has appointed MUFG Corporate Markets (name changed from Link Group in January 2025) as its Registrar to manage the Company's share register, JPMorgan Chase Bank as its Custodian, which is primarily responsible for safeguarding the Company's assets, and J.P. Morgan Europe Limited as its Depository, which is primarily responsible for oversight of the custody of investment funds and the protection of investors' interests. Fees paid to these service providers are disclosed in Note 5 on page 66.

Share Capital

The Company's share capital comprises ordinary shares of 2.5 pence each which are fully listed on the London Stock Exchange. As at 31 December 2025, the issued share capital of the Company was 528,350,065 ordinary shares (2024: 416,447,910) of which 17,004,110 shares (2024: 7,717,387) are held in Treasury. Shares in Treasury do not have voting rights, therefore the total number of shares with voting rights was 511,345,955 (2024: 408,730,523). The issued share capital of 528,350,065 shares includes 111,902,155 shares which were issued as a result of the Company's transaction with Henderson European Trust plc on 29 September 2025.

Premium/Discount Management: Enhancing Shareholder Value

The Board recognises the importance of the relationship between the Company's share price and the NAV per share and actively manages the Company's level of premium/discount. If the Company is trading at a discount, the Board will seek to maintain it in mid-single digits in normal market conditions. The Board seeks authority from shareholders each year to issue shares at NAV or at a premium to NAV or to repurchase shares at a discount to the NAV, either for cancellation or holding in Treasury. The Board will exercise these authorities if deemed to be in the best interests of shareholders at the time.

Share Issues

The Company issued 111,902,155 ordinary shares on 29 September 2025 as a result of the Company's combination with Henderson European Trust plc. Other than this, no shares were issued during the year to 31 December 2025 (2024: nil). Since the year end and as at the date of this Annual Report, no ordinary shares have been issued.

The authorities to issue shares and to disapply pre-emption rights expire at the AGM on 12 May 2026 and resolutions to renew these authorities will be put to shareholders at this AGM.

Share Repurchases

The Company repurchased 9,286,723 ordinary shares into Treasury during the year to 31 December 2025 (2024: nil). Since the year ended 31 December 2025 and as at the latest practicable date of this report, the Company has repurchased a further 2,219,500 shares into Treasury.

The authority to repurchase ordinary shares expires at the AGM on 12 May 2026 and a resolution to renew the authority to repurchase shares, either for cancellation or to buy into Treasury, will be put to shareholders at this AGM.

Substantial Share Interests

As at 31 December 2025 and 28 February 2026, notification had been received that the shareholders listed in the table below held more than 3% of the voting share capital of the Company.

	31 December 2025 %	28 February 2026 %
Shareholders		
Fidelity Platform Investors	10.99	10.81
Evelyn Partners	7.45	7.48
Rathbones	7.03	7.07
Quilter Cheviot Investment Management	6.80	6.69
Interactive Investor	6.74	6.79
Hargreaves Lansdown	6.48	6.45
City of London Investment Management	3.66	3.67
Craigs Investment Partners	3.48	3.44
RBC Brewin Dolphin Ireland	3.15	3.18

An analysis of shareholders as at 31 December 2025 is detailed in the table below.

Shareholders	% of voting share capital
Private Investors ¹	83.53
Mutual Funds	14.16
Insurance Funds	1.24
Pension Funds	0.64
Trading	0.43
Total	100.00

¹ Includes Fidelity Platform Investors (10.99%).

Additional Information required in the Directors' Report

Information on proposed dividends, financial instruments, disclosure on Streamlined Energy and Carbon Reporting (SECR) and Task Force on Climate-Related Financial Disclosures (TCFD) is set out in the Strategic Report on pages 23 to 32.

ANNUAL GENERAL MEETING – TUESDAY, 12 MAY 2026 at 11.00 AM

THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

The AGM of the Company will be held at **11.00 am on Tuesday, 12 May 2026** at 4 Cannon Street, London EC4M 5AB and virtually via the online Lumi AGM meeting platform. Full details of the meeting are given in the Notice of Meeting on pages 86 to 89.

For those shareholders who are unable to attend in person, we will live-stream the formal business and presentations of the meeting online.

Properly registered shareholders joining the AGM virtually will be able to vote on the proposed resolutions. See Note 9 to the Notes to the Notice of Meeting on page 88 for details on how to vote virtually. Investors viewing the AGM online will be able to submit live written questions to the Board and the Portfolio Managers and we will answer as many as possible at an appropriate juncture during the meeting.

Further information and links to the Lumi platform may be found Note 9 to the Notes to the Notice of Meeting on page 88. On the day of the AGM, in order to join electronically and ask questions via the Lumi platform, shareholders will need to connect to the website <https://meetings.lumiconnect.com/100-968-191-255>.

We urge shareholders to vote and make use of the proxy form provided. Please note that investors on platforms such as Fidelity Personal Investing, Hargreaves Lansdown, Interactive Investor or AJ Bell Youinvest, will need to request attendance at the AGM in accordance with the policies of your chosen platform. They may request that you submit electronic votes in advance of the meeting. If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed <https://meetings.lumiconnect.com/100-968-191-255> from your web browser on a tablet or computer, you should then select the ‘Guest Access’ option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions but you will not be able to vote.

Fidelity Platform Investors – Voting at AGMs

If you hold your shares in the Company through the Fidelity Platform, then Fidelity passes on to you the right to vote on the proposed resolutions at the Company’s AGM. Fidelity Platform Investors are advised to vote online via the Broadridge Service (a company that specialises in investor voting facilities). Investors can sign up to this facility via their Fidelity Investor Account.

Proxy Voting

A paper Proxy Form will be sent to all shareholders who hold shares on the main share register. This will assist shareholders to vote in advance of the meeting should they decide not to attend in person.

If you have sold, transferred or otherwise disposed of all your shares in the Company, you should pass this document, together with any accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

At the AGM on 12 May 2026, resolutions will be proposed relating to the items of business set out in the Notice of Meeting on pages 86 and 87, including the items of special business summarised below and on the next page.

Authority to Allot Shares

Resolution 13 is an ordinary resolution and provides the Directors with a general authority to allot securities in the Company up to an aggregate nominal value of £660,437. If passed, this resolution will enable the Directors to allot a maximum of 26,417,480 ordinary shares which represents approximately 5% of the issued ordinary share capital of the Company (including Treasury shares) as at 17 March 2026, and to impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. The Directors would not intend to use this power unless they considered that it was in the interests of shareholders to do so. Any shares issued would be at NAV per ordinary share or at a premium to NAV per ordinary share.

Authority to Disapply Pre-emption Rights

Resolution 14 is a special resolution disapplying pre-emption rights and granting authority to the Directors, without the need for further specific shareholder approval, to make allotments of equity securities or sale of Treasury shares for cash up to an aggregate nominal value of £660,437 (including Treasury shares) and represents approximately 5% of the issued ordinary share capital of the Company as at 17 March 2026 and equivalent to 26,417,480 ordinary shares.

Directors' Report continued

Authority to Repurchase Shares

Resolution 15 is a special resolution which renews the Company's authority to purchase up to 14.99% (76,318,040) of the ordinary shares in issue (excluding Treasury shares) on 17 March 2026, either for immediate cancellation or for retention as Treasury shares, at the determination of the Directors. Once shares are held in Treasury, the Directors may only dispose of them in accordance with the relevant legislation by subsequently selling the shares for cash or by cancelling the shares. Purchases of ordinary shares will be at the discretion of the Directors and within guidelines set by them from time to time in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing NAV per ordinary share.

Recommendation: The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

By Order of the Board

FIL Investments International

Secretary

17 March 2026

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report. The Company is committed to maintaining high standards of corporate governance. Accordingly, the Board has put in place a framework for corporate governance which it believes is appropriate for an investment company.

Corporate Governance Codes

The Board has followed the principles and provisions of the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council (the "FRC") in January 2024 and the AIC's Code of Corporate Governance (the "AIC Code") issued by the Association of Investment Companies (the "AIC") in August 2024. The AIC Code addresses the principles and provisions of the UK Code. The FRC has confirmed that investment companies which report against the AIC Code will meet their obligations under the UK Code and paragraph 6.6.6R (6) of the UK Listing Rules. This statement, together with the Statement of Directors' Responsibilities on page 47, set out how the principles have been applied. Provision 29 of the UK Code (provision 34 of the AIC Code) in relation to internal controls will apply for the Company's year ending 31 December 2026.

The AIC Code can be found on the AIC's website at www.theaic.co.uk and the UK Code on the FRC's website at www.frc.org.uk.

Statement of Compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code for the year under review and up to the date of this Annual Report, except in relation to the UK Code provisions relating to the role of the chief executive, executive directors' remuneration, and the need for an internal audit function. The Board considers that these provisions are not relevant to the position of the Company, as it is an externally managed investment company and has no executive directors, employees or internal operations. All of its day to day management and administrative functions are delegated to the Manager.

THE BOARD

Board Composition

As at the date of this Annual Report, the Board, chaired by Davina Walter, consists of seven non-executive Directors.

The size of the Board in the past has been five Directors, however following the combination with Henderson European Trust plc ("HET") (formerly Henderson European Focus Trust plc), the Board felt that it was important to have representation on the Board for HET shareholders. With that in mind, Vicky Hastings was asked to join the Board on 29 September 2025, thereby providing representation for the HET shareholders who transferred their shares to the Company. She will also serve as a replacement for Paul Yates when he steps down from the Board at the conclusion of the AGM on 12 May 2026. Mrs Hastings also offers the skills and investment management experience that would be lost when Mr Yates retires.

HET also went through a combination of assets with Henderson EuroTrust plc in 2024 and the Board asked Rutger Koopmans to join the Board of the Company to provide continuity for the Henderson EuroTrust shareholders who post combination with HET transferred their shares to the Company. Mr Koopmans has

strong continental European perspective and also offers the Board his considerable experience as a finance professional. The Board is mindful of the tenure rules as Mr Koopmans joined the Henderson EuroTrust board in 2016 and was due to retire at the next HET AGM, however for the reasons explained, he will stay on the Board until May 2027.

The size of the Board will be six non-executive Directors when Mr Yates steps down from the Board at the conclusion of AGM on 12 May 2026. This will further reduce to five Directors when both Fleur Meijs and Mr Koopmans retire from the Board in May 2027. A recruitment process will be carried out later this year to replace Ms Meijs as Chair of the Audit Committee.

The Directors believe that, between them, they have good knowledge and wide experience of Europe and of investment companies, and that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company and length of service to discharge its duties and provide effective strategic leadership and proper governance of the Company.

Paul Yates is the Senior Independent Director and fulfils the role as a sounding board for the Chairman, intermediary for the other Directors as necessary, and to act as a channel of communication for shareholders in the event that contact through the Chairman is inappropriate. He will be replaced as Senior Independent Director by Milyae Park on 12 May 2026.

Biographical details of all serving Directors are on pages 33 and 34.

Board Responsibilities

The Board has overall responsibility for the Company's affairs and for promoting the long-term success of the Company. All matters which are not delegated to the Company's Manager under the Management Agreement are reserved for the Board's decision. Matters reserved for the Board and considered at meetings include decisions on strategy, management, structure, capital, share issues, share repurchases, gearing, financial reporting, risk management, investment performance, share price discount, corporate governance, Board appointments, and the appointments of the Manager and the Company Secretary. The Board also considers shareholder issues including communication and investor relations.

All Directors are independent of the Manager and considered to be free from any relationship which could materially interfere with the exercise of their independent judgement. Directors are required to disclose all potential conflicts of interests as they arise for consideration and approval. The Board is satisfied that no conflicts have risen in the year under review.

All Directors are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively. Each Director is entitled to take independent professional advice, at the Company's expense, in the furtherance of their duties.

Board Meetings

The Board considers that it meets sufficiently regularly to discharge its duties effectively and the table on the next page gives the attendance record for the meetings held in the

Corporate Governance Statement continued

Board's Attendance Record for the Reporting Year

	Regular Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings
Vivian Bazalgette ¹	3/3	1/1	1/1
Vicky Hastings ²	1/1	1/1	n/a
Rutger Koopmans ²	1/1	1/1	n/a
Fleur Meijs	5/5	3/3	1/1
Milyae Park	5/5	3/3	1/1
Sir Ivan Rogers	5/5	3/3	1/1
Davina Walter ³	5/5	1/1	1/1
Paul Yates	5/5	3/3	1/1

¹ Vivian Bazalgette, as Chairman of the Board, was invited to attend all of the Audit Committee meetings held until he retired from the Board on 8 May 2025.

² Appointed on 29 September 2025.

³ Davina Walter attended all Audit Committee meetings as a non-executive Director until she was appointed as Chairman of the Board on 8 May 2025. Following this, she is not a member of the Audit Committee but is invited to attend all of the meetings held.

reporting year. In addition to the formal Board and Committee meetings, the Board also holds a separate annual strategy meeting. The Portfolio Managers and key representatives of the Manager also attend these meetings. Regular Board meetings exclude ad hoc meetings for formal approvals or to address any key issues which may have arisen.

In addition to the formal Board and Committee meetings, the Board undertakes a two day due diligence trip to Europe every other year and one took place in November 2025. The Directors also have meetings with Fidelity's Head of Investment Companies and attend educational days organised by the Manager.

During the reporting year, the Board held multiple ad hoc Board meetings leading up to the successful completion of the combination of assets with Henderson European Trust plc.

Between these meetings there is regular contact with the Manager and other meetings are arranged as necessary. Additionally, Board Committees and sub-groups meet to pursue matters referred to them by the Board and the Chairman is in contact with the other Directors without representatives of the Manager being present.

Company Secretary

The Board has access to the advice and services of the Company Secretary. The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Changes to the Board

Changes to the Board take place in accordance with the Companies Act 2006, the Company's Articles of Association and the AIC Code. Any proposal for the appointment of new Directors is discussed and approved by the whole Board. As a consequence, there is no Nomination Committee. External consultants who have no connection with the Company are used to identify potential candidates.

Director Training

On appointment to the Board, each Director receives a full, formal and tailored induction. Directors are also regularly provided with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training and industry seminars. Training and development needs are considered as part of the annual Board and Committee's evaluation process.

Election and Re-Election of Directors

All newly appointed Directors stand for election by the shareholders at the AGM following their appointment by the Board. As the Company is a constituent member of the FTSE 350 Index, all other Directors are subject to annual re-election. All Directors, with the exception of Paul Yates, will be standing for election and re-election at this year's AGM and their biographical details are listed on pages 33 and 34. The terms and letters of appointment of Directors are available for inspection at the registered office of the Company.

Board Evaluation

An annual evaluation of the Board, its Directors and its Committees is undertaken ahead of each AGM. It takes the form of written questionnaires and discussions, except for every third year when an external evaluation is undertaken. The process is considered to be constructive in terms of identifying areas for improving the functioning and performance of the Board and its Committees and action is taken on the basis of the results. The tenure of individual Directors is also considered as part of this process.

For the year under review, the performance and contribution to the Company of each Director was considered using a written questionnaire. The performance of the Chairman is evaluated by the other Directors in the Chairman's absence. It was concluded that the Chairman and each Director have been effective and that they continue to demonstrate commitment to their roles. The

evaluation found that the Board functioned well and had the right balance of membership and skills.

As a FTSE 350 Company and in accordance with provision 21 of the 2024 UK Corporate Governance Code, the Board will carry out an externally facilitated Board performance review for the Company's year ending 31 December 2026.

Directors' Remuneration and Share Interests

Details of the Directors' remuneration and their share interests are disclosed in the Directors' Remuneration Report on page 44 and page 46.

BOARD COMMITTEES

The Board has two Committees, as set out below, through which it discharges certain of its corporate governance responsibilities. These are the Audit Committee and the Management Engagement Committee. Terms of reference of each Committee are available on the Company's pages of the Manager's website at www.fidelity.co.uk/europe.

Audit Committee

The Audit Committee is chaired by Fleur Meijs and consists of all of the Directors, except for Davina Walter, which is in line with the recommendation of the 2024 UK Corporate Governance Code that a chairman of a board should not be a member of an audit committee. Mrs Walter is invited to attend the Audit Committee meetings as a guest.

Full details of the Audit Committee, including its role and responsibilities, are disclosed in the Report of the Audit Committee on pages 48 to 50.

Management Engagement Committee Composition

The Management Engagement Committee is chaired by Davina Walter and consists of all of the Directors.

Role and Responsibilities

The Committee is charged with reviewing and monitoring the performance of the Manager and for ensuring that the terms of the Company's Management Agreement remain competitive and reasonable for shareholders. It meets at least once a year and reports to the Board, making recommendations where appropriate.

Manager's Reappointment

Ahead of the AGM on 12 May 2026, the Committee has reviewed the performance of the Manager and the current fee structure (which was updated as part of the combination of assets with Henderson European Trust plc) and also that of its peers. The Committee noted the commitment, quality and continuity of the team responsible for the Company and concluded that it was in the interests of shareholders that the appointment of the Manager should continue. Details of management fee structure for the year ended 31 December 2025 are in the Directors' Report on page 35.

ACCOUNTABILITY AND AUDIT

Financial Reporting

Set out on page 47 is a statement by the Directors of their

responsibilities in respect of the preparation of the Annual Report and Financial Statements. The Auditor has set out its reporting responsibilities within the Independent Auditor's Report to the Members on pages 51 to 58.

The Board has a responsibility to present fair, balanced and understandable annual and half-yearly financial statements. All financial statements are reviewed by the Audit Committee and approved by the Board prior to their issue to ensure that this responsibility is fulfilled.

Risk Management and Internal Controls

The Board is responsible for the Company's systems of risk management and of internal controls and for reviewing their effectiveness. The review takes place at least once a year. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives. It is responsible for the design, implementation and maintenance of controls and procedures to safeguard the assets of the Company although these tasks have been delegated on a day-to-day basis to the Manager. The system extends to financial, operational and compliance controls and risk management. Clear lines of accountability have been established between the Board and the Manager. The Manager provides regular reports on controls and compliance issues to the Audit Committee and the Board.

In carrying out its review, the Audit Committee has regard to the activities of the Manager, the Manager's compliance and risk functions and the work carried out by the Company's Auditor relevant to the Company's audit. It also includes consideration of internal controls covered in similar reports issued by the other service providers.

The Board, assisted by the Manager, has undertaken a rigorous risk and controls assessment. This process also assists in identifying any new emerging risks and the actions necessary to mitigate their potential impact. The Board confirms that there is an effective robust ongoing process in place to identify, evaluate and manage the Company's principal business and operational risks, and that it has been in place throughout the year ended 31 December 2025 and up to the date of this report. This process is in accordance with the FRC's "Risk Management, Internal Control and Related Financial and Business Reporting" guidance.

The Board has reviewed the need for an internal audit function and has determined that the systems and procedures employed by the Manager, which are subject to inspection by the Manager's internal and external audit processes, provide sufficient assurance that a sound system of internal controls is maintained to safeguard shareholders' investments and the Company's assets. An internal audit function, specific to the Company is, therefore, considered unnecessary. The Audit Committee meets the Manager's internal audit representative at least once a year. It receives a summary of the Manager's externally audited internal controls report on an annual basis.

Corporate Governance Statement continued

Whistle-Blowing Procedure

Part of the Manager's role in ensuring the provision of a good service pursuant to the Management Agreement, includes the ability for employees of Fidelity to raise concerns through a workplace concerns escalation policy (or "whistle-blowing procedure"). Fidelity has advised the Board that it is committed to providing the highest level of service to its customers and to applying the highest standards of quality, honesty, integrity and probity. The aim of the policy is to encourage employees and others working for Fidelity to assist the Company in tackling fraud, corruption and other malpractice within the organisation and in setting standards of ethical conduct. Accordingly, this policy has been endorsed by the Board.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Board recognises the benefits this has for reputation and business confidence. The Board, the Manager, the Manager's employees and others acting on the Company's behalf, are expected to demonstrate high standards of behaviour when conducting business.

The Board acknowledges its responsibility for the implementation and oversight of the Company's procedures for preventing bribery, and the governance framework for training, communication, monitoring, reporting and escalation of compliance together with enforcing actions as appropriate. The Board has adopted a zero tolerance policy in this regard.

Criminal Finances Act 2017

The Company is subject to the Criminal Finances Act 2017 and follows a zero tolerance policy to tax evasion and its facilitation. The Directors are fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Company, its service providers, counterparties and business partners operate.

Responsibility as an Institutional Shareholder

The Board has adopted the Manager's Principles of Ownership in relation to investments. These Principles include the pursuit of an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining a continuing dialogue with the management of investee companies. Fidelity International is a signatory to the UK Stewardship Code which sets out the responsibilities of institutional Shareholders and agents. Further details of the Manager's Principles of Ownership and voting may be found at www.fidelity.co.uk.

Relations with Shareholders

Communication with shareholders is given a high priority by the Board and it liaises with the Manager and the Company's Broker who are in regular contact with the Company's major institutional investors to canvass shareholder opinion and to communicate its views to shareholders. All Directors are made aware of shareholders' concerns and the Chairman, the Senior Independent Director and, where appropriate, other Directors, are available to meet with shareholders to discuss strategy and governance. The Board regularly monitors the shareholder profile of the Company and receives regular reports from the

Manager on meetings attended with shareholders and any concerns raised in such meetings. The Board aims to provide the maximum opportunity for dialogue between the Company and its shareholders. If any shareholder wishes to contact a member of the Board directly, they should either email the Company Secretary at investmenttrusts@fil.com or in writing at FIL Investments International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP. The Company Secretary will attend to any enquiries promptly and ensure that they are directed to the Chairman, Senior Independent Director or the Board as a whole, as appropriate.

The Board encourages all shareholders to attend the Company's AGM on 12 May 2026, details of which can be found on page 6. Full details of the Notice of Meeting are on pages 86 to 89.

Voting Rights in the Company's Shares

Each person entitled to vote on a show of hands has one vote. On a poll, each shareholder who is present in person or by proxy or a representative has one vote for every ordinary share held. At general meetings, all proxy votes are counted and, except where a poll is called, proxy voting is reported for each resolution after it has been dealt with on a show of hands. The proxy voting results are disclosed on the Company's pages of the Manager's website www.fidelity.co.uk/europe after the AGM.

Articles of Association

Any changes to the Company's Articles of Association must be made by special resolution. A special resolution to alter the Company's Articles of Association was passed at last year's AGM on 8 May 2025.

On Behalf of the Board

Davina Walter

Chairman

17 March 2026

Directors' Remuneration Report

Chairman's Statement

The Directors' Remuneration Report for the year ended 31 December 2025 has been prepared under sections 420-422 of the Companies Act and in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts & Reports) Regulations 2008 as amended by the Companies (Directors' Remuneration and Audit (Amendment) Regulations 2025 (the "Regulations"). As the Board is comprised entirely of non-executive Directors and has no chief executive and employees, many parts of the Regulations, in particular those relating to chief executive officer pay and employee pay, do not apply and are therefore not disclosed in this report.

Ordinary resolutions to approve the Directors' Remuneration Report and the Remuneration Policy will be put to shareholders at the AGM on 12 May 2026.

The Company's Auditor is required to audit certain sections of this report and where such disclosures have been audited, the specific section has been indicated as such. The Auditor's opinion is included in its report on pages 51 to 58.

Directors' Remuneration

The Board carried out its annual review on the level of Directors' remuneration in comparison with other investment companies of a similar size and/or mandate as well as considering that fees paid were in line with industry practice. In determining the Directors' fees, the Board, as a whole, considered a number of factors, including the increasing time commitment and responsibility required, the level of skills and appropriate experience and expertise necessary, the need for Directors to continue to maintain an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity. Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those Directors chairing the Board and the Audit Committee should be paid fees which are higher than other Directors in recognition of their more demanding and complex roles. As well as usual Board and Committees business, Directors have been required, and are likely to continue to be required, to spend considerable time in ad hoc meetings to address other issues such as the strategic developments which have dominated the investment trust sector over the past several years. An example of this was the substantial increased workload and multiple meetings as part of the combination with Henderson European Trust plc during 2025, all outside of the normal course of Board meetings.

The annual fee structure from 1 January 2026 is as follows:

Role	1 January 2026 £	1 January 2025 £
Chairman	59,000	50,000
Senior Independent Director	38,500	36,500
Chair of the Audit Committee	46,000	39,000
Director	36,000	32,500

The Remuneration Policy stated in last year's Annual Report is proposed to be updated at this year's AGM for the aggregate fees payable to the Directors to a total of £350,000 per annum. This is following approval by shareholders at the AGM last year to update the Company's Articles of Association in order to do so. In addition, the Policy is being updated to allow for consideration of additional remuneration for the Board if there was significant additional work outside the Company's normal course of business. The proposed Policy is below.

The Remuneration Policy

The Company's Articles of Association limit the aggregate fees payable to the Directors to a total of £350,000 per annum. Subject to this overall limit, it is the Board's policy to determine the level of Directors' fees having regard to the time spent by them on the Company's affairs; the level of fees payable to non-executive directors in the industry generally; the requirement to attract and retain individuals with suitable knowledge and experience; and the role that individual Directors fulfil. Other than fees and reasonable out-of-pocket expenses incurred in attending to the affairs of the Company, the Directors are not eligible for any performance related pay or benefits, pension related benefits, share options, long-term incentive schemes, or other taxable benefits. All Directors will be entitled to be considered for additional remuneration in the event of significant additional work outside of normal Company affairs. Directors are not entitled to exit payments and are not provided with any compensation for loss of office. Directors' fees are paid monthly in arrears. Directors do not serve a notice period if their appointment were to be terminated.

The level of Directors' fees is determined by the whole Board. Directors do not vote on their own individual fees.

The Board reviews the Company's Remuneration Policy and implementation on an annual basis. Reviews are based on information provided by the Company's Manager, and research from third parties and it includes information on the fees of other similar investment trusts.

As a FTSE 350 company, and in accordance with provision 21 of the 2024 UK Corporate Governance Code, the Board will carry out an externally facilitated evaluation every third year of its performance. This also includes input into the appropriate level of Directors' fees from an independent source.

No Director has a service contract with the Company. New Directors are provided with a letter of appointment which, amongst other things, provides that their appointment is subject to the Companies Act 2006 and the Company's Articles of Association. Copies of the Directors' letters of appointment can be obtained from the Company's registered office.

The Company's remuneration policy will apply to new Board members, who will be paid the equivalent amount of fees as current Board members.

Voting on the Remuneration Policy

The Remuneration Policy (the "Policy"), as stated in last year's Annual Report, was approved at the AGM on 10 May 2023 with 99.52% of votes cast in favour, 0.26% of votes cast against and

Directors' Remuneration Report continued

0.22% of votes withheld. The proposed Policy, as set out above, will be put to shareholders at the AGM on 12 May 2026 and the votes cast will be disclosed on the Company's website at www.fidelity.co.uk/europe.

Voting on the Directors' Remuneration Report

The Directors' Remuneration Report for the year ended 31 December 2024 was approved at the AGM held on 8 May 2025 with 99.45% of votes cast in favour, 0.39% of votes cast against and 0.16% of votes withheld.

The Directors' Remuneration Report for the year ended 31 December 2025 will be put to shareholders at the AGM on 12 May 2026, and the votes cast will be disclosed on the Company's pages of the Manager's website at www.fidelity.co.uk/europe.

Single Total Figure of Remuneration

The single total aggregate Directors' remuneration for the year ended 31 December 2025 was £219,167 (2024: £185,917). No taxable expenses were claimed by any Director in attending to the affairs of the Company. Information on individual Directors' fees is disclosed in the table below.

Remuneration of Directors

	2026	2025	2025	2025	2024	2024	2024
	Projected Fees (£)	Fees (Audited) (£)	Taxable Expenses (Audited) (£)	Total (Audited) (£)	Fees (Audited) (£)	Taxable Expenses (Audited) (£)	Total (Audited) (£)
Vivian Bazalgette ¹	n/a	18,013	-	18,013	48,000	-	48,000
Vicky Hastings ²	36,000	8,303	-	8,303	n/a	n/a	n/a
Rutger Koopmans ²	36,000	8,303	-	8,303	n/a	n/a	n/a
Fleur Meijs	46,000	39,000	-	39,000	37,250	-	37,250
Milyae Park ³	37,603	32,500	-	32,500	31,000	-	31,000
Sir Ivan Rogers	36,000	32,500	-	32,500	31,000	-	31,000
Davina Walter ⁴	59,000	44,048	-	44,048	5,167	-	5,167
Paul Yates ⁵	13,923	36,500	-	36,500	33,500	-	33,500
Total	264,526	219,167	-	219,167	185,917	-	185,917

1 Retired on 8 May 2025.

2 Appointed on 29 September 2025.

3 To be appointed as Senior Independent Director on 12 May 2026.

4 Appointed on 1 November 2024 as a non-executive Director and as Chairman of the Board on 8 May 2025.

5 Retiring on 12 May 2026.

Five Year Change Comparison in Directors' Remuneration

The table below shows the change in Directors' fees over the last five years.

Director	2025	2020	Change (%)
Chairman	50,000	41,500	+20.4
Senior Independent Director	36,500	29,500	+23.7
Audit Committee Chair	39,000	32,500	+20.0
Director	32,500	27,000	+20.4

Expenditure on Remuneration and Distributions to Shareholders

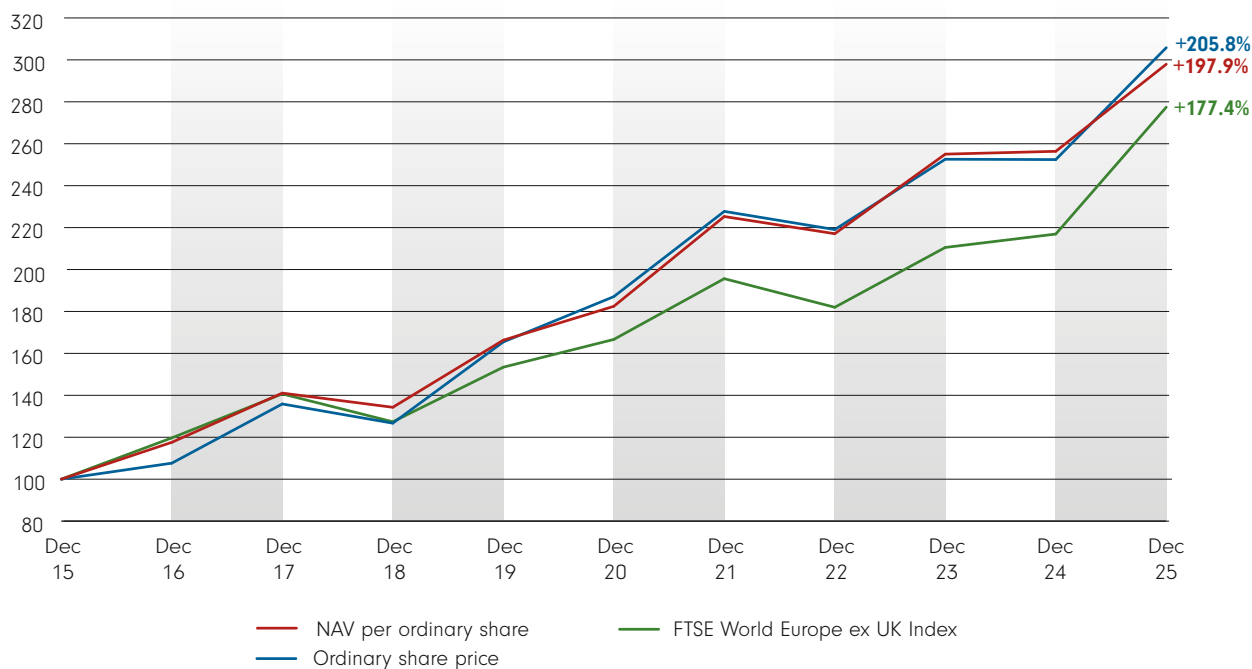
The table below shows the total amount paid out in Directors' remuneration and distributions to shareholders. The projected Directors' remuneration for the year ending 31 December 2025 is disclosed in the table above.

	31 December 2025 £	31 December 2024 £
Expenditure on Directors' Remuneration:		
Fees and taxable expenses	219,167	185,917
Distributions to Shareholders:		
Dividend payments	38,194,000	35,110,000

Performance

The Company's investment objective is to achieve long-term growth in both capital and income by predominantly investing in equities (and their related securities) of continental European companies. The graph below shows the performance of the Company's NAV, ordinary share price and the FTSE World Europe ex UK Index (Benchmark Index) for ten years to 31 December 2025.

Total return performance for ten years to 31 December 2025



Directors' Remuneration Report continued

Directors' Interest in the Company's Ordinary Shares

Although there is no requirement for the Directors to hold shares in the Company, shareholdings by Directors is encouraged. The table below shows the interests of the Directors in the ordinary shares of the Company. All of the shareholdings are beneficial.

Directors' Shareholdings (Audited)

	31 December 2025	31 December 2024	Change during year
Vivian Bazalgette ¹	n/a	30,000	n/a
Vicky Hastings ²	38,264	n/a	n/a
Rutger Koopmans ²	20,964	n/a	n/a
Fleur Meijs	28,970	28,970	-
Milyae Park ³	12,300	10,000	2,300
Sir Ivan Rogers	8,749	8,749	-
Davina Walter ⁴	60,067	55,000	5,067
Paul Yates	32,000	32,000	-

¹ Retired on 8 May 2025.

² Held at appointment on 29 September 2025.

³ Purchase of shares.

⁴ Purchase of shares and dividend reinvestment. Shares held by self and connected person.

All Directors' shareholdings remain unchanged as at the date of this report.

On Behalf of the Board

Davina Walter

Chairman

17 March 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including Financial Reporting Standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the reporting period.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a fair and balanced manner that provides relevant, reliable, comparable and understandable information;
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the Company and the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report, a Corporate Governance Statement and a Directors' Remuneration Report which comply with that law and those regulations.

The Directors have delegated the responsibility for the maintenance and integrity of the corporate and financial information included on the Company's pages of the Manager's website at www.fidelity.co.uk/europe to the Manager. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of the Financial Statements may differ from legislation in their own jurisdictions.

The Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 102, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- The Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces; and
- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Statement of Directors' Responsibilities was approved by the Board on 17 March 2026 and signed on its behalf by:

Davina Walter
Chairman

Report of the Audit Committee

I am pleased to present the formal report of the Audit Committee (the "Committee") to shareholders.

The primary responsibilities of the Committee are to ensure the integrity of the Company's financial reporting, the appropriateness of the risk management and internal controls processes (see page 41 for further details) and the effectiveness of the independent audit process and how this has been assessed for the year ended 31 December 2025.

Composition of the Committee

The members of the Committee are myself as Chair and all of the other Directors, except for Davina Walter, which is in line with the recommendation in the 2024 UK Corporate Governance Code that a Chairman of a Board should not be a member of the Audit Committee. She is usually invited to attend the Committee meetings as a guest. All Committee members are independent non-executive Directors and collectively have sufficient recent and relevant financial experience to discharge their responsibilities fully.

The Committee's performance is evaluated annually as part of the overall Board evaluation process.

Role and Responsibilities of the Committee

The Committee's authority and duties are defined in its terms of reference which are available on the Company's pages of the Manager's website at www.fidelity.co.uk/europe.

These duties include:

- Establishing with the Auditor the nature and scope of the audit, reviewing the Auditor's quality control procedures and reporting, the effectiveness of the audit process and the Auditor's independence and objectivity with particular regard to the provision of non-audit services;
- Responsibility for making recommendations on the appointment, reappointment and removal of the Auditor;
- Reviewing the effectiveness of the Company's risk management and internal control systems (including financial, operational and compliance controls) and considering the scope and obtaining sufficient assurance of the work undertaken by the Manager's Internal Audit function;
- Monitoring the integrity of the Company's half-yearly and annual financial statements to ensure that they are fair, balanced and understandable;
- Reviewing the existence and performance of controls operating in the Company, including the review of internal controls reporting of its service providers; and
- Reviewing the relationship with and the performance of third party service providers (such as the Registrar, Custodian and Depositary).

Meetings and Business Considered by the Committee

Since the date of the last Annual Report (19 March 2025), the Committee has met three times and the Auditor attended the November 2025 and March 2026 meetings.

The following matters were reviewed at each Committee meeting:

- The Company's risk management and internal controls framework.
- The Company's compliance with its investment policy limit.
- The Depositary's oversight reporting.
- The Company's revenue and expenses forecasts, including special dividends, and its Balance Sheet.

Also in the reporting year, the Committee oversaw a structured and transparent audit tender process to ensure fairness and compliance with the FRC's minimum standard requirements. See further details on page 50.

In addition, the following matters were also considered at the following meetings:

September 2025	<ul style="list-style-type: none"> • The Half-Yearly Report and Financial Statements for the six months ended 30 June 2025 and recommendation of its approval to the Board. • The Going Concern Statement. • The interim dividend payment to be recommended to the Board for approval. • Review of the Audit Committee's Terms of Reference. • Update on the audit tender process to appoint an independent auditor.
November 2025	<ul style="list-style-type: none"> • The Auditor's audit plan for the Company's year ending 31 December 2025, including the proposed audit fee. • Review of Fidelity's Internal Audit reporting, including review of the Internal Audit plan. • Review of Fidelity's and third party service providers assurance reports on internal controls. • Review of the Manager's detailed risk matrix and mitigating controls. • An assessment of emerging risks and their likelihood and potential impact. • Review of the Audit Committee's Terms of Reference.
March 2026	<ul style="list-style-type: none"> • The Auditor's findings from the audit of the Company. • The Auditor's performance, independence and the proposed appointment of PricewaterhouseCoopers LLP ("PwC") as the Company's auditor from and including the Company's year ending 31 December 2026. • Compliance with Corporate Governance and regulatory requirements. • The Annual Report and Financial Statements and recommendation of its approval to the Board following review and conclusion by the Committee that they are fair, balanced and understandable. • The Viability and Going Concern Statements, including an assessment on the ongoing impact from the war in Ukraine, significant market and geopolitical events and regulatory changes on the Company's performance, prospects and operations. • The final dividend payment to be recommended to the Board and shareholders for approval.

The Board reviewed cybersecurity and potential threats and the controls in place to mitigate the risks at its strategy meeting held in February 2026.

Annual Report and Financial Statements

The Annual Report and Financial Statements are the responsibility of the Board and the Statement of Directors' Responsibilities can be found on page 47. The Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise in relation to these and on any specific areas which require judgement in order to ensure that the Financial Statements are fair, balanced and understandable.

Summarised below are the most significant issues considered by the Committee in respect of the Company's Financial Statements for the year ended 31 December 2025 and how these issues were addressed.

Recognition of investment income	<p>Investment income is recognised in accordance with Accounting Policy Note 2 (e) on page 63. The Manager (FIL Investment Services (UK) Limited) provided detailed revenue forecasts and the Committee reviewed and sought explanations for any significant variances to these forecasts. The Committee also considered the allocation of special dividends between revenue and capital and the reasons for the classification of these special dividends. The Committee reviewed the internal audit and the compliance monitoring reports received from the Manager, including an additional agreed upon procedures report in connection with investment trusts specific controls operated by the Manager, prepared by PwC, to satisfy itself that adequate systems were in place for properly recording the Company's investment income. The Committee also reviewed the reports provided by the Auditor on its work on the recognition of investment income, including the allocation of special dividends.</p>
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Report of the Audit Committee continued

Valuation, existence and ownership of investments (including derivative investments)

The valuation of investments (including derivatives) is in accordance with Accounting Policy Notes 2 (k) and 2 (l) on page 64. The Committee took comfort from the Depositary's regular oversight function that investment related activities were conducted in accordance with the Company's investment policy. The Committee received reports from the Manager, the Depositary and an agreed upon procedures report in connection with investment trust specific controls operated by the Manager, prepared by PwC, which concluded that the controls around the valuation, existence and ownership of investments, including derivatives, operate effectively. The Committee also reviewed the reports provided by the Auditor on its work on the valuation, existence and ownership of the Company's investments, including the derivative investments.

The Company confirms that it has complied with the September 2014 Competition and Markets Authority Order in relation to the performance and appointment of the Auditor, as set out below.

Independence and Effectiveness of the Audit Process

Ernst & Young LLP acted as the Company's Auditor for the year ended 31 December 2025.

With regard to the independence of the Auditor, the Committee reviewed:

- The Auditor's arrangements for managing any conflicts of interest;
- The fact that no non-audit services were provided to the Company during the reporting year and up to the date of this report; and
- The statement by the Auditor that it remains independent within the meaning of the regulations and its professional standards.

With regard to the effectiveness of the audit process, the Committee reviewed:

- The fulfilment by the Auditor of the agreed audit plan, including the audit team and approach to significant risks;
- The audit findings report issued by the Auditor on the audit of the Annual Report and Financial Statements for the year ended 31 December 2025; and
- Feedback from the Manager on the audit of the Company.

The Committee concluded that the Auditor remained independent and the audit process was effective.

Auditor's Appointment and Audit Tenure

Ernst & Young LLP was appointed as the Company's Auditor on 12 May 2016 following a formal audit tender process in 2015 and will have been in place for 10 years in May 2026. Accordingly, the Company conducted an audit tender process during the reporting year. From the shortlisted firms who presented to a subcommittee of the Audit Committee, a range of criteria was covered, including industry experience and credentials; team experience and continuity; audit approach; quality assurance; independence of the firm; transition planning and fees and value for money. As a result of this, PwC has been proposed by the Board as the auditor to the Company from and including the financial year ending 31 December 2026. A resolution to appoint PwC as auditor to the Company will be proposed at the AGM on 12 May 2026.

The Committee will continue to review the Auditor's appointment each year to ensure that the Company continues to receive an optimal level of service. There are no contractual obligations which restrict the Company's choice of auditor.

Audit Fees

Fees paid to the Auditor for the audit of the Company's Financial Statements are disclosed in Note 5 on page 66. The audit fee for the year ended 31 December 2025 was £62,940, and included an amount of £11,000 for additional audit work in relation to the combination of assets with Henderson European Trust plc. The audit fee for the prior year was £49,900, plus an amount of £11,000 in respect of additional scope of work relating to the transition of Fidelity's reporting functions to JP Morgan and was paid for by Fidelity.

Fleur Meijs

Chair of the Audit Committee
17 March 2026

Independent Auditor's Report to the Members of Fidelity European Trust PLC

Opinion

We have audited the Financial Statements of Fidelity European Trust PLC ("the Company") for the year ended 31 December 2025 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related Notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("United Kingdom Generally Accepted Accounting Practice").

In our opinion, the Financial Statements:

- give a true and fair view of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment;

- Inspecting the Directors' assessment of going concern, including the revenue and expense forecast, for the period to 31 March 2027 which is at least 12 months from the date of approval of these Financial Statements. In preparing the revenue and expense forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due;
- Reviewing the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue and expense forecast and the liquidity assessment of the investments and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company;
- Consideration of the mitigating factors included in the revenue and expense forecast that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly; and
- Reviewing the Company's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 March 2027 which is at least twelve months from the date of approval of the Financial Statements.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report to the Members of Fidelity European Trust PLC continued

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> • Risk of incomplete or inaccurate revenue recognition • Risk of incorrect valuation or ownership of the investment portfolio, including derivatives • Incorrect accounting for the combination transaction between the Company and Henderson European Trust
Materiality	<ul style="list-style-type: none"> • Overall materiality of £22.21m which represents 1% of net asset value of the Company at 31 December 2025.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Company. The Company has determined that the impact of climate change could affect the Company's investments and their valuations and potentially shareholder returns. These are explained on page 26 in the principal and emerging risks section, which form part of the "Other information", rather than the audited Financial Statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering the impact of climate change on the Financial Statements was focused on the adequacy of the

Company's disclosures in the Financial Statements as set out in Note 2(a) and the conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with FRS 102 investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the balance sheet date and therefore reflect the market participants view of climate change risk on the investments held by the Company. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of incomplete or inaccurate revenue recognition</p> <p><i>Refer to the Audit Committee Report (page 49); Accounting Policies (page 63); and Note 3 of the Financial Statements (page 65)</i></p> <p>The Company has reported revenue of £57.62m (2024: £53.67m).</p> <p>The investment income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of revenue through failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>Additionally, in accordance with the AIC SORP, special dividends received by the Company can be included in either the revenue or capital columns of the Income Statement depending on the commercial circumstances behind the payments.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding revenue recognition and classification of special dividends by performing our walkthrough procedures;</p> <p>For all dividends received and accrued, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend rate as agreed to an independent data vendor. We also agreed all exchange rates to an external source and, for a sample of dividends received and dividends accrued, we agreed amounts to bank statements;</p> <p>For all dividends accrued, we assessed whether the dividend obligations arose prior to 31 December 2025 with reference to an external source; we also agreed subsequent cash receipts to post year end bank statements where applicable;</p> <p>To test completeness of recorded income, we tested that all expected dividends for each investee company had been recorded as income with reference to an external source; and</p> <p>For all dividend income during the year, we reviewed the type of dividends paid with reference to an external source to identify those which were special dividends. For identified special dividends above our testing threshold, we assessed the appropriateness of management's classification by reviewing the underlying rationale of the distribution.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition.</p>

Independent Auditor's Report to the Members of Fidelity European Trust PLC continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of incorrect valuation or ownership of the investment portfolio, including derivatives</p> <p><i>Refer to the Report of the Audit Committee (page 50); Accounting Policies (page 64); and Notes 10 and 11 of the Financial Statements (pages 69 and 70).</i></p> <p>The valuation of the listed investment portfolio at 31 December 2025 was £2,189.23m (2024: £1,487.77m). The Company also had net derivative assets amounting to £2.33m (2024: net derivative liabilities of £5.80m).</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of the listed investments and derivatives is determined using quoted market prices at close of business on the reporting date.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the processes and controls surrounding investment pricing and legal title by performing our walkthrough procedures;</p> <p>For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor. For all derivatives, we compared the market prices of the underlying instrument to an independent pricing vendor and agreed cost price to the Brokers' confirmations. We recalculated the investment and derivative valuations as at the year end;</p> <p>We inspected the stale pricing report produced by the Manager to identify prices that have not changed around the year end and verified whether the listed price is a valid fair value; and</p> <p>We compared the Company's investment holdings as at 31 December 2025 to independent confirmations received directly from the Company's Custodian and Depository. We agreed all open year end derivative positions to confirmations received independently from the Company's Brokers.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio, including derivatives.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Incorrect accounting for the combination transaction between the Company and Henderson European Trust (HET)</p> <p>On 19 June 2025, the Company announced a proposed combination of assets with Henderson European Trust plc (“HET”) pursuant to a scheme of reconstruction and members’ voluntary liquidation of HET. The proposal was subsequently approved at the General Meeting on 26 September 2025, and the transaction was implemented shortly thereafter. The transaction resulted in voluntary liquidation of HET and the transfer of HET’s net assets to the Company in return for the issue of new shares by the Company on a formula asset value (“FAV”) basis.</p> <p>There is a risk that the net assets transferred from HET to the Company are not recorded accurately. There is also a risk that the issuance of shares related to the transaction is incorrectly accounted for and inadequately disclosed in the Company’s Financial Statements.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the process for recording the transaction and calculating the issuance of shares;</p> <p>We reviewed the formula asset value calculations and confirmed they agree to the scheme of reconstruction;</p> <p>We agreed the number of shares issued pursuant to the combination transaction to the London Stock Exchange announcements and reconcile them to the Company’s accounting records;</p> <p>We agreed the cash, investments, loan notes and other liabilities transferred to the Company as part of the combination transaction to the accounting records. We revalued the investments using market prices and exchange rates from an independent pricing vendor, traced the cash transferred through bank statements and verified the loan notes with the relevant agreements; and</p> <p>We reviewed the disclosures in the Financial Statements to ensure the combination transaction is correctly disclosed.</p>	<p>The results of our procedures to date identified no material misstatement in relation to the risk of incorrect accounting for the combination transaction between the Company and HET.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £22.21m (2024: £15.63m), which is 1% (2024: 1%) of Company’s net asset value. We believe that the net asset value provides us with materiality aligned to the key measure of the Company’s performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

Independent Auditor's Report to the Members of Fidelity European Trust PLC continued

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £16.66m (2024: £11.72m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Income Statement of £2.62m (2024: £2.35m) being 5% (2024: 5%) of revenue profit before tax.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.11m (2024: £0.78m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and Directors' Reports have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 35;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 30;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 35;

- Directors' statement on fair, balanced and understandable set out on page 47;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 41; and
- The section describing the work of the Audit Committee set out on page 48.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 47, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Association of Investment Companies Code of Corporate Governance, the Association of Investment Companies Statement of Recommended Practice, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by considering the key risks impacting the Financial Statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the Financial Statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 12 May 2016 to audit the Financial Statements for the year ending 31 December 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 31 December 2016 to 31 December 2025.

- The audit opinion is consistent with the additional report to the Audit Committee.

Independent Auditor's Report to the Members of Fidelity European Trust PLC continued

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Langston

Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 March 2026

Income Statement

for the year ended 31 December 2025

	Notes	Year ended 31 December 2025			Year ended 31 December 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	10	-	207,231	207,231	-	(47,301)	(47,301)
Gains on derivative instruments	11	-	27,618	27,618	-	35,423	35,423
Income	3	57,618	-	57,618	53,670	-	53,670
Investment management fees	4	(2,418)	(7,253)	(9,671)	(2,878)	(8,634)	(11,512)
Other expenses	5	(1,079)	-	(1,079)	(1,063)	-	(1,063)
Foreign exchange gains/(losses)		-	1,889	1,889	-	(2,956)	(2,956)
Net return/(loss) on ordinary activities before finance costs and taxation		54,121	229,485	283,606	49,729	(23,468)	26,261
Finance costs	6	(1,771)	(5,314)	(7,085)	(2,770)	(8,309)	(11,079)
Net return/(loss) on ordinary activities before taxation		52,350	224,171	276,521	46,959	(31,777)	15,182
Taxation on return/(loss) on ordinary activities	7	(3,165)	-	(3,165)	(4,422)	-	(4,422)
Net return/(loss) on ordinary activities after taxation for the year		49,185	224,171	273,356	42,537	(31,777)	10,760
Return/(loss) per ordinary share	8	11.30p	51.50p	62.80p	10.41p	(7.78p)	2.63p

The Company does not have any other comprehensive income. Accordingly, the net return/(loss) on ordinary activities after taxation for the year is also the total comprehensive income for the year 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.

On 26 September 2025, the Company combined assets with Henderson European Trust plc ("HET"), following a scheme of reconstruction. No other operations were acquired or discontinued during the year.

Statement of Changes in Equity

for the year ended 31 December 2025

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
Total shareholders' funds at 31 December 2024		10,411	58,615	5,414	1,440,810	47,879	1,563,129
Net return on ordinary activities after taxation for the year		-	-	-	224,171	49,185	273,356
New ordinary shares issued in respect of the transaction with HET	16	2,798	458,644	-	-	-	461,442
Expenses in respect of the transaction with HET		-	-	-	(406)	-	(406)
Repurchase of ordinary shares into Treasury	15	-	-	-	(38,097)	-	(38,097)
Dividends paid to shareholders	9	-	-	-	-	(38,194)	(38,194)
Total shareholders' funds at 31 December 2025		13,209	517,259	5,414	1,626,478	58,870	2,221,230
Total shareholders' funds at 31 December 2023		10,411	58,615	5,414	1,472,587	40,452	1,587,479
Net (loss)/return on ordinary activities after taxation for the year		-	-	-	(31,777)	42,537	10,760
Dividends paid to shareholders	9	-	-	-	-	(35,110)	(35,110)
Total shareholders' funds at 31 December 2024		10,411	58,615	5,414	1,440,810	47,879	1,563,129

Balance Sheet

as at 31 December 2025

Company number 2638812

	Notes	31 December 2025 £'000	31 December 2024 £'000
Fixed assets			
Investments	10	2,189,231	1,487,772
Current assets			
Derivative instruments	11	2,333	-
Debtors	12	11,316	9,506
Amounts held at futures clearing houses and brokers		2,814	10,078
Cash and cash equivalents		47,710	63,042
		64,173	82,626
Current liabilities			
Derivative instruments	11	-	(5,796)
Other creditors	13	(1,613)	(1,473)
		(1,613)	(7,269)
Net current assets		62,560	75,357
Non current liabilities			
Loan notes (unsecured)	14	(30,561)	-
		(30,561)	-
Net assets		2,221,230	1,563,129
Capital and reserves			
Share capital	15	13,209	10,411
Share premium account	16	517,259	58,615
Capital redemption reserve	16	5,414	5,414
Capital reserve	16	1,626,478	1,440,810
Revenue reserve	16	58,870	47,879
Total shareholders' funds		2,221,230	1,563,129
Net asset value per ordinary share	17	434.39p	382.44p

The Financial Statements on pages 59 to 82 were approved by the Board of Directors on 17 March 2026 and were signed on its behalf by:

Davina Walter
Chairman

The Notes on pages 62 to 82 form an integral part of these Financial Statements.



Notes to the Financial Statements

1 Principal Activity

Fidelity European Trust PLC is an Investment Company incorporated in England and Wales that is listed 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 Accounting Policies

The Company has prepared its Financial Statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council ("FRC"). The Financial Statements have also been 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. The Company is exempt from presenting a Cash Flow Statement as a Statement of Changes in Equity is presented and substantially all of the Company's investments are highly liquid and are carried at market value.

(a) Basis of accounting

The Financial Statements have been prepared on a going concern basis and under the historical cost convention, except for the measurement at fair value of investments and derivative instruments. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 March 2027 which is at least twelve months from the date of approval of these Financial Statements. In making their assessment the Directors have reviewed income and expense projections and the loan agreement, reviewed the liquidity of the investment portfolio, stress testing performed and considered the Company's ability to meet liabilities as they fall due. This conclusion also takes into account the Director's assessment of the risks faced by the Company as detailed in the Going Concern Statement on page 35.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as an emerging and a principal risk as set out on page 26, and have concluded that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. In line with FRS 102, investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the balance sheet date and therefore reflect the market participants view of climate change risk on the investments held by the Company.

The Company's Going Concern Statement in the Directors' Report on page 35 takes account of all events and conditions up to 31 March 2027 which is at least twelve months from the date of approval of these Financial Statements.

Issue of Ordinary Shares in respect of the transaction with Henderson European Trust plc ("HET")

On 29 September 2025, the Company issued new ordinary shares which were provided to shareholders of HET, in connection with the combination of the assets of the Company with the assets of HET.

The Directors have considered the substance of the assets and activities of HET in determining whether the acquisition represents the acquisition of a business. In this case, the acquisition is not considered to be an acquisition of a business, and therefore, has not been treated as a business combination. Rather, the cost to acquire the assets and liabilities of HET has been allocated between the acquired identifiable assets and liabilities based on their relative fair values on the acquisition date without attributing any amount to goodwill or to deferred taxes. Net assets transferred comprised investments, cash, loans, payables and HET contribution to the transaction. A total of £462,717,000 of assets were acquired as a result of the transaction with HET. This comprised: investments of £478,394,000, cash of £13,631,000, loan notes of -£30,522,000, payables of -£74,000 and a HET contribution to the transaction of £1,288,000.

Transaction costs of £892,000 in relation to the combination of HET have been recognised in the Income Statement in Note 10. Costs of £406,000 in relation to issuing new shares have been recognised in the Statement of Changes in Equity.

Fidelity has agreed to make a material contribution by means of a waiver of the management fees that would otherwise be payable, under the AIFM Agreement and the Investment Management Agreement, in respect of the net assets transferred by HET to the Company following the combination of assets for the 12 month period immediately following the effective date. Fidelity's total contribution was £2,537,000 allocated £634,000 against Revenue and £1,903,000 against Capital.

Since 26 September 2025, the base investment management fee has been charged at an annual rate of 0.70% (previously 0.85%) on the first £400 million of net assets, 0.65% (previously 0.65%) on net assets above £400 million and up to £1.4 billion, and 0.55% on net assets in excess of £1.4 billion. Fees are payable monthly in arrears and are calculated on a daily basis.

b) Significant accounting estimates and judgements

The Directors make judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The Company's Financial Statements contain no key sources of estimation or uncertainty.

2 Accounting Policies continued

c) Segmental reporting

The Company is engaged in a single segment business and, therefore, no segmental reporting is provided.

d) Presentation of the Income Statement

In order to better reflect the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement. The net revenue return/(loss) after taxation for the year is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1159 of the Corporation Tax Act 2010.

e) Income

Income from equity investments is accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. Overseas dividends are accounted for gross of any tax deducted at source. Amounts are credited to the revenue column of the Income Statement. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised in the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital column of the Income Statement. Special dividends are treated as a revenue receipt or a capital receipt depending on the facts and circumstances of each particular case.

Derivative instrument income received from dividends on long contracts for difference ("CFDs") is accounted for on the date on which the right to receive the payment is established, normally the ex-dividend date. The amount net of tax is credited to the revenue column of the Income Statement.

Interest received on CFDs, bank deposits, collateral and money market funds is accounted for on an accruals basis and credited to the revenue column of the Income Statement. Interest received on CFDs represent the finance costs calculated by reference to the notional value of the CFDs.

f) Investment management fees and other expenses

Investment management fees and other expenses are accounted for on an accruals basis and are charged as follows:

- The investment management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's portfolio of investments; and
- All other expenses are allocated in full to revenue with the exception of those directly attributable to share issues or other capital events.

g) Functional currency and foreign exchange

The functional and reporting currency of the Company is UK sterling, which is the currency of the primary economic environment in which the Company operates. Transactions denominated in foreign currencies are reported in UK sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Foreign exchange gains and losses arising on translation are recognised in the Income Statement as a revenue or a capital item depending on the nature of the underlying item to which they relate.

h) Finance costs

Finance costs comprises interest on the unsecured loans notes, overdrafts and finance costs paid on CFDs, which are accounted for on an accruals basis. Finance costs are allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital from the Company's portfolio of investments.

i) Taxation

The taxation charge represents the sum of current taxation and deferred taxation.

Current taxation is taxation suffered at source on overseas income less amounts recoverable under taxation treaties. Taxation is charged or credited to the revenue column of the Income Statement, except where it relates to items of a capital nature, in which case it is charged or credited to the capital column of the Income Statement. Where expenses are allocated between revenue and capital any tax relief in respect of the expenses is allocated between revenue and capital returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period. The Company is an approved Investment Trust under Section 1158 of the Corporation Tax Act 2010 and is not liable for UK taxation on capital gains.

Deferred taxation is the taxation expected to be payable or recoverable on timing differences between the treatment of certain items for accounting purposes and their treatment for the purposes of computing taxable profits. Deferred taxation is based on tax rates that have been enacted or substantively enacted when the taxation is expected to be payable or recoverable. Deferred tax assets are only recognised if it is considered more likely than not that there will be sufficient future taxable profits to utilise them.

Notes to the Financial Statements continued

2 Accounting Policies continued

j) Dividend paid

Dividends payable to equity shareholders are recognised when the Company's obligation to make payment is established.

k) Investments

The Company's business is investing in financial instruments with a view to profiting from their total return in the form of income and capital growth. This portfolio of investments is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided on that basis to the Company's Board of Directors. Investments are measured at fair value with changes in fair value recognised in profit or loss, in accordance with the provisions of both Section 11 and Section 12 of FRS 102. 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.

In accordance with the AIC SORP, the Company includes transaction costs, incidental to the purchase or sale of investments, within gains/(losses) on investments in the capital column of the Income Statement and has disclosed these costs in Note 10 on page 69.

l) Derivative instruments

When appropriate, permitted transactions in derivative instruments are used. Derivative transactions into which the Company may enter include long and short CFDs and futures. Derivatives are classified as other financial instruments and are initially accounted and measured at fair value on the date the derivative contract is entered into and subsequently measured at fair value as follows:

- Long and short CFDs – the difference between the strike price and the value of the underlying shares in the contract; and
- Futures – the difference between the contract price and the quoted trade price.

Where transactions are used to protect or enhance income, if the circumstances support this, the income and expenses derived are included in net income in the revenue column of the Income Statement. Where such transactions are used to protect or enhance capital, if the circumstances support this, the income and expenses derived are included in gains/(losses) on derivative instruments in the capital column of the Income Statement. Any positions on such transactions open at the year end are reflected on the Balance Sheet at their fair value within current assets or current liabilities.

m) Debtors

Debtors include accrued income, taxation recoverable and other debtors and prepayments incurred in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer) they are classified as current assets. If not, they are presented as non-current assets. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

n) Amounts held at futures clearing houses and brokers

These are amounts held in segregated accounts on behalf of brokers as collateral against open derivative contracts. These are carried at amortised cost.

o) Cash and cash equivalents

Cash and cash equivalents may comprise cash at bank and money market funds which are short-term, highly liquid and are readily convertible to a known amount of cash. These are subject to an insignificant risk of changes in value.

p) Loan notes (unsecured)

Loan notes are initially included in the Financial Statements at cost, being the fair value of the consideration received net of any issue costs relating to the borrowing. After initial recognition, the loans are measured at amortised cost using the effective interest rate method. The amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

q) Other creditors

Other creditors include amounts payable on investment management fees and other creditors and expenses accrued in the ordinary course of business. If payment is due within one year or less (or in the normal operating cycle of the business, if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities. They are recognised initially at fair value and, where applicable, subsequently measured at amortised cost using the effective interest rate method.

2 Accounting Policies continued

r) Capital reserve

The following are accounted for in the capital reserve:

- Gains and losses on the disposal of investments and derivative instruments;
- Changes in the fair value of investments and derivative instruments held at the year end;
- Foreign exchange gains and losses of a capital nature;
- 75% of investment management fees and finance costs;
- Dividends receivable which are capital in nature; and
- Cost of repurchasing shares.

Technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 02/17BL, guidance on the determination of realised profits and losses in the context of distributions under the Companies Act 2006, states that changes in the fair value of investments which are readily convertible to cash, without accepting adverse terms at the Balance Sheet date, can be treated as realised. Capital reserves realised and unrealised are shown in aggregate as capital reserve in the Statement of Changes in Equity and the Balance Sheet. At the Balance Sheet date, the portfolio of the Company consisted of investments listed on a recognised stock exchange and derivative instruments contracted with counterparties having an adequate credit rating, and the portfolio was considered to be readily convertible to cash.

3 Income

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Investment income		
Overseas dividends	50,142	42,870
UK dividends	2,182	1,654
Interest on securities	230	-
	52,554	44,524
Derivative income		
Income recognised from futures contracts	1,842	2,468
Dividends received on long CFDs	2,229	3,972
Interest received on CFDs	-	329
	4,071	6,769
Investment and derivative income	56,625	51,293
Other income		
Interest received on collateral, bank deposits and money market funds	993	2,323
Interest received on tax reclaims	-	54
	993	2,377
Total income	57,618	53,670

No special dividends have been recognised in capital during the year (2024: £1,271,000).

Notes to the Financial Statements continued

4 Investment Management Fees

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	3,052	9,156	12,208	2,878	8,634	11,512
Fee waived in respect of the transaction with HET	(634)	(1,903)	(2,537)	-	-	-
Total	2,418	7,253	9,671	2,878	8,634	11,512

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.

Fidelity has agreed to make a material contribution by means of a waiver of the management fees that would otherwise be payable, under the AIFM Agreement and the Investment Management Agreement, in respect of the net assets transferred by HET to the Company following the combination of assets for the 12 month period immediately following the effective date.

Since 26 September 2025, the base investment management fee has been charged at an annual rate of 0.70% (previously 0.85%) on the first £400 million of net assets, 0.65% (previously 0.65%) on net assets above £400 million and up to £1.4 billion, and 0.55% on net assets in excess of £1.4 billion. Fees are payable monthly in arrears and are calculated on a daily basis.

Investment management fees have been allocated 75% to capital reserve in accordance with the Company's accounting policies.

5 Other Expenses

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
AIC fees	25	24
Custody fees	100	90
Depositary fees	54	63
Directors' fees ¹	219	186
Legal and professional fees	79	120
Marketing expenses	214	221
Printing and publication expenses	182	191
Registrars' fees	104	91
Fees payable to the Company's Independent Auditor for the audit of the Financial Statements	72	50
Other expenses	30	27
	1,079	1,063

¹ Details of the breakdown of Directors' fees are disclosed in the Directors' Remuneration Report on page 44.

6 Finance Costs

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest paid on collateral, unsecured loan notes and overdrafts	79	236	315	15	43	58
Interest paid on CFDs	1,318	3,956	5,274	2,122	6,367	8,489
Costs recognised from futures contracts	374	1,122	1,496	633	1,899	2,532
	1,771	5,314	7,085	2,770	8,309	11,079

Finance costs have been allocated 75% to capital reserve in accordance with the Company's accounting policies. At the year end, interest payable on the unsecured loan notes amounted to £200,000 (2024: £nil).

7 Taxation on Return/(Loss) on Ordinary Activities

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
a) Analysis of the taxation charge for the year						
Overseas taxation	3,165	-	3,165	4,422	-	4,422
Taxation charge for the year (see Note 7b)	3,165	-	3,165	4,422	-	4,422

b) Factors affecting the taxation charge for the year

The taxation charge for the year is lower than the standard rate of UK corporation tax for an investment trust company of 25% (2024: 25%). A reconciliation of the standard rate of UK corporation tax to the taxation charge for the year is shown below:

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) on ordinary activities before taxation	52,350	224,171	276,521	46,959	(31,777)	15,182
Net return/(loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25% (2024: 25%)	13,088	56,043	69,131	11,740	(7,944)	3,796
Effects of:						
Capital (gains)/losses not taxable ¹	-	(59,185)	(59,185)	-	3,709	3,709
Income not taxable	(13,081)	-	(13,081)	(11,131)	-	(11,131)
Expenses not deductible	-	1,329	1,329	-	2,077	2,077
Excess management expenses	(7)	1,813	1,806	(609)	2,158	1,549
Overseas taxation	3,165	-	3,165	4,422	-	4,422
Total taxation charge for the year (see Note 7a)	3,165	-	3,165	4,422	-	4,422

¹ The Company is exempt from UK taxation on capital gains as it meets the HM Revenue & Customs criteria for an investment company set out in Section 1159 of the Corporation Tax Act 2010.

Notes to the Financial Statements continued

7 Taxation on Return/(Loss) on Ordinary Activities continued

c) Deferred taxation

A deferred tax asset of £20,482,000 (2024: £18,676,000), in respect of excess expenses of £76,426,000 (2024: £69,202,000) and excess loan interest of £5,505,000 (2024: £5,505,000), has not been recognised as it is unlikely that there will be sufficient future taxable profits to utilise these expenses.

8 Return/(Loss) per Ordinary Share

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue return per ordinary share	11.30p	10.41p
Capital return/(loss) per ordinary share	51.50p	(7.78p)
Total return per ordinary share	62.80p	2.63p

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

	£'000	£'000
Net revenue return on ordinary activities after taxation	49,185	42,537
Net capital return/(loss) on ordinary activities after taxation	224,171	(31,777)
Total return on ordinary activities after taxation	273,356	10,760

	Number	Number
Weighted average number of ordinary shares held outside of Treasury	435,250,229	408,730,523

9 Dividends Paid to Shareholders

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Dividends paid		
Interim dividend of 3.90 pence per ordinary share paid for the year ended 31 December 2025	15,714	-
Final dividend of 5.50 pence per ordinary share paid for the year ended 31 December 2024	22,480	-
Interim dividend of 3.60 pence per ordinary share paid for the year ended 31 December 2024	-	14,714
Final dividend of 4.99 pence per ordinary share paid for the year ended 31 December 2023	-	20,396
	38,194	35,110
Dividends proposed		
Final dividend of 6.00 pence per ordinary share proposed for the year ended 31 December 2025	30,548	-
Final dividend of 5.50 pence per ordinary share proposed for the year ended 31 December 2024	-	22,480
Total dividend proposed	30,548	22,480

9 Dividends Paid to Shareholders continued

The Directors have proposed the payment of a final dividend for the year ended 31 December 2025 of 6.00 pence per ordinary share which is subject to approval by shareholders at the Annual General Meeting on 12 May 2026 and has not been included as a liability in these Financial Statements. The dividend will be paid on 19 May 2026 to shareholders on the register at the close of business on 27 March 2026 (ex-dividend date 26 March 2026).

10 Investments

	31 December 2025 £'000	31 December 2024 £'000
Investments held at fair value	2,189,231	1,487,772
Opening book cost	1,005,206	943,460
Opening investment holding gains	482,566	575,415
Opening fair value	1,487,772	1,518,875
Movements in the year		
Purchases at cost	761,976	185,382
Assets acquired in respect of the transaction with HET ¹	478,394	-
Costs in respect to the transaction with HET ¹	892	-
Sales - proceeds	(747,034)	(169,184)
Gains/(losses) on investments	207,231	(47,301)
Closing fair value	2,189,231	1,487,772
Closing book cost	1,607,792	1,005,206
Closing investment holding gains	581,439	482,566
Closing fair value	2,189,231	1,487,772

¹ See Accounting Policy Note 2 (a) on page 62 for further details.

The Company received £747,034,000 (2024: £169,184,000) from investments sold in the year. The book cost of these investments when they were purchased was £637,784,000 (2024: £123,636,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Investment transaction costs

Transaction costs incurred in the acquisition and disposal of investments, which are included in the gains/(losses) on investments above, were as follows:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Purchases transaction costs	1,388	488
Sales transaction costs	176	70
	1,564	558

Notes to the Financial Statements continued

11 Derivative Instruments

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Gains on derivative instruments		
Gains on long CFD positions closed	20,597	41,187
Losses on short CFD positions closed	(6,325)	(8,418)
Gains on futures contracts closed	5,217	5,815
Movement in investment holding gains/(losses) on long CFDs	6,603	(2,246)
Movement in investment holding losses on short CFDs	-	(142)
Movement in investment holding gains/(losses) on futures	1,526	(773)
	27,618	35,423

	31 December 2025 Fair value £'000	31 December 2024 Fair value £'000
Derivative instruments recognised on the Balance Sheet		
Derivative instrument assets	2,333	-
Derivative instrument liabilities	-	(5,796)
	2,333	(5,796)

	31 December 2025		31 December 2024	
	Fair value £'000	Asset exposure £'000	Fair value £'000	Asset exposure £'000
At the year end the Company held the following derivative instruments				
Long CFDs	1,928	200,209	(4,675)	196,659
Long futures	405	47,039	(1,121)	54,743
	2,333	247,248	(5,796)	251,402

12 Debtors

	31 December 2025 £'000	31 December 2024 £'000
Accrued income	1,930	618
Taxation recoverable	9,014	8,807
Other debtors and prepayments	372	81
	11,316	9,506

13 Other Creditors

	31 December 2025 £'000	31 December 2024 £'000
Creditors and accruals	1,613	1,473

14 Loan notes (unsecured)

	31 December 2025 £'000	31 December 2024 £'000
1.53% unsecured loan notes 2047 (Euro)	21,829	-
1.66% unsecured loan notes 2052 (Euro)	8,732	-
	30,561	-

The Euro 25,000,000 1.53% unsecured loan notes 2047 were issued by HET on 31 January 2022 and are redeemable at par on 31 January 2047. They are shown on the balance sheet on the effective interest basis. HET issued the unsecured loan notes net of issuance costs totalling £124,000.

The Euro 10,000,000 1.66% unsecured loan notes 2052 were issued by HET on 31 January 2022 and are redeemable at par on 31 January 2052. They are shown on the balance sheet on the effective interest basis. HET issued the unsecured loan notes net of issuance costs totalling £50,000.

The issue costs for both series of loan notes are amortised over their respective terms. See Note 18 for more details on the estimate of the fair value of the unsecured loan notes.

Notes to the Financial Statements continued

15 Share Capital

	31 December 2025		31 December 2024	
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000
Issued, allotted and fully paid				
Ordinary shares of 2.5 pence each held outside of Treasury				
Beginning of the year	408,730,523	10,218	408,730,523	10,218
Ordinary shares repurchased into Treasury	(9,286,723)	(232)	-	-
New ordinary shares issued in respect of the transaction with HET	111,902,155	2,798	-	-
End of the year	511,345,955	12,784	408,730,523	10,218
Ordinary shares of 2.5 pence each held in Treasury¹				
Beginning of the year	7,717,387	193	7,717,387	193
Ordinary shares repurchased into Treasury	9,286,723	232	-	-
End of the year	17,004,110	425	7,717,387	193
Total share capital		13,209		10,411

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.

On 26 September 2025, the Company acquired £462.7 million of net assets from HET, in consideration for the issue of 111,902,155 new shares to HET shareholders as part of the combination of assets.

During the year, the Company repurchased 9,286,723 (2024: nil) ordinary shares and held them in Treasury. The cost of repurchasing these shares of £38,097,000 (2024: £nil) was charged to the Capital Reserve.

16 Capital and Reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
At 1 January 2025	10,411	58,615	5,414	1,440,810	47,879	1,563,129
Gains on investments (see Note 10)	-	-	-	207,231	-	207,231
Gains on derivative instruments (see Note 11)	-	-	-	27,618	-	27,618
Foreign exchange gains	-	-	-	1,889	-	1,889
Investment management fees (see Note 4)	-	-	-	(7,253)	-	(7,253)
Finance costs (see Note 6)	-	-	-	(5,314)	-	(5,314)
New ordinary shares issued in respect of the transaction with HET	2,798	458,644	-	-	-	461,442
Expenses in respect of the transaction with HET ¹	-	-	-	(406)	-	(406)
Repurchase of ordinary shares (see Note 15)	-	-	-	(38,097)	-	(38,097)
Revenue returns after taxation for the year	-	-	-	-	49,185	49,185
Dividends paid to shareholders (see Note 9)	-	-	-	-	(38,194)	(38,194)
At 31 December 2025	13,209	517,259	5,414	1,626,478	58,870	2,221,230

¹ See Accounting Policy Note 2 (a) on page 62 for further details.

At 1 January 2024	10,411	58,615	5,414	1,472,587	40,452	1,587,479
Losses on investments (see Note 10)	-	-	-	(47,301)	-	(47,301)
Gains on derivative instruments (see Note 11)	-	-	-	35,423	-	35,423
Foreign exchange losses	-	-	-	(2,956)	-	(2,956)
Investment management fees (see Note 4)	-	-	-	(8,634)	-	(8,634)
Finance costs (see Note 6)	-	-	-	(8,309)	-	(8,309)
Revenue return on ordinary activities after taxation for the year	-	-	-	-	42,537	42,537
Dividends paid to shareholders (see Note 9)	-	-	-	-	(35,110)	(35,110)
At 31 December 2024	10,411	58,615	5,414	1,440,810	47,879	1,563,129

The capital reserve balance at 31 December 2025 includes investment holding gains of £581,439,000 (2024: gains of £482,566,000) as detailed in Note 10. See Note 2 (r) for further details. The revenue and capital reserves are distributable by way of dividends.

Notes to the Financial Statements continued

17 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.

	31 December 2025	31 December 2024
Total shareholders' funds	£2,221,230,000	£1,563,129,000
Ordinary shares held outside of Treasury at year end	511,345,955	408,730,523
Net asset value per ordinary share	434.39p	382.44p

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.

18 Financial Instruments

Management of risk

The Company's investing activities in pursuit of its investment objective involve certain inherent risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Board with the assistance of the Manager, has developed a risk matrix which, as part of the internal control process, identifies the risks that the Company faces. Risks are identified and graded in this process, together with steps taken in mitigation, and are updated and reviewed on an ongoing basis. These risks and how they are identified, evaluated and managed are shown in the Strategic Report on pages 25 to 29.

This note refers to the identification, measurement and management of risks potentially affecting the value of financial instruments. The Company's financial instruments may comprise:

- Equity shares held in accordance with the Company's investment objective and policies;
- Derivative instruments which comprise CFDs and futures on equity indices;
- Cash, liquid resources and short-term debtors and creditors that arise from its operations; and
- Bank borrowings

The risks identified arising from the Company's financial instruments are market price risk (which comprises interest rate risk, foreign currency risk and other price risk), liquidity risk, counterparty risk, credit risk and derivative instrument risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies are consistent with those followed last year.

Market price risk

Interest rate risk

The Company finances its operations through its share capital and reserves. In addition, the Company has gearing through the use of derivative instruments and on unsecured fixed rate loan facilities of Euro 25m expiring on 31 January 2047 and Euro 10m expiring on 31 January 2052. The level of gearing is reviewed by the Board and the Lead Portfolio Manager.

18 Financial Instruments continued

Interest rate risk exposure

The values of the Company's financial instruments that are exposed to movements in interest rates are shown below:

	31 December 2025 £'000	31 December 2024 £'000
Exposure to financial instruments that bear interest		
Long CFDs – exposure less fair value	198,281	201,334
Unsecured loan notes	30,561	-
	228,842	201,334
Exposure to financial instruments that earn interest		
Amounts held at futures clearing houses and brokers	2,814	10,078
Cash and cash equivalents	47,710	63,042
	50,524	73,120
Net exposure to financial instruments that bear interest	178,318	128,214

Foreign currency risk

The Company's net return/(loss) on ordinary activities after taxation for the year and its net assets can be affected by foreign exchange rate movements because the Company has income, assets and liabilities which are denominated in currencies other than the Company's functional currency which is UK sterling. The Company can also be subject to short-term exposure from exchange rate movements, for example, between the date when an investment is purchased or sold and the date when settlement of the transaction occurs.

Three principal areas have been identified where foreign currency risk could impact the Company:

- Movements in exchange rates affecting the value of investments and derivative instruments;
- Movements in exchange rates affecting short-term timing differences; and
- Movements in exchange rates affecting income received.

Currency exposure of financial assets

The currency profile of the Company's financial assets is shown below:

Currency	31 December 2025				
	Investments held at fair value £'000	Long exposure to derivative instruments £'000	Debtors ¹ £'000	Cash and cash equivalents ² £'000	Total £'000
Euro	1,392,580	196,947	5,975	47,067	1,642,569
Swiss franc	483,482	-	4,103	-	487,585
Danish krone	66,619	-	316	60	66,995
Swedish krona	117,415	-	-	-	117,415
US dollar	-	50,301	-	-	50,301
Norwegian krone	37,683	-	-	-	37,683
UK sterling	91,452	-	3,736	583	95,771
	2,189,231	247,248	14,130	47,710	2,498,319

¹ Debtors include amounts held at futures clearing houses and brokers.

² Cash and cash equivalent are made up of £4,660,000 cash at bank and £43,050,000 held in Fidelity Institutional Liquidity Fund.

Notes to the Financial Statements continued

18 Financial Instruments continued

Currency	31 December 2024				
	Investments held at fair value £'000	Long exposure to derivative instruments £'000	Debtors ¹ £'000	Cash and cash equivalents ² £'000	Total £'000
Euro	917,732	213,759	4,309	63,042	1,198,842
Swiss franc	295,505	-	3,752	-	299,257
Danish krone	85,263	-	341	-	85,604
Swedish krona	92,286	-	-	-	92,286
US dollar	-	37,643	-	-	37,643
Norwegian krone	25,629	-	-	-	25,629
UK sterling	71,357	-	11,182	-	82,539
	1,487,772	251,402	19,584	63,042	1,821,800

¹ Debtors include amounts held at futures clearing houses and brokers.

² Cash and cash equivalent are made up of £3,460,000 cash at bank and £59,582,000 held in Fidelity Institutional Liquidity Fund.

Currency exposure of financial liabilities

The currency profile of the Company's financial liabilities is shown below:

Currency	31 December 2025		
	Unsecured loan notes £'000	Other creditors £'000	Total £'000
Euro	30,561	107	30,668
US dollar	-	87	87
UK sterling	-	1,419	1,419
	30,561	1,613	32,174

Currency	31 December 2024		
	Unsecured loan notes £'000	Other creditors £'000	Total £'000
Euro	-	200	200
US dollar	-	78	78
UK sterling	-	1,195	1,195
	-	1,473	1,473

Other price risk

Other price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Board meets quarterly to consider the asset allocation of the portfolio and the risk associated with particular industry sectors within the parameters of the investment objective. The Portfolio Managers are responsible for actively monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seek to ensure that individual stocks also meet an acceptable risk/reward profile.

18 Financial Instruments continued

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's assets mainly comprise readily realisable securities and derivative instruments which can be sold easily to meet funding commitments if necessary. Short-term flexibility is achieved by the use of a bank overdraft, if required. The Company has the current borrowing of Euro 25m expiring 31 January 2047 and Euro 10m expiring 31 January 2052.

Liquidity risk exposure

At 31 December 2025, contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	31 December 2025		
	Within one year £'000	More than one year £'000	Total £'000
Creditors and accruals	1,613	-	1,613
1.53% unsecured loan notes 2047 (Euro) ¹	334	21,829	22,163
1.66% unsecured loan notes 2052 (Euro) ¹	145	8,732	8,877
	2,092	30,561	32,653

¹ Acquired by the Company, as part of the combination with HET on 26 September 2025.

	31 December 2024		
	Within one year £'000	More than one year £'000	Total £'000
Derivative instruments	5,796	-	5,796
Creditors and accruals	1,473	-	1,473
	7,269	-	7,269

Counterparty risk

Certain derivative instruments in which the Company invests are not traded on an exchange but instead will be traded between counterparties based on contractual relationships, under the terms outlined in the International Swaps and Derivatives Association's ("ISDA") market standard derivative legal documentation. These are known as Over The Counter ("OTC") trades. As a result, the Company is subject to the risk that a counterparty may not perform its obligations under the related contract. In accordance with the risk management process which the Manager employs, this risk is minimised by only entering into transactions with counterparties which are believed to have an adequate credit rating at the time the transaction is entered into, by ensuring that formal legal agreements covering the terms of the contract are entered into in advance, and through adopting a counterparty risk framework which measures, monitors and manages counterparty risk by the use of internal and external credit agency ratings and by evaluating derivative instrument credit risk exposure

	31 December 2025		31 December 2024	
	Collateral received £'000	Collateral pledged £'000	Collateral received £'000	Collateral pledged £'000
J.P. Morgan Securities plc	1,600	-	-	5,025
UBS AG	-	2,814	50	5,053
	1,600	2,814	50	10,078

Notes to the Financial Statements continued

18 Financial Instruments continued

Credit risk

Financial instruments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or other financial difficulties. All transactions are carried out with brokers that have been approved by the Manager and are settled on a delivery versus payment basis. Limits are set on the amount that may be due from any one broker and are kept under review by the Manager. Exposure to credit risk arises on unsettled security transactions and derivative instrument contracts and cash at bank.

Derivative instrument risk

The risks and risk management processes which result from the use of derivative instruments, are set out in a documented Risk Management Process Document. Derivative instruments are used by the Manager for the following purposes:

- to gain unfunded long exposure to equity markets, sectors or single stocks. Unfunded exposure is exposure gained without an initial flow of capital; and
- to position short exposures in the Company's portfolio. These uncovered exposures benefit from falls in the prices of shares which the Portfolio Managers believe to be overvalued. These positions, therefore, distinguish themselves from other short exposures held for hedging purposes since they are expected to add risk to the portfolio.

RISK SENSITIVITY ANALYSIS

Interest rate risk sensitivity analysis

Based on the financial instruments held and interest rates at 31 December 2025, an increase of 1.00% in interest rates throughout the year, with all other variables held constant, would have decreased the net return on ordinary activities after taxation for the year and decreased the net assets of the Company by £1,478,000 (2024: increased the net loss and increase the net assets by £1,282,000). A decrease of 1.00% in interest rates throughout the year would have had an equal but opposite effect.

Foreign currency risk sensitivity analysis

Based on the financial instruments held and currency exchange rates at the Balance Sheet date, a 10% strengthening of the UK sterling exchange rate against foreign currencies, with all other variables held constant, would have decreased the Company's net return on ordinary activities after taxation for the year and decreased the Company's net assets (2024: decreased the net loss and decreased the net assets) by the following amounts:

Currency	31 December 2025 £'000	31 December 2024 £'000
Euro	146,536	108,967
Swiss franc	44,326	27,205
Swedish krona	10,674	8,390
Danish krone	6,090	7,782
US dollar	4,565	3,415
Norwegian krone	3,426	2,330
	215,617	158,089

18 Financial Instruments continued

Based on the financial instruments held and currency exchange rates at the Balance Sheet date, a 10% weakening of the UK sterling exchange rate against foreign currencies, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the Company's net assets (2024: increased the net loss and increased the net assets) by the following amounts:

Currency	31 December 2025 £'000	31 December 2024 £'000
Euro	179,100	133,182
Swiss franc	54,176	33,251
Swedish krona	13,046	10,254
Danish krone	7,444	9,512
US dollar	5,579	4,174
Norwegian krone	4,187	2,848
	263,532	193,221

Other price risk – exposure to investments sensitivity analysis

Based on the investments held and share prices at 31 December 2025, an increase of 10% in share prices, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £218,923,000 (2024: increased the net loss and increased the net assets by £148,777,000). A decrease of 10% in share prices would have had an equal and opposite effect.

Other price risk – net exposure to derivative instruments sensitivity analysis

Based on the derivative instruments held and share prices at 31 December 2025, an increase of 10% in the share prices underlying the derivative instruments, with all other variables held constant, would have increased the Company's net return on ordinary activities after taxation for the year and increased the net assets of the Company by £24,725,000 (2024: increased the net loss and increased the net assets by £25,140,000). A decrease of 10% in share prices of the investments underlying the derivative instruments would have had an equal and opposite effect.

Fair Value of Financial Assets and Liabilities

Financial assets and liabilities are stated in the Balance Sheet at values which are not materially different to their fair values. As explained in Notes 2 (k) and (l), investments and derivative instruments are shown at fair value. In the case of cash and cash equivalents, book value approximates to fair value due to the short maturity of the instruments. The exception are the Euro unsecured bank loans, their fair value having been calculated by discounting future cash flows at current Euro interest rates.

	31 December 2025	
	At fair value £'000	At amortised cost £'000
1.53% unsecured loan notes 2047 (Euro)	21,433	21,829
1.66% unsecured loan notes 2052 (Euro)	8,481	8,732
Total	29,914	30,561

The unsecured loan notes were acquired as a result of the transaction with HET.

In order to comply with fair value accounting disclosures only, the fair value of the unsecured loan notes has been estimated to be £29,914,000 (2024: £nil) and is categorised as Level 3 in the fair value hierarchy as described below. However, for the purpose of the daily NAV announcements, the unsecured loan notes are valued at par in the NAV because they are not traded and the Directors expect them to be held to maturity and, accordingly, the directors have assessed that this is the most appropriate value to be applied for this purpose.

Notes to the Financial Statements continued

18 Financial Instruments continued

The estimate of the fair value of each unsecured loan note is calculated by aggregating the discounted value of future cash flows, being the contractual interest payments and the repayment of capital at maturity as each note falls due. The discount rate used for each note is based on the yield of the reference instrument that was used in the pricing of each loan note plus the same credit spread applied at the issue. The net assets including the unsecured loan notes at fair value would have been £2,221,877,000 at 31 December 2025 (compared to £2,221,230,000 with the unsecured loan notes at par value), equivalent to a net asset value per ordinary share of 434.52p (compared to 434.39p with loan notes at par value).

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 explained in Notes 2 (k) and (l). The table below sets out the Company's fair value hierarchy.

	31 December 2025			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	2,189,231	-	-	2,189,231
Derivative instrument assets	405	1,928	-	2,333
	2,189,636	1,928	-	2,191,564
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	-	-	-	-
	31 December 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	1,487,772	-	-	1,487,772
Derivative instrument assets	-	-	-	-
	1,487,772	-	-	1,487,772
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(1,121)	(4,675)	-	(5,796)

18 Financial Instruments continued

In the event that the Company decided to pay back the loan notes earlier than the maturity date, the loan note agreements include certain clauses that may require additional payments to be made. These clauses are primarily to protect the lender from any losses suffered from early repayment. Such 'make-whole amounts' are based on any excess of the discounted value of the remaining scheduled payments over the life of the unsecured loan notes above the value of the principal. The make-whole amount cannot be less than zero. The directors have assessed that the likelihood of early repayment is considered to be highly unlikely to occur.

19 Capital Resources and Gearing

The Company does not have any externally imposed capital requirements. The financial resources of the Company comprise its share capital and reserves, as disclosed in the Balance Sheet on page 61, and any gearing, which is managed by the use of derivative instruments. Financial resources are managed in accordance with the Company's investment policy and in pursuit of its investment objective, both of which are detailed in the Strategic Report on page 23. The principal risks and their management are disclosed in the Strategic Report on pages 25 to 29 and in Note 18.

The Company's gross gearing and net gearing at the year end is set out below:

	31 December 2025			
	Gross gearing		Net gearing	
	Asset exposure £'000	% ¹	Asset exposure £'000	% ¹
Investments	2,189,231	98.6	2,189,231	98.6
Long CFDs	200,209	9.0	200,209	9.0
Long futures	47,039	2.1	47,039	2.1
Total long exposures	2,436,479	109.7	2,436,479	109.7
Gross asset exposure/net market exposure	2,436,479	109.7	2,436,479	109.7
Shareholders' funds	2,221,230		2,221,230	
Gearing²		9.7		9.7

1 Asset exposure to the market expressed as a percentage of shareholders' funds.

2 Gearing is the amount by which gross asset exposure/net market exposure exceeds shareholders' funds expressed as a percentage of shareholders' funds.

	31 December 2024			
	Gross gearing		Net gearing	
	Asset exposure £'000	% ¹	Asset exposure £'000	% ¹
Investments	1,487,772	95.2	1,487,772	95.2
Long CFDs	196,659	12.6	196,659	12.6
Long futures	54,743	3.5	54,743	3.5
Total long exposures	1,739,174	111.3	1,739,174	111.3
Gross asset exposure/net market exposure	1,739,174	111.3	1,739,174	111.3
Shareholders' funds	1,563,129		1,563,129	
Gearing²		11.3		11.3

1 Asset exposure to the market expressed as a percentage of shareholders' funds.

2 Gearing is the amount by which gross asset exposure/net market exposure exceeds shareholders' funds expressed as a percentage of shareholders' funds.

Notes to the Financial Statements continued

20 Transactions with the Managers 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 current fee arrangements are given in the Directors' Report on page 35. During the year, the following expenses were payable to FIL:

	31 December 2025	31 December 2024
	£'000	£'000
Management fees	12,208	11,512
Marketing services	214	221

At the Balance Sheet date, the following balances payable to FIL were accrued and included in other creditors:

	31 December 2025	31 December 2024
	£'000	£'000
Management fees	1,237	972
Marketing services	-	53

As at 31 December 2025, the Board consisted of seven non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company.

Disclosures of the Directors' interests in the ordinary shares of the Company and Directors' fees and taxable expenses relating to reasonable travel expenses paid to the Directors are given in the Directors' Remuneration Report on page 44 and page 46. In addition to the fees and taxable expenses disclosed in the Directors' Remuneration Report, £21,000 (2024: £20,000) of Employers' National Insurance Contributions was also paid by the Company. As at 31 December 2025, Directors' fees of £25,000 (2024: £22,000) were accrued and payable.

Alternative Performance Measures

The Company uses the following as Alternative Performance Measures and these are all defined in the Glossary of Terms on pages 93 to 95.

Discount/Premium

Details of the Company's discount are on the Financial Highlights page.

Gearing

See Note 19 on page 81 for details of the Company's gearing (both gross and net).

Net Asset Value ("NAV") per Ordinary Share

See the Balance Sheet on page 61 and Note 17 on page 74 for further details.

Ongoing Charges Ratio

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of management fees and other expenses expressed as a percentage of the average net assets throughout the year.

	31 December 2025	31 December 2024
Investment management fees (£'000)	12,208	11,512
Other expenses (£'000)	1,079	1,063
Ongoing charges (£'000)	13,287	12,575
Fee waivers in respect of the transaction with HET (£'000)	(2,537)	-
Ongoing charges ratio	0.73%	0.76%
Ongoing charges ratio including fee waivers	0.59%	0.76%

Revenue, Capital and Total Returns per Share

See the Income Statement on page 59 and Note 8 on page 68 for further details.

Total Return Performance

The NAV per ordinary share total return performance includes reinvestment of the dividend in the NAV of the Company on the ex-dividend date. The ordinary share price total return performance includes the reinvestment of the net dividend in the month that the share price goes ex-dividend.

The tables below provide information relating to the NAV per ordinary share and the ordinary share price of the Company, the impact of the dividend reinvestments and the total returns for the years ended 31 December 2025 and 31 December 2024.

	Net asset value per ordinary share	Ordinary share price
2025		
31 December 2024	382.44p	352.00p
31 December 2025	434.39p	416.50p
Change in year	+13.6%	+18.3%
Impact of dividend reinvestments	+2.6%	+2.8%
Total return for the year	+16.2%	+21.1%

Alternative Performance Measures continued

2024	Net asset value per ordinary share	Ordinary share price
31 December 2023	383.39p	360.00p
31 December 2024	382.44p	352.00p
Change in year	-1.5%	-2.2%
Impact of dividend reinvestments	+2.0%	+2.1%
Total return for the year	+0.5%	-0.1%

Financial Calendar

The key dates in the Company's calendar are:

31 December 2025 - Financial Year End
March 2026 - Announcement of the annual results for the year to 31 December 2025
March 2026 - Publication of this Report
26 March 2026 - Ex-Dividend date
27 March 2026 - Dividend Record date
12 May 2026 - Annual General Meeting
19 May 2026 - Payment of Final Dividend
30 June 2026 - Half-Year End
September 2026 - Announcement of the Half-Yearly results for the six months to 30 June 2026
September 2026 - Publication of the Half-Yearly Report
September 2026 - Ex-Dividend and Record dates
November 2026 - Payment of Interim Dividend

INFORMATION FOR SHAREHOLDERS

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Fidelity European Trust PLC will be held at 4 Cannon Street, London EC4M 5AB and virtually via the Lumi AGM meeting platform on Tuesday, 12 May 2026 at 11.00 am for the following purposes:

1. To receive and adopt the Annual Report and Financial Statements for the year ended 31 December 2025.
2. To declare that a final dividend for the year ended 31 December 2025 of 6.00 pence per ordinary share be paid to shareholders on the register as at close of business on 27 March 2026.
3. To elect Mrs Vicky Hastings as a Director.
4. To elect Mr Rutger Koopmans as a Director.
5. To re-elect Ms Fleur Meijs as a Director.
6. To re-elect Ms Milyae Park as a Director.
7. To re-elect Sir Ivan Rogers as a Director.
8. To re-elect Mrs Davina Walter as a Director.
9. To approve the Directors' Remuneration Report (excluding the section headed "The Remuneration Policy" set out on page 43) for the year ended 31 December 2025.
10. To approve the Directors' Remuneration Policy as stated in the Directors' Remuneration Report on page 43.
11. To appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company.
12. To authorise the Directors to determine the Auditor's remuneration.

To consider and, if thought fit, to pass the following special business resolutions of which Resolution 13 will be proposed as an ordinary resolution and Resolutions 14 and 15 will be proposed as special resolutions.

Authority to Allot Ordinary Shares and Disapply Pre-Emption Rights

Resolutions 13 and 14 will, if approved, authorise the Directors to allot a limited number of ordinary shares (or to sell any ordinary shares which the Company elects to hold in Treasury) for cash without first offering such shares to existing ordinary shareholders pro rata to their existing holdings. The limit set by the Board is 5% of the number of ordinary shares of the Company (including Treasury shares) in issue on 17 March 2026. The Directors will only issue new ordinary shares, or dispose of ordinary shares held in Treasury, under this authority to take advantage of opportunities in the market as they arise and only if they believe it is advantageous to the Company's shareholders to do so. Any ordinary shares held in Treasury would be re-issued at net asset value ("NAV") per ordinary share or at a premium to

NAV per ordinary share. This would ensure that the net effect of repurchasing and then re-issuing the ordinary shares would enhance NAV per ordinary share.

13. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company ("relevant securities") up to an aggregate nominal amount of £660,437 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company (including Treasury shares) as at 17 March 2026) and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with Treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authority to expire at the conclusion of the next Annual General Meeting ("AGM") of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired. All previous unexpired authorities are revoked, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
14. THAT, subject to the passing of Resolution 13, as set out above, the Directors be and they are hereby authorised, pursuant to Sections 570-573 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given by the said Resolution 13 and/or to sell ordinary shares held by the Company as Treasury shares for cash, as if Section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited:
 - a) to the allotment of equity securities or sale of Treasury shares up to an aggregate nominal amount of £660,437 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company (including Treasury shares) as at 17 March 2026); and
 - b) by the condition that allotments of equity securities or sales of Treasury shares may only be made pursuant to this authority at a price of not less than the NAV per ordinary share,

and this power shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this Resolution, whichever is the earlier, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority, and the Directors may allot equity securities in relation to such an offer or agreement as if the authority conferred by this Resolution had not expired.

Authority to Repurchase Shares

Resolution 15 is a special resolution which, if approved, will renew the Company's authority to purchase up to 14.99% of the number of ordinary shares in issue (excluding Treasury shares) on 17 March 2026, either for immediate cancellation or for retention as Treasury shares, at the determination of the Board. Once shares are held in Treasury, the Directors may only dispose of them in accordance with the relevant legislation by subsequently selling the shares for cash or cancelling the shares. Purchases of ordinary shares will be made at the discretion of the Directors and within guidelines set by them from time to time in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing NAV per ordinary share, thereby resulting in an increased NAV per ordinary share.

15. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 2.5 pence each (the "shares") in the capital of the Company provided that:
- a) the maximum number of shares hereby authorised to be purchased shall be 76,318,040;
 - b) the minimum price which may be paid for an ordinary share is 2.5 pence;
 - c) the maximum price (excluding expenses) which may be paid for each share is the higher of:
 - (i) 5% above the average of the middle market quotations for the shares as derived from the London Stock Exchange Official List for the five business days immediately preceding the date of purchase; and
 - (ii) the higher of the price of the last independent trade and the highest current independent purchase bid on the London Stock Exchange at the time the purchase is carried out;
 - d) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this resolution, whichever is earlier, unless such authority is renewed prior to such time; and
 - e) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract.

By Order of the Board
FIL Investments International
 Secretary
 17 March 2026

Notes to the Notice of Meeting:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. To appoint a proxy via the Investor Centre at <https://uk.investorcentre.mpms.mufig.com/>, you will need to log in to your Investor Centre account or register if you have not previously done so. Once you have setup your account you will need to add your shareholding by clicking 'Add Holding' in the 'Portfolio' section and following the on-screen instructions. You will require your Investor Code (IVC) to add your shareholding. You can find your IVC on your Form of Proxy, on your share certificate, or by contacting our Registrar, MUFG Corporate Markets. Alternatively, shareholders can vote via the Investor Centre app, which is a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's Registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.



Download on the
App Store



GET IT ON
Google Play

2. A Form of Proxy is enclosed and must be returned to the Registrar at the address on the form to arrive not later than 11:00 on Friday, 8 May 2026. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if they so wish.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company's Registrar, PXS 1, MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL not less than 48 hours before the time for holding the meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used (in each case excluding non-business days).
4. In the case of joint holders, the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.



Notice of Meeting continued

5. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 11:00 on Friday, 8 May 2026. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's Registrar no later than 11:00 on Friday, 8 May 2026.
6. Proximity Voting – If you are an institutional investor, you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to **www.proximity.io**. Your proxy must be lodged by no later than 11:00 on Friday, 8 May 2026 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process, you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
7. Unless otherwise indicated on the Form of Proxy, CREST voting, Proximity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
8. All members are entitled to attend and vote at the AGM and ask questions. The right to vote at the meeting will be determined by reference to the Register of Members as at close of business on Friday, 8 May 2026. Shareholders are urged to vote using the proxy form provided or electronically where permitted by your nominee or platform.
9. The Company is pleased to be able to offer facilities for shareholders to attend, ask questions and vote at the AGM electronically in real time should they wish to do so. The details are set out below.

In order to join the AGM electronically and to vote and ask questions via the platform, shareholders will need to connect to the following site **https://meetings.lumiconnect.com/100-968-191-255**. Lumi is available as a mobile web client, compatible

with the latest browser versions of Chrome, Firefox, Edge and Safari and can be accessed using any web browser on a tablet, smartphone or computer.

Once you have accessed **https://meetings.lumiconnect.com/100-968-191-255** from your device, you will be prompted to enter your unique 11 digit Investor Code ("IVC") including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate or as detailed on your proxy form. You can also obtain this by contacting MUFG Corporate Markets, our Registrar, by calling **+44 (0) 371 277 1020***

Access to the AGM will be available from **30 minutes before the meeting start time**, although the voting functionality will not be enabled until the Chairman of the meeting declares the poll open. During the AGM, you must ensure you are connected to the internet at all times in order to vote when Chairman commences polling on the Resolutions. Therefore, it is your responsibility to ensure connectivity for the duration of the AGM via your wi-fi. A user guide to the Lumi platform available on the Company's pages of the Manager's website at: **www.fidelity.co.uk/europe**.

If you wish to appoint a proxy other than the Chairman of the meeting and for them to attend the virtual meeting on your behalf, please submit your proxy appointment in the usual way before contacting MUFG Corporate Markets on **+44 (0) 371 277 1020*** in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting.

If your shares are held within a nominee/platform and you wish to attend the electronic meeting, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to MUFG Corporate Markets, the Registrar, as soon as possible and at least 72 hours (excluding non-business days) before the meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend the electronic meeting.

If you are unable to obtain a unique IVC and PIN from your nominee or platform, we will also welcome online participation as a guest. Once you have accessed **https://meetings.lumiconnect.com/100-968-191-255** from your web browser on a tablet or computer, you should then select the 'Guest Access' option before entering your name and who you are representing, if applicable. This will allow you to view the meeting and ask questions, but you will not be able to vote.

*Lines are open from 09:00 to 17:30. Monday to Friday, excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

10. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have

someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.

11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make separate notification to the Company and the Financial Conduct Authority.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the AGM (and for the purpose of determining the number of votes they may cast), members must be entered on the Register of Members by close of business on Friday, 8 May 2026. If the meeting is adjourned then, to be so entitled, members must be entered on the Register of Members by close of business on the day two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
13. As at the latest practicable date prior to the publication of this document, the Company's issued share capital consisted of 528,350,065 ordinary shares. The number of shares held by the Company in Treasury was 19,223,610. Therefore, the total number of shares with voting rights in the Company was 509,126,455.
14. Any corporation which is a member can appoint one or more corporate representative who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. Shareholders and any proxies or representatives they appoint understand that by attending the meeting they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the meeting.
16. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that is to be laid before the AGM or any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and Financial Statements were laid. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with such requests. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on its website.
17. No Director has a service contract with the Company.
18. A copy of this notice and other information required by Section 311A of the Companies Act 2006 is published on the Company's website at **www.fidelity.co.uk/europe**.

Registered office: Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Shareholder Information

Investing in Fidelity European Trust PLC

Fidelity European Trust PLC is a company listed on the London Stock Exchange and you can buy its shares through a platform, stockbroker, share shop or bank. Fidelity also offers a range of options, so that you can invest in the way that is best for you. Details of how to invest and the latest Key Information Document can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/europe.

CONTACT INFORMATION

Shareholders and Fidelity's Platform Investors should contact the appropriate administrator using the contact details given below and in the next column. Links to the websites of major platforms can be found online at: www.fidelity.co.uk/its.

Shareholders on the main share register

Contact MUFG Corporate Markets, Registrar to Fidelity European Trust PLC, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: shareholderenquiries@cm.mpms.mufg.com

Telephone: **+44 (0) 371 664 0300** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales).

Details of individual shareholdings and other information can also be obtained online from the Registrar's Investor Centre at <https://uk.investorcentre.mpms.mufg.com/>. Shareholders are able to manage their shareholding online by registering for the Investor Centre, a free and secure online access service. Facilities include:

Account Enquiry – Shareholders can access their personal shareholding, including share transaction history, dividend payment history and obtain an up-to-date shareholding valuation.

Amendment of Standing Data – Shareholders can change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download forms such as change of address, stock transfer and dividend mandates as well as buy and sell shares in the Company.

Should you have any queries in respect of the Investor Centre, contact the helpline on **+44 (0) 371 664 0300** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 – 17:30, Monday to Friday, excluding public holidays in England and Wales).

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity, PO Box 391, Tadworth KT20 9FU.

Website: www.fidelity.co.uk.

Private investors: call free on **0800 41 41 10**, 09:00 – 18:00, Monday to Saturday.

Financial advisers: call free on **0800 41 41 81**, 08:00 – 18:00, Monday to Friday.

General Enquiries

General enquiries should be made to the Secretary at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: **01737 836347**

Email: investmenttrusts@fil.com.

Website: www.fidelity.co.uk/its.

If you hold Fidelity European Trust PLC shares in an account provided by Fidelity International, you will receive a report every six months detailing all of your transactions and the value of your shares.

ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at www.sharegift.org.uk.

Managers and Advisers

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP

Investment Manager, Secretary and Registered Office

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP
Email: investmenttrusts@fil.com

Banker and Custodian

JPMorgan Chase Bank (London Branch)
125 London Wall
London
EC2Y 5AJ

Depository

J.P.Morgan Europe Limited
25 Bank Street
Canary Wharf
London
E14 5JP

Financial Adviser and Stockbroker

Winterflood Investment Trusts
Riverside House
2 Swan Lane
London
EC4R 3GA

Independent Auditor

Ernst & Young LLP (for the year ended 31 December 2025)
25 Churchill Place
London
E14 5EY

PricewaterhouseCoopers LLP
(for the financial year ending 31 December 2026)
7 More London Riverside
London
SE1 2RT

Lawyer

Simmons & Simmons LLP
1 Ropemaker Street
London
EC2Y 9SS

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Company Information

The Company was launched on 5 November 1991 with one warrant attached to every five shares. The original subscription price was £1 for each ordinary share of 25 pence each.

Following the sub-division of the ordinary shares on a ten for one basis on 2 June 2014, the Company's share capital now comprises ordinary shares of 2.5 pence each and the restated original subscription price is 10 pence for each ordinary share.

The Company is a member of the Association of Investment Companies ("AIC") from whom general information on investment trusts can be obtained by telephoning **020 7282 5555** (email: enquiries@theaic.co.uk).

Price Information

The share price of Fidelity European Trust PLC is published daily in the Financial Times under the heading "Investment Companies". It is also published in The Times and The Daily Telegraph. Price and performance information is also available at www.fidelity.co.uk/europe.

Investors can also obtain current price information by telephoning Fidelity for free on **0800 41 41 10** (freephone) or FT Cityline on **0905 817 1690** (voice activated service – calls charged at 60p per minute on a per second basis from a BT landline. Charges for other telephone networks may vary). The Reuters code for Fidelity European Trust PLC is FEV.L, the SEDOL is BK1PKQ9 and the ISIN is GB00BK1PKQ95.

Net Asset Value ("NAV") Information

The Company's NAV is calculated and released to the London Stock Exchange on a daily basis.

UK Capital Gains Tax

All UK individuals under present legislation are permitted to have £3,000 of capital gains in the current tax year 2025/2026 (2024/2025: £3,000) before being liable for capital gains tax. For the 2025/2026 tax year, capital gains tax will be charged at 18% and 24% dependent on the total amount of taxable income. For the 2024/2025 tax year, capital gains tax charge is 10% or 20% depending on the total amount of taxable income.

Data Protection

General Data Protection Regulation (“GDPR”)

What personal data is collected and how it is used

The Company is an investment trust which is a public limited company and has certain regulatory obligations such as the requirement to send documents to its Shareholders, for example, the Annual Report and other documents that relate to meetings of the Company. The Company will, therefore, collect Shareholders’ personal data such as names, addresses and identification numbers or investor codes, and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity’s Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer at Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company’s Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company website at <https://investment-trusts.fidelity.co.uk/security-privacy/>

The Company’s agreements with the third party service providers have been updated to be compliant with GDPR requirements. The Company confirms to its Shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders’ personal data across national borders to Fidelity Group entities operating in the European Economic Area (“EEA”). Where this does occur, the European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity group but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

Retention period

Personal data will be kept for as long as is necessary for these purposes and no longer than legally permitted to do so.

Requesting access, making changes to personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity’s UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally. In particular, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Glossary of Terms

AAF Report

A report prepared in accordance with the Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

AIC

The Association of Investment Companies (“AIC”). The Company is a member of the AIC.

AIF

Alternative Investment Fund (“AIF”). The Company is an AIF.

AIFM

Alternative Investment Fund Manager (“AIFM”). The Board has appointed FIL Investment Services (UK) Limited to act as the Company’s AIFM (the [Manager](#)).

AIFMD

The Alternative Investment Fund Managers Directive (“AIFMD”) is a European Union Directive implemented on 22 July 2014.

Alternative Performance Measures

The Company uses the following [Alternative Performance Measures](#) which are all defined in this Glossary of Terms:

- Discount/Premium;
- Gearing;
- Net Asset Value (NAV) per Ordinary Share;
- Ongoing Charges Ratio;
- Revenue, Capital and Total Returns; and
- Total Return Performance (Net Asset Value Total Return and Ordinary Share Price Total Return).

Asset Exposure

The value of an underlying security or instrument to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of [derivative](#)).

Benchmark Index

FTSE World Europe ex UK Index against which the performance of the Company is measured.

Capital Gains Tax (CGT)

The tax that may be payable if shares are sold at a profit.

Collateral

Assets provided as security for the unrealised gain or loss under a [contract for difference](#).

Contract For Difference (CFD)

A [contract for difference](#) is a derivative. It is a contract between the Company and an investment house at the end of which the parties exchange the difference between the opening price and the closing price of an underlying asset of the specified financial instrument. It does not involve the Company buying or selling the

underlying asset, only agreeing to receive or pay the movement in its share price. A [contract for difference](#) allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as collateral. The Company may reason that the asset price will rise, by buying (“long” position) or fall, by selling (“short” position). If the Company holds long positions, dividends are received and interest is paid. If the Company holds short positions, dividends are paid and interest is received.

Corporation Tax

The UK tax the Company may have to pay on its profits. As an investment trust company, the Company is exempt from UK [corporation tax](#) on its capital gains and does not pay tax on any UK dividends. It can also offset expenses against any taxable income, and consequently it is tax efficient for the Company.

Custodian

An entity that holds (as intermediary) the Company’s assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company’s [Custodian](#) is JPMorgan Chase Bank.

Depository

An entity that oversees the custody, cash arrangements and other [AIFM](#) responsibilities of the Company. The Company’s [Depository](#) is J.P.Morgan Europe Limited.

Derivatives

Financial instruments (such as [futures](#), [options](#) and [contracts for difference](#)) whose value is derived from the value of an underlying asset or other financial instrument.

Discount

If the share price of the Company is lower than the [net asset value per ordinary share](#), the Company’s shares are said to be trading at a [discount](#). The [discount](#) is shown as a percentage of the [net asset value per ordinary share](#).

Fair Value

The [fair value](#) is the best measure of the realisable value of the investments, including [derivatives](#), at a point in time and this is measured as:

- **Listed investments** – valued at bid prices or last market prices as available, otherwise at published price quotations;
- **Contracts for difference** – valued as the difference between the settlement price of the contract and the value of the underlying shares in the contract (unrealised gains or losses); and
- **Futures and options** – valued at the quoted trade price for the contract.

Fidelity International (Fidelity)

FIL Limited and its subsidiary group companies including FIL Investment Services (UK) Limited and FIL Investments International which act as AIFM, Secretary and Investment Manager.

Glossary of Terms continued

Future

An agreement to buy or sell a fixed amount of an asset at a fixed future date and a fixed price.

Gearing

The economic exposure of the portfolio to its underlying assets in excess of total net assets. It represents the additional exposure to the market above [Shareholders' Funds](#). The Company uses two measures of [gearing](#) ([Gross Gearing](#) and [Net Gearing](#)).

Gross Asset Exposure

The value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of the [derivatives](#). It is the sum total of all [Asset Exposures](#).

Gross Gearing

The amount by which [Gross Asset Exposure](#) exceeds [Shareholders' Funds](#), expressed as a percentage of [Shareholders' Funds](#).

Hedging

A strategy aimed at minimising or eliminating the risk or loss through adverse movements, normally involving taking a position in a [derivative](#) such as a [future](#) or an [option](#).

Investment Manager

FIL Investments International.

Manager

FIL Investment Services (UK) Limited is the appointed [Manager](#) under the [AIFMD](#). It has delegated the portfolio management of assets to the [Investment Manager](#).

Net Assets or Net Asset Value (NAV)

Also described as "[Shareholders' Funds](#)", [net assets](#) represent the total value of the Company's assets less the total value of its liabilities. For valuation purposes it is common to express the [net asset value](#) on a per ordinary share basis.

Net Asset Value per Ordinary Share

The [net asset value](#) divided by the number of ordinary shares in issue.

Net Gearing

The amount by which [Net Market Exposure](#) exceeds [Shareholders' Funds](#), expressed as a percentage of [Shareholders' Funds](#).

Net Market Exposure

[Net Market Exposure](#) is the total of all long exposures, less short exposures and less exposures [hedging](#) the portfolio.

Ongoing Charges Ratio

Total operating expenses (excluding finance costs and taxation) incurred by the Company as a percentage of the average daily [net asset values](#) for the reporting year.

Options

An [option](#) is a contract which gives the right but not the obligation to buy or sell the underlying asset at an agreed price on or before an agreed date. [Options](#) may be calls (buy) or puts (sell) and are used to gain or reduce exposure to the underlying asset on a conditional basis.

Portfolio Managers

Sam Morse and Marcel Stötzel are the [Portfolio Managers](#) of the Company and are responsible for managing the Company's assets.

Pre-Emption Rights

Section 561 of the Companies Act 2006 provides that a company offering a new issue of shares must first make an offer of these shares, on the same or more favourable terms, in proportion to the nominal value held to existing Shareholders. At each Annual General Meeting, the Board seeks Shareholder approval to disapply [pre-emption rights](#) provision, up to 5% of the Company's issued share capital.

Premium

If the share price of the Company is higher than the [net asset value per ordinary share](#), the Company's shares are said to be trading at a [premium](#). The [premium](#) is shown as a percentage of the [net asset value per ordinary share](#).

Registrar

An entity that manages the Company's Shareholder register. The Company's [Registrar](#) is MUFG Corporate Markets (name changed from Link Group on 20 January 2025).

Reserves

- **Share premium account** represents the amount by which the proceeds from the issue of ordinary shares has exceeded the cost of those ordinary shares. It is not distributable by way of dividends and it cannot be used to fund share repurchases.
- **Capital redemption reserve** maintains the equity share capital of the Company and represents the nominal value of shares repurchased and cancelled. It is not distributable by way of dividends and it cannot be used to fund share repurchases.
- **Capital reserve** represents realised gains or losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It can be used to fund share repurchases and issuance of shares from Treasury and it is distributable by way of dividends.
- **Revenue reserve** represents retained revenue surpluses recognised through the revenue column of the Income Statement. It is distributable by way of dividends.

Return

The [return](#) generated in a given period from investments:

- **Revenue return** reflects the dividends and interest from investments and other income, net of expenses, finance costs and taxation;
- **Capital return** reflects the return on capital, excluding any revenue return; and
- **Total return** reflects the aggregate of revenue and capital returns.

Shareholders' Funds

[Shareholders' funds](#) are also described as [net asset value](#) and represent the total value of the Company's assets less the total value of its liabilities as shown in the balance sheet.

Total Return Performance

The return on the ordinary share price or [net asset value per ordinary share](#) taking into account the rise and fall of share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional shares (for ordinary share price total return) or the Company's assets (for [net asset value](#) total return).

Treasury Shares

Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not pay dividends, have no voting rights and are excluded from the [net asset value per ordinary share](#) calculation.

Alternative Investment Fund Manager's Disclosure

In compliance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has appointed FIL Investment Services (UK) Limited ("FISL") as the Company's Alternative Investment Fund Manager ("AIFM"). FISL has delegated the portfolio management of assets and company secretarial function to FIL Investments International. Details of the Management Agreement can be found in the Directors' Report on page 35.

The table below and on the next page discloses information required by the Alternative Investment Fund Managers Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment management	<p>The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FIL Investments International.</p> <p>The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines.</p>	<p>Details of the Company's investment objective, strategy and investment policy, including limits, are on pages 23 and 24.</p>
Risk management	<p>The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management.</p> <p>The Company has a Risk Management Process Document which demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independent safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under the AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing.</p> <p>The Board, as part of UK corporate governance, remains responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.</p>	<p>The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 25 to 29 and in Note 18 to the Financial Statements on pages 74 to 81.</p>
Valuation of illiquid assets	<p>The AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company.</p>	<p>As at the date of this report, none of the Company's assets were subject to special arrangements arising from their illiquid nature.</p>

Function	AIFM Role and Responsibility	AIFMD Disclosure
Leverage	<p>The Company uses leverage to increase its exposure primarily to the stock markets of continental Europe and currently holds derivatives to achieve this. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times.</p> <p>There are two methods of calculating leverage - the Gross Method which does not reduce exposure for hedging; and the Commitment Method which does reduce exposure for hedging.</p>	<p>The maximum leverage limits are 1.80 for the Gross Method of calculating leverage and 1.50 for the Commitment Method.</p> <p>At 31 December 2025, actual leverage was 1.12 for the Gross Method and 1.12 for the Commitment Method.</p>
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually.	No new arrangements for managing the liquidity of the Company have been made. Further details can be found in Note 18 on page 77.
Remuneration of the AIFM	The AIFM operates under the terms of Fidelity International's Global Remuneration Policy. This ensures that the AIFM complies with the requirements of the FCA's Remuneration Code (SYSC19A); the AIFM Remuneration Code (SYSC19B) and the BIPRU Remuneration Code (SYSC19C).	Details of Fidelity International's Global Remuneration Policy can be found at www.fidelityinternational.com/global/remuneration/default.page

EU Securities Financing Transactions Regulations ("SFTR")

The following disclosures relate to contracts for difference ("CFDs") held by the Company which may be considered Total Return Swaps under the SFTR, which came into force on 12 January 2016.

As at 31 December 2025, all CFDs were contracted bilaterally with open maturities:

Broker	Fair Value £'000	Percentage of Net Assets	Collateral held by the broker £'000	Collateral held by the Company £'000
J.P.Morgan Securities plc (UK)	1,828	0.08%	1,600	-
UBS AG	100	0.00%	-	-

Collateral held by the broker was denominated in UK sterling and held in a segregated account on behalf of the Company with a maturity of one day. The total return for the year ended 31 December 2025 from CFDs was a gain of £38,420,000.

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Dear Shareholder,

Would you like updates directly from your Portfolio Managers?

As a valued shareholder in Fidelity European Trust PLC we are writing to let you know that you can now choose to have access to exclusive updates about your current investment and the five other investment companies Fidelity manage. While you may be tracking your investment online already, we believe the additional information we can send you, direct from your Portfolio Managers, is the best way to keep you updated with the latest news, views and insights.

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