

FIDELITY EUROPEAN TRUST PLC

Half-Yearly Results for the six months ended 30 June 2025 (unaudited)

Financial Highlights:

- The Board of Fidelity European Trust PLC (the “Company”) declares an interim dividend of 3.90 pence per share, an increase of 8.3% on the prior year.
- During the six months ended 30 June 2025, Fidelity European Trust PLC reported a total share price return of +16.7%, while the Benchmark Index, the FTSE World Europe ex UK, rose +14.3%.
- The Net Asset Value (NAV) return was +9.6% over the same timeframe.
- Banks and financials contributed positively to performance during the period, particularly Bankinter.
- Subject to shareholder approval, the proposed combination of Fidelity European Trust PLC and Henderson European Trust PLC will be effective on 26 September 2025.

Contacts

For further information, please contact:

Smita Amin
Company Secretary
01737 836347

CHAIRMAN’S STATEMENT

UPDATE ON COMBINATION WITH HENDERSON EUROPEAN TRUST PLC

On 19 June 2025, Fidelity European Trust PLC (the “Company”) announced a proposed Combination of assets with those of Henderson European Trust plc (“HET”) pursuant to a scheme of reconstruction and members’ voluntary liquidation of HET (the “Combination”).

As noted in the announcement there will be no changes to the existing investment objective or policy with the experienced and award-winning team of Sam Morse and Marcel Stötzel continuing as Portfolio Managers.

BENEFITS OF THE COMBINATION

The Board believes that, if implemented, the Combination will result in a number of benefits for both the Company’s and HET’s shareholders, as well as for future investors in the Combined Entity, including:

- **Unparalleled scale and enhanced profile:** The Combined Entity is anticipated to have net assets of circa £2.1 billion. As the flagship UK closed-ended vehicle for investment in Europe, the Combined Entity is expected to benefit from enhanced profile and marketability.
- **Lower tiered management fees:** Fidelity has agreed that, with effect from completion of the deal, the annual management fee payable by the Combined Entity will be reduced to: 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 up to and including £1.4 billion; and 0.55 per cent of net assets in excess of £1.4 billion (the “Revised Fee Arrangements”).¹ This is currently expected to result in a blended annual management fee rate for the Combined Entity of 0.63 per cent of net assets on completion of the Combination.
- **Lower ongoing charges ratio (“OCR”):** Owing to the Revised Fee Arrangements and the economies of scale of the Combined Entity, the Company’s OCR will reduce significantly, allowing it to achieve an illustrative OCR of 0.68%, representing a material improvement to the Company’s last reported OCR of 0.76% as at 31 December 2024.
- **Enhanced liquidity:** The scale of the Combined Entity, as the UK’s largest and most liquid European-focused investment trust, is also expected to further enhance secondary market liquidity for the Company’s shareholders (including in relation to its enhanced discount management policy as described further below).
- **Significant cost contribution from Fidelity:** Fidelity has agreed to make a material contribution towards the costs of the Proposals, equivalent to a waiver of 12 months of management fees that would otherwise be payable in respect of the net assets transferred to the Company from HET. This is expected to offset fully the direct transaction costs for the Company’s existing shareholders.

¹ The Company currently pays an annual management fee of 0.85 per cent of net assets up to and including £400 million and 0.65 per cent of net assets in excess of £400 million.

- **Enhanced discount management policy:** In the light of the Proposals, the Board has decided to enhance its discount management policy such that the Company will seek to maintain any discount to net asset value in mid-single digits in normal market conditions.

I am pleased to note that work to facilitate the combination is progressing smoothly. A Circular to the Company’s shareholders, providing further details of the proposals and notice of a general meeting to be held on 15 September 2025 to approve the Combination, and a Prospectus in respect of the issue of new shares in connection with the acquisition of assets from HET, was published on 21 August 2025 and is available on the Company’s website at **www.fidelity.co.uk/europe**.

It is intended that, following completion of the Combination, Vicky Hastings and Rutger Koopmans, both of whom are current HET Directors, will be appointed as non-executive Directors of the Company. The appointment of the prospective Directors, Vicky and Rutger, will ensure that there is representation on our Board for both the shareholders of HET (which was formerly Henderson European Focus Trust plc) and the former shareholders of Henderson EuroTrust plc (which combined with HET in 2024). I look forward to welcoming Vicky and Rutger to the Company’s Board and I am sure they will prove to be valuable additions.

The Board of the Company will therefore initially consist of seven Directors, comprising the five current Directors of the Company and two current HET Directors, all of whom will be non-executive and are independent of the AIFM and the Investment Manager. Following nine years of service, Paul Yates will retire from the Board at the next annual general meeting (“AGM”) of the Company, which is expected to be held in May 2026, and will not stand for re-election. Following the 2026 AGM, the number of Directors will reduce to six Directors.

I believe that the Combination with HET is a highly positive development for the Company with shareholders standing to benefit from lower charges, greater liquidity in the Company's shares, an enhanced discount management policy, and a higher profile that will contribute towards making it the “go to trust” for investing in Europe.

DAVINA WALTER
Chairman
3 September 2025

PORTFOLIO MANAGERS’ HALF-YEARLY REVIEW

PERFORMANCE REVIEW

During the first six months of the year the net asset value (“NAV”) total return was +9.6% compared to a total return of +14.3% for the FTSE World Europe ex UK Index which is the Company’s Benchmark Index. The share price total return was +16.7%, which is above the NAV total return because of a narrowing of the share price discount to NAV. (All figures in UK sterling.)

MARKET REVIEW

Continental European markets rose in the first half of this year, as concerns about possible tariffs on goods exported to the US, were more than offset by the anticipation of several positive drivers. Investors expected the European Central Bank (ECB), and other European central banks, to continue to lower interest rates as inflation waned. They also applauded the intention of the new German government to accelerate its domestic fiscal stimulus via substantial increases in defence spending and investment in infrastructure. Some investors also hoped that peace in Ukraine, orchestrated by the US, would take pressure off energy prices in Europe and provide a boost to the revenues of those European companies that might help in the reconstruction of the country.

This optimism regarding the future trajectory of European economic growth, and some concerns regarding the direction of US fiscal policy, also reignited the Euro which appreciated by almost 4% against UK sterling during the six month reporting period. So, in UK sterling terms, the continental European benchmark rose more than 14% with many of the constituent country markets hitting all-time highs – most notably Germany, given the above. This made continental European equities one of the better performing asset classes during the period, even outperforming US equities for the first time in many years.

Continental European markets have also witnessed a substantial change in leadership in the past few quarters with the banking sector very much in the vanguard, after many years of being in the doldrums, post the Global Financial Crisis (GFC). Many other “value” sectors have also turned around, driven by the factors mentioned above and a sense that a corner has been turned in terms of long-term bond yields (and therefore discount rates). More specifically, defence stocks have rocketed on the expectation of increased orders as European nations show more urgency to raise spending to align with higher NATO targets.

PORTFOLIO MANAGERS’ REPORT

The Company’s NAV total return lagged the Company's Benchmark over the six-month period. The gearing of the Company, given rising markets, was a positive contributor but this was more than offset by lacklustre stock-picking. Pleasingly, however, the discount narrowed significantly over the period, such that the share price rose more than the Benchmark.

Novo Nordisk was the main detractor from performance during the period. Its share price suffered a significant de-rating on lower-than-expected prescription growth in the US due to growing competition in the obesity indication from compounding (manufacture and sale of copycat drugs) companies and Eli Lilly. This was exacerbated by the unexpected departure of the CEO, who presumably paid the price for this poor execution in their main market. We now think that this is a very cheap stock, given its prospective dividend growth, and we expect an improved operating performance in the US obesity market, especially as the manufacture and sale of copycat drugs is no longer permitted.

Top Five Stock Contributors (on a relative basis)	Sector	Country	%
Bankinter	Financials	Spain	+0.7
ABN AMRO Bank	Financials	Netherlands	+0.6
Deutsche Börse Group	Financials	Germany	+0.4
Intesa Sanpaolo	Financials	Italy	+0.3
AXA	Financials	France	+0.3
=====			
Top Five Stock Detractors (on a relative basis)	Sector	Country	%
Novo Nordisk	Healthcare	Denmark	-0.9
Rheinmetall (not held)	Industrials	Germany	-0.6
Partners Group	Financials	Switzerland	-0.6
Puma	Consumer	Germany	-0.5
	Discretionary		

Assa Abloy	Industrials	Sweden	-0.5
			=====

Rheinmetall was also a significant detractor relative to the Benchmark Index as it is not held in the Company’s portfolio and, like other defence stocks, it had a meteoric rise during the quarter as investors expect it to benefit from the multi-year increase in defence spending in Germany. Our view is that this boon is now fully discounted in the share price, as it is for other defence stocks in Europe. Although we agree that these companies are likely to see strong turnover growth in the years ahead, we expect margins to be more restrained. The public and their governments will be keen that such companies are not profiteering at a time when other areas of government expenditure are under huge strain to fund increases in defence spending. The Company is very lightly positioned in the defence sector as these are not businesses that have traditionally met our key criteria, in terms of consistent cash generation and dividend growth. Our only exposure has been via MTU, the German engine component manufacturer whose main business is in civil, rather than military, aerospace.

Beyond defence, the Company’s lower exposure to German listed stocks versus the Benchmark was a drag on returns. The German DAX was boosted by the announcements on the removal of the fiscal debt break and ambitious infrastructure spending. However, the investment will take time to translate into revenue and profit benefits for German industrial companies, and we feel that the share price moves were overdone for the most part given the uncertainty around which companies will emerge as the ones whose earnings growth accelerates.

Positive contributions were dominated by financials and banks, in particular. Banks continued to be reappraised and rerated by investors on the back of better-than-expected earnings. It appears that the earnings they are now making on deposits will be stickier than anticipated thanks to structural hedges that have been constructed in recent years. Bankinter, the Company’s best performing bank during this period, is also benefiting from market share gains as other banks in Spain consolidate and merge with each other. The banking sector is one of those “value” sectors which has enjoyed a reappraisal in a more optimistic “risk-on” stock market environment. In general, it is not an environment that suits our more cautious investment approach, so we are not entirely surprised that the Company has lagged the Benchmark although we are disappointed to have underperformed by such a margin.

OUTLOOK

We believe that the stimulation of the European economy, initiated by the announcement of Germany’s fiscal stimulus package in March 2025, could have a positive impact on the region, particularly as the risk of a trade war with the US threatens to severely impact the region’s goods exports. While the impact from tariffs will still be felt, and the full details of such tariffs (and the outcome of any negotiations in respect thereof) remain uncertain, it is encouraging that Europe is putting some self-help measures in place. However, the fiscal impact will take time to impact the real economy and the fiscal stimulus initiatives will not be implemented all at once, particularly in the areas targeted by the German government’s spending plans.

Following the year-to-date rally in European stock markets, the valuation multiples of European quoted companies compared to US quoted companies are no longer at historic lows. However, generally, such European companies still trade on a valuation discount relative to their US counterparts and there is still some way to go before they return to historic median levels. Noting that some well-known cyclical European businesses have traded at higher valuation levels recently on expectations of earnings improvement, ‘hot money’ chasing this theme could become impatient if these improvements take time to come through.

Whilst there are positive signs, we acknowledge that Europe’s economic growth remains under pressure and therefore cautiously await a cyclical upswing in the region. Falling inflation and lower interest rates could additionally boost corporate capital expenditure and lift consumer confidence.

SAM MORSE
Portfolio Manager

MARCEL STÖTZEL
Co-Portfolio Manager
3 September 2025

TWENTY LARGEST HOLDINGS AS AT 30 JUNE 2025

The Asset Exposures shown below 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 £’000	% ¹	Fair Value £’000
Long Exposures – shares unless otherwise stated			
ASML			
Technology Hardware and Equipment	94,588	5.6	94,588
Roche			
Pharmaceuticals and Biotechnology	87,182	5.2	87,182
SAP (shares and long CFD)			
Software and Computer Services	86,652	5.1	25,798
Nestlé			
Food Producers	71,527	4.2	71,527
Novo Nordisk			
Pharmaceuticals and Biotechnology	67,350	4.0	67,350
TotalEnergies			
Oil, Gas and Coal	67,238	4.0	67,238
L’Oréal			
Personal Goods	62,748	3.7	62,748

Legrand (shares and long CFD)			
Electronic and Electrical Equipment	58,573	3.5	23,600
Deutsche Börse Group			
Investment Banking and Brokerage Services	52,386	3.1	52,386
AXA			
Non-Life Insurance	51,740	3.1	51,740
Intesa Sanpaolo			
Banks	49,604	2.9	49,604
Assa Abloy			
Construction and Materials	48,930	2.9	48,930
3i Group			
Investment Banking and Brokerage Services	48,905	2.9	48,905
Kone			
Industrial Engineering	48,672	2.9	48,672
EssilorLuxottica			
Medical Equipment and Services	47,146	2.8	47,146
Sampo			
Non-Life Insurance	45,772	2.7	45,772
KBC Group			
Banks	45,080	2.7	45,080
Richemont			
Personal Goods	42,458	2.5	42,458
Amadeus IT Group			
Software and Computer Services	42,029	2.5	42,029
Linde (long CFD)			
Chemicals	41,796	2.4	183
	-----	-----	-----
Twenty largest long exposures	1,160,376	68.7	1,022,936
Other long exposures	647,376	38.4	615,958
	-----	-----	-----
Total long exposures before long futures^{2,3}	1,807,752	107.1	1,638,894
	=====	=====	=====
Long Futures			
EURO STOXX 50 Future September 2025 ³	51,040	3.0	(252)
	-----	-----	-----
Gross Asset Exposure^{3,4}	1,858,792	110.1	
	=====	=====	
Portfolio Fair Value⁵			1,638,642
Net current assets (excluding derivative assets and liabilities)			49,102

Shareholders' Funds (per Balance Sheet below)			1,687,744
			=====

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

2
Total long exposures before long futures comprises investments of £1,638,710,000 and long CFDs of £169,042,000.

3
See Note 13 below.

4
Gross Asset Exposure comprises market exposure to investments of £1,638,710,000 plus market exposure to all derivative instruments of £220,082,000. Derivative instruments comprise long CFDs of £169,042,000 and long futures of £51,040,000.

5
Portfolio Fair Value comprises investments of £1,638,710,000 plus derivative assets of £1,198,000 less derivative liabilities of £1,266,000 (per the Balance Sheet below).

INTERIM MANAGEMENT REPORT

INTERIM DIVIDEND

As part of their investment process, the Portfolio Managers focus on companies that are capable of growing their dividends over time. The Board does not impose any income objective in any particular period, recognising that both capital and income growth are components of performance, as reflected in the investment objective of the Company. The Board does, however, have a policy whereby it seeks to pay a progressive dividend in normal circumstances, paid twice yearly 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 good years, thereby building up revenue reserves that can then be used to supplement dividends during challenging times.

The Company’s revenue return for the six months to 30 June 2025 was 8.84 pence per ordinary share (30 June 2024: 8.38 pence). The Board has declared an interim dividend of 3.90 pence per ordinary share which is an increase of 8.3% on the 3.60 pence per ordinary share paid as the interim dividend in 2024. This will be paid on 23 October 2025 to shareholders on the register at close of business on 12 September 2025 (ex-dividend date 11 September 2025).

Shareholders may choose to reinvest their dividends for additional shares in the Company.

DISCOUNT MANAGEMENT AND TREASURY SHARES

The Board has an active discount management policy, the primary purpose of which is to reduce discount volatility. The Board also closely monitors the liquidity of the Company’s shares as a potential lack of natural buyers in the investment sector may put pressure on discount levels. The policy seeks to maintain the discount in single digits in normal market circumstances. Following the completion of the proposed combination with Henderson European Trust plc, the Company’s discount management policy will also be enhanced and the Board will seek to maintain the discount to net asset value in mid-single digits in normal market conditions. Buying back shares at a discount also results in an enhancement to the NAV per ordinary share.

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 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.

Despite an environment of wide discounts across the investment trust industry, the Company’s discount has remained in single digits throughout the reporting period. In order to narrow the discount down even further, the Company repurchased 500,000 ordinary shares into Treasury in the reporting period. A further 3,700,000 ordinary shares have been repurchased into Treasury since the end of the reporting period and up to the latest practicable date of this report.

PRINCIPAL AND EMERGING RISKS

The Board, with the assistance of the Manager (FIL Investment Services (UK) Limited), 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 faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company continue to fall into the following categories: geopolitical, economic and market; investment performance (including the use of derivatives and gearing); legislation, taxation and regulatory; marketplace and competition; cybercrime and information security; business continuity; key person and operational support; discount control; and environmental, social and governance (ESG) risks. Information on each of these risks is given on pages 24 to 27 in the Strategic Report section of the Annual Report for the year ended 31 December 2024, a copy of which can be found on the Company’s pages of the Manager’s website at **www.fidelity.co.uk/europe**.

The principal risks and uncertainties remain the same as those at the last year end, but the magnitude of their uncertainty continues to change. There continues to be geopolitical tensions and economic and market events. The fast-changing global geopolitical landscape is largely shaped by the ongoing armed conflicts effects, deglobalisation trends, increasing tariffs and significant supply disruption, as well as concerns around global growth and uncertainties on effects of changes in monetary policies, recession amid inflationary pressures and financial distress. Russia and the Middle East are both significant net exporters of oil, natural gas and a variety of soft commodities and supply limitations have fuelled global inflation and economic instability, specifically within Western nations. Broader geopolitical themes include the US-China trade war, the South China sea dispute affecting shipping routes, the implications of China-Taiwan relations and escalation of North and South Korea tensions. The Board and the Manager remain vigilant in monitoring such risks.

In recent months, there has been increased concerns around investment cost disclosure and its impact on the industry. There is a risk that the FCA’s proposed Consumer Composite Investment (CCI) regime may make investment companies more complex for investors to understand and increase the regulatory burden imposed on the sector if it proceeds with some of the proposals as drafted.

The environment in which the Company operates continues to undergo change, which may affect the Company’s ability to grow and maintain its business. This change includes the increasing presence of alternative investment offerings, as well as industry consolidation, which could influence the demand for investment trusts. The Board, the Manager, and the Company’s Broker closely monitor industry activity and the peer group and actively manage supply and demand through its discount policies and mechanisms. In addition, an annual strategy review is undertaken by the Board to ensure that the Company continues to offer a relevant product to shareholders.

Climate change continues to be a key principal risk confronting asset managers and their investors. Globally, climate change effects are already being experienced in the form of a changing pattern of weather events. Climate change can potentially impact the operations of investee companies, their supply chains and their customers. Additional risks may also arise from increased regulations, costs and net-zero programmes which can all impact investment returns. The Board notes that the Manager has integrated ESG considerations into the Company’s investment process. The Board will continue to monitor how this may impact the Company as a risk on investment valuations and potentially affect shareholder returns.

The Board and the Manager are also monitoring the emerging risks and rewards posed by the rapid advancement of artificial intelligence (“AI”) and technology and how this may threaten the Company’s activities and its potential impact on the portfolio and investee companies. AI can provide asset managers with 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 computer power that will impact society, there are risks from its increasing use and manipulation with the potential to harm, including a heightened threat to cybersecurity.

Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long-term investment. Risks are mitigated by the investment trust structure of the Company which means that the Portfolio Managers are not required to trade to meet investor redemptions. Therefore, investments in the Company’s portfolio can be held over a longer-time horizon.

The Manager has appropriate business continuity and operational resilience plans in place to ensure the continued provision of services. This includes investment team key activities, including those of portfolio managers, analysts and trading/support functions. The Manager reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations, assess its ability to continue operating and the steps it needs to take to serve and support its clients, including the Board.

The Company’s other third-party service providers also have similar measures in place to ensure that business disruption is kept to a minimum.

TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

The Manager has delegated the Company’s portfolio management and company secretariat services to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 14 to the Financial Statements below.

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, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and can continue in operational existence for a period of at least twelve months from the date of this Half-Yearly Report.

This conclusion also takes into account the Board’s assessment of the ongoing risks as outlined above.

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

Continuation votes are held every two years and the next continuation vote will be put to shareholders at the Annual General Meeting in 2027.

BY ORDER OF THE BOARD
FIL INVESTMENTS INTERNATIONAL
3 September 2025

DIRECTORS’ RESPONSIBILITY STATEMENT

The Disclosure and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the Financial Reporting Council’s Standard FRS 104: Interim Financial Reporting; and
- the Chairman’s Statement and the Portfolio Manager’s Review and the Interim Management Report above include a fair review of the information required by DTR 4.2.7R and 4.2.8R.

In line with previous years, the Half-Yearly Report has not been audited or reviewed by the Company’s Independent Auditor.

The Half-Yearly Report was approved by the Board on 3 September 2025 and the above responsibility statement was signed on its behalf by Davina Walter, Chairman.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June 2025			Six months ended 30 June 2024			Year ended 31 December 2024		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on investments		–	86,503	86,503	–	76,095	76,095	–	(47,301)	(47,301)
Gains on derivative instruments		–	31,371	31,371	–	21,012	21,012	–	35,423	35,423
Income	4	41,327	–	41,327	41,081	–	41,081	53,670	–	53,670
Investment management fees	5	(1,446)	(4,337)	(5,783)	(1,437)	(4,311)	(5,748)	(2,878)	(8,634)	(11,512)
Other expenses		(494)	–	(494)	(521)	–	(521)	(1,063)	–	(1,063)
Foreign exchange gains/(losses)		–	2,158	2,158	–	(1,577)	(1,577)	–	(2,956)	(2,956)
		-----	-----	-----	-----	-----	-----	-----	-----	-----
Net return/(loss) on ordinary activities before finance costs and taxation		39,387	115,695	155,082	39,123	91,219	130,342	49,729	(23,468)	26,261
Finance costs	6	(956)	(2,870)	(3,826)	(1,488)	(4,463)	(5,951)	(2,770)	(8,309)	(11,079)
		-----	-----	-----	-----	-----	-----	-----	-----	-----
Net return/(loss) on ordinary activities before taxation		38,431	112,825	151,256	37,635	86,756	124,391	46,959	(31,777)	15,182
Taxation on return/(loss) on ordinary activities	7	(2,330)	–	(2,330)	(3,391)	–	(3,391)	(4,422)	–	(4,422)
		-----	-----	-----	-----	-----	-----	-----	-----	-----
Net return/(loss) on ordinary activities after taxation for the period		36,101	112,825	148,926	34,244	86,756	121,000	42,537	(31,777)	10,760
		=====	=====	=====	=====	=====	=====	=====	=====	=====
Return/(loss) per ordinary share	8	8.84p	27.62p	36.46p	8.38p	21.22p	29.60p	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 period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

No operations were acquired or discontinued in the period and all items in the above statement derive from continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total shareholders' funds £'000
	Notes						
Six months ended 30 June 2025 (unaudited)							
Total shareholders' funds at 31 December 2024		10,411	58,615	5,414	1,440,810	47,879	1,563,129
Repurchase of ordinary shares into Treasury	11	–	–	–	(1,831)	–	(1,831)
Net return on ordinary activities after taxation for the period		–	–	–	112,825	36,101	148,926
Dividend paid to shareholders	9	–	–	–	–	(22,480)	(22,480)
		-----	-----	-----	-----	-----	-----
Total shareholders' funds at 30 June 2025		10,411	58,615	5,414	1,551,804	61,500	1,687,744
		=====	=====	=====	=====	=====	=====
Six months ended 30 June 2024 (unaudited)							
Total shareholders' funds at 31 December 2023		10,411	58,615	5,414	1,472,587	40,452	1,587,479
Net return on ordinary activities after taxation for the period		–	–	–	86,756	34,244	121,000
Dividend paid to shareholders	9	–	–	–	–	(20,396)	(20,396)
		-----	-----	-----	-----	-----	-----
Total shareholders' funds at 30 June 2024		10,411	58,615	5,414	1,559,343	54,300	1,688,083
		=====	=====	=====	=====	=====	=====
Year ended 31 December 2024 (audited)							
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 30 JUNE 2025
Company Number 2638812

		30 June 2025 unaudited £'000	31 December 2024 audited £'000	30 June 2024 unaudited £'000
	Notes			
Fixed assets				
Investments	10	1,638,710	1,487,772	1,626,177
		-----	-----	-----
Current assets				
Derivative instruments	10	1,198	–	5,348
Debtors		13,604	9,506	13,404
Amounts held at futures clearing houses and brokers		3,708	10,078	4,545
Cash and cash equivalents		33,148	63,042	42,633
		-----	-----	-----
		51,658	82,626	65,930
		=====	=====	=====
Current liabilities				
Derivative instruments	10	(1,266)	(5,796)	(2,615)
Other creditors		(1,358)	(1,473)	(1,409)
		-----	-----	-----
		(2,624)	(7,269)	(4,024)
		=====	=====	=====
Net current assets		49,034	75,357	61,906
		=====	=====	=====

Net assets		1,687,744	1,563,129	1,688,083
		=====	=====	=====
Capital and reserves				
Share capital	11	10,411	10,411	10,411
Share premium account		58,615	58,615	58,615
Capital redemption reserve		5,414	5,414	5,414
Capital reserve		1,551,804	1,440,810	1,559,343
Revenue reserve		61,500	47,879	54,300
		-----	-----	-----
Total shareholders' funds		1,687,744	1,563,129	1,688,083
		=====	=====	=====
Net asset value per ordinary share	12	413.43p	382.44p	413.01p
		=====	=====	=====

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 PUBLICATION OF NON-STATUTORY ACCOUNTS

The Financial Statements in this Half-Yearly Report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 ("the Act"). The financial information for the year ended 31 December 2024 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 ACCOUNTING POLICIES

(i) Basis of Preparation

The Company prepares its Financial Statements on a going concern basis and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council. The Financial Statements are also prepared in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC") in July 2022. FRS 104: Interim Financial Reporting has also been applied in preparing this condensed set of Financial Statements. The accounting policies followed are consistent with those disclosed in the Company's Annual Report and Financial Statements for the year ended 31 December 2024.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Board's assessment of the risks faced by the Company as detailed in the Interim Management Report above.

4 INCOME

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Investment income			
Overseas dividends	36,792	33,375	42,870
UK dividends	1,228	957	1,654
	-----	-----	-----
	38,020	34,332	44,524
	=====	=====	=====
Derivative income			
Income recognised from futures contracts	1,174	1,659	2,468
Dividends received on long CFDs	1,614	3,536	3,972
Interest received on CFDs	—	180	329
	-----	-----	-----
	2,788	5,375	6,769
	=====	=====	=====
Investment and derivative income	40,808	39,707	51,293
	=====	=====	=====

Other interest			
Interest received on bank deposits, collateral and money market funds	519	1,342	2,323
Interest received on tax reclaims	–	32	54
	-----	-----	-----
	519	1,374	2,377
	=====	=====	=====
Total income	41,327	41,081	53,670
	=====	=====	=====

Special dividends of £nil have been recognised in capital during the period (six months ended 30 June 2024: £nil and year ended 31 December 2024: £1,271,000).

5 INVESTMENT MANAGEMENT FEES

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 June 2025 (unaudited)			
Investment management fees	1,446	4,337	5,783
	-----	-----	-----
Six months ended 30 June 2024 (unaudited)			
Investment management fees	1,437	4,311	5,748
	-----	-----	-----
Year ended 31 December 2024 (audited)			
Investment management fees	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.

FII charges investment management fees at an annual rate of 0.85% of net assets up to £400 million and 0.65% of net assets in excess of £400 million. 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.

6 FINANCE COSTS

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 June 2025 (unaudited)			
Interest paid on bank deposits and collateral	32	98	130
Interest paid on CFDs	664	1,993	2,657
Costs recognised from futures contracts	260	779	1,039
	-----	-----	-----
	956	2,870	3,826
	=====	=====	=====
Six months ended 30 June 2024 (unaudited)			
Interest paid on bank deposits and collateral	7	22	29
Interest paid on CFDs	1,145	3,435	4,580
Costs recognised from futures contracts	336	1,006	1,342
	-----	-----	-----
	1,488	4,463	5,951
	=====	=====	=====
Year ended 31 December 2024 (audited)			
Interest paid on bank deposits and collateral	15	43	58
Interest paid on CFDs	2,122	6,367	8,489
Costs recognised from futures contracts	633	1,899	2,532
	-----	-----	-----
	2,770	8,309	11,079
	=====	=====	=====

Finance costs have been allocated 75% to Capital reserve in accordance with the Company’s accounting policies.

7 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Overseas taxation	2,330	3,391	4,422
	=====	=====	=====

8 RETURN/(LOSS) PER ORDINARY SHARE

	Six months ended 30.06.25 unaudited	Six months ended 30.06.24 unaudited	Year ended 31.12.24 audited
Revenue return per ordinary share	8.84p	8.38p	10.41p
Capital return/(loss) per ordinary share	27.62p	21.22p	(7.78p)
	-----	-----	-----
Total return per ordinary share	36.46p	29.60p	2.63p
	=====	=====	=====

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

	£'000	£'000	£'000
Net revenue return on ordinary activities after taxation	36,101	34,244	42,537
Net capital return/(loss) on ordinary activities after taxation	112,825	86,756	(31,777)
	-----	-----	-----
Net total return on ordinary activities after taxation	148,926	121,000	10,760
	=====	=====	=====
	Number	Number	Number
Weighted average number of ordinary shares held outside Treasury during the period	408,505,385	408,730,523	408,730,523
	=====	=====	=====

9 DIVIDENDS PAID TO SHAREHOLDERS

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
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	20,396
	-----	-----	-----
	22,480	20,396	35,110
	=====	=====	=====

The Company has declared an interim dividend for the six month period to 30 June 2025 of 3.90 pence per ordinary share (2024: 3.60 pence). The interim dividend will be paid on 23 October 2025 to shareholders on the register at close of business on 12 September 2025 (ex-dividend date 11 September 2025). The total cost of this interim dividend, which has not been included as a liability in these Financial Statements, is £15,777,000 (2024: £14,714,000). This amount is based on the number of ordinary shares held outside Treasury at the date of this report.

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
30 June 2025 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	1,638,710	–	–	1,638,710
Derivative instrument assets	–	1,198	–	1,198
	-----	-----	-----	-----
	1,638,710	1,198	–	1,639,908
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(252)	(1,014)	–	(1,266)
	=====	=====	=====	=====
31 December 2024 (audited)				
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)
	=====	=====	=====	=====
30 June 2024 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	1,626,177	–	–	1,626,177
Derivative instrument assets	531	4,817	–	5,348
	-----	-----	-----	-----
	1,626,708	4,817	–	1,631,525
	=====	=====	=====	=====
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(2,615)	–	(2,615)
	=====	=====	=====	=====

11 SHARE CAPITAL

	30 June 2025 unaudited		31 December 2024 audited		30 June 2024 unaudited	
	Number of shares	Nominal value £'000	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 period	408,730,523	10,218	408,730,523	10,218	408,730,523	10,218
Ordinary shares repurchased into Treasury	(500,000)	(13)	–	–	–	–
	-----	-----	-----	-----	-----	-----
End of the period	408,230,523	10,205	408,730,523	10,218	408,730,523	10,218
	=====	=====	=====	=====	=====	=====
Ordinary shares of 2.5 pence each held in Treasury¹						
Beginning of the period	7,717,387	193	7,717,387	193	7,717,387	193

Ordinary shares repurchased into Treasury	500,000	13	–	–	–	–
	-----	-----	-----	-----	-----	-----
End of the period	8,217,387	206	7,717,387	193	7,717,387	193
	=====	=====	=====	=====	=====	=====
Total share capital		10,411		10,411		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.

During the period, the Company repurchased 500,000 (year ended 31 December 2024 and six months ended 30 June 2024: nil) ordinary shares into Treasury. The cost of repurchasing these shares of £1,831,000 (year ended 31 December 2024 and six months ended 30 June 2024: £nil) was charged to the Capital reserve.

12 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.

	30.06.25	31.12.24	30.06.24
	unaudited	audited	unaudited
Total shareholders’ funds	£1,687,744,000	£1,563,129,000	£1,688,083,000
Ordinary shares held outside of Treasury at the period end	408,230,523	408,730,523	408,730,523
Net asset value per ordinary share	413.43p	382.44p	413.01p
	=====	=====	=====

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.

13 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 above, 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.

The Company’s gross gearing and net gearing at the end of the period is shown below:

	Gross gearing		Net gearing	
	Asset exposure		Asset exposure	
	£'000	% ¹	£'000	% ¹
30 June 2025 (unaudited)				
Investments	1,638,710	97.1	1,638,710	97.1
Long CFDs	169,042	10.0	169,042	10.0
Long futures	51,040	3.0	51,040	3.0
	-----	-----	-----	-----
Total long exposures	1,858,792	110.1	1,858,792	110.1
Short CFDs	–	–	–	–
	-----	-----	-----	-----
Gross asset exposure/net market exposure	1,858,792	110.1	1,858,792	110.1
	=====	=====	=====	=====
Shareholders’ funds	1,687,744		1,687,744	
	=====		=====	
Gearing²		10.1		10.1
		=====		=====
31 December 2024 (audited)				
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
Short CFDs	–	–	–	–
	-----	-----	-----	-----
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
		=====		=====
30 June 2024 (unaudited)				
Investments	1,626,177	96.3	1,626,177	96.3
Long CFDs	179,614	10.7	179,614	10.7
Long futures	69,923	4.1	69,923	4.1
	-----	-----	-----	-----
Total long exposures	1,875,714	111.1	1,875,714	111.1
Short CFDs	12,990	0.8	(12,990)	(0.8)
	-----	-----	-----	-----
Gross asset exposure/net market exposure	1,888,704	111.9	1,862,724	110.3
	=====	=====	=====	=====
Shareholders' funds	1,688,083		1,688,083	
	=====		=====	
Gearing²		11.9		10.3
		=====		=====

- 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.

14 TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

FIL Investment Services (UK) Limited is the Company’s Alternative Investment Fund Manager and has delegated portfolio management and the role of company secretary to FIL Investments International (“FIL”). Both companies are Fidelity group companies.

During the period, the Company had the following transactions payable to FIL:

	Six months ended 30.06.25 unaudited £'000	Six months ended 30.06.24 unaudited £'000	Year ended 31.12.24 audited £'000
Portfolio management services	5,783	5,748	11,512
Marketing services	124	116	221
	=====	=====	=====

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

	Six months ended 30.06.25 unaudited £'000	Year ended 31.12.24 audited £'000	Six months ended 30.06.24 unaudited £'000
Portfolio management services	1,004	972	970
Marketing services	39	53	55
	=====	=====	=====

As at 30 June 2025, the Board consisted of five non-executive Directors (shown in the Directory in the Half-Yearly Report), all of whom are considered to be independent by the Board. None of the Directors have a service contract with the Company.

The annual fee structure from 1 January 2025 is as follows:

	2025 £'000
Chairman	50,000
Senior Independent Director	36,500
Chair of the Audit Committee	39,000
Director	32,500
	=====

As at 30 June 2025, the Directors and their connected persons, held the following ordinary shares in the Company:

	Six months
	ended
	30.06.25
	unaudited
Fleur Meijs	28,970
Milyae Park	12,300
Sir Ivan Rogers	8,749
Davina Walter	60,067
Paul Yates	32,000
	=====

The financial information contained in this Half-Yearly Results Announcement does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 30 June 2025 and 30 June 2024 has not been audited or reviewed by the Company’s Independent Auditor.

The information for the year ended 31 December 2024 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies, unless otherwise stated. The report of the Auditor on those financial statements contained no qualification or statement under sections 498(2) or (3) of the Companies Act 2006.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

A copy of the Half-Yearly Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM

The Half-Yearly Report will also be available on the Company's website at www.fidelity.co.uk/europe where up to date information on the Company, including daily NAV and share prices, factsheets and other information can also be found.