

**THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice from your stockbroker, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom, without delay.**

This document comprises a prospectus (the "**Prospectus**") relating to Fidelity European Trust PLC (the "**Company**" or "**FEV**"), in connection with the issue of Shares in the Company (the "**New Shares**") pursuant to a scheme of reconstruction and members' voluntary winding up of Henderson European Trust plc ("**HET**") under section 110 of the Insolvency Act 1986 (the "**Scheme**"), prepared in accordance with the UK version of the EU Prospectus Regulation ((EU) 2017/1129) which is part of UK law by virtue of the European Union Withdrawal Act 2018, as amended and supplemented from time to time, including, but not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and the Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (the "**UK Prospectus Regulation**") and the prospectus regulation rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA (the "**Prospectus Regulation Rules**").

This Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of this Prospectus. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the Shares. This Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at the Company's website ([www.fidelity.co.uk/Europe](http://www.fidelity.co.uk/Europe)).

Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Proposals become effective, it is expected that Admission will become effective, and dealings in the New Shares will commence, on 29 September 2025.

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## **FIDELITY EUROPEAN TRUST PLC**

*(Incorporated in England and Wales with registered number 02638812 and registered as an investment company under section 833 of the Companies Act 2006)*

### **Prospectus relating to the Issue of New Shares pursuant to a scheme of reconstruction and members' voluntary winding up of Henderson European Trust plc under section 110 of the Insolvency Act 1986**

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The Directors and the Prospective Directors of the Company, whose names appear on page 36 of this Prospectus, and the Company each accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors, the Prospective Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

FIL Investment Services (UK) Limited (the "**AIFM**") and FIL Investments International (the "**Investment Manager**" or the "**Company Secretary**" as the context may require), respectively, each accept responsibility for the information and opinions contained in this Prospectus relating to them and all statements made by them. In particular, the AIFM and the Investment Manager each accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading "*Risks relating to the investment policy*" in the Risk Factors section of this Prospectus; (b) paragraph 9 (*Net Asset Value Calculations and Valuation Policy*) of Part 1 (*Fidelity European Trust PLC*) of this Prospectus; (c) Part 2 (*Market Outlook, Investment Strategy and Investment Portfolio*) of this Prospectus; (d) paragraphs 2.1 (*Managerial arrangements*) and 2.2 (*Company secretarial and administration arrangements*) of Part 3 (*Directors, management and administration of the Company*) of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates. To the best of the knowledge of the AIFM and the Investment Manager, as applicable, the information contained in this Prospectus for which they are responsible is in accordance with the facts and those parts of this Prospectus for which they are responsible make no omission likely to affect their import.

Dickson Minto Advisers LLP ("**Dickson Minto Advisers**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as sponsor and financial adviser to the Company only and for no one else in connection with the Issue, the Scheme and the other arrangements referred to in this Prospectus. Dickson Minto Advisers will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, the Scheme and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Scheme, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. This does not exclude any responsibilities that Dickson Minto Advisers may have under FSMA or the regulatory regime established thereunder.

Apart from the liabilities and responsibilities (if any) which may be imposed on Dickson Minto Advisers by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Dickson Minto Advisers, its affiliates, officers, members, employees and agents make no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme, the Shares or any transaction or arrangement referred to in this Prospectus. Dickson Minto Advisers, its affiliates, officers, members, employees and agents accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability (save as referred to above), whether arising in tort, contract or otherwise, which it or they might otherwise have in respect of this Prospectus or any such statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme, the Shares or any transaction or arrangement referred to in this Prospectus.

Dickson Minto Advisers and its affiliates may have engaged in transactions with, and provided various financial advisory and other services to, the Company and/or the AIFM and/or the Investment Manager for which they would have received customary fees. Dickson Minto Advisers and its affiliates may provide such services to the Company and/or the AIFM and/or the Investment Manager and any of their respective affiliates in the future.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of New Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for, New Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. **Prospective investors should also consider the risk factors relating to the Company set out on pages 12 to 26 of this Prospectus.**

**THE NEW SHARES IN FIDELITY EUROPEAN TRUST PLC ARE ONLY AVAILABLE TO ELIGIBLE HET SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING FEV SHAREHOLDERS (SAVE TO THE EXTENT AN EXISTING FEV SHAREHOLDER IS ALSO AN ELIGIBLE HET SHAREHOLDER) OR TO THE PUBLIC.**

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or Dickson Minto Advisers.

The distribution of this Prospectus and the offer of the New Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken, nor will any action be taken, by the Company or Dickson Minto Advisers that would permit an offer of the New Shares or possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the New Shares) in any jurisdiction where action for that purpose is or may be required, or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the New Shares) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Company, the AIFM, the Investment Manager, Dickson Minto Advisers or any of their respective affiliates or advisers, accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

The New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons that are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and “qualified purchasers” as defined in the US Investment Company Act (“**Qualified Purchasers**”), pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have validly executed a US Investor Representation Letter, which can be requested from the HET Receiving Agent (via its Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050) and returned such letter to the Company in accordance with the instructions thereon.

In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “**U.S. persons**” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from the registration requirements of the US Securities Act and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

This Prospectus does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

Neither the US Securities and Exchange Commission (the “**SEC**”) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the New Shares, please refer to the section titled “Excluded HET Shareholders” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

**Prospective investors should read this entire Prospectus and, in particular, the section titled “Risk Factors” beginning on page 12 when considering an investment in the Company.**

21 August 2025

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## SUMMARY

### INTRODUCTION AND WARNINGS

#### 1. INTRODUCTION

This Prospectus relates to the issue of ordinary shares of 2.5 pence each (the **"New Shares"**) in the capital of Fidelity European Trust PLC (the **"Company"**) in connection with a scheme of reconstruction and members' voluntary winding up of Henderson European Trust plc (**"HET"**) under section 110 of the Insolvency Act 1986 (the **"Scheme"**). The ISIN of the New Shares is GB00BK1PKQ95 and the SEDOL is BK1PKQ9. The LEI of the Company is 549300UC0QPP7Y0W8056 and its registered office is at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP (Tel: +44 (0)1732 361144).

This Prospectus was approved by the Financial Conduct Authority (the **"FCA"**) in the United Kingdom on 21 August 2025. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: +44 (0)20 7066 1000).

#### Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.

It should be remembered that the price of the New Shares, and the income from such New Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

#### 2. KEY INFORMATION ON THE ISSUER

##### 2.1. Who is the issuer of the securities?

The Company was incorporated and registered in England and Wales on 16 August 1991 as a public company limited by shares with registered number 02638812. The Company is an investment company under section 833 of the Companies Act. The Company's LEI number is 549300UC0QPP7Y0W8056. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

The Company is a closed-ended investment company and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act. 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 Company has appointed FIL Investment Services (UK) Limited (the **"AIFM"**) as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The AIFM has delegated portfolio management services to FIL Investments International (the **"Investment Manager"** or the **"Company Secretary"** as the context may require).

The Company does not have a fixed life. However, under the Articles, Shareholders have the opportunity to vote on the continuation of the Company as an investment trust at every second AGM (a **"Continuation Vote"**). The next Continuation Vote will be held at the AGM to be held in 2027.

The Directors of the Company are as follows:

- Davina Walter (*Chairman*);
- Fleur Meijs;
- Milyae Park;
- Sir Ivan Rogers; and
- Paul Yates.

It is intended that, following completion of the Scheme, Victoria (Vicky) Hastings and Rutger Koopmans (both current HET Directors) (the **"Prospective Directors"**) will be appointed as non-executive Directors of the Company. 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, with Davina Walter as Chairman, Paul Yates as Senior Independent Director and Fleur Meijs as Chair of the Audit Committee. The appointment of the Prospective Directors ensures representation on the Company's 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).

Following nine years of service, Paul Yates has advised the Company that he intends to retire from the Board at the next annual general meeting of the Company, which is expected to be held in May 2026, and will not stand for re-election.

All the Directors are, and the Prospective Directors will be, non-executive and are independent of the AIFM and the Investment Manager.

The below table sets out the persons who have notified the Company of an interest which represents three per cent. or more of the voting share capital of the Company, based on the information available to the Company as at 18 August 2025 (being the latest practicable date prior to the publication of this Prospectus):

Shareholder	Number of Shares	Percentage of issued Share capital (excluding Shares held in treasury) (%)
Fidelity Platform Investors	57,131,049	14.10
Quilter Cheviot Investment Management	32,469,233	8.01
Evelyn Partners	29,741,108	7.34
Hargreaves Lansdown	26,694,920	6.59
Interactive Investor	24,687,240	6.09
Rathbones	24,284,771	5.99
Allspring Global Investors	16,845,521	4.16
Craigs Investment Partners	16,395,380	4.05
RBC Brewin Dolphin	14,975,198	3.70

As at close of business on 18 August 2025, being the latest practicable date prior to the publication of this Prospectus, none of the Company, the Directors or the Prospective Directors are aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company, or of any arrangement the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder.

The Company's statutory auditor is Ernst & Young LLP of 25 Churchill Place, London E14 5EY.

## 2.2. What is the key financial information regarding the issuer?

### ***Selected historical financial information***

Selected audited financial information relating to the Company which summarises the financial condition of the Company for the financial years ended 31 December 2024 and 31 December 2023 is set out in the following tables.

### ***Income statement for closed-ended funds (in respect of the Company)***

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
Gains/(losses) on investments	-	(47,301)	(47,301)	-	165,905	165,905
Gains/(losses) on derivative instruments	-	35,423	35,423	-	50,441	50,441
Income	53,670	-	53,670	47,221	-	47,221
Investment management fees	(2,878)	(8,634)	(11,512)	(2,625)	(7,877)	(10,502)
Other expenses	(1,063)	-	(1,063)	(967)	-	(967)
Foreign exchange gains/(losses)	-	(2,956)	(2,956)	-	(1,464)	(1,464)
<b>Net return/(loss) before finance costs and taxation</b>	<b>49,729</b>	<b>(23,468)</b>	<b>26,261</b>	<b>43,629</b>	<b>207,005</b>	<b>250,634</b>
Finance costs	(2,770)	(8,309)	(11,079)	(2,138)	(6,414)	(8,552)
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>46,959</b>	<b>(31,777)</b>	<b>15,182</b>	<b>41,491</b>	<b>200,591</b>	<b>242,082</b>
Taxation on return/(loss) on ordinary activities	(4,422)	-	(4,422)	(3,390)	-	(3,390)
<b>Net profit/(loss) on ordinary activities after taxation for the year</b>	<b>42,537</b>	<b>(31,777)</b>	<b>10,760</b>	<b>38,101</b>	<b>200,591</b>	<b>238,692</b>
<b>Return/(loss) per Share</b>	<b>10.41p</b>	<b>(7.78)p</b>	<b>2.63p</b>	<b>9.32p</b>	<b>49.08p</b>	<b>58.40p</b>



**Balance sheet for closed-ended funds (in respect of the Company)**

Nature of Information	Year ended 31 December 2024	Year ended 31 December 2023
<b>Net Asset Value (£'000)</b>	1,563,129	1,587,479
<b>Shareholders' funds (£'000)</b>	1,563,129	1,587,479
<b>Net Asset Value per Share (basic and diluted) (p)</b>	382.44	388.39

**Selected pro forma financial information**

Neither *pro forma* financial information nor any qualified audit report has been included in this Prospectus.

**Additional information relevant to closed-ended funds (in respect of the Company)**

The data set out in the table below is as at the date of the latest published unaudited Net Asset Value of the Company as at the latest practicable date, being 18 August 2025.

Share Class	NAV (unaudited) (£'000)	No. of Shares (excluding treasury Shares) in issue	NAV per Share (unaudited) (p)
Ordinary	1,683,653	405,214,246	415.5

**2.3. What are the key risks that are specific to the issuer?**

The following are brief descriptions of what the Directors and the Prospective Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company:

*Risks relating to the Company*

- The Company has no employees and the Directors have been (and the Prospective Directors will be) appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers (and their delegates) for its executive functions and is exposed to the risk that misconduct by employees of those service providers and/or their delegates, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or applicable law or regulation, any reputational damage suffered by any service provider and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns to Shareholders.

*Risks relating to the investment policy*

- There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment. There can be no assurance that the Investment Manager will continue to be successful when pursuing the Company's investment objective and policy or that they will be able to invest the Company's assets on attractive terms, generate any investment returns, pay a dividend or avoid investment losses, potentially resulting in negative returns for Shareholders.
- The Company is exposed to certain trade tariff and geopolitical risks associated with pursuing an investment policy predicated on investing in securities issued by companies in continental Europe that trade globally. In particular, there are ongoing trade tensions between the United States and, among others, both the European Union and a number of individual European countries. Any escalation of these tensions, or the escalation of similar tensions between the United States and other countries in which Portfolio companies operate, could adversely affect the performance of the securities in which the Company invests and, accordingly, the value of the Portfolio. Other external factors, including those resulting from war or conflict (including, the war in Ukraine, related geopolitical tensions in Europe and the conflicts in the Middle East), tensions between nations, incidents of terrorism, major environmental events, pandemics, or responses to such events could also have an adverse effect on the value of the Portfolio, the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.
- The Company's investments are subject to the risk of changes in both European and global market prices, market volatility and/or macroeconomic factors (including currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances and uncertainties). Any such changes could have an adverse effect on the value of the Portfolio, the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.
- The Company's investments are concentrated in a single region which exposes the Company to the fluctuations of a limited geographical market, adverse events associated with the single region and fewer currencies.

- There can be no guarantee that the Company will maintain its current dividend level, maintain its policy of paying a progressive dividend or pay any dividend at all. Any inability to pay target dividend amounts to Shareholders or to maintain a progressive dividend policy is likely to have an adverse effect on the liquidity and market value of the Shares.
- The Company is exposed to currency and foreign exchange risk as a result of holding investments denominated in currencies other than Sterling, such as Euros. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. Exchange rates could therefore reduce investment gains or income, or increase investment losses, in some cases significantly. The Company will also be exposed to foreign exchange risk as a result of any non-Sterling borrowings (including as a result of the Proposed Novation of the HET Loan Notes if this becomes effective) and, in addition, there is further foreign exchange risk where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets.
- The Company (i) uses Contracts for Difference; (ii) will (subject to the Proposed Novation becoming effective) issue privately placed fixed rate loan notes; and (iii) may, in the future, use further bank or other long-term borrowings and potentially other forms of gearing to seek to enhance investment returns. The use of Contracts for Difference for gearing purposes has a higher level of risk than the use of bank loans and results in the Company being exposed to higher levels of counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.
- Derivatives and Contracts for Difference can involve various risks different from and, in certain cases, greater than the risks presented by other instruments. For example, potential losses from using short positions are theoretically unlimited as there is no restriction on the price to which a security may rise. In addition, derivatives involve costs that the investor would not otherwise incur through direct investments which could reduce investment returns and/or exacerbate any loss.

#### *Risks relating to the AIFM and the Investment Manager*

- The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel (including the Portfolio Managers, Sam Morse and Marcel Stötzel) and ability to source and advise appropriately on investments. As a result, the Portfolio, financial condition, returns, prospects and the value of the Shares could be adversely affected by: competitive pressures on the AIFM and/or the Investment Manager or the Investment Manager's ability to source and make successful investments; any failure by the AIFM or the Investment Manager to carry out due diligence and obtain relevant information on prospective investments; or any loss of key personnel (particularly the Portfolio Managers) of the AIFM or the Investment Manager and any inability to recruit appropriate replacements in a timely fashion.

#### *Risks relating to regulation, taxation and the Company's operating environment*

- Any failure by the Company to maintain HMRC approval as an investment trust or changes in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure may adversely affect the Company and the tax treatment for Shareholders investing in the Company.
- Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may adversely affect the business and performance of the Company.

### **3. KEY INFORMATION ON THE SECURITIES**

#### **3.1. What are the main features of the securities?**

The New Shares are ordinary shares with a nominal value of 2.5 pence each and are denominated in Sterling. The ISIN of the New Shares is GB00BK1PKQ95 and the SEDOL number is BK1PKQ9. The ticker code is FEV. The issue price of the New Shares will be determined on the Calculation Date and will be released by way of an RIS announcement on or around 26 September 2025.

As at 18 August 2025, being the latest practicable date prior to the publication of this Prospectus, the issued Share capital of the Company comprised 405,214,246 fully paid Shares and an additional 11,233,664 Shares held in treasury.

The New Shares will rank *pari passu* in all respects (including voting rights) with each other and the existing issued Shares (other than in respect of any dividends or distributions which have a record date prior to the date of Admission). In summary, the rights attaching to the Shares are:

- |                 |   |
|-----------------|---|
| <i>Dividend</i> | The holders of Shares are entitled to such dividends as may be declared by the Company from time to time. Shares held in treasury do not receive dividends.   |
| <i>Capital</i>  | On a winding up, the Shares (excluding Shares held in treasury) will rank equally for the nominal capital paid up thereon and in respect of any surplus.  |
| <i>Voting</i>   | Holders of Shares are entitled to attend, speak and vote at general meetings of the Company. Each Share (excluding Shares held in treasury) carries one vote. Shares held in treasury do not carry voting rights. |



### *Restrictions on the free transferability of Shares*

Subject to the terms of the Articles and applicable securities laws, there are no restrictions on the transferability of the Shares.

### *Dividend policy*

The Company seeks to deliver a progressive dividend in normal circumstances, paid twice yearly in order to smooth dividend payments for the reporting year.

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). The Company paid, in aggregate, dividends of 9.1 pence per Share in respect of the financial year ended 31 December 2024.

### **3.2. Where will the securities be traded?**

Applications will be made to the FCA for the New Shares to be admitted to listing in the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, on 29 September 2025.

### **3.3. What are the key risks specific to the securities?**

The following is a brief description of what the Directors and the Prospective Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Shares:

- The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors. The market value of the Shares may therefore vary considerably from the Company's underlying NAV per Share. In particular, it is possible that the Shares could trade at a value materially below their NAV per Share for a prolonged period of time and there can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.
- It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.

## **4. KEY INFORMATION ON THE OFFER**

### **4.1. Under which conditions and timetable can I invest in this security?**

#### *Terms and conditions*

The New Shares being issued pursuant to the Issue are only available to Eligible HET Shareholders, pursuant to the terms of a scheme of reconstruction and members' voluntary winding up of HET under section 110 of the Insolvency Act 1986.

The Issue is conditional upon, amongst other things:

- (a) the passing of the HET Resolutions to be proposed at the First HET General Meeting (to be held on 9 September 2025) and the Second HET General Meeting (to be held on 26 September 2025) or any adjournment of those meetings, and such HET Resolutions becoming unconditional in all respects;
- (b) the passing of the Resolution to approve the issue of the New Shares at the General Meeting (to be held on 15 September 2025), or any adjournment thereof, and such Resolution becoming unconditional in all respects;
- (c) the approval of the FCA to amend the listing of the HET Shares to reflect their reclassification as shares with "A" rights and shares with "B" rights for the purposes of implementing the Scheme;
- (d) the FCA agreeing to admit the New Shares to listing on the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- (e) the Directors and the HET Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied by both the Company and HET on or before 31 December 2025 (or such later date as may be agreed by the Company and HET), no part of the Proposals will become effective and no New Shares will be issued to HET Shareholders pursuant to the Scheme.

## 4.2. Expected timetable

2025

### General Meeting

Publication of the Circular and Notice of General Meeting	21 August
Latest time and date for receipt of Forms of Proxy and electronic (including via CREST) proxy appointment instructions for the General Meeting	10.00 a.m. on 11 September
General Meeting	10.00 a.m. on 15 September
Announcement of results of the General Meeting	15 September

### Scheme

Publication of this Prospectus	21 August
First HET General Meeting	10.00 a.m. on 9 September
Latest time and date for receipt of forms of election and transfer to escrow instructions regarding HET Shareholders electing for the Cash Option	1.00 p.m. on 9 September
Record Date for entitlements under the Scheme	6.00 p.m. on 9 September
HET Shares disabled in CREST for settlement	6.00 p.m. on 9 September
Suspension of trading of HET Shares	7.30 a.m. on 10 September
Calculation Date for the Scheme	close of business on 19 September
Reclassification of HET Shares	8.00 a.m. on 25 September
Suspension of listing of Reclassified HET Shares and HET Register closes	7.30 a.m. on 26 September
Second HET General Meeting	9.00 a.m. on 26 September
Effective Date of implementation of the Scheme	26 September
Announcement of results of the Scheme and respective FAVs	26 September
Admission and dealings in New Shares commence	8.00 a.m. on 29 September

**Note:** All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

### Details of Admission

The Shares are currently listed in the closed-ended investment funds category of the Official List of the FCA and traded on the Main Market. Applications will be made to the FCA for the New Shares to be admitted to the closed-ended investment funds category of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that the New Shares will be admitted to the Official List, and dealings in the New Shares will commence on the Main Market, on 29 September 2025.

### Distribution

The Company will notify HET Shareholders of the number of New Shares to which each Eligible HET Shareholder is entitled and the results of the Scheme will be announced by the Company on or around 26 September 2025 via an RIS announcement.

The New Shares will be available to be issued in either certificated form or uncertificated form. Where applicable, share certificates are expected to be despatched by post within 14 calendar days of the Effective Date.

### Dilution

Unless they also hold HET Shares at the Record Date, Existing FEV Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

**For illustrative purposes only**, if 106,159,798 New Shares were to be issued (being the estimated number of New Shares that will be issued pursuant to the Issue, assuming that 33.3 per cent. of the total HET Shares in issue (excluding HET Shares held in treasury) are elected, or are deemed to be elected, for the Cash Option, and that the ratio between the FEV FAV per Share and the Rollover Pool FAV per HET Share is 0.514901) then, based on the issued share capital of the Company as at 18 August 2025, and assuming that: (i) an Existing FEV Shareholder is not an Eligible HET Shareholder and is therefore not able to participate in the Issue; and (ii) there is no change

to the Company's issued share capital prior to Admission, an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 18 August 2025 would then hold approximately 0.79 per cent. of the Combined Entity's issued share capital immediately following the Issue. If no HET Shares are elected, or deemed elected, for the Cash Option but the assumptions above otherwise remain the same, 157,941,303 New Shares would be issued under the Scheme and an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued share capital as at 18 August 2025 would then hold approximately 0.72 per cent. of the Combined Entity's issued share capital immediately following the Issue. The figures in this paragraph also assume that, for illustrative purposes, payment has been made in respect of the HET Pre-Liquidation Interim Dividend of 3.40 pence per HET Share (scheduled for 19 September 2025) and an anticipated FEV Interim Dividend of not less than 3.60 pence per Share.

#### *Expenses of the Scheme and Issue*

Save as noted below, the Company and HET have each agreed to bear their own costs associated with the Scheme and the Proposals. The fixed direct costs of the Proposals payable by the Company (that is, excluding (i) Admission Fees and Acquisition Costs and (ii) FEV Proposed Novation Costs) are estimated to be approximately £555,000 (including irrecoverable VAT). In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

Fidelity has agreed to make a material contribution to the costs of the Proposals by means of a waiver of the management fees that would otherwise be payable, under the AIFM Agreement and the Investment Management Agreement, by the Combined Entity in respect of the net assets transferred by HET to the Company pursuant to the Scheme for the 12 month period immediately following the Effective Date (the "**Fidelity Cost Contribution**"). The Fidelity Cost Contribution will be calculated using the fee rate thresholds and marginal fee rates of the Revised Fee Arrangements (as set out in further detail below).

For the purposes of the Scheme, the value of the Fidelity Cost Contribution (as at the Calculation Date) will first be credited to the FEV FAV against any and all FEV transaction costs (including, for the avoidance of doubt, Admission Fees and Acquisition Costs) and FEV Proposed Novation Costs up to a maximum of £1.25 million (inclusive of VAT) (the "**FEV Fidelity Contribution**"). Any remaining balance of the Fidelity Cost Contribution will be credited to the Rollover Pool for the benefit of HET Shareholders rolling over into FEV (the "**HET Fidelity Contribution**"). The Fidelity Cost Contribution is expected to fully offset the Company's direct and indirect transaction costs (including Admission Fees and Acquisition Costs), such that Shareholders are not expected to suffer any NAV dilution from the costs of the Scheme and/or the Issue. The FEV Proposed Novation Costs are also anticipated to be partially offset by the FEV Fidelity Contribution. It is expected that the Company will bear up to £200,000 of FEV Proposed Novation Costs (inclusive of VAT) after application of the FEV Fidelity Contribution (which, in the context of the Company as a whole, are not considered to be material).

No expenses will be charged directly to investors by the Company in connection with the Scheme, Issue or the Proposed Novation.

Fidelity has also agreed that, subject to implementation of the Scheme and with effect from Admission, the Annual Management Fee payable by the Company 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**"). 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 Proposals (assuming, among other things, that the Cash Option is fully subscribed).

#### **4.3. Why is the Prospectus being produced?**

The New Shares are being issued to Eligible HET Shareholders, and to the Liquidators as nominees in respect of Excluded HET Shareholders, in connection with the recommended proposals to combine the Company and HET, pursuant to a scheme of reconstruction and winding up of HET under section 110 of the Insolvency Act 1986.

The New Shares are being issued to Eligible HET Shareholders, and to the Liquidators as nominees in respect of Excluded HET Shareholders, in consideration for the transfer of the Rollover Pool to the Company and, if the Proposed Novation becomes effective, the assumption by the Company of the obligations under the HET Loan Notes. The Rollover Pool will consist of investments conforming with the Company's investment objective and policy as at the Effective Date, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds from the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment policy.

This Prospectus is being produced to facilitate Admission (that is, admission to trading on a regulated market) in respect of the New Shares to be issued pursuant to the Scheme.

The Issue will not be underwritten.

There are no conflicts of interest that are material to the Issue or Admission.

## RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in, or otherwise acquire, the Shares. The risks set out below are those that are considered to be the material risks relating to an investment in the Shares as at the date of this Prospectus but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns. It should be remembered that the price of securities, and the income from them, can go down as well as up.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below.

Prospective investors should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Prospective Directors believe to be the most material to an assessment by a potential investor of whether to consider an investment in the Shares. However, as the risks that the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described in this "Risk Factors" section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors and the Prospective Directors or that the Company or the Directors and the Prospective Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company's financial condition, business, prospects and returns and, consequently, the Company's NAV and/or the market price of the Shares.

Potential investors in the Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring/receiving the Shares.

### RISKS RELATING TO THE COMPANY

#### **The Company has no employees and is reliant on the performance of third-party service providers**

The Company has no employees and the Directors have been, and the Prospective Directors will be, appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers (and their delegates) for its executive functions. In particular, the AIFM, the Investment Manager/Company Secretary, the Registrar and the Depositary (and their delegates) will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers and/or their delegates, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or applicable law or regulation, any reputational damage suffered by any service provider and/or the termination of those appointments could have an adverse effect on the value of the Portfolio and the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares.

#### **Shareholders are afforded the opportunity to vote on the continuation of the Company every two years**

Pursuant to the Articles, a Continuation Vote is held on a biennial basis in order to provide an opportunity for Shareholders to indicate whether they want the Company to continue as an investment trust. If the Continuation Vote is not passed, the Directors are required to draw up proposals for the voluntary liquidation, unitisation or other reorganisation of the Company for submission to Shareholders at a general meeting of the Company within six months of the date on which the continuation resolution was not passed. This would likely prevent the Company from making new investments in the interim period, which may impair the ability of the Company to generate investment returns. These circumstances may result in an adverse effect on the value of the Portfolio and on the Company's financial condition which, in turn, would have a consequential adverse effect on, and lead to uncertainty in relation to, the market value (and liquidity) of the Shares and returns for Shareholders.

There can be no guarantee that any proposal drawn up by the Board would, if implemented, enable Shareholders to realise all or part of their investment in the Company for cash at a value close to the prevailing NAV per Share (or at all), or that Shareholders would pass the resolutions required to implement any such proposals. In such circumstances, Shareholders would not have an opportunity to make an immediate realisation of all or part of their investment in the Company for cash at a value close to the prevailing NAV per Share (or at all), and this may negatively impact upon the liquidity in, and market value of, the Shares.

## **RISKS RELATING TO THE INVESTMENT POLICY**

### **There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment**

The success of the Company is dependent on the continued ability of the Investment Manager to pursue the Company's investment objective and policy successfully and, ultimately, on the Investment Manager's ability to create, and sustain, an investment portfolio capable of generating attractive long-term returns. In particular, the bottom-up stock picking approach favoured by the Investment Manager, in pursuance of the Company's investment objective, requires the Investment Manager to identify and acquire good quality stocks (by reference to positive fundamentals, cash generation capabilities and balance sheet strength of the underlying investee companies) at a reasonable price.

There can be no assurance that the Investment Manager will continue to be successful when pursuing the Company's investment objective and policy or that the Investment Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors, pay a dividend or avoid investment losses, potentially resulting in negative returns for Shareholders. In particular, deterioration in the quality of any of the stocks held within the Portfolio (by reference to the fundamentals, cash generation capabilities and/or balance sheet strength of the underlying investee companies) would adversely affect the value of the Company's investments and therefore the Company's ability to achieve its investment objective. In the event that the Company does not achieve its investment objective, the price of the Shares may fall and Shareholders may not get back the full value of their original investment. In addition, the success of the Company will depend on the performance of stock and securities markets in continental Europe and the European economy more broadly.

### **The Company is exposed to trade tariff risks associated with investments in European companies that trade globally**

The Company is exposed to certain trade tariff risks associated with pursuing an investment policy investing in securities issued by companies in continental Europe that trade globally.

In particular, there are ongoing trade tensions between the United States and, among others, both the European Union and a number of individual European countries. Any escalation of these tensions, or the escalation of similar tensions between the United States and other countries in which Portfolio companies operate, could adversely affect the performance of the securities in which the Company invests and the value of the Portfolio. In particular, such tensions could result in: (i) further trade tariffs being imposed against the European Union and/or European countries; (ii) further reciprocal trade tariffs being imposed by the European Union and/or such European countries; and (iii) escalation to a trade war. These circumstances could also lead to the imposition of non-tariff barriers to trade by or against the European Union and/or European countries including, in particular, unexpected regulation, economic sanctions, fines, taxes, licence requirements or other measures (including enforcement actions) in relation to European markets generally, targeted investee companies within the Company's Portfolio and/or persons operating in Europe. Any such measures or escalation in trade tensions are likely to have an adverse effect on the operations and supply chains of investee companies within the Portfolio; the value of the Portfolio; and the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.

The downside risk of current trade tensions is further exacerbated by the US administration's use of tariff threats to achieve geopolitical aims whilst the changeability of US trade policy, and the uncertainty of the impact of any tariffs, reciprocal tariffs and/or the outcome of any trade negotiations, are also likely to contribute to market volatility. A rapid de-escalation of trade tensions between the United States and countries outside of Europe, particularly China, would (without a similar de-escalation in respect of the European Union/European countries) likely have an adverse effect on the value of the stocks within the



Portfolio, the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders. Similarly, a reversal in recent deglobalisation trends and the normalisation of relations between the United States and its global trading partners may reverse recent inflows of capital into Europe, reducing demand for, and thereby the market value of, both the securities within the Portfolio and the Company's Shares.

**The Company is exposed to geopolitical risks associated with investments in European companies that trade globally**

The Company is exposed to certain geopolitical risks associated with pursuing an investment policy investing in securities issued by companies in continental Europe that trade globally. External factors, including those resulting from war or conflict, tensions between nations, incidents of terrorism, major environmental events, pandemics, or responses to such events could also have an adverse effect on the value of the Portfolio (or, given the bottom-up approach favoured by the Investment Manager, certain stocks within the Portfolio), the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders. In particular, the war in Ukraine, related geopolitical tensions in Europe and the conflicts in the Middle East could, in the absence of a lasting peace, continue to adversely affect market confidence, disrupt supply chains and fuel inflation. In the meantime, the shape and timing of increases in domestic European defence spending, and the impact of any such spending on the broader European economy, remain uncertain.

**The investments of the Company are subject to the risk of changes in both European and global market prices, market volatility and/or macroeconomic factors**

The Company is at risk from the failure of the investment strategy implemented by the Investment Manager resulting from changes in market prices, market volatility and/or macroeconomic factors.

As a result of the geographic scope of the Company's investment policy, the Company is particularly influenced by changes in market conditions, market practices and/or macroeconomic risks in the Eurozone and wider Europe. However, given that many of the investee companies within the Portfolio trade globally, the Company is also subject to the impact of global market and macroeconomic risks. Notwithstanding recent cuts to interest rates undertaken by the European Central Bank, the Company's investments and overall returns remain subject to risks arising from higher interest rates, and high levels of inflation, driven by increased energy costs, an increase in international trade barriers, shortages of goods and materials and the conflicts in Ukraine and the Middle East. Continued high inflation and/or interest rates within Europe would weaken the market backdrop for European businesses and continue to depress both market confidence and economic growth in the region.

General economic, market and political conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances and uncertainties in countries in which a company in the Portfolio (i) is incorporated; (ii) trades; or (iii) has its shares traded on the stock market (which could include countries outside of Europe), may affect the price level, volatility and liquidity of securities and result in losses for the Company. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.

Irrespective of the Portfolio Managers' focus on bottom-up stock selection, the performance of the Company's investments also depends on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles, in whole or in part, which could have an adverse effect on the value of the Portfolio (or certain stocks within the Portfolio), and the Company's financial condition and prospects, with a consequential adverse effect on the market value of the Shares and on returns for Shareholders.

**The Company is exposed to geographical concentration risk**

Pursuant to its investment policy, the Company invests predominantly in securities issued by companies in continental Europe. Having a portfolio that is concentrated in a single geographic region is generally considered to be a higher risk investment strategy than investing more widely, as it exposes the Company to the factors that determine the market value for the area of focus and particularly to the fluctuations of a



limited geographical market, adverse events associated with a single region (including relations (both political and trade) between countries within the region as well as globally) and fewer currencies. Any adverse effect on the relevant markets and/or the value of the relevant currencies (particularly the Euro) could lead to higher volatility in the Company's portfolio and have an adverse effect on the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares.

**The Company is, and will continue to be, exposed to foreign exchange risk**

The Company reports in Sterling but has, and will in the future have, investments denominated (and underlying investee companies operating) in currencies other than Sterling (including, in particular, in Euros). The Company therefore is, and will continue to be, exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. Exchange rates could therefore reduce investment gains or income, or increase investment losses, in some cases significantly. Changes in exchange rates can be influenced by such factors as export-import imbalances, economic and political trends, governmental intervention, and investor sentiment and speculation.

The Company will also be exposed to foreign exchange risk as a result of any non-Sterling borrowing (including as a result of the Proposed Novation of the HET Loan Notes if this becomes effective) and may also be exposed to foreign exchange risk as a result of any currency exposure used by the Investment Manager for hedging purposes. In addition, there is further foreign exchange risk where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets.

Such currency exposure could have an adverse effect on the value of the Portfolio and the Company's financial condition, returns and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

**The Company's investments may be adversely affected by poor performance of a particular sector or industry**

The Company's investments are intended to be diversified by sector and industry. Given the bottom-up stock selection approach favoured by the Investment Manager, the Company's returns may, however, still be adversely affected by the unfavourable performance of particular sectors or industries if such unfavourable performance adversely affects the performance or prospects of companies in the Portfolio operating in those sectors or industries. There are certain sectors which can be subject to higher levels of risk than others. For example, technology and innovation companies tend to have above-average volatility. The success or failure of a product or company can change rapidly with new developments in technology, consumer preference and regulation as well as the outcome of lawsuits, mergers and changes in personnel or strategy.

These increased risks and their adverse effects may be amplified if more companies in the Portfolio are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). As a result, these risks could have an adverse effect on the value of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect (or, given the bottom-up approach favoured by the Investment Manager, certain stocks within the Portfolio) on the market value of the Shares and on returns to Shareholders.

**The Company's investment strategy involves the use of gearing, which exposes the Company to risks associated with leverage**

The Company uses Contracts for Difference, will (subject to the Proposed Novation becoming effective) issue privately placed fixed rate loan notes and may, in the future, use further bank or other long-term borrowings and potentially other forms of gearing, to seek to enhance investment returns. The use of Contracts for Difference for gearing purposes has a higher level of risk than the use of bank loans and results in the Company being exposed to higher levels of counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.

As a result of gearing, any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price at which the Company's Shares are trading relative to its Net Asset Value). Any reduction in the number of Shares in

issue (for example, as a result of share buybacks) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce the level of gearing, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

No assurance can be given that any sales of the Company's investments would realise proceeds that would be sufficient to repay any borrowings.

The Company may employ hedging techniques designed to reduce the risk of adverse movements in exchange rates, other market risks and/or interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

If the Proposed Novation of the HET Loan Notes becomes effective, and/or if Company takes on borrowings in the future, such use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings. However, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Shares. As a result, the use of borrowings by the Company may amplify the volatility of the NAV per Share.

Nothing in this risk factor is intended to qualify the statement as to the sufficiency of the Company's working capital that is set out in paragraph 8 of Part 5 (*Financial Information*) of this Prospectus.

**There can be no guarantee that the Company will maintain its current dividend level, maintain its policy of paying a progressive dividend or pay any dividend at all**

There can be no guarantee that the Company will maintain its current level of dividend level or pay any dividend at all. There is also no guarantee that the Board can or will maintain its policy of paying a progressively rising dividend. The distribution of income is dependent on, among other things, the performance of the Company's investments and the availability of distributable profits in accordance with UK company law. The dividend policy is an objective only, is not a profit forecast and is not a guarantee that certain levels of dividends can be achieved or dividend growth maintained nor an indication of the Company's expected or actual future results, which may vary. Any inability to maintain a progressive dividend policy is likely to have an adverse effect on the liquidity and market value of the Shares.

**The Company is subject to risks associated with any derivative transactions in which it participates**

The Company uses derivatives, particularly Contracts for Difference, for the purpose of efficient portfolio management, gearing and hedging purposes, as well as to enhance portfolio performance. Derivatives are subject to the risks of the underlying asset(s), typically in modified and greatly amplified form. They can also involve various risks different from, and in certain cases, greater than the risks presented by other instruments. For example, potential losses from using short positions are theoretically unlimited as there is no restriction on the price to which a security may rise. In addition, derivatives involve costs that the investor would not otherwise incur through direct investments which could reduce investment returns and/or exacerbate any loss. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.

Counterparty risk is the risk that a counterparty in a derivative transaction will not fulfil its contractual or financial obligations to the Company or the risk that the reference entity in a swap or similar derivative will not fulfil its contractual or financial obligations. There is a risk that such reference entity becomes bankrupt, that a serious natural or human-caused disaster or other "force majeure" event may occur (resulting in the counterparty being released from its obligations and not liable for any losses); and/or in some jurisdictions, collateral agreements (even those using industry-standard language) could prove difficult or impossible to enforce.

Correlation risk is the risk that an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Company from achieving the intended hedging effect or expose the Company to the risk of loss. Small movements in the value of an underlying asset can create large changes in the value of a derivative and expose the Portfolio to losses that could be greater than the cost of the derivative itself. Under any of the following

circumstances, the value of collateral might not cover the full value of a transaction, or any fees or returns owed:

- the collateral declines in value; this risk is greatest when there is a material delay in the return of assets by the counterparty, but during times of market volatility it can occur even during the short lag between the placement and settlement of a collateral-related transaction, or between when the need for collateral is calculated and when the fund receives the collateral;
- the collateral yields less income than anticipated;
- the investor/their delegate or a counterparty has mispriced the collateral; and/or
- collateral that is used to cover a counterparty's default may take time to liquidate.

For any cash collateral invested, the circumstances immediately above could also create leverage (and consequently volatility) or expose the client to assets inconsistent with its objective.

Liquidity risk is the risk that derivative transactions may not be liquid in all circumstances, such that in volatile markets or difficult market conditions it may not be possible to close out a position without incurring a loss or it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created.

Leverage may be generated through the use of derivative instruments, which inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Portfolio. In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

Volatility risk is the risk resulting from the fact that the prices of many derivative instruments, including many options and swaps, are highly volatile, due to being influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies (for example, a change in tax, accounting, or securities laws or standards could cause the value of a derivative to fall or could force the portfolio to terminate a derivative position under disadvantageous circumstances), as well as (in the case of options and swaps agreements) the price of the securities or currencies underlying the relevant derivative agreement.

Although exchange traded securities involve settlement risk, transactions in over-the-counter (OTC) contracts may involve additional risk as there is no exchange market on which to close out an open position. They are less regulated than market-traded securities, carry greater counterparty and liquidity risks, and their pricing is more subjective. In addition, if a counterparty ceases to offer a derivative, there may not be a comparable derivative readily available elsewhere at the appropriate time. An opportunity for a gain may be missed or the Company may find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Some derivatives, in particular futures, options, total return swaps, and Contracts for Difference may involve margin borrowing, meaning that the portfolio could be forced to choose between liquidating securities to meet a margin call or taking a loss on a position that might, if held longer, have yielded a smaller loss or a gain.

Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a material adverse effect on the Company's performance.

**The review process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments**

Before making investments in accordance with the Company's investment policy, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to

any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

The investments in the Portfolio are also subject to ongoing review by the Investment Manager. There can similarly be no assurance that such ongoing review will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the best course of action to take in respect of individual investments within the Portfolio or the Portfolio as a whole.

Any failure by the Investment Manager to identify relevant facts through the due diligence and ongoing review process, or any errors of judgement within that review, may lead to inappropriate investment decisions being made, which could have an adverse effect on the value of the Portfolio, the Company's financial condition and prospects, with a consequential adverse effect on the returns for Shareholders and the market value of the Shares.

**The Company's investments may be adversely affected by the failure of investee companies to recognise the risks associated with climate change or comply with applicable environmental, social and governance standards**

The Company invests in the securities of trading companies and any failure of these companies to respond to climate-related issues, meet environmental targets or comply with applicable climate related regulations may adversely impact investor sentiment towards such companies and/or result in regulatory fines or sanctions being levied on such companies. Furthermore, the Investment Manager's proprietary ESG scoring process is based on third party data and such data may be incomplete or inaccurate. This could adversely impact the performance and the value of an investment in the relevant company.

There is also a risk that any failure of the Company's investee companies to comply with applicable environmental, social and governance factors or engagement by these companies in otherwise unethical practices could adversely impact the performance of such companies and/or result in regulatory fines or sanctions being levied on such companies, which may adversely impact the performance and the value of an investment in the relevant company. Any decrease in performance or value as a result of a perceived failure of an investee company to recognise the risks associated with climate change or to comply with applicable environmental, social and governance standards could have an adverse effect on the value of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

**The Company invests in mid-cap companies and may invest in small-cap companies**

The Company invests a portion of the Portfolio in mid-cap companies and has the flexibility to invest in small-cap companies (referring, in each case to the size of their market capitalisation). These companies with medium and small market capitalisations do not necessarily have the financial strength, operating history, diversity in terms of business lines and resources of large-cap companies and, as a result, they may be at risk of long-term or permanent business setbacks. They may also find it more difficult to operate in periods of economic slowdown, recession or turmoil and to maintain their dividends. In addition, the market capitalisation of such companies could make the market in their shares less liquid and, as a consequence, the Company may be unable to liquidate all or a portion of its positions in such securities in a timely manner. In addition, the market prices of such companies' shares can be more volatile and the Company may not be able to realise what it perceives to be their fair value in the event of a sale. All of these factors may have an adverse effect on the value of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares and on returns to Shareholders.

**The Company may be exposed to the risks associated with investing in unquoted securities**

The Company may invest up to 5 per cent. of its gross assets in unquoted private companies. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unquoted investee companies and, therefore, it may be difficult for the Company to realise such investments. In addition, the values of unquoted investments are often more difficult to determine than the value of investments in listed companies. Valuations of the unquoted investments may be based on unaudited information and may be subject to limited verification or other due diligence. The valuations may also be more volatile and subject to more performance uncertainties and liquidity risk. If the realised value of an

unquoted investment or other asset held by the Company is less than its valuation, this may have a material adverse effect on Shareholder returns.

## **RISKS RELATING TO THE AIFM AND THE INVESTMENT MANAGER**

### **The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments**

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (or, where applicable, their delegates) and not by the Company. The Investment Manager is not required to, and generally does not, submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company. Competition for such investment opportunities identified for the Company can create significant upward pressure on pricing, thereby reducing the potential investment returns. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and on returns for Shareholders.

Many of the AIFM's and the Investment Manager's investment decisions will depend upon the ability of their employees and agents to carry out due diligence and obtain relevant information. There can be no guarantee that such information will be available or that the AIFM and the Investment Manager and their employees and agents will be able to obtain it. The AIFM and the Investment Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. Further, the AIFM and the Investment Manager may not conduct due diligence which is wide enough in scope to reveal the potential risks of a particular investment. There can be no assurance that the AIFM and the Investment Manager will correctly identify and evaluate the nature and magnitude of the various factors that could affect the value of and return on the Company's investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager (including the Portfolio Managers, Sam Morse and Marcel Stötzel), and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure of the Portfolio Managers (or any other key personnel of the AIFM or the Investment Manager) the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The AIFM and the Investment Manager are not required to commit all of their resources to the Company's affairs. Insofar as the AIFM and the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, the Company's NAV per Share and the market price of the Shares.

### **The past performance of investments made by the AIFM, the Investment Manager and the Portfolio Managers is not a guarantee or an indication of the future performance of the Company**

The information contained in this Prospectus relating to the prior performance of investments made by the AIFM, the Investment Manager and/or any Portfolio Manager on behalf of the Company is being provided



for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, HET Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses. The performance of the Company may deviate materially from any period of past performance.

**The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company, which may on occasion give rise to conflicts of interest with the Company**

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, returns and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company. If a conflict is not resolved in a manner that is favourable to the Company, this may have an adverse effect on the Company's financial condition and the market price of the Shares.

**There can be no assurance that the Board would be able to appoint, in a timely manner, a suitable replacement alternative investment fund manager or investment manager if the Management Agreement were to be terminated or the AIFM or the Investment Manager were to resign**

The Management Agreement may be terminated by the Company or the AIFM by giving not less than six months' written notice or, if terminated by the Company earlier, upon the payment of compensation. Further, the Management Agreement may be terminated immediately upon notice by the Company or the Investment Manager in certain circumstances. The Board would, in such circumstances, have to find a replacement alternative investment fund manager and/or investment manager for the Company. There can be no assurance that a replacement with the necessary skills and experience would be available, and could be appointed on terms acceptable to the Company, in a timely manner. The absence of such a suitable replacement could, following termination of the Management Agreement, have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

**The Company is subject to the risk of cybersecurity breaches**

The information and technology systems of the AIFM and Investment Manager (and the Company's other service providers and their delegates) may be vulnerable to operational, information security and related risks resulting from failures of or breaches in cybersecurity, including damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Company's Net Asset Value, impediments to trading, the inability of Shareholders to subscribe for, exchange or sell Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

As noted above, while the AIFM and the Investment Manager (and the Company's other service providers and their delegates) have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the AIFM or the Investment Manager control the



cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

**Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth**

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company or any of its Directors is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the value of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

**RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT**

**Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company**

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based or have their shares traded), could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is in principle subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to pursue successfully its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

Existing and potential investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

**Loss of investment trust status may adversely affect the Company and the tax treatment for Shareholders investing in the Company**

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

**Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may adversely affect the business and performance of the Company**

The Company, the AIFM and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company, as a closed-ended investment company incorporated in England and Wales, is subject to various laws and regulations in such capacity, including the UK Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive, the UK PRIIPs Laws, the UK GDPR, the AIC Code and the Companies Act. The Company will be subject also

to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing in the closed-ended investment funds category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company is operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

Any changes to the rules, laws and regulations affecting the Company, the AIFM and/or the Investment Manager could have an adverse effect on the value of the Portfolio and on the Company's financial condition, returns and prospects, with a consequential adverse effect on the market value of the Shares.

#### **Activist investors may have different priorities for any investment in the Company than other Shareholders**

Activist investors have become increasingly prevalent in the UK investment trust sector (of which the Company forms part) and have acquired meaningful stakes in a number of companies. Activist investors may have different priorities for any investment in the Company than other Shareholders (or even a majority of Shareholders) and, in the event of low voting turnout at any general meeting of the Company (including in the context of the Continuation Vote), may exert a disproportionate degree of voting influence relative to their ownership stake. In those circumstances, there is a risk that an activist investor may seek to implement a strategy to realise returns from an investment in the Company that (i) does not align with the investment priorities of other Shareholders (including in respect of investment time horizons) and (ii) limits the Company's ability to generate long-term returns for Shareholders in accordance with its investment objective and policy.

#### **Shareholders may be subject to withholding tax under FATCA and forced transfers under the Articles and there may also be reporting of Shareholders under other exchange of information arrangements**

The UK has concluded an intergovernmental agreement ("**IGA**") with the US (the "**US-UK IGA**"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA a Foreign Financial Institution that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the US-UK IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the US-UK IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the US-UK IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be "regularly traded on an established securities market" or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company's financial condition, returns, NAV and/or the market price of the Shares. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

In acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, IGAs and/or regulations. In particular, investors should be aware that certain forced

transfer provisions contained in the Articles may apply in the case that the Company suffers any pecuniary disadvantage as a result of the Company's failure to comply with FATCA or in the case that the Directors wish to control the level of ERISA holdings in the Company.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information and any related legislation, IGAs and/or regulations.

**The Company has not, does not intend to and may be unable to become registered as an investment company under the US Investment Company Act and related rules**

The Company has not, does not intend to and may be unable to become registered with the SEC as an "investment company" under the US Investment Company Act and related rules. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions are or will be applicable to the Company. However, if the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with exemptions that permit the Company to avoid being required to register as an investment company under the US Investment Company Act and related rules, the Company has implemented appropriate restrictions on the ownership and transfer of Shares, which may affect a US investor's ability to hold or transfer Shares and may in certain circumstances require the US investor to transfer or sell its Shares.

**The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations**

Each initial purchaser and subsequent transferee of New Shares is required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "US Tax Code"), unless its purchase/receipt of, holding and disposition of New Shares does not constitute or result in a non-exempt prohibited transaction or violation of any such substantially similar law.

**RISKS RELATING TO AN INVESTMENT IN THE SHARES**

**Investors may not recover the full amount of their investment in the Shares**

The Company's ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this "Risk Factors" section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a long term investment.

As with any investment, the price of the Shares may fall in value. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any gains or subsequent investments made. Investors therefore may not recover the full amount initially invested in the Shares, or any amount at all.

**The price that can be realised for Shares will be subject to market fluctuations and there is no guarantee that the Company's discount management policy will effectively manage any discount to Net Asset Value at which the Shares may trade**

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this "Risk Factors" section of this Prospectus, such as: changes in the

Company's financial performance and prospects, or in the financial performance and market prospects of the Company's investments or of those which are engaged in businesses that are similar to the Company's business; the termination of the Management Agreement or the departure of some or all of the AIFM's or the Investment Manager's key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; general economic trends (in particular, the ongoing trade tensions between the United States and, among others, the European Union and individual European countries) and other external factors, including those resulting from war (in particular, the war in Ukraine and the conflicts in the Middle East), and any potential future conflict, incidents of terrorism, pandemics or responses to such events; poor performance in any of the AIFM's or Investment Manager's activities or any event that affects the Company's, AIFM's or the Investment Manager's reputation; speculation in the press or investment community regarding the Company's business or investments, or factors or events that may directly or indirectly affect the Company's business or investments; and foreign exchange risk as a result of making and selling equity investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

It is also unlikely that the price at which the Shares trade will be the same as their Net Asset Value (although they are related). The shares of an investment company such as the Company may trade at a discount to their underlying net asset value. This could be due to a variety of factors, including due to market conditions, an imbalance between supply and demand for the Shares or negative investor sentiment towards investment in continental Europe. While the Directors may seek to mitigate the discount to Net Asset Value through the implementation of the Board's discount management policy as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the Net Asset Value was to be distributed.

**It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company**

Admission and the Company's discount management policy should not be taken as implying that there will be an active and liquid market for the Shares. Limited liquidity in the Shares may affect: (i) an investor's ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Act, the Directors retain the right to effect repurchases of Shares. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market. There can be no guarantee that a liquid market in the Shares will operate or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value, or at all.

**Potential future Share buybacks undertaken by the Company may make the residual Shares less liquid or increase the Company's level of gearing**

Any reduction in the issued Share capital of the Company as a result of any Share buyback(s) undertaken by the Company may, depending on the size and nature of such buyback(s), reduce the liquidity of the remaining Shares in issue. In addition, as noted above, any reduction in the number of Shares in issue will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing, potentially impacting the Company's risk profile, unless ameliorating management action is taken.

**The Company may in the future issue new Shares which may dilute Shareholders' equity or have a detrimental effect on the market price of the Shares**

The Company has general authority to issue Shares with an aggregate nominal value of up to 5 per cent. of the Company's issued Share capital on a non-pre-emptive basis and this authority is usually renewed by Shareholders at each AGM. Such authority would generally only be exercised by the Directors in order to meet investor demand for the Company's Shares, should that demand exceed supply. Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non pre-emptive basis. Any such issue may dilute the percentage of the Company held by Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

**The Shares are subject to significant transfer restrictions for Shareholders in the United States**

The New Shares have not been and will not be registered under the US Securities Act, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act and in a manner that would not result in the Company being required to register under the US Investment Company Act. There has not been, and will not be, any public offer of the New Shares in the United States.

There are significant restrictions on the purchase and resale of Shares by Shareholders located in the United States, that are US Persons, or who hold Shares for the account or benefit of US Persons and on the resale of Shares by any Shareholders to any person located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Shares, they may do so only: (i) outside the United States in an "offshore transaction" complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

**RISK RELATING TO THE SCHEME**

**Implementation of the Scheme is subject to certain conditions**

Implementation of the Scheme is conditional, amongst other conditions, upon: (i) the passing of the Resolution to approve the issue of New Shares in connection with the Scheme; and (ii) HET Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will be borne by the Company. In the event the Scheme is not implemented, the Company's fixed direct implementation costs (that is, excluding Admission Fees and Acquisition Costs but including any abort costs payable in respect of the FEV Proposed Novation Costs) are estimated to be approximately £525,000 (including irrecoverable VAT), equivalent to approximately 0.03 per cent. of the Company's Net Asset Value as at 18 August 2025, being the latest practicable date prior to the publication of this Prospectus. In these circumstances, the Company and HET would remain as separate investment trusts.

**Implementation of the Scheme is expected to result in dilution of ownership and voting interests for existing FEV Shareholders**

For illustrative purposes only, if the Scheme is implemented and 106,159,798 New Shares were to be issued (being the estimated number of New Shares that will be issued pursuant to the Issue, assuming that 33.3 per cent. of the total HET Shares in issue (excluding HET Shares held in treasury) are elected, or are deemed to be elected, for the Cash Option, and that the ratio between the FEV FAV per Share and the Rollover Pool FAV per HET Share is 0.514901) then, based on the issued share capital of the Company as at 18 August 2025, and assuming that: (i) an Existing FEV Shareholder is not an Eligible HET Shareholder and is therefore not able to participate in the Issue; and (ii) there is no change to the Company's issued share capital prior to Admission, an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 18 August 2025 would then hold approximately 0.79 per cent. of the Combined Entity's issued share capital immediately following the Issue. If no HET Shares are elected, or deemed elected, for the Cash Option but the assumptions above otherwise remain the same, 157,941,303 New Shares would be issued under the Scheme and an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued share capital as at 18 August 2025 would then hold approximately 0.72 per cent. of the Combined Entity's issued share capital immediately following the Issue. The figures in this paragraph also assume that, for illustrative purposes, payment has been made in respect of the HET Pre-Liquidation Interim Dividend of 3.40 pence per

HET Share (scheduled for 19 September 2025) and an anticipated FEV Interim Dividend of not less than 3.60 pence per Share. Existing FEV Shareholders, to the extent they are not also HET Shareholders participating in the Scheme, will therefore experience dilution in their ownership and voting interests in the Combined Entity following Admission. Therefore, as a consequence of the Scheme, the percentage of total voting rights that can be exercised and the influence that may be exerted by Existing FEV Shareholders in respect of the Combined Entity following the implementation of the Scheme will be reduced.



## IMPORTANT INFORMATION

### General

This Prospectus should be read in its entirety. Prospective investors should rely only on the information contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission. No person has been authorised to give any information or make any representations in connection with the Issue other than the information contained in, or incorporated by reference into, this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) and, if given or made, such information or representations about the Company or the Issue must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, Dickson Minto Advisers or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the Company's obligations under the UK Prospectus Regulation, the UK Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR, neither the delivery of this Prospectus nor the issue of New Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein, including any forward-looking statements, is correct as at any time subsequent to the date of this Prospectus.

HET Shareholders should consider carefully all the information contained in this Prospectus. However, the contents of this Prospectus or any subsequent communications by the Company, the AIFM, the Investment Manager, Dickson Minto Advisers or any of their respective affiliates, officers, directors, members, employees or agents, are not to be construed as legal, business or tax advice. The tax legislation of a Shareholder's home jurisdiction may have an impact on the income received by the Shareholder from the Shares. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the acquisition/receipt of New Shares.

The Shares are designed to be held over the long term and may not be suitable as short term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full amount initially invested. The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. There can be no assurance that the Company's investment objective will be achieved. The past performance of the Company or its Investment Manager is not a guarantee of the future performance of the Company. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments. Although the Shares are, and the New Shares will be, listed in the closed-ended investment funds category of the Official List and admitted to trading on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them.

Apart from the liabilities and responsibilities (if any) which may be imposed on Dickson Minto Advisers by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Dickson Minto Advisers, its affiliates, officers, members, employees and agents make no representations, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme, the Shares or any transaction or arrangement referred to in this Prospectus. Dickson Minto Advisers, its affiliates, officers, members, employees and agents accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability (save as referred to above), whether arising in tort, contract or otherwise, which it or they might otherwise have in respect of this Prospectus or any such statement made or purported to be made by it or them or on its or their behalf in connection with the Company, the Issue, the Scheme, the Shares or any transaction or arrangement referred to in this Prospectus.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of the Company. A summary of the provisions in the Articles relating to the rights attaching to the Shares, including any limitation of those rights and procedures for the exercise of those rights, is set out in paragraph 6 of Part 7 (*General Information*) of this Prospectus.

Statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

**If you are in doubt about the contents of this Prospectus you should consult your stockbroker, solicitor, accountant or other independent professional or financial adviser.**

### **Selling restrictions**

**The New Shares in Fidelity European Trust PLC are only available to Eligible HET Shareholders and are not being offered to Existing FEV Shareholders (save to the extent an Existing FEV Shareholder is also an Eligible HET Shareholder) or to the public.**

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of New Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for New Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for in the United Kingdom, and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of New Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

### ***Notice to prospective investors in the EEA***

In relation to each EEA Member State, no New Shares have been offered or will be offered pursuant to the Issue to the public in that EEA Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that the New Shares may be offered to the public in that EEA Member State at any time with the prior consent of a sponsor under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in that EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any offer of New Shares in any EEA Member State means a communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares.

Further, the AIFM has not made any notifications or applications or received approvals for the marketing of the New Shares to "professional investors" (as defined in the EU AIFM Directive) in any EEA Member State. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any HET Shareholder (or any other person) domiciled in any EEA Member State. HET Shareholders domiciled in the EEA that have received the Prospectus in any EEA Member State are not, save as otherwise agreed with the Company, deemed to be an Eligible HET Shareholder and should not subscribe for New Shares (and the Company reserves the right to reject any application so made, without explanation).

Notwithstanding that the AIFM may confirm, from time to time, that it is able to market New Shares to HET Shareholders who are professional investors in an EEA Member State, the New Shares may not be marketed

to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the New Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. As at the date of this Prospectus, the New Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, no retail investor in any EEA Member State is considered to be an Eligible HET Shareholder and, as such, the New Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such New Shares may be distributed or made available to retail investors in any EEA Member State.

#### ***Notice to prospective investors with respect to United States federal securities laws***

New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons that are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and Qualified Purchasers, pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed and returned a valid US Investor Representation Letter to the Company in accordance with the instructions thereon. A US Investor Representation Letter can be requested from the HET Receiving Agent. A US HET Shareholder that does not complete and return a valid US Investor Representation Letter will be deemed to be an Excluded HET Shareholder and will be deemed to have elected for the Cash Option in respect of 100 per cent. of their holding of HET Shares. Such deemed elections will be subject to scaling back in accordance with the terms of the Scheme.

Excluded HET Shareholders will not receive New Shares pursuant to the Scheme. Any New Shares that would otherwise be issued to Excluded HET Shareholders will instead be issued to the Liquidators as nominees for the relevant Excluded HET Shareholder and sold by the Liquidators in the market, with the net proceeds paid (subject to the terms of the Scheme) to the relevant Excluded HET Shareholder.

In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” (as defined in Regulation S under the US Securities Act (“**US Persons**”)), except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For further information on restrictions on transfers of the Shares, please refer to the section titled “Excluded HET Shareholders” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) the UK’s implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**UK MiFID II**”); and (b) the UK’s implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and, in particular, Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: (i) the price of the New Shares may decline and investors could lose all or part of their investment; (ii) the New Shares offer no guaranteed income and no capital protection; and (iii) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the New Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors who may have basic or no knowledge and experience of investing in financial markets who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

### **UK PRIIPs Laws**

Investors should be aware that the UK PRIIPs Laws require the AIFM, as PRIIP manufacturer, to prepare a key information document (“KID”) in respect of the Company. This KID must be made available by the AIFM to retail investors prior to them making any investment decision and is available on the Company’s website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns referred to in the KID are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

To the extent that New Shares are to be made available to retail investors in the EEA, the Company will make available key information documents under the EU PRIIPs Regulation as required.

The AIFM is the only manufacturer of the Shares for the purposes of the UK PRIIPs Laws and EU PRIIPs Regulation, and Dickson Minto Advisers is not a manufacturer for these purposes. Dickson Minto Advisers does not make any representation, express or implied, nor accept any responsibility whatsoever for the contents of the KID(s) prepared in respect of an investment in the Shares nor accepts any responsibility to update the contents of the KID(s) in accordance with the UK PRIIPs Regulation and/or EU PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID(s) to future distributors of Shares. Accordingly, Dickson Minto Advisers disclaims all and any liability whether arising in tort or contract or otherwise which it might have in respect of any KID prepared in respect of an investment in the Shares from time to time.

### **Non-mainstream pooled investments status and UK MiFID II**

As the Company is a closed-ended investment company which is an investment trust domiciled in the United Kingdom, the New Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Board has reviewed UK MiFID II and the ESMA guidance published in relation thereto and has concluded that the Shares constitute a “non-complex” product for the purposes of UK MiFID II.

### **Data protection**

The information that a prospective investor provides to the Company or its agents in relation to the Issue or subsequently, by whatever means, which relates to prospective investors who are individuals or a third-party individual (“**personal data**”) will be held and processed by the Company in compliance with relevant data protection legislation and regulatory requirements. Such personal data may include:

- personal details such as name, title, date of birth, addresses, telephone numbers and email addresses;

- identification and verification information and documents, such as signatures, passports, driving licences, birth/marriage certificates and tax/credit references; and
- financial and transactional information, and instructions, relating to an investment.

Each prospective investor acknowledges that such information will be held and processed by the Company for the following purposes:

- the performance of the Company's contract with the prospective investor;
- acting in a way that is necessary for the Company's legitimate interests, including carrying out the business of the Company and the administering of interests in the Company;
- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere, including verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges that, where appropriate, it may be necessary for the Company to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to the prospective investor; and
- transfer personal data outside of the UK and/or EEA Member States to countries or territories which may not offer the same level of protection of personal data provided that, in each case, adequate safeguards are in place for the protection of such personal data in accordance with the relevant data protection legislation and regulatory requirements in the United Kingdom and/or the EEA (as applicable).

Personal data relating to prospective investors shall be retained by the Company for as long as necessary to fulfil the purposes for which it was collected, including for the purposes of satisfying any legal or regulatory requirements.

Individuals have certain rights in relation to their personal data, specifically: the right to be informed, the right of access, the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object to processing and the right to complain to the relevant supervisory authority (which, in the United Kingdom, is the UK Information Commissioner's Office).

Prospective investors acknowledge that the Company will be a controller of the personal data and such personal data shall be held and processed by Company in compliance with relevant data protection legislation and regulatory requirements, and the Company's privacy policy (available at [www.fidelity.co.uk/Europe](http://www.fidelity.co.uk/Europe)).

Prospective investors are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Shareholders will be notified if an updated privacy policy has been published on the Company's website through an RIS.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM or the Investment Manager concerning, amongst other things, the Company's investment objective and investment policy, the Company's investment performance, returns, financial condition, prospects and dividend policy, and the markets in which the Company invests and/or operates.



By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. The Company's actual investment performance, returns, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, returns, financial condition of the Company and its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the "Risk Factors" section of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company's view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. The Company, the AIFM, the Investment Manager and Dickson Minto Advisers undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the UK Listing Rules, UK MAR, EU MAR, the Disclosure Guidance and Transparency Rules, the EU AIFM Directive or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the AIFM's or the Investment Manager's expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS following the date of this Prospectus.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the section of this Prospectus titled "Risk Factors" for a discussion of additional factors that could cause the Company's actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 8 of Part 5 (*Financial Information*) of this Prospectus.

### **Performance data**

This Prospectus includes information regarding the track record and performance data of the Investment Manager (referred to here as the "**Track Record**"). Prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager. Prospective investors should be aware that any investment in the Company involves a significant degree of risk, and could result in the loss of all, or substantially all, of their investment.

For a variety of reasons, the comparability of the Track Record information to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Manager which may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

### **Taxation**

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Representations in this Prospectus concerning the taxation of investors are based upon tax law and practice as at the date of this Prospectus, which are, in principle, subject to change (possibly with retrospective effect). Any change in accounting standards may adversely affect the value of the Company's assets and liabilities in its books of account or restrict the ability of the Company to pay dividends.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.



### **Tax reporting, FATCA and CRS**

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

### **Latest practicable date**

In this Prospectus, where the context requires, references to 18 August 2025 should be treated as being references to the latest practicable date prior to the publication of this Prospectus.

### **Defined Terms**

Capitalised terms contained in this Prospectus have the meanings ascribed to them in the section titled "Definitions" on pages 102 to 116 of this Prospectus, save where the context indicates otherwise.

### **No incorporation of website**

Without limitation, neither the contents of the Company's website nor the websites of the AIFM, the Investment Manager or Dickson Minto Advisers (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the AIFM's or the Investment Manager's or Dickson Minto Advisers' website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision as to whether or not to invest in the Shares on the contents of this Prospectus (and any supplementary prospectus published by the Company prior to Admission) alone and should consult their professional advisers prior to acquiring/receiving the New Shares.

### **Enforcement of civil liabilities**

The Company is organised as a public limited company incorporated under the laws of England and Wales. All of the Company's Directors and officers (including the Prospective Directors) are residents of jurisdictions outside the United States and the majority of the Company's Directors and officers (including the Prospective Directors) are citizens only of jurisdictions outside the United States. In addition, the majority of the Company's assets and the majority of the assets of the Directors and officers (including the Prospective Directors) are located outside the United States. As a result, it may not be possible for US investors to effect service of process within the United States upon the Company or the Directors and officers (including the Prospective Directors) located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

### **Available information**

For so long as any of the Company's securities are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

## EXPECTED TIMETABLE

2025

### General Meeting

Publication of the Circular and Notice of General Meeting	21 August
Latest time and date for receipt of Forms of Proxy and electronic (including via CREST) proxy appointment instructions for the General Meeting	10.00 a.m. on 11 September
General Meeting	10.00 a.m. on 15 September
Announcement of results of the General Meeting	15 September

### Scheme

Publication of this Prospectus	21 August
Ex-dividend date for the HET Pre-Liquidation Interim Dividend	4 September
Record date for the HET Pre-Liquidation Interim Dividend	5 September
First HET General Meeting	10.00 a.m. on 9 September
Latest time and date for receipt of forms of election and transfer to escrow instructions regarding HET Shareholders electing for the Cash Option	1.00 p.m. on 9 September
Record Date for entitlements under the Scheme	6.00 p.m. on 9 September
HET Shares disabled in CREST for settlement	6.00 p.m. on 9 September
Suspension of trading of HET Shares	7.30 a.m. on 10 September
Payment of HET Pre-Liquidation Interim Dividend	19 September
Calculation Date for the Scheme	close of business on 19 September
Reclassification of HET Shares	8.00 a.m. on 25 September
Suspension of listing of Reclassified HET Shares and HET Register closes	7.30 a.m. on 26 September
Second HET General Meeting	9.00 a.m. on 26 September
Effective Date of implementation of the Scheme	26 September
Announcement of respective FAVs and results of the Scheme	26 September
Admission and dealings in New Shares commence	8.00 a.m. on 29 September
CREST Accounts credited in respect of New Shares in uncertificated form	as soon as is reasonably practicable on 29 September
Certificates despatched by post in respect of New Shares in certificated form	within 14 calendar days of the Effective Date
Cancellation of listing of Reclassified HET Shares	as soon as practicable after the Effective Date

**Note:** All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

## ISSUE STATISTICS

Number of New Shares to be issued

Based on a ratio between the FEV FAV per Share and the Rollover Pool FAV per HET Share of 0.514901 (which, in turn, is based on the Company's NAV and HET's NAV (each as at 18 August 2025)), and assuming the Cash Option is fully subscribed, the Scheme would result in the issue of 106,159,798 New Shares<sup>1</sup>

## DEALING CODES

ISIN

GB00BK1PKQ95

SEDOL

BK1PKQ9

Ticker code

FEV

Legal Entity Identifier (LEI) of the Company

549300UC0QPP7Y0W8056

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<sup>1</sup> This is illustrative only and is based on the illustration provided in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus. The number of New Shares to be issued pursuant to the Issue is not known at the date of this Prospectus and will depend on the ratio produced by the division of the Rollover Pool FAV per HET Share by the FEV FAV per Share, multiplied by the number of HET Shares that are deemed to be elected for the Rollover Option. The total number of New Shares to be issued pursuant to the Issue will be notified by way of an RIS announcement on or around 26 September 2025.

## DIRECTORS, AIFM, INVESTMENT MANAGER AND OTHER ADVISERS

<b>Directors</b>	Davina Walter ( <i>Chairman</i> ) Fleur Meijjs Milyae Park Sir Ivan Rogers Paul Yates
<b>Prospective Directors<sup>2</sup></b>	Victoria (Vicky) Hastings Rutger Koopmans
<b>Registered office</b>	Beech Gate Millfield Lane Lower Kingswood Tadworth Surrey KT20 6RP
<b>Alternative Investment Fund Manager</b>	FIL Investment Services (UK) Limited Beech Gate Millfield Lane Lower Kingswood Tadworth Surrey KT20 6RP
<b>Investment Manager and Company Secretary</b>	FIL Investments International Beech Gate Millfield Lane Lower Kingswood Tadworth Surrey KT20 6RP
<b>Financial adviser and sponsor to the Company</b>	Dickson Minto Advisers LLP Dashwood House 69 Old Broad Street London EC2M 1QS
<b>Corporate broker</b>	Winterflood Securities Limited Riverside House 2 Swan Lane London EC4R 3GA
<b>Legal adviser to the Company in respect of the Proposals (as to English law)</b>	Dickson Minto LLP Dashwood House 69 Old Broad Street London EC2M 1QS
<b>Legal adviser to the Company (as to US securities law)</b>	Proskauer Rose LLP 8 Bishopsgate London EC2N 4BQ
<b>Depository</b>	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP

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<sup>2</sup> If the Scheme becomes effective, Vicky Hastings and Rutger Koopmans (both of whom are currently HET Directors) will join the Board as Directors of the Company. These appointments will ensure representation on the Company's 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).

**Auditor**

Ernst & Young LLP  
25 Churchill Place  
London E14 5EY

**Registrar**

MUFG Corporate Markets (UK) Limited  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

## PART 1

### FIDELITY EUROPEAN TRUST PLC

#### 1. INTRODUCTION AND HISTORY

Fidelity European Trust PLC (the “**Company**” or “**FEV**”) is a closed-ended public limited company incorporated on 16 August 1991 in England and Wales with registered number 02638812. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws and EU AIFM Directive and is registered as an investment company under section 833 of the Companies Act.

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 Company’s comparative benchmark index is the FTSE World Europe ex. UK Index (in Sterling terms) (the “**Benchmark Index**”). As at 18 August 2025, the Company had an unaudited Net Asset Value of approximately £1.68 billion.

The Company’s Shares are listed in the closed-ended investment funds category of the Official List and traded on the Main Market.

The Company does not have a fixed life. However, under the Articles, Shareholders have the opportunity to vote on the continuation of the Company as an investment trust at every second AGM (a “**Continuation Vote**”). The next Continuation Vote will be held at the AGM to be held in 2027.

FIL Investment Services (UK) Limited (the “**AIFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated portfolio management services to FIL Investments International (the “**Investment Manager**” or the “**Company Secretary**” as the context may require).

The Company’s Portfolio Managers are Sam Morse and Marcel Stötzel. They are supported by Fidelity International’s extensive equity research platform (132 global equity research analysts, 34 of which cover Europe directly). Biographies for Sam Morse and Marcel Stötzel are set out at paragraph 6 of this Part 1.

#### 2. BACKGROUND TO THE PUBLICATION OF THIS PROSPECTUS

##### 2.1. The Proposals

As announced on 19 June 2025, the Board has agreed terms with the board of Henderson European Trust plc (“**HET**”) in respect of a proposed combination of the assets of the Company with the assets of HET. The combination, if approved by Shareholders and HET Shareholders, will be effected by way of a scheme of reconstruction and members’ voluntary winding up of HET under section 110 of the Insolvency Act (the “**Scheme**”) and the associated transfer of part of the assets, cash and undertaking of HET (and potentially certain liabilities of HET pursuant to the Proposed Novation) to the Company in exchange for the issue of New Shares.

Following implementation of the Scheme, it is intended that the Company’s Portfolio will continue to be managed on the same basis as it is currently. In particular, the Company’s existing investment objective and investment policy will not change as a result of the implementation of the Proposals, and the Portfolio will continue to be managed by the Investment Manager, with Sam Morse and Marcel Stötzel continuing as the Portfolio Managers.

Implementation of the Scheme is conditional upon, among other things, the approval by Shareholders at the General Meeting of an ordinary resolution to authorise the issue of New Shares in connection with the Scheme (the “**Resolution**”) and the approval of the HET Resolutions by HET Shareholders at the HET General Meetings.



## 2.2. Benefits of the Proposals

The Board believes that, if implemented, the Proposals 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 in excess of £2.1 billion.<sup>3</sup> 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 Admission, 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**").<sup>4</sup> 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 Proposals.<sup>3</sup>
- **Lower ongoing charges ratio ("OCR"):** owing to the Revised Fee Arrangements and the economies of scale of the Combined Entity, the Proposals are expected to reduce the Company's OCR significantly, allowing it to target an illustrative OCR of 0.68 per cent. for the Combined Entity, representing a material improvement to FEV's last reported OCR of 0.76 per cent.<sup>3 5</sup>
- **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 under the Scheme. This is expected to fully offset the direct and indirect transaction costs for Existing FEV Shareholders (and partially offset the FEV Proposed Novation Costs).<sup>5</sup>
- **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.
- **Shareholder register:** the implementation of the Proposals would allow a number of shareholders to consolidate their holdings across FEV and HET whilst also creating a more diversified shareholder base through a combination of the two share registers.

## 2.3. Overview of the Scheme

The Proposals will be effected by way of a scheme of reconstruction of HET under section 110 of the Insolvency Act, resulting in the members' voluntary winding up of HET and the transfer of part of HET's assets, cash and undertaking (and potentially certain liabilities of HET pursuant to the Proposed Novation) to the Company in exchange for the issue of New Shares by the Company on a formula asset value ("**FAV**") for FAV basis.

The Scheme is conditional on, among other things, approval of the Resolution at the General Meeting and the approval of the HET Resolutions by HET Shareholders at the HET General Meetings. Further details of the conditions attaching to the Scheme are set out in paragraph 4 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

<sup>3</sup> Based on the illustrative calculations as set out in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus (that is, based on a combination of the Company and HET as at 18 August 2025 (with Net Assets of approximately £1.68 billion and £664 million respectively), current cost estimates and assuming (i) there are no Dissenting HET Shareholders and (ii) 33.3 per cent. of HET Shares are validly elected for the Cash Option (such that the Cash Option is fully subscribed)). Figures exclude, amongst other things, any impact of HET portfolio realisation costs in connection with the Proposals. All figures are illustrative only, using currently available information and estimates, and are subject to change.

<sup>4</sup> 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.

<sup>5</sup> The Company's last published OCR (as at 31 December 2024) was 0.76 per cent. Based on, inter alia, the assumptions in Note 3 above, the illustrative OCR of the Combined Entity on completion of the Proposals is currently expected to be 0.68 per cent. (without making any adjustment to the calculation of the annual amount payable under the Revised Fee Arrangements to account for the Fidelity Cost Contribution given that this is a non-recurring item).

Under the Scheme, Eligible HET Shareholders will be deemed to have elected to receive New Shares in respect of their HET Shares (the **"Rollover Option"**) to the extent that they have not validly elected (or are not deemed to have elected) to receive cash in respect of their HET Shares (the **"Cash Option"**).

The maximum number of HET Shares that can be elected (or deemed to have been elected) for the Cash Option is 33.3 per cent. of the total number of HET Shares in issue (excluding HET Shares held in treasury) as at the Calculation Date (the **"Maximum Cash Option Shares"**). Eligible HET Shareholders are entitled to elect for the Cash Option in respect of more than 33.3 per cent. of their individual holdings of HET Shares (the **"Basic Entitlement"**, such excess amount being an **"Excess Application"**). However, should total elections and deemed elections for the Cash Option exceed the Maximum Cash Option Shares, Excess Applications for the Cash Option will be scaled back into New Shares in a manner that is, as near as practicable, *pari passu* and *pro rata*, by reference to the number of HET Shares elected under such Excess Applications, among all Eligible HET Shareholders who have made such Excess Applications such that the aggregate number of HET Shares elected (or deemed to have been elected) for the Cash Option will be no more than the Maximum Cash Option Shares.

The Cash Option will be offered at a discount of 1.75 per cent. to the Residual HET Formula Asset Value attributable to those HET Shares in respect of which valid elections or deemed elections have been made for the Cash Option (following any scaling back required in accordance with the Scheme) (the **"Cash Option Discount"**). Each HET Shareholder who elects, or is deemed to elect, for the Cash Option will receive an amount in cash equal to their *pro rata* share of the net realisation proceeds of the Cash Pool created pursuant to the Scheme to reflect the number of HET Shares held by such HET Shareholder that have been elected, or are deemed to have been elected, for the Cash Option. The aggregate value arising from the application of the Cash Option Discount (the **"Cash Uplift"**) will be credited to the Rollover Pool for the benefit of HET Shareholders who are deemed to have elected for the Rollover Option.

New Shares will be issued as the default option under the Scheme to the extent that Eligible HET Shareholders do not make (or are not deemed to make) a valid election for the Cash Option in respect of some or all of their HET Shares under the Scheme and to the extent that elections for the Cash Option (including Excess Applications) are scaled back as a result of the Cash Option being oversubscribed.

Under the terms of the Scheme, each Excluded HET Shareholder (which includes any US HET Shareholder who does not complete and return a valid US Investor Representation Letter in accordance with the instructions thereon (an **"Ineligible US Shareholder"**)) will be deemed to have elected for the Cash Option in respect of 100 per cent. of their holding of HET Shares. Such deemed elections will be subject to scaling back in accordance with the terms of the Scheme.

Further details of the Scheme and the Issue are set out in Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

#### 2.4. Proposed Novation of HET Loan Notes to the Company

HET currently gears through, among other things, its privately placed: (i) €25,000,000 1.53 per cent. unsecured Series A Senior Notes due 31 January 2047; and (ii) €10,000,000 1.66 per cent. unsecured Series B Senior Notes due 31 January 2052 (together, the **"HET Loan Notes"**).

The boards of both FEV and HET agree that there is merit in novating the HET Loan Notes from HET to FEV so that the Combined Entity can continue to benefit from the low-cost gearing provided by the HET Loan Notes (which have coupons at materially lower rates than prevailing borrowing rates).

Consequently, representatives of both FEV and HET have engaged in commercial discussions with the HET Noteholder. Following such discussions, the HET Noteholder, HET and FEV have reached agreement in respect of a deed of novation, amendment and restatement of the HET Note Purchase Agreement (the **"Deed of Novation, Amendment and Restatement"**) approving, among other matters, the proposed novation of the HET Loan Notes to the Company and substitution of the Company in place of HET in its capacity as issuer and sole debtor of the HET Loan Notes with effect from the Effective Date (the **"Proposed Novation"**). For the avoidance of doubt, other than a work fee proposed to be paid by HET and FEV to the HET Noteholder in connection with the Proposed Novation, there will be no repayment charge or premium payable to the HET Noteholder as a result of the Proposed Novation.

The HET Loan Notes will be valued at par value for the purposes of the Scheme (and, if the Proposed Novation becomes effective, when calculating the Company's Net Asset Value thereafter). Pursuant to the

Transfer Agreement, in consideration for the assumption by the Company of the obligations under the HET Loan Notes, HET will transfer additional HET assets (as part of the Rollover Pool) with an aggregate value equal to the outstanding par value of the HET Loan Notes (as at the Calculation Date) together with (i) any interest accrued thereon up to and including the Calculation Date and (ii) an amount equal to any further interest expected to be accrued thereon in the period between the Calculation Date and the Effective Date (the “**Proposed Novation Value**”).

Pursuant to the Proposed Novation Documents, the Proposed Novation is conditional on the provision of customary completion deliverables. In the event that these conditions have not been satisfied as at the Calculation Date (other than any condition relating to the Scheme becoming effective and other ancillary conditions precedent under the Proposed Novation Documents), the Proposed Novation will not occur. In such circumstances, HET will be responsible for repaying the HET Loan Notes (including any interest accrued thereon) and the Proposed Novation Value shall be deemed to be £nil for the purposes of the Scheme. In the event that the HET Loan Notes are repaid, it is not currently expected that there will be any early repayment charges payable to the HET Loan Noteholder.

The costs associated with the Proposed Novation being: (i) the legal and advisory fees incurred by each of the Company and HET in connection with documenting the Proposed Novation; and (ii) any fees payable to the HET Noteholder, including the proposed work fee and any legal and advisory fees of the HET Noteholder (the “**Proposed Novation Costs**”) will be split between the Company and HET in proportion to the expected interests of their respective shareholders in the Combined Entity. The FEV Proposed Novation Costs are anticipated to be partially offset by the FEV Fidelity Contribution. It is expected that the Company will bear up to £200,000 of FEV Proposed Novation Costs (inclusive of VAT) after application of the FEV Fidelity Contribution (which, in the context of the Company as a whole, are not considered to be material).

For the avoidance of doubt, the Proposed Novation is not a condition of the Scheme (such that the Scheme can still proceed even if the Proposed Novation does not). However, the Proposed Novation will not proceed if the Scheme does not become effective.

## **2.5. Use of proceeds**

The New Shares will be issued to Eligible HET Shareholders (and to the Liquidators appointed in respect of Excluded HET Shareholders) who, in accordance with the terms of the Scheme, are deemed to elect for the Rollover Option (and, if the Proposed Novation becomes effective, the Company will assume the obligations under the HET Loan Notes) in consideration for the transfer of the Rollover Pool from HET to the Company. The Rollover Pool will consist of investments conforming with the Company’s investment objective and policy as at the Effective Date, including cash and cash equivalents. Any cash in the Rollover Pool and any proceeds from the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company’s investment objective and policy.

## **3. INVESTMENT OBJECTIVE AND POLICY**

The investment objective and investment policy of the Company, as approved by Shareholders, are as follows:

### **3.1. 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.

### **3.2. 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.

- A maximum of:
  - (a) 20 per cent. of the Company's gross assets may be invested in stocks of European countries\* which are not included in the Benchmark Index. This will include investing in UK companies, defined as companies in the FTSE All-Share Index; and
  - (b) 5 per cent. of the Company's 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.*
- 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 its 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 lend stock and/or other assets of up to 10 per cent. of the Company's total Net Assets.
- 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**" or "**Contracts for Difference**"), 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.

#### *Changes to investment objective and policy*

No material change will be made to the Company's investment objective and policy without prior approval by ordinary resolution of the Shareholders and the approval of the FCA.

For the avoidance of doubt, the Company's investment objective and policy will not change as a result of the Proposals.

## **4. 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, as set out in paragraph 2.4 of Part 1, the HET Loan Notes are proposed to be novated to the Company in connection with the Proposals.

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.

The Company has no borrowings in place as at the date of this Prospectus. However, should the Proposed Novation of the HET Loan Notes proceed, the Company will have the following unsecured borrowings in place following implementation of the Scheme:

Facility	Amount	Term
1.53% Series A Senior Notes	€25 million	22 years
1.66% Series B Senior Notes	€10 million	27 years

It is expected that the Company's gearing policy and (subject to the Proposed Novation of the HET Loan Notes) gearing strategy, as described above, will remain unchanged following completion of the Proposals.

As at 18 August 2025, the Company's Net Gearing was 10.2 per cent. Assuming the Scheme is implemented, and regardless of whether the Proposed Novation becomes effective, the Company's Net Gearing immediately following completion of the Scheme is expected to be lower than its current level (given, in particular, the materially higher value of the Rollover Pool relative to the par value of the HET Loan Notes). However, in accordance with the Company's existing gearing policy, the Investment Manager intends to use further CFDs shortly thereafter to increase the Company's Net Gearing to a similar level to that currently employed by the Company.

## 5. 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). The Company paid, in aggregate, dividends of 9.1 pence per Share in respect of the financial year ended 31 December 2024. The Company expects to pay an interim dividend in respect of its financial year ending 31 December 2025 of not less than 3.60 pence per Share (the “**FEV Interim Dividend**”). It is expected that the FEV Interim Dividend (including the dividend timetable) will be announced in early September 2025. HET Shareholders receiving New Shares under the Scheme are not, in respect of those New Shares, expected to be entitled to the FEV Interim Dividend.

## 6. THE AIFM, THE INVESTMENT MANAGER AND THE PORTFOLIO MANAGERS

FIL Investment Services (UK) Limited (the “**AIFM**”) is the Company’s alternative investment fund manager for the purposes of UK AIFMD Laws. The AIFM has delegated certain responsibilities, including the day-to-day management of the Portfolio, to the Investment Manager, Fidelity Investments International.

The AIFM is a private limited company, incorporated and registered in England and Wales on 2 May 1986 with registered number 02016555. The AIFM is authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives.

Fidelity Investments International is a private unlimited company, incorporated and registered in England and Wales on 13 September 1979 with registered number 01448245.

Both the AIFM and Investment Manager are indirectly wholly owned subsidiaries of Fidelity International.

Established in 1969 as the international arm of Fidelity Investments, which was itself founded in Boston in 1946, Fidelity International became independent of the US organisation in 1980, and is today owned mainly by management and members of the original founding family.

Fidelity International has over 30 years’ experience managing investment companies, and currently manages six investment trust companies with total net investment trust assets under management of approximately £5.67 billion as at 31 July 2025. All six of the investment trust companies managed by Fidelity International are focused on equity strategies.

Further details of Fidelity International’s investment strategy are set out in paragraph 2 of Part 2 (*Market Outlook, Investment Strategy and Portfolio*) of this Prospectus (on pages 50 and 51). Further details of the Company’s managerial and other administrative arrangements are set out in paragraph 2 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus (on pages 57 to 59).

The biographies of the Company’s Portfolio Managers, Sam Morse and Marcel Stötzl, are as follows:

### **Sam Morse**

Sam Morse is Portfolio Manager for the Company (and the Fidelity European Fund, a sub-fund of Fidelity Investment Funds), along with a number of other institutional mandates managed with the same investment philosophy and process as the Company.

Sam joined Fidelity International in 1990 as a research analyst covering pan-European retail sectors and US furniture and carpet sectors. In 1994 he was promoted to portfolio manager at Fidelity International, managing several retail UK Equity funds and mandates.



In 1997 Sam joined Municipal & General Securities Company Limited ("**M&G**") as Head of UK Equities. During his time at M&G, Sam was responsible for a number of retail UK Equity funds including the M&G UK Growth Fund.

In June 2004, he re-joined Fidelity International as Head of the Institutional UK Equity Team. This role incorporated developing UK equity solutions for institutional clients as well as managing UK Equity portfolios. From December 2009, Sam has managed the Fidelity European Fund. He also took over the responsibility for managing the Company in January 2011.

Prior to joining Fidelity, Sam spent two years working for Hoare Govett in their Far East Equity Sales Team. He holds an MBA from INSEAD, France, as well as a Bachelor of Arts from the University of North Carolina. He is also an FE Trustnet Alpha Manager<sup>6</sup>.

### **Marcel Stötzel**

Marcel Stötzel is Co-Portfolio Manager of the Company (and the Fidelity European Fund), along with a number of other institutional mandates managed with the same investment philosophy and process as the Company.

Marcel joined Fidelity International as an analyst in 2014 and was consistently considered one of Fidelity's top global analysts. In addition to his analyst responsibilities, Marcel was also promoted to head the cyclical segment of the European analysts 'best ideas' fund in 2018. He was named Co-Portfolio Manager of the Company, and the Fidelity European Fund, in September 2020.

He first joined Fidelity International's equities team as an MBA Intern covering US technology before being hired full time to cover European software and IT services and thereafter, European aerospace, defence and airlines. Prior to joining Fidelity International, Marcel worked in investment banking at Barclays. Marcel holds an MBA (INSEAD), is a CFA charterholder and graduated with a Business Science (Honours) in Finance from the University of Cape Town.

## **7. DURATION OF THE COMPANY**

As noted above, the Company does not have a fixed life. However, under the Articles, Shareholders have the opportunity to vote on the continuation of the Company as an investment trust at every second AGM (a "**Continuation Vote**"). The next Continuation Vote will be held at the AGM to be held in 2027. The Continuation Vote will be proposed as an ordinary resolution and, therefore, in order to be passed will require more than 50 per cent. of the votes cast in person or by proxy on the resolution to be voted in favour of it.

If the Continuation Vote is not passed, the Directors are required to draw up proposals for the voluntary liquidation, unitisation or other reorganisation of the Company for submission to Shareholders at a general meeting of the Company within six months of the date on which the continuation resolution was not passed.

## **8. SHARE CAPITAL**

The Company's share capital comprises only of ordinary shares with a nominal value of 2.5 pence each (the "**Shares**"), all of which are listed in the closed-ended investment funds category of the Official List and admitted to trading on the Main Market. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company that remains after satisfying any liabilities.

### **8.1. Share capital authorities**

At the Annual General Meeting of the Company held on 8 May 2025, Shareholders granted the Board authority to: (i) allot or sell from treasury Shares representing approximately 5 per cent. of the Company's issued Share capital as at 19 March 2025 on a non pre-emptive basis; and (ii) buy back up to 61,628,680 Shares (which represented approximately 14.99 per cent. of the Company's issued Share capital as at

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<sup>6</sup> Source: FE fundinfo, 26 February 2025. FE Trustnet Alpha Managers: The managers on the list, selected from over 2500 eligible managers, are rated on their risk-adjusted alpha/Sortino (with track record length bias) and consistent outperformance of a benchmark (overall), distinguishing those who are best able to navigate all phases of the market cycle. The top 10 per cent. of scoring managers that still meet the calculation criteria are deemed FE Trustnet Alpha Managers.

19 March 2025). The aforementioned authorities will expire on the earlier of 8 August 2026 or the conclusion of the Annual General Meeting of the Company held in 2026.

As at 18 August 2025 the Directors had general authority to allot, on a non pre-emptive basis for cash, 20,822,360 Shares.

At the General Meeting, the Board will seek authority to allot up to 200,000,000 New Shares in connection with the Proposals. Such authority will not impact on the Company's existing authorities to allot Shares taken at the Annual General Meeting held on 8 May 2025.

## 8.2. Share repurchases and discount management policy

The Board believes that investors are best served when the Share price trades close to the Company's Net Asset Value per Share and has therefore adopted an active discount management policy. The primary purpose of the Board's discount management policy is to reduce discount volatility. The Board also monitors the liquidity of the Company's shares as the recent lack of natural buyers in the investment trust sector has put added pressure on discount levels generally.

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 at which the Shares trade relative to the Company's Net Asset Value per Share in mid-single digits in normal market conditions by undertaking Share buy backs where appropriate.

The timing, price and volume of any buyback of Shares will be at the absolute discretion of the Company and any such buy back is also subject to the Company having sufficient working capital for its requirements and distributable profits available.

All Share repurchases will be conducted in accordance with the Companies Act and the UK Listing Rules applicable to closed-ended investment funds from time to time and will be announced to the market through an RIS announcement on the same or following day.

Shares purchased by the Company may be cancelled or held in treasury (or a combination of both). Historically, Shares purchased by the Company were held in treasury. The sale of Shares from treasury will be subject to the Companies Act and the provisions relating to rights of pre-emption contained therein to the extent not disappplied.

## 9. NET ASSET VALUE CALCULATIONS AND VALUATION POLICY

The Net Asset Value is the value of all assets of the Company less its liabilities (including provisions for such liabilities). The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time.

Under the AIFM Agreement, the AIFM is responsible for calculating the Company's Net Asset Value per Share. The AIFM has sub-delegated this responsibility to JP Morgan Chase Bank, National Association, London branch ("**JP Morgan**") pursuant to a fund services agreement between the AIFM and JP Morgan with effect from 14 July 2023 (the "**Fund Services Agreement**"). The unaudited Net Asset Value per Share is calculated in Sterling on each dealing day (on a cum-income basis) by JP Morgan and is announced by the Company on a daily basis through an RIS. Unless otherwise disclosed in such RIS announcements, the Net Asset Value is calculated in accordance with the recommendations of the AIC and the Company's investments are valued based on the following valuation methodologies:

- Securities that are traded on stock exchanges in an active market are valued at the last available bid price at the time the valuation is carried out.
- Investments that are not quoted, or are not frequently traded, are (to the extent that the Company has any such investments within its Portfolio from time to time) stated at the best estimate of fair value. The AIFM's fair value committee (the "**Fair Value Committee**"), which is independent of the Portfolio Manager's team, assesses and approves recommended fair values in respect of such investments with support from Kroll, an independent third-party valuations specialist, and Fidelity's analysts. Whilst the Company does not currently have any unlisted investments, the Fair Value Committee meets monthly and, if the Company had any unlisted investments, their valuation would be discussed at this monthly meeting. Between these meetings, the unlisted investments would be monitored on a daily basis for 'trigger events' such as funding rounds or news of fundamentals which may require the Fair

Value Committee to adjust the valuation in the interim. Kroll would undertake a detailed review of each unlisted investment on a quarterly basis. The Board is provided with quarterly updates from the Fair Value Committee, which includes the Fidelity analysts' recommendations, enabling the Board to review and appropriately challenge such recommendations and have oversight of, and confidence in, the valuation process. The Board also receives details of any price changes made outside of the normal quarterly cycle. The methodologies applied by the Fair Value Committee when valuing any unlisted investments are consistent with the international private equity and venture capital valuation guidelines and include:

- the selection of appropriate comparable companies. Comparable companies are chosen on the basis of their business characteristics and growth patterns;
  - the selection of a revenue metric (either historical or forecast);
  - the selection of an appropriate illiquidity discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;
  - the estimation of the likelihood of a future exit of the position through an initial public offering or a company sale;
  - the selection of an appropriate industry benchmark index to assist with the valuation; and/or
  - the calculation of valuation adjustments derived from milestone analysis and future cash flows (i.e. incorporating operational success against the plans/forecasts of the business into the valuation).
- The nature of any unlisted investment would influence the valuation technique applied. Any unlisted investment would be valued according to a three month cycle of measurement dates. The fair value of any unlisted investment would be reviewed before the next scheduled three monthly measurement date on the following occasions:
    - at the year end and half year end of the Company; and
    - where there is an indication of a change in fair value (resulting from 'trigger' events as set out above).
  - Derivative instruments are valued at fair value as follows: (i) the fair value of contracts for difference is calculated based on the difference between the strike price and the value of the underlying shares in the contract; (ii) the fair value of futures is calculated based on the difference between the contract price and the quoted trade price; and (iii) the fair value of options is based on the quoted trade price for the contract;
  - The HET Loan Notes will, if the Proposed Novation becomes effective, be valued at par value (with fair value illustrative figures being included for information in the notes to the Company's annual and interim reports). Bank loans (if any) are valued at amortised cost using the effective interest rate method;
  - Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Sterling at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into Sterling at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Sterling using the exchange rate at the date of the transaction.
  - At the reasonable discretion of the Directors, if the methods above are not available or an alternate method is considered to be a more accurate reflection of the fair value of any asset or liability, the Directors may in their reasonable discretion permit such an alternative method of valuation to be used to calculate Net Asset Value.

In accordance with the AIC's Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts, the Company includes transaction costs incidental to the purchase or sale of investments within losses on investments held at fair value through profit or loss in the capital column of the income statement.

Once all assets and liabilities have been valued in the daily NAV, JP Morgan performs a series of checks and control processes before the NAV is released to the market. As part of the AIFM's oversight model, the AIFM reviews the checks, controls and commentary completed by JP Morgan in its NAV analytics platform (including a review of NAV exceptions). This is also overlayed with a reasonableness check by the AIFM in respect of market movements. For the avoidance of doubt, the AIFM remains ultimately responsible for fund administration in respect of the Company notwithstanding this delegation to JP Morgan.

The calculation of the NAV per Share is suspended only in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced to Shareholders through an RIS as soon as practicable after such suspension occurs.

The Company may delay public disclosure of the Net Asset Value per Share to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

## **10. SHAREHOLDER MEETINGS, REPORTS AND ACCOUNTS**

The Company held its last AGM on 8 May 2025 and expects to hold an AGM in or around May each year. The annual report and audited financial statements of the Company are made up to 31 December each year, with copies expected to be sent to Shareholders within three months of that date. The Company also publishes interim reports and unaudited interim condensed financial statements covering the six-month period to 30 June each year, which are usually despatched within two months of that date.

The Company's audited annual financial statements are drawn up in Sterling and prepared 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. The Company's 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 in July 2022. They include an income statement, balance sheet, statement of changes in equity, related notes and any additional information that the Board deems appropriate or that is required by applicable law. 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.

The Company's 2024 Annual Report was published on 20 March 2025 and is available on the Company's website. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus. The Company's next annual report and audited financial statements will be prepared to 31 December 2025.

Any ongoing disclosures required to be made to Shareholders pursuant to the UK AIFMD Laws and the EU AIFM Directive will (where applicable) be contained in the Company's periodic or annual reports or on the Company's website, or will be communicated to Shareholders in written form as required.

Information on performance, Portfolio holdings and investment activity is prepared by the AIFM and published monthly by the AIFM in the form of a factsheet made available on the Company's website.

In accordance with the UK AIFMD Laws, the AIFM will ensure that the following information in relation to the Portfolio is published in the Company's annual report and audited annual financial statements:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement through a RIS; and

- the total amount of leverage employed by the Company.

## **11. TAXATION**

The Company has been approved by HMRC as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Corporation Tax Act and, on this basis, the Company should therefore be exempt from UK taxation on its capital gains in its Portfolio. The Company will be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available.

**A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.**

**If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.**

## **12. UK MAR AND THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES**

As a company whose shares are admitted to trading on the Main Market, the Company complies with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent. and 10 per cent. and each one per cent. thereafter up to 100 per cent.

## PART 2

### MARKET OUTLOOK, INVESTMENT STRATEGY AND PORTFOLIO

#### 1. MARKET OUTLOOK

The Investment Manager believes that 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, which could be particularly important for Europe as the risk of a trade war with the US threatens to severely impact the region's goods exports. While the Investment Manager still expects that tariffs will have an impact in Europe, 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 this returns 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, the Investment Manager acknowledges that Europe's economic growth remains under pressure and therefore cautiously awaits a cyclical upswing in the region. Falling inflation and lower interest rates could additionally boost corporate capital expenditure and lift consumer confidence.

The risk of a trade war with the US presents significant downside risks for the region. However, the Investment Manager believes the sectors that are likely to be most affected by US tariffs are automobiles, spirits, and luxury goods. The Portfolio has no exposure to automobiles or spirits while the Portfolio's exposure to the luxury goods sector lies with high-end names that exhibit strong pricing power and relatively inelastic demand. These characteristics offer some resilience against the adverse effects of tariffs.

Regardless of recent tariff developments, the Investment Manager does not plan to materially alter the profile of the Portfolio in the near-term. The frequent changes to the countries, goods, and sectors targeted by the US administration, as well as the Portfolio's limited exposure to major European exporters to the US, also reduce the necessity for adjustments.

Notwithstanding this uncertain market outlook, the Investment Manager's focus remains, and will continue to remain, on finding attractively valued companies with good prospects for cash generation and dividend growth over the longer term.

#### 2. INVESTMENT STRATEGY

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

The Company's investment philosophy can be broken down into three principles:

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

Accordingly, the Portfolio Managers search for and select investee 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.

At the next stage, the Portfolio Managers will meet with a company to build conviction on the four key areas noted above. Over and above this assessment of the four key areas, the Portfolio Managers will then also apply their 'three good reasons to buy a company' test which must include two fundamental reasons combined with one valuation argument.

If a company remains attractive after this final stage, the Investment Manager will look to initiate a position. Similarly, if the investment thesis changes on an existing holding of the Company, the Portfolio Managers will apply the same analysis culminating in an assessment of the initial 'three good reasons' for buying the company. If any of the 'three good reasons' (or the Portfolio Managers' conviction in the investee company's cash generation or balance sheet) has changed then the position is reviewed accordingly.

The Portfolio will generally have low turnover with a typical holding period of three to five years.

The Portfolio Managers are not restricted in terms of the Portfolio's split by investee company size, industry or country exposure. The Portfolio Managers do not have a bias to any particular sector or country and instead target outperformance through stock selection.

Gearing is used to leverage the Company's Portfolio in order to enhance returns. The Board and the Investment Manager believe that the judicious use of gearing can be accretive to long-term capital returns for Shareholders, the rationale being that over the longer-term carefully monitored levels of gearing will enhance returns from a rising market. The ability to use gearing is a key advantage of the investment trust structure.

The Company predominantly invests in equities but may also invest into other transferable securities, investment companies, money market instruments, cash and deposits. The Board has created strict policies and exposure limits and sub-limits to manage derivatives, as set out in paragraph 3 of Part 1 of this Prospectus. These limits and their impacts are monitored by the AIFM and Investment Manager on a daily basis and reported regularly to the Board.

### 3. ESG POLICY

Fidelity consider sustainability risks, which refer to an environmental (E), social (S) or governance (G) (collectively, "ESG") event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Fidelity's approach to sustainability risk integration seeks to identify and assess the ESG risks at an individual issuer level. Sustainability risks which may be considered by Fidelity's investment teams include, but are not limited to:

- **environmental risks:** the ability of companies to mitigate and adapt to climate change and the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems;
- **social risks:** product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation; and
- **governance risks:** board composition and effectiveness, management incentives, management quality and alignment of management with shareholders.

The Portfolio Managers and Fidelity's analysts supplement the study of financial results of potential investments with additional qualitative and quantitative non-financial analysis including sustainability risks and will factor them into investment decision making and risk monitoring to the extent they represent potential or actual material risks and/or opportunities to maximise long-term risk-adjusted returns.

This systematic integration of Sustainability Risks in investment analysis and decision-making relies on:

- **qualitative assessments:** which will be by reference, but not limited, to case studies, environmental, social and governance impacts associated with issuers, product safety documents, customer reviews, company visits or data from proprietary models and local intelligence; and

- **quantitative assessments:** which will be by reference to ESG ratings which may be an internal rating assigned by the Investment Manager primarily using Fidelity ESG Ratings (described below) or from external providers, including but not limited to MSCI, relevant data in third-party certificates or labels, assessment reports on carbon footprints, or percentage of economic activities of issuers generated from ESG-relevant activities.

Fidelity ESG Ratings is a proprietary ESG rating system developed by Fidelity's research analysts to assess individual issuers. The ratings score issuers on an A-E scale on sector-specific factors, which include relevant principal adverse impact indicators, and a trajectory forecast based on an assessment of expected change of an issuer's sustainability characteristics over time. The ratings are based on fundamental bottom-up research and assessment using criteria specific to the industry of each issuer relevant to material ESG issues. Any material differences between Fidelity ESG Ratings and third-party ESG ratings may contribute to analysis and discussion within Fidelity's investment teams as part of the assessment of the investment opportunity and its related sustainability risks. ESG ratings and associated ESG data are maintained on a research platform operated by the Investment Manager. The provision and sourcing of ESG data is reviewed on a regular basis to ensure its continuing suitability, adequacy, and effectiveness for the ongoing assessment of sustainability risks.

The Fidelity ESG Ratings methodology takes into account environmental, social and governance factors. Relevant environmental characteristics include carbon intensity, carbon emissions, energy efficiency, water and waste management and biodiversity. Relevant social characteristics include product safety, supply chains, health and safety and human rights.

The Company's portfolio is constructed in line with Fidelity International's sustainable investing principles. While the Company does not have a specific ESG mandate, ESG analysis is integrated into the investment process to form a holistic view of an investee company and its valuation. The Portfolio Managers believe that high standards of corporate responsibility are essential for protecting and enhancing investment returns. They typically select companies that screen well on ESG factors or show improving ESG fundamentals, using declining ESG characteristics as a red flag for further due diligence.

ESG factors are also crucial in assessing sustainable dividend growth, a core part of the Portfolio Managers' investment philosophy. Fidelity's ESG Ratings have sharpened their focus, prompting them to question holdings with poor ESG ratings. Fidelity's Sustainable Investment Team and analysts will continue to engage with investee companies to understand their ESG strategies and actions, maintaining a pragmatic approach. Given this focus on sustainability, the Company scores well on ESG factors on average, and individual investee company exceptions, where they do exist, are scrutinised thoroughly.

#### 4. THE COMPANY'S PERFORMANCE TRACK RECORD

The Company's performance relative to its Benchmark Index (being the FTSE World Europe ex. UK Index (in Sterling terms)) over one, three, five and 10 years, and since the commencement of Sam Morse's tenure as Portfolio Manager on 1 January 2011, each to 18 August 2025 is set out below. The Company has also delivered a Share price total return of 6,435.5 per cent. and a NAV total return of 6,397.9 per cent., respectively, since its launch in November 1991 (to 18 August 2025) compared to the Benchmark Index which delivered a total return of 1,836.8 per cent. over the same period.

From 31 December 2024 to 18 August 2025, the Company's NAV total return per Share was 10.1 per cent.<sup>7</sup>, which can be compared against the Benchmark Index's total return of which rose by 17.7 per cent. over the same period. The Share price over the same period rose by 14.5 per cent. to 403.0 pence, resulting in a Share price total return of 16.1 per cent., and ended the period trading at a discount of 3.0 per cent. to the unaudited NAV per Share as at 18 August 2025.

The Board monitors the performance of the Portfolio continuously and closely with the Investment Manager in order to understand the drivers behind relative performance (both underperformance and outperformance) and actions being taken by the Investment Manager in the light of that.

<sup>7</sup> Based on an audited NAV per Share of 382.44 pence as at 31 December 2024 and an unaudited NAV per Share of 415.50 as at 18 August 2025.

## The Company's performance track record (all as at 18 August 2025)

					Since 1 January 2011 (being the commencement of Sam Morse's tenure as Portfolio Manager) (%)
	1 year (%)	3 years (%) (annualised)	5 years (%) (annualised)	10 years (%) (annualised)	(annualised)
NAV total return per Share	2.9	10.2	10.2	10.8	10.3
Share price total return	4.4	12.9	11.3	11.2	11.7
Benchmark Index total return	13.2	13.0	10.8	9.8	8.7

Market indices are sourced from RIMES and other data is sourced from third-party providers such as Morningstar. Data to 18 August 2025. NAV total returns calculated with debt valued at par value. Total return calculations assume reinvested income. Past performance is not a reliable indicator of future results. Figures rounded to one decimal place.

## 5. THE COMPANY'S PORTFOLIO

### 5.1. Overview

The Portfolio Managers aim to achieve long-term growth in both capital and income by actively managing the Portfolio through bottom-up security selection.

The Portfolio remains balanced in terms of sector positioning and the Portfolio Managers' focus is on finding attractively valued companies with good long-term prospects for cash generation and dividend growth. The Company's positioning is driven by opportunities at the individual stock level rather than by macro developments, as the team prefers to focus on the areas where Fidelity has a competitive advantage, namely bottom-up fundamental analysis. Macro exposure is managed by ensuring broad balance across sectors, seeking to identify the best opportunities within these areas.

In keeping with the low turnover and benchmark aware approach, the fund's overall positioning remains fairly consistent. The Portfolio Managers aim to keep sector exposures to +/-5% relative to the Benchmark Index, which mitigates a number of macro factor risks.

As at 31 July 2025, the Company's key overweight positions (relative to the Benchmark Index) are in Financials, Technology and Consumer Discretionary, while its largest underweight positions are in Telecommunications, Utilities and Consumer Staples.

### 5.2. Unquoted investments

Pursuant to its investment objective and policy, up to five per cent. of the Company's gross assets may be invested in unquoted securities at any one time. Notwithstanding this flexibility, the Company does not currently hold any investments in private companies and, as at the date of this Prospectus, the Portfolio Managers have no plans to make any such investments.

### 5.3. Gearing

As noted in paragraph 4 of Part 1, gearing is primarily obtained using Contracts for Difference. As at 18 August 2025, the Company's Net Gearing was approximately 10.2 per cent. The Company has maintained Net Gearing in a range of 7.0 per cent. to 14.1 per cent. over the period from 31 July 2020 to 31 July 2025.

As set out in paragraph 2.4 of Part 1, the HET Loan Notes are proposed to be novated to the Company in connection with the Proposals.

Assuming the Scheme is implemented, and regardless of whether the Proposed Novation becomes effective, the Company's Net Gearing immediately following completion of the Scheme is expected to be lower than its current level (given, in particular, the materially higher value of the Rollover Pool relative to the value of the HET Loan Notes). However, in accordance with the Company's existing gearing policy, the Investment Manager intends to use further CFDs shortly thereafter to return the Company's Net Gearing to a similar level to that currently employed by the Company.

#### 5.4. Distribution of the Portfolio

The Net Asset Value and Portfolio information set out in this paragraph 5.4 is unaudited information as at 31 July 2025 which has been extracted from the internal management accounting records held by the Company. The Company confirms that, as at 18 August 2025 (being the latest practicable date prior to the publication of this Prospectus), there has been no material change to the composition of the Portfolio since 31 July 2025.

As at close of business on 31 July 2025, the Portfolio comprised investments, cash equivalents and cash, calculated in accordance with the Company's usual accounting policies, with an aggregate unaudited Gross Asset Exposure of approximately £1.851 billion and an unaudited Net Asset Value of approximately £1.675 billion.

Given that the Company may use derivatives as a means of enhancing portfolio performance, the market exposure of the Portfolio is typically greater than 100 per cent. of NAV. The Company's Net Equity Exposure represents the net positive exposure of the Portfolio to the market, netting off long and short positions (and net of both hedge exposure and any interests in fixed income investments/bonds), as a percentage of the Net Asset Value. The higher the Net Equity Exposure, the greater the effect of any market rises or falls on the Portfolio.

As at close of business on 31 July 2025 the Company's Net Equity Exposure was 110.5 per cent. of the unaudited NAV also as at 31 July 2025, with such exposure in excess of 100 per cent. reflecting the Investment Manager's use of Contracts for Difference within the Portfolio.

The following table shows unaudited information on the Company's top ten net long positions as at 31 July 2025, being the investments in which the Company has the greatest net positive market exposure. Such exposure takes account of market price movements in the shares, equity linked notes and convertible bonds held by the Company together with market price movements in the shares underlying the derivative instruments held by the Company.

#### As at 31 July 2025

Company Name	Sector	Net long exposure (£'000) as at 31 July 2025*	Net long exposure (as a percentage of unaudited NAV) as at 31 July 2025 (%)*
Roche Holding	Healthcare	88,049	5.3
ASML Holding	Technology	86,412	5.2
SAP (shares and long CFD)	Technology	85,399	5.1
L'Oréal	Consumer Discretionary	68,047	4.1
TotalEnergies	Energy	67,771	4.0
Nestlé	Consumer Staples	65,492	3.9
Legrand (shares and long CFD)	Industrials	62,275	3.7
Assa Abloy	Industrials	54,453	3.3
Intesa Sanpaolo	Financials	54,277	3.2
AXA	Financials	53,507	3.2

\* Rounded to one decimal place.

The following table shows the unaudited breakdown of the Portfolio (based on percentage of the unaudited NAV as at 31 July 2025) by sector and market capitalisation as at 31 July 2025.

Sector	Net Equity Exposure (as a percentage of unaudited NAV) as at 31 July 2025 (%) <sup>*</sup>	Market capitalisation exposure (£)	Net Equity Exposure (as a percentage of unaudited NAV) as at 31 July 2025 (%) <sup>*</sup>
Financials	29.1	>10 billion	92.6
Industrials	20.3	5-10 billion	9.1
Technology	14.5	1-5 billion	3.4
Consumer Discretionary	14.5	0-1 billion	0.0
Healthcare	13.6	Other index/Unclassified <sup>*</sup>	5.4
Consumer Staples	5.1	<b>Total Net Equity Exposure</b>	<b>110.5</b>
Basic Materials	4.4		
Energy	4.0		
Utilities	1.9		
Real Estate	0.0		
Telecommunications	0.0		
<b>Total sector exposure</b>	<b>107.4</b>		
Other Index/Unclassified/Hedge <sup>**</sup>	3.1		
<b>Total Net Equity Exposure</b>	<b>110.5</b>		

<sup>\*</sup> Rounded to one decimal place.

<sup>\*\*</sup> Securities that represent a number of company shares (such as index futures or options) are allocated to categories whenever possible. Otherwise, they are included in the "Other index/Unclassified" category.

The Combined Entity's Portfolio will, immediately following the Scheme becoming effective, constitute a combination of the Company's Portfolio and the investments, cash and cash equivalents apportioned to the Rollover Pool that will transfer to the Company pursuant to the Transfer Agreement. The investments in the Rollover Pool will include only those conforming with the Company's investment policy as at the Effective Date together with cash and cash equivalents. The assets within the Rollover Pool, and hence the Company's Portfolio immediately following the Scheme becoming effective, are not known at the date of this Prospectus.

## PART 3

### DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

#### 1. DIRECTORS AND PROSPECTIVE DIRECTORS

##### 1.1. The Directors

The Company operates with an experienced non-executive Board of Directors, bringing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors, each of whom is non-executive and all of whom are independent of the AIFM and the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company, including the review of the Company's investment activity and performance, and the control and supervision of the AIFM's and the Investment Manager's activities in relation to the Company. The Directors are as follows:

**Davina Walter (Chairman):** Davina Walter was appointed as a Director in November 2024 and became Chairman of the Board in May 2025. She is also Chairman of abrdn Diversified Income and Growth plc. She was previously Chairman of JPMorgan US Smaller Companies Trust plc, Chairman of CT Property Trust Limited and a non-executive director of Miton UK Microcap Trust plc and 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.

**Fleur Meijs (Chair of the Audit Committee):** Fleur Meijs was appointed as a Director in September 2017 and became Chair of the Audit Committee in May 2018. She is a non-executive Director of Ruffer LLP and she also serves as the Chair of the Audit and Risk Committees. 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 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.

**Milyae Park:** Milyae Park was appointed as a Director in January 2022. She is a non-executive director of Alliance Witan PLC, Faber and Faber Limited and THG PLC. 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.

**Sir Ivan Rogers:** Sir Ivan Rogers was appointed as a Director in January 2020. He 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.

**Paul Yates (Senior Independent Director):** Paul Yates was appointed as a Director in March 2017 and became Senior Independent Director in May 2022. He 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.

Following nine years of service, Paul Yates has advised the Company that he intends to retire from the Board at the 2026 AGM and will not stand for re-election.



## 1.2. The Prospective Directors

It is intended that, following completion of the Scheme, Vicky Hastings and Rutger Koopmans (both current HET Directors) (the “**Prospective Directors**”) will be appointed as non-executive Directors of the Company. The Board of the Combined Entity will therefore initially consist of seven Directors, comprising the five current Directors of the Company and two current HET Directors, with Davina Walter as Chairman, Paul Yates as Senior Independent Director and Fleur Meijs as Chair of the Audit Committee. The appointment of the Prospective Directors ensures representation on the Combined Entity’s 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).

As noted above, it is anticipated that Paul Yates will retire at the 2026 AGM, following which the number of Directors is expected to reduce to six Directors.

Each of the Prospective Directors is independent of the AIFM and the Investment Manager. The Prospective Directors are as follows:

**Victoria (Vicky) Hastings:** Vicky Hastings has over 35 years’ experience in the investment management industry in both executive and non-executive roles. She is an experienced finance professional and board director, who brings a deep understanding of investment process and oversight, corporate governance and investment company expertise to the Board. Over the last 20 years Vicky has served on a number of investment company boards, most recently Alliance Witan PLC, Edinburgh Investment Trust plc and Impax Environmental Markets plc, as well as serving as a non-executive director of JPMorgan Asset Management UK Limited and JPMorgan Asset Management International Limited. Prior to that she was a director on Henderson Global Trust plc and Charter European plc. In her executive career, Vicky was a European equity fund manager and held investment leadership roles at Merrill Lynch Investment Managers and JO Hambro Capital Management. Currently Vicky is a non-executive director and Chair of Henderson European Trust plc (previously known as Henderson European Focus Trust plc) and she is also a trustee of the Mountbatten Isle of Wight and Mountbatten Hampshire charity.

**Rutger Koopmans:** Rutger Koopmans is a senior finance professional. He started his career at MeesPierson NV (formerly Bank Mees & Hope NV), before moving to ING, where he served as a managing director until 2008. Since then, he has been running an independent strategic advisory practice and he is a director at PIT Self-Placement BV. Rutger is a non-executive director of Vollenhoven Groep and Chair of Stichting Pluryn (specialised youth care and specialised health care for youth and adults with complicated needs) and Woningstichting Eigen Haard. These entities are not publicly listed. Rutger is also the author of “Your Life Your Rules, taking charge of your working life”. Rutger was a non-executive director of Henderson EuroTrust plc from 2016 until its combination with HET in 2024 (whereupon he joined the HET Board as a non-executive director).

## 2. MANAGERIAL, COMPANY SECRETARIAL, ADMINISTRATION, DEPOSITARY AND OTHER ARRANGEMENTS

### 2.1. Managerial arrangements

FIL Investment Services (UK) Limited has been appointed as the Company’s alternative investment fund manager (the “**AIFM**”). The AIFM has delegated portfolio management services to FIL Investments International (in its capacity as Investment Manager). Both the AIFM and Investment Manager are indirectly wholly owned subsidiaries of Fidelity International.

#### **The AIFM**

The AIFM is a limited liability company, incorporated and registered in England and Wales on 2 May 1986 with registered number 02016555. The registered office of the AIFM is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP. The LEI of the AIFM is 213800TWO2EHFEWNF438. The AIFM is authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes. The AIFM is registered under the UK AIFMD Laws as a full scope authorised UK alternative investment fund manager and has acted as the Company’s alternative investment fund manager since the EU AIFM Directive came into force in 2014.

Under the terms of the AIFM Agreement, the AIFM has been appointed by the Company with ultimate responsibility for investment management and risk management in accordance with the Company’s investment objective and policy, and subject to the overall supervision of the Directors. The AIFM also has

overall responsibility for the provision of general accounting, administrative, secretarial and marketing services to the Company.

Further details of the terms of the AIFM Agreement are set out in paragraph 11.1 of Part 7 (*General Information*) of this Prospectus.

### ***The Investment Manager***

Pursuant to the Investment Management Agreement, the AIFM, with the consent of the Company, has delegated the day-to-day management of the Portfolio to FIL Investments International (in its capacity as the Investment Manager). The Investment Manager is a private unlimited company incorporated in England and Wales with registered number 01448245 and has its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP.

The Investment Manager manages the Portfolio in accordance with the Company's investment objective and policy, and subject to the overall supervision of the Directors and the overall policy decisions and directions made or given by the Directors from time to time.

Further details of the terms of the Investment Management Agreement are set out in paragraph 11.2 of Part 7 (*General Information*) of this Prospectus.

### ***The Portfolio Managers***

The Company's Portfolio Managers are Sam Morse and Marcel Stötzel. They are supported by Fidelity International's extensive equity research platform (comprising 132 global equity research analysts, 34 of which cover Europe directly).

Sam Morse was appointed as Portfolio Manager of the Company on 1 January 2011, having managed the Fidelity European Fund since 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 Municipal & General Securities Company Limited.

Marcel Stötzel was appointed as co-Portfolio Manager of the Company on 1 September 2020. He first joined Fidelity International's equities team as an MBA Intern covering US technology before being hired full time to cover European software and IT services and thereafter, European aerospace, defence and airlines. After a highly rated period in research, he was named Co-Portfolio Manager of the Company, and the Fidelity European Fund, nearly five years ago.

## **2.2. Company secretarial and administration arrangements**

The AIFM entered into a secretarial and investor services agreement with FIL Investments International, in its capacity as Company Secretary, with effect from 27 July 2021 (the "**Secretarial Services Delegation Agreement**"). Pursuant to this agreement, the AIFM has delegated the provision of company secretarial services to the Company Secretary. The Company Secretary is responsible for, amongst other things, providing the Company with all secretarial services required in connection with its business and operations. The Company secretary also assists the AIFM in providing the Company with marketing services.

## **2.3. Depositary**

J.P. Morgan Europe Limited (the "**Depositary**") has been appointed as the depositary of the Company pursuant to the Depositary Agreement entered into with the Company and the AIFM.

The Depositary's responsibilities include cash monitoring, safekeeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets, and monitoring the Company's compliance with investment limits and leverage requirements. J.P. Morgan Europe Limited and its delegates also undertake the function of custodian in respect of the Company. The Depositary has delegated the provision of custodian services to JPMorgan Chase Bank National Association, London Branch (the "**Custodian**"), which has further sub-delegated the provision of custodian services in relation to certain of the Company's investments in Finland, Germany, Italy, Norway, Spain and Sweden.

A summary of the Depositary Agreement is set out in paragraph 11.3 of Part 7 (*General Information*) of this Prospectus.

## 2.4. Registrar

MUFG Corporate Markets (UK) Limited (the “**Registrar**”) has been appointed as the Company’s registrar pursuant to the Registrar Agreement. The Registrar is responsible for, among other things, the maintenance of the Register and for the transfer and settlement of Shares, as applicable. A summary of the Registrar Agreement is set out in paragraph 11.5 of Part 7 (*General Information*) of this Prospectus.

## 2.5. Auditor

The statutory auditor to the Company is Ernst & Young LLP of 25 Churchill Place, London E14 5EY (the “**Auditor**” or “**EY**”). EY is independent of the Company and is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. EY’s responsibility, as statutory auditor, is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. EY was first appointed as auditor of the Company following a competitive tender process in 2015 and this appointment was approved by Shareholders at the Company’s AGM held on 12 May 2016. EY has been re-appointed as auditor at each of the Company’s AGMs since that date.

The Company is required to conduct an audit tender process every ten years and an audit tender will be completed in 2025. This process will be led by the Audit Committee who will complete an assessment of external auditors’ proposals. Following this assessment, a recommendation will be made to the Board regarding whether a change of auditor should be made.

# 3. CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance and seeks to promote a culture of strong governance with a view to ensuring Shareholders’ interests are best served. In doing so, the Board has considered the principles and recommendations of the AIC Code. The AIC Code addresses all of the principles set out in the UK Code, as well as setting out additional principles and recommendations which are of specific relevance to investment companies. The Company is a member of the AIC and the Company reports against the AIC Code.

The Company complies with the recommendations of the AIC Code and the relevant applicable provisions of the UK Code, which excludes provisions relating to the following:

- the role of the chief executive;
- executive directors’ remuneration; and
- the need for an internal audit function.

Given that the Company is an externally managed investment trust and has no executive directors, employees or internal operations, the Board considers that these provisions are not relevant to the Company.

## 3.1. Board independence, composition and tenure

The Chairman, each of the other Directors and each of the Prospective Directors is independent of the AIFM and the Investment Manager and each Director is, and each Prospective Director will be, non-executive. The executive responsibilities for investment management have been delegated to the AIFM. The AIFM has delegated day-to-day management of the Portfolio to the Investment Manager. Paul Yates is the Senior Independent Director.

Directors do not serve on the Board for a specified period of time. Each Director is, and each Prospective Director will be, subject to the election/re-election provisions as set out in the Articles. These provisions provide that, in accordance with the AIC Code, each Director must retire and stand for re-election at each Annual General Meeting. All newly appointed Directors stand for election by Shareholders at the Annual General Meeting following their appointment by the Board. The Company’s policy is that a Director’s tenure of office (including that of the Chairman) will normally be for up to nine years. When making a recommendation for re-electing a Director, the Board will take into account the ongoing requirements of the AIC Code.

The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. Accordingly, the Board conducts an annual evaluation of its performance and that of its committees, the Chairman and individual Directors. The annual

evaluation takes the form of written questionnaires and discussions, except for every third year when, in accordance with provision 21 of the UK Code as it applies to FTSE 350 Companies, an external evaluation is undertaken.

Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Company's remuneration policy which has been approved by Shareholders. For the avoidance of doubt, Directors do not vote on their own fees. The cap on the aggregate remuneration payable to the Directors as set out in the Articles is currently £350,000 per annum. The level of the cap may be increased by Shareholder resolution from time to time. The Directors are entitled to fees and reasonable travel expenses incurred in attending to the affairs of the Company. The Directors' remuneration is not subject to any performance-related fee. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The Directors are also not entitled to exit payments and are not provided with any compensation for loss of office.

Any proposal for the appointment of new Directors is discussed and approved by the whole Board. As a consequence, there is no separate nomination committee of the Board.

It is expected that each of the Prospective Directors will, following their appointment, become a member of each committee listed below. Any changes to the composition or chairing of such committees will be determined as part of the annual nomination process.

### **3.2. Audit Committee**

The Audit Committee is chaired by Fleur Meijs, who is a chartered accountant, and comprises all Directors with the exception of Davina Walter. This is in line with the recommendation of the UK Code that a chairman of a board should not be a member of the audit committee. Davina Walter will generally be invited to attend meetings of the Audit Committee as an observer.

The role of the Audit Committee is, broadly, to assist the Board in carrying out its responsibilities relating to the Company's accounting policies, internal controls, risk management, financial reporting functions and valuation of any unlisted investments. The Audit Committee also reviews the scope, results, cost effectiveness, independence and objectivity of the Company's external auditors. The Audit Committee meets at least three times per year and the committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process. At least once a year the Audit Committee meets with the external statutory auditor without any representatives from the AIFM or the Investment Manager being present to discuss the remit of and any issues arising from the audit. The Audit Committee also meets with the AIFM's internal audit representative at least once a year.

### **3.3. Management Engagement Committee**

The Management Engagement Committee comprises all of the Directors and is chaired by Davina Walter. The Board considers each member of the Management Engagement Committee to be independent. The role of the Management Engagement Committee is to review and monitor the performance of the AIFM and the Investment Manager and to ensure that the terms of the AIFM Agreement and the Investment Management Agreement remain competitive and reasonable for Shareholders, considering not less than once a year whether it is in the interests of Shareholders for the AIFM Agreement and the Investment Management Agreement to remain in force. In monitoring the performance of the AIFM and the Investment Manager, the Management Engagement Committee considers, amongst other things: (i) the quality of the Investment Manager's team; (ii) the Investment Manager's commitment to the Company; and (iii) the Investment Manager's portfolio management skills, experience and track record. The Management Engagement Committee meets at least once per year and at such other times as may be required.

### **3.4. Senior Independent Director**

The Company has appointed Paul Yates as Senior Independent Director. The Senior Independent Director provides a sounding board for the Chairman, acts as an intermediary for the other Directors, and acts as a channel of communication for Shareholders in the event that contact through the Chairman is inappropriate.

## 4. FEES AND EXPENSES

### 4.1. Issue expenses

Save as noted below, the Company and HET have each agreed to bear their own costs associated with the Scheme and the Proposals. The fixed direct costs of the Proposals payable by the Company (that is, excluding (i) Admission Fees and Acquisition Costs and (ii) FEV Proposed Novation Costs) are estimated to be approximately £555,000 (including irrecoverable VAT). In the event that implementation of the Scheme does not proceed, each party will bear its own costs. In the event that the Proposed Novation does not become effective (but the Scheme proceeds), each party will bear its own costs in respect of the Proposed Novation.

Fidelity has agreed to make a material contribution to the costs of the Proposals by means of a waiver of the management fees that would otherwise be payable, under the AIFM Agreement and the Investment Management Agreement, by the Combined Entity in respect of the net assets transferred by HET to the Company pursuant to the Scheme for the 12 month period immediately following the Effective Date (the **"Fidelity Cost Contribution"**). The Fidelity Cost Contribution will be calculated using the fee rate thresholds and marginal fee rates of the Revised Fee Arrangements (as set out in further detail in paragraph 4.2 below).

For the purposes of the Scheme, the value of the Fidelity Cost Contribution (as at the Calculation Date) will first be credited to the FEV FAV against any and all FEV transaction costs (including, for the avoidance of doubt, Admission Fees and Acquisition Costs) and FEV Proposed Novation Costs up to a maximum of £1.25 million (inclusive of VAT) (the **"FEV Fidelity Contribution"**). Any remaining balance of the Fidelity Cost Contribution will be credited to the Rollover Pool for the benefit of HET Shareholders rolling over into FEV (the **"HET Fidelity Contribution"**). The Fidelity Cost Contribution is expected to fully offset the Company's direct and indirect transaction costs (including Admission Fees and Acquisition Costs), such that Shareholders are not expected to suffer any NAV dilution from the costs of the Scheme and/or the Issue. The FEV Proposed Novation Costs are also anticipated to be partially offset by the FEV Fidelity Contribution. It is expected that the Company will bear up to £200,000 of FEV Proposed Novation Costs (inclusive of VAT) after application of the FEV Fidelity Contribution (which, in the context of the Company as a whole, are not considered to be material).

No expenses will be charged directly to investors by the Company in connection with the Scheme, the Issue or the Proposed Novation.

### 4.2. Ongoing expenses

The Company will also incur ongoing expenses. A summary of the key terms of the ongoing expenses (including those ongoing expenses which are not readily quantifiable), which are borne by the Company, are set out below.

#### **Directors**

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. As at the date of this Prospectus, Davina Walter, as Chairman, is entitled to receive £50,000 per annum, Fleur Meijs, as chair of the Audit Committee, is entitled to receive £39,000 per annum, Paul Yates, as Senior Independent Director, is entitled to receive £36,500 per annum, and all other Directors are entitled to receive £32,500 per annum. The Prospective Directors are expected to be remunerated on the same terms as the existing Directors (that is, they will be entitled to receive £32,500 per annum for their services as Directors of the Company).

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses may include those associated with attending general meetings, Board or committee meetings, travel and accommodation costs in relation to the Board's biennial diligence trips to Europe and legal fees.

#### **Management fees**

Under the AIFM Agreement and the Investment Management Agreement, the total annual management fee payable to the AIFM and the Investment Manager by the Company is 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 (the **"Annual Management Fee"**). The Annual Management Fee is apportioned between the AIFM and the Investment Manager, with

the AIFM's entitlement being equal to 0.05 per cent. per annum of the Company's Net Assets (or such other apportionment as may be agreed between the AIFM, the Investment Manager and the Company from time to time) with the Investment Manager being entitled to the remaining balance of the Annual Management Fee. The Annual Management Fee (including the AIFM's entitlement) is calculated and charged daily and payable monthly in arrears. The AIFM also provides the Company with marketing services. For the avoidance of doubt, the costs of these services are included in the Annual Management Fee payable by the Company to the AIFM under the AIFM Agreement.

Fidelity has agreed that, subject to implementation of the Scheme and with effect from Admission, the Annual Management Fee payable by the Company 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**"). This is currently expected to result in a blended annual management fee rate for the Company of 0.63 per cent. of Net Assets on completion of the Proposals.<sup>8</sup>

In satisfaction of the services rendered by the AIFM and the Investment Manager pursuant to the AIFM Agreement and Investment Management Agreement, respectively, for the year ended 31 December 2024, the Company paid an aggregate Annual Management Fee of £11,512,000.

The Investment Manager also provides the Company with marketing services under the Investment Management Agreement. The total amount paid by the Company for additional marketing expenses during the financial year ended 31 December 2024 was £221,000.

#### ***Depositary and Custodian fees***

Under the terms of the Depositary Agreement (as supplemented by the Depositary and Custodian Fee Agreement), the Depositary is entitled to receive an annual fee based on the Company's Net Asset Value. This fee comprises 0.0095 per cent. of the Company's net assets up to £250 million, 0.0050 per cent. of the Company's net assets between £250 million and £500 million, 0.0030 per cent. of the Company's net assets between £500 million and £1 billion, and 0.0010 per cent. of the Company's net assets over £1 billion. Under the terms of the Custodian Agreement (as supplemented by the Depositary and Custodian Fee Agreement), the fee payable to the Custodian comprises variable elements (i) for custody charges based on the value and location of the assets to which the custody charge relates; and (ii) for transaction settlement instructions received based on the location of the assets to which the settlement instruction relates. In satisfaction of the services rendered by the Depositary pursuant to the Depositary Agreement for the year ended 31 December 2024, the Company paid to the Depositary a fee of £63,000 (inclusive of VAT) and, in addition, the Custodian a fee of £90,000 (exclusive of VAT).

#### ***Registrar fees***

Under the terms of the Registrar Agreement, the Registrar is entitled to a basic registration fee calculated based on the number of Shareholders on the Register. The Registrar charges additional fees for services that are not included in the basic registration fee. The Registrar is entitled to increase these fees annually at the rate of the Retail Price Index prevailing at the time. In satisfaction of the services rendered by the Registrar pursuant to the Registrar Agreement for the year ended 31 December 2024, the Company paid to the Registrar a fee of approximately £91,000 (inclusive of VAT).

#### ***Other operational expenses***

Other ongoing operational expenses that are borne by the Company include, but are not limited to, the following:

- fees and expenses of the corporate broker and fees and expenses associated with legal, audit and other professional services;
- finance costs and interest paid on Contracts for Difference;
- certain external distribution and marketing costs;

<sup>8</sup> Based on the illustrative calculations as set out in paragraph 3 of Part 4 (Details of the Scheme and the Issue) of this Prospectus (that is, based on a combination of the Company and HET as at 18 August 2025 (with Net Assets of approximately £1.68 billion and £664 million respectively), current cost estimates and assuming (i) there are no Dissenting HET Shareholders and (ii) 33.3 per cent. of HET Shares are validly elected for the Cash Option (such that the Cash Option is fully subscribed)). Figures exclude, amongst other things, any impact of HET portfolio realisation costs in connection with the Proposals. All figures are illustrative only, using currently available information and estimates, and are subject to change.



- certain direct transaction expenses;
- the ongoing costs of maintaining the listing of the Shares (where relevant) in the closed-ended investment funds category of the Official List and their continued admission to trading on the Main Market;
- the ongoing costs of maintaining the Company's membership of the Association of Investment Companies;
- NAV publication costs;
- Directors' travel and accommodation costs in relation to biennial due diligence visits to Europe;
- Directors' and officers' insurance policy premiums; and
- costs of printing the Company's financial reports and posting them to Shareholders.

The Company's total fixed operational costs (excluding management fees, brokerage and other transaction charges and taxes, and any finance costs and interest paid on CFDs) are estimated, in the first year following the Issue, to amount to not more than approximately 0.06 per cent. per annum of the Company's estimated NAV (based on the illustrative calculations as set out in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus).

Shareholders do not bear any fees, charges or expenses directly, other than any fees, charges or expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares in the Company itself.

## 5. CONFLICTS OF INTEREST

The AIFM and the Investment Manager and their respective officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with those of the Company. The AIFM and the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

As the AIFM and the Investment Manager's fees are based on a percentage of the Company's Net Assets and the AIFM is responsible for valuing the Portfolio under the AIFM Agreement, there is the potential for a conflict of interest in any valuations it proposes in relation to the Company's investments. The Company's Portfolio may comprise both listed and unlisted securities (albeit the Company holds no unlisted securities as at the date of this Prospectus). There is ordinarily little or no judgement as to valuation in respect of listed securities and, where there is an element of judgement by the AIFM or its affiliates as to valuation, this conflict is managed through the use of independent sources to value assets where possible and through Board review and challenge of the valuations used. A greater degree of judgement is required in respect of unlisted securities (to the extent that there are any within the Company's Portfolio) and the AIFM has in place an unlisted investments valuation process to manage potential conflicts in this area. The valuation of any unlisted investment would be set by the AIFM's Fair Value Committee, which is independent of the Portfolio Manager's team, with input from an independent third party valuer, Kroll. The methodologies that would be applied by the Fair Value Committee when valuing any unlisted investments would be consistent with the International Private Equity and Venture Capital Valuation guidelines and include market-based approaches such as the use of multiples, industry valuation benchmarks and available market prices, with the nature of the relevant unlisted investment influencing the valuation technique applied. The valuation methodology proposed by the AIFM's Fair Value Committee in respect of any unlisted investments would also be subject to Board review and challenge.

The AIFM and the Investment Manager will have regard to their respective obligations under the AIFM Agreement and the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should potential conflicts of interest arise.

The AIFM and the Investment Manager have each established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their respective clients. The AIFM and the Investment Manager both report to the Board on a regular basis with regard to the operation of their respective internal controls and risk management within their respective operations in so far as it impacts the Company.

## PART 4

### DETAILS OF THE SCHEME AND THE ISSUE

#### 1. INTRODUCTION

The Issue is being undertaken pursuant to the proposed scheme of reconstruction and members' voluntary winding up of HET under section 110 of the Insolvency Act (the "**Scheme**"), which the HET Board has resolved to recommend to HET Shareholders. Under the Scheme, HET will be placed into members' voluntary liquidation and Eligible HET Shareholders will receive New Shares issued by the Company (and the Company will be substituted in place of HET as issuer and sole debtor of the HET Loan Notes) in exchange for the transfer to the Company of HET's assets comprising the Rollover Pool. HET Shareholders may alternatively elect to receive cash under the terms of the Scheme.

The New Shares are only available to Eligible HET Shareholders (and, subject to the terms of the Scheme, the Liquidators as nominees for Excluded HET Shareholders) who are deemed to elect for the Rollover Option under the Scheme. The New Shares are not being offered to Existing FEV Shareholders (save to the extent an Existing FEV Shareholder is also an Eligible HET Shareholder) or to the public.

#### 2. DETAILS OF THE SCHEME

##### 2.1. Scheme overview

Subject to the passing of the resolution to be proposed at the General Meeting to approve the issue of the New Shares in connection with the Scheme (the "**Resolution**"), and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 4 of this Part 4), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, HET and the Liquidators. The Transfer Agreement provides for the Rollover Pool to be transferred to the Company in consideration for (i) the allotment of New Shares of an equivalent value to the Rollover Pool FAV to the Liquidators, who will renounce the allotment of such New Shares in favour of Eligible HET Shareholders (and, subject to the terms of the Scheme, otherwise hold such New Shares as nominees for Excluded HET Shareholders) who are deemed to elect for the Rollover Option under the Scheme; and (ii) if the Proposed Novation becomes effective, the assumption by the Company of the obligations under the HET Loan Notes. Further details of the Transfer Agreement are provided in paragraph 11.8 of Part 7 (*General Information*) of this Prospectus. Any cash and cash equivalents that are transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment objective and policy.

Under the Scheme, Eligible HET Shareholders will be deemed to have elected to receive New Shares in respect of their HET Shares (the "**Rollover Option**") to the extent that they have not elected (or are not deemed to have elected) to receive cash in respect of their HET Shares (the "**Cash Option**").

The maximum number of HET Shares that can be elected (or deemed to have been elected) for the Cash Option is 33.3 per cent. of the total number of HET Shares in issue (excluding HET Shares held in treasury) as at the Calculation Date (the "**Maximum Cash Option Shares**"). HET Shareholders are entitled to elect for the Cash Option in respect of more than 33.3 per cent. of their individual holdings of HET Shares (the "**Basic Entitlement**", such excess amount being an "**Excess Application**"). However, should total elections and deemed elections for the Cash Option exceed the Maximum Cash Option Shares, Excess Applications for the Cash Option will be scaled back into New Shares in a manner that is, as near as practicable, *pari passu* and *pro rata*, by reference to the number of HET Shares elected under such Excess Applications, among all HET Shareholders who have made such Excess Applications such that the aggregate number of HET Shares elected (or deemed to have been elected) for the Cash Option shall be no more than the Maximum Cash Option Shares.

New Shares will be issued as the default option under the Scheme to the extent that Eligible HET Shareholders do not make (or are not deemed to make) a valid election for the Cash Option in respect of some or all of their HET Shares under the Scheme and to the extent that elections for the Cash Option (including Excess Applications) are scaled back as a result of the Cash Option being oversubscribed. Excluded HET Shareholders (including Overseas HET Shareholders) should read paragraph 9 of this Part 4.

The issue of New Shares under the Scheme will be effected on a formula asset value (“FAV”) for FAV basis as at the Calculation Date. On the Calculation Date, or as soon as practicable thereafter, HET, in consultation with the Liquidators, will procure the finalising of the division of HET’s undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

- first, there will be appropriated to the Liquidation Pool such of the cash, undertaking and other assets of HET estimated by the Liquidators (in consultation with the HET Directors) to be sufficient to meet the current and future, actual and contingent liabilities of HET, including (save to the extent that the same have already been deducted in calculating the total assets of HET) the costs of the Scheme to be borne by HET, the Liquidators’ Retention and the entitlements of any Dissenting Shareholders less an amount equal to the Proposed Novation Value. In accordance with the terms of the Scheme, it is expected that assets equal to the value of the withholding tax claim expected to be recoverable by HET, estimated to have a value of £3.9 million as at 18 August 2025, will also be appropriated to the Liquidation Pool. Further details of the Liquidation Pool are set out in the section titled “*Liquidation Pool*” in paragraph 2.3 of this Part 4.
- second, there will be appropriated to the Cash Pool and the Rollover Pool, in accordance with the terms of the Scheme, all the undertaking, cash and other assets of HET remaining after the appropriation referred to in respect of the Liquidation Pool, on the following basis:
  - there will first be appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as is equal to the Cash Pool FAV; and
  - there will then be appropriated to the Rollover Pool, in accordance with the Scheme, the balance of the undertaking, cash and other assets of HET (including assets with an aggregate value equal to the Proposed Novation Value).

In advance of the transfer of the Rollover Pool, the HET Directors intend that HET will have realised or realigned the undertaking and business carried on by HET in accordance with the Scheme and the elections made or deemed to have been made thereunder so that, as far as reasonably practicable, HET will hold, in addition to assets expected to be notionally allocated to the Cash Pool and the Liquidation Pool, investments suitable for transfer to the Company under the Transfer Agreement. As at the Effective Date, the Rollover Pool will therefore consist of investments conforming with the Company’s investment policy, cash and cash equivalents.

## 2.2. Proposed Novation of HET Loan Notes to the Company

HET currently gears through, among other things, its privately placed: (i) €25,000,000 1.53 per cent. unsecured Series A Senior Notes due 31 January 2047; and (ii) €10,000,000 1.66 per cent. unsecured Series B Senior Notes due 31 January 2052 (together, the “**HET Loan Notes**”).

The boards of both FEV and HET agree that there is merit in novating the HET Loan Notes from HET to FEV so that the Combined Entity can continue to benefit from the low-cost gearing provided by the HET Loan Notes (which have coupons at materially lower rates than prevailing borrowing rates).

Consequently, representatives of both FEV and HET have engaged in commercial discussions with the HET Noteholder. Following such discussions, the HET Noteholder, HET and FEV have reached agreement in respect of a deed of novation, amendment and restatement of the HET Note Purchase Agreement (the “**Deed of Novation, Amendment and Restatement**”) approving, among other matters, the proposed novation of the HET Loan Notes to the Company and substitution of the Company in place of HET in its capacity as issuer and sole debtor of the HET Loan Notes with effect from the Effective Date (the “**Proposed Novation**”). For the avoidance of doubt, other than a work fee proposed to be paid by HET and FEV to the HET Noteholder in connection with the Proposed Novation, there will be no repayment charge or premium payable to the HET Noteholder as a result of the Proposed Novation.

The HET Loan Notes will be valued at par value for the purposes of the Scheme (and, if the Proposed Novation becomes effective, when calculating the Company’s Net Asset Value thereafter). Pursuant to the Transfer Agreement, in consideration for the assumption by the Company of the obligations under the HET Loan Notes, HET will transfer additional HET assets (as part of the Rollover Pool) with an aggregate value equal to the outstanding par value of the HET Loan Notes (as at the Calculation Date) together with (i) any interest accrued thereon up to and including the Calculation Date and (ii) an amount equal to any further

interest expected to be accrued thereon in the period between the Calculation Date and the Effective Date (the “**Proposed Novation Value**”).

Pursuant to the Proposed Novation Documents, the Proposed Novation is conditional on the provision of customary completion deliverables. In the event that these conditions have not been satisfied as at the Calculation Date (other than any condition relating to the Scheme becoming effective and other ancillary conditions precedent under the Proposed Novation Documents), the Proposed Novation will not occur. In such circumstances, HET will be responsible for repaying the HET Loan Notes (including any interest accrued thereon) and the Proposed Novation Value shall be deemed to be £nil for the purposes of the Scheme. In the event that the HET Loan Notes are repaid, it is not currently expected that there will be any early repayment charges payable to the HET Loan Noteholder.

The costs associated with the Proposed Novation being: (i) the legal and advisory fees incurred by each of the Company and HET in connection with documenting the Proposed Novation; and (ii) any fees payable to the HET Noteholder, including the proposed work fee and any legal and advisory fees of the HET Noteholder (the “**Proposed Novation Costs**”) will be split between the Company and HET in proportion to the expected interests of their respective shareholders in the Combined Entity. The FEV Proposed Novation Costs are anticipated to be partially offset by the FEV Fidelity Contribution. It is expected that the Company will bear up to £200,000 of FEV Proposed Novation Costs (inclusive of VAT) after application of the FEV Fidelity Contribution (which, in the context of the Company as a whole, are not considered to be material).

For the avoidance of doubt, the Proposed Novation is not a condition of the Scheme (such that the Scheme can still proceed even if the Proposed Novation does not). However, the Proposed Novation will not proceed if the Scheme does not become effective.

### 2.3. Liquidation Pool

On or following the Effective Date, the Liquidation Pool will be applied by HET (acting by the Liquidators) in discharging the liabilities of HET. Any remaining balance of the Liquidation Pool will be distributed in cash by the Liquidators pursuant to the Scheme to all HET Shareholders on the HET Register in proportion to their respective holdings of HET Shares on the Record Date provided that, if any such amount payable to any HET Shareholder is less than £5.00, it will not be paid to the HET Shareholder but instead will be paid by the Liquidators to the Nominated Charity.

### 2.4. Residual HET Formula Asset Value

The Residual HET Formula Asset Value will be equal to the gross assets of HET as at the Calculation Date (calculated in accordance with HET’s normal accounting policies) less (i) the value of the cash and other assets and liabilities appropriated to the Liquidation Pool; and (ii) the Proposed Novation Value.

For the avoidance of doubt, the Proposed Novation Value will be excluded from the calculation of the Residual HET Formula Asset Value (and therefore will not be taken into account when calculating the Cash Pool FAV and/or the Rollover Pool FAV) as the value of any assets notionally attributed to the Rollover Pool for these purposes shall be equal to (and offset by) the value of the liability to be assumed by FEV pursuant to the Proposed Novation.

### 2.5. Cash Option

HET Shareholders that validly elect, or are deemed to elect, for the Cash Option will receive an amount in cash equal to the Cash Pool FAV per HET Share multiplied by the number of HET Shares in respect of which the relevant HET Shareholder has validly elected, or is deemed to have elected, for the Cash Option.

The Cash Pool FAV will be equal to the Residual HET Formula Asset Value multiplied by the proportion of HET’s issued share capital (excluding any HET Shares held in treasury as at the Calculation Date) validly elected (or deemed to have been elected) for the Cash Option (subject to the Maximum Cash Option Shares limit and any scaling back undertaken in accordance with the terms of the Scheme) less (i) a discount of 1.75 per cent. (the “**Cash Option Discount**”); and (ii) the further costs of any realisations required to fund the Cash Pool (the “**Cash Pool Realisation Costs**”).

The Cash Pool FAV per HET Share shall be equal to the Cash Pool FAV divided by the number of HET Shares in respect of which valid elections for the Cash Option have been made, or are deemed to have been made, expressed in pence and calculated to six decimal places with (0.0000005 rounded down).

The aggregate value arising from the application of the Cash Option Discount (the “**Cash Uplift**”) will be credited to the Rollover Pool for the benefit of HET Shareholders who are deemed to have elected for the Rollover Option.

## **2.6. Rollover Option**

The number of New Shares to which each HET Shareholder who is deemed to have elected for the Rollover Option will be entitled will be calculated by dividing the Rollover Pool FAV per HET Share by the FEV FAV per Share and applying this ratio (which will be calculated to six decimal places, with 0.0000005 rounded down) to the number of HET Shares in respect of which that HET Shareholder is deemed to have elected for the Rollover Option.

### *Rollover Pool FAV per HET Share*

The Rollover Pool FAV will be equal to the Residual HET Formula Asset Value multiplied by the proportion of HET’s issued share capital (excluding any HET Shares held in treasury as at the Calculation Date) that is deemed to have elected for the Rollover Option: (i) plus an amount equal to the value of the HET Fidelity Contribution (as described in further detail in paragraph 7 of this Part 4); (ii) plus an amount equal to the Cash Uplift; and (iii) less an amount equal to the HET Proposed Novation Costs.

The Rollover Pool FAV per HET Share will be equal to the Rollover Pool FAV divided by the number of HET Shares deemed to have elected for the Rollover Option, expressed in pence and calculated to six decimal places with (0.0000005 rounded down).

### *FEV FAV per Share*

The FEV FAV will be equal to the Net Asset Value of the Company, calculated as at the Calculation Date, adjusted by (i) deducting any costs of the Proposals (and the FEV Proposed Novation Costs) payable by the Company but not accrued in its Net Asset Value as at the Calculation Date (excluding Admission Fees and Acquisition Costs); (ii) deducting any dividends declared by the Company prior to the Calculation Date that have not been paid to Shareholders or accrued in the Company’s Net Asset Value as at the Calculation Date (including the FEV Interim Dividend, once announced); and (iii) adding an amount equal to the value of the FEV Fidelity Contribution (as described in further detail in paragraph 7 of this Part 4).

The FEV FAV per Share will be equal to the FEV FAV divided by the number of Shares in issue (excluding any Shares held in treasury) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down).

Excluded HET Shareholders will not receive New Shares pursuant to the Scheme. Any New Shares that would otherwise be issued to Excluded HET Shareholders will instead be issued to the Liquidators as nominees for the relevant Excluded HET Shareholder and sold by the Liquidators in the market, with the net proceeds paid (subject to the terms of the Scheme) to the relevant Excluded HET Shareholder, as discussed in paragraph 9 of this Part 4.

## **3. DETAILS OF THE ISSUE**

The New Shares are ordinary shares, denominated in Sterling, in the Company and will rank equally in all respects with the existing issued Shares (other than in respect of any dividends or distributions which have a record date prior to the date of Admission). For the avoidance of doubt, HET Shareholders receiving New Shares under the Scheme will not, in respect of those New Shares, be entitled to the FEV Interim Dividend (expected to be announced in early September 2025).

The number of New Shares to be issued under the Scheme is not known as at the date of this Prospectus as it will be calculated in accordance with the formula stated above as at the Calculation Date and will depend on the elections and deemed elections made under the Scheme. The number of New Shares to be issued will be announced through an RIS announcement on the Effective Date. The Issue is not being underwritten. The New Shares will be issued on a non pre-emptive basis.

**For illustrative purposes only**, had the Calculation Date been close of business on 18 August 2025 and assuming (i) there were no Dissenting Shareholders; (ii) that the Cash Option was taken up in full; and (iii)

that the HET Pre-Liquidation Interim Dividend (of 3.40 pence per HET Share) and the anticipated FEV Interim Dividend (expected to be not less than 3.60 pence per Share) have both been paid:

- the Rollover Pool FAV per HET Share would have been 212.130202 pence; and
- the Cash Pool FAV per HET Share would have been 206.118032 pence,

in each case receivable in addition to the HET Pre-Liquidation Interim Dividend of 3.40 pence per HET Share.

These illustrative figures also assume that HET assets, representing withholding tax expected to be recoverable by HET, have been allocated to the Liquidation Pool (with an estimated value of approximately £3.9 million as at 18 August 2025).

The Rollover Pool FAV per HET Share and the Cash Pool FAV per HET Share may be compared with the HET Share price and cum-income NAV per HET Share as at 18 August 2025 which were 207.0 pence and 214.9 pence, respectively.

***For illustrative purposes only***, and on the basis of the assumptions set out above, the FEV FAV per Share would have been 411.982405 pence, which may be compared with the Share price and cum-income NAV per Share as at 18 August 2025 which were 403.0 pence and 415.5 pence, respectively. On the basis of the above, the Rollover Option would have produced a conversion ratio of 0.514901 and, in aggregate, 106,159,798 New Shares would have been issued under the Scheme, representing approximately 20.8 per cent. of the issued ordinary share capital of the Combined Entity immediately following the completion of the Scheme.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the FEV FAV per Share, the Cash Pool FAV per HET Share, the Rollover Pool FAV per HET Share and the number of New Shares to be issued under the Scheme through an RIS as soon as reasonably practicable following the Calculation Date and prior to the Issue.

#### **4. CONDITIONS OF THE ISSUE**

The Issue is conditional upon:

- the passing of the HET Resolutions to be proposed at the First HET General Meeting (to be held on 9 September 2025) and the Second HET General Meeting (to be held on 26 September 2025) or any adjournment of those meetings, and such HET Resolutions becoming unconditional in all respects;
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting (to be held on 15 September 2025), or any adjournment thereof, and such Resolution becoming unconditional in all respects;
- the approval of the FCA to amend the listing of the HET Shares to reflect their reclassification as shares with "A" rights and shares with "B" rights for the purposes of implementing the Scheme;
- the FCA agreeing to admit the New Shares to listing in the closed-ended investment funds category of the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- the Directors and the HET Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied on or before 31 December 2025 (or such later date as may be agreed by the Company and HET), no part of the Proposals will become effective and no New Shares will be issued pursuant to the Scheme.

#### **5. DISSENTING HET SHAREHOLDERS**

Provided that a HET Shareholder does not vote in favour of the HET Resolutions to be proposed at the First HET General Meeting, such HET Shareholder may within seven days following the First HET General Meeting, express their dissent to the proposed Liquidators in writing at HET's registered office and require the Liquidators, once appointed, to purchase the HET Shareholder's interest in HET. The Liquidators will offer to purchase the interests of the Dissenting HET Shareholders at the realisation value, this being an estimate of the amount a HET Shareholder would receive per HET Share in an ordinary winding up of HET if all of the



assets of HET had to be realised and distributed to HET Shareholders after repayment of the liabilities of HET.

The realisation value of a HET Share is expected to be below the latest unaudited cum-income NAV per HET Share and the Liquidators are not expected to purchase the interests of any Dissenting HET Shareholders until all other liabilities of HET have been settled and any outstanding tax obligations of the Company have been dealt with, which may occur more than 12 months following the date on which the Company enters liquidation.

In order to purchase the interests of any Dissenting HET Shareholders, the HET Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of HET to the Liquidation Pool which it believes is sufficient to purchase the interests of such HET Shareholders. Save as otherwise provided in this paragraph 5, any HET Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act will be disregarded for the purposes of the Scheme and will be treated as if those HET Shares were not in issue.

## 6. DILUTION

Unless they are also holders of HET Shares, Existing FEV Shareholders are not able to participate in the Issue and will experience a dilution to the percentage of the issued Share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

*For illustrative purposes only*, if 106,159,798 New Shares were to be issued (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that 33.3 per cent. of the total HET Shares in issue (excluding HET Shares held in treasury) are elected, or are deemed to be elected, for the Cash Option, and that the ratio between the FEV FAV per Share and the Rollover Pool FAV per HET Share is 0.514901 as outlined in paragraph 3 above) then, based on the issued share capital of the Company as at 18 August 2025, and assuming that: (i) an Existing FEV Shareholder is not an Eligible HET Shareholder and is therefore not able to participate in the Issue; and (ii) there is no change to the Company's issued share capital prior to Admission, an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 18 August 2025 would then hold approximately 0.79 per cent. of the Company's issued share capital immediately following the Issue. If no HET Shares are elected, or deemed elected, for the Cash Option but the assumptions above otherwise remain the same, 157,941,303 New Shares would be issued under the Scheme and an Existing FEV Shareholder holding 1.0 per cent. of the Company's issued share capital as at 18 August 2025 would then hold approximately 0.72 per cent. of the Company's issued share capital immediately following the Issue.

## 7. COSTS AND EXPENSES OF THE SCHEME AND THE PROPOSALS

Save as noted below, the Company and HET have each agreed to bear their own costs associated with the Scheme and the Proposals. The fixed direct costs of the Proposals payable by the Company (that is, excluding (i) Admission Fees and Acquisition Costs and (ii) the FEV Proposed Novation Costs) are estimated to be approximately £555,000 (including irrecoverable VAT). In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

Fidelity has agreed to make a material contribution to the costs of the Proposals by means of a waiver of the management fees that would otherwise be payable, under the AIFM Agreement and the Investment Management Agreement, by the Combined Entity in respect of the net assets transferred by HET to the Company pursuant to the Scheme for the 12 month period immediately following the Effective Date (the **"Fidelity Cost Contribution"**).

The Fidelity Cost Contribution will be calculated using the fee rate thresholds and marginal fee rates of the Revised Fee Arrangements (as set out in further detail in paragraph 4.2 of Part 3 of this Prospectus).

For the purposes of the Scheme, the value of the Fidelity Cost Contribution (as at the Calculation Date) will first be credited to the FEV FAV against any and all FEV transaction costs (including, for the avoidance of doubt, Admission Fees and Acquisition Costs) and the FEV Proposed Novation Costs up to a maximum of £1.25 million (inclusive of VAT) (the **"FEV Fidelity Contribution"**). Any remaining balance of the Fidelity Cost Contribution will be credited to the Rollover Pool for the benefit of HET Shareholders rolling over into FEV (the **"HET Fidelity Contribution"**). The Fidelity Cost Contribution is expected to fully offset the Company's direct and indirect transaction costs (including Admission Fees and Acquisition Costs), such that Shareholders are not expected to suffer any NAV dilution from the costs of the Scheme and/or the Issue. The

FEV Proposed Novation Costs are also anticipated to be partially offset by the FEV Fidelity Contribution. It is expected that the Company will bear up to £200,000 of FEV Proposed Novation Costs (inclusive of VAT) after application of the FEV Fidelity Contribution (which, in the context of the Company as a whole, are not considered to be material).

No expenses will be charged directly to investors by the Company in connection with the Scheme, the Issue or the Proposed Novation.

The Liquidators' Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of HET. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to HET Shareholders on the HET Register as at the Record Date, provided that if any such amount payable to any HET Shareholder is less than £5.00, it will not be paid to the HET Shareholder but instead will be paid by the Liquidators to the Nominated Charity.

## **8. ADMISSION AND DEALINGS**

Applications will be made by the Company to the FCA and to the London Stock Exchange for the New Shares to be admitted to the closed-ended investment funds category of the Official List and to trading on the Main Market, respectively. It is not intended that any class of shares in the Company be admitted to listing or trading in any other jurisdiction. If the Proposals become effective, it is expected that the New Shares will be admitted to the Official List, and dealings on the Main Market will commence, on 29 September 2025.

The ISIN of the New Shares will be GB00BK1PKQ95. The New Shares will be in registered form and may be held in either certificated form or uncertificated form. Eligible HET Shareholders who are deemed to have elected for the Rollover Option and who hold their relevant HET Shares in certificated form at the Record Date will receive their New Shares in certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to such Eligible HET Shareholders will be despatched within 14 calendar days of the Effective Date.

Eligible HET Shareholders who are deemed to have elected for the Rollover Option and who hold their relevant HET Shares in uncertificated form as at the Record Date will receive their New Shares in uncertificated form on 29 September 2025, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Company's Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

Fractional entitlements to New Shares will not be issued under the Scheme and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments will be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

## **9. EXCLUDED HET SHAREHOLDERS**

The terms of the Scheme, as they relate to Overseas HET Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas HET Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Overseas HET Shareholders to satisfy themselves (and the Directors) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Excluded HET Shareholders (including any US HET Shareholder that has not executed and returned a valid US Investor Representation Letter to FEV in accordance with the instructions thereon prior to 1.00 p.m. on 9 September 2025) will be deemed to have elected for the Cash Option in respect of 100 per cent. of their holding of HET Shares. Such deemed election will be subject to scaling back in accordance with the terms of the Scheme. However, Excluded HET Shareholders will not receive New Shares pursuant to the Scheme.

Any New Shares that would otherwise be issued to Excluded HET Shareholders will instead be issued to the Liquidators as nominees for the relevant Excluded HET Shareholder and sold by the Liquidators as nominees in the market for the relevant Excluded HET Shareholder (which will be done by the Liquidators without regard to the personal circumstances of the relevant Excluded HET Shareholder and the value of the HET Shares held by the relevant Excluded HET Shareholder). The net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid:

- (a) in respect of each Overseas HET Shareholder that is not also a Sanctions Restricted Person, to the relevant Overseas HET Shareholder entitled to them as soon as reasonably practicable (with payment expected to be made within 10 Business Days after the date of sale), save that entitlements of less than £5.00 per Overseas HET Shareholder will be paid by the Liquidators to the Nominated Charity; or
- (b) in respect of any Sanctions Restricted Person, at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations.

Overseas HET Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, New Zealand or the Republic of South Africa. No offer is being made, directly or indirectly, under the Scheme in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), Canada, Australia, Japan, New Zealand or the Republic of South Africa.

**Overseas HET Shareholders who wish to participate in the Issue should contact the HET Receiving Agent by no later than 1.00 p.m. on 9 September 2025 if they are able to demonstrate, to the satisfaction of the Directors, that they can be issued New Shares without breaching any relevant securities laws or regulations and that FEV will not be subject to any additional regulatory requirements to which it would not otherwise be subject but for such issue.** The HET Receiving Agent is contactable via its Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050).

Overseas HET Shareholders will not receive a copy of this Prospectus unless they have satisfied the Directors that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or HET with any overseas laws, regulations, filing requirements or the equivalent.

Sanctions Restricted Persons will not be entitled to receive a copy of this Prospectus in any circumstance.

## **10. NOTICE TO US HET SHAREHOLDERS**

In connection with the Issue, the New Shares are being offered or sold only: (i) outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the US Securities Act; and (ii) to persons that are both QIBs and Qualified Purchasers pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have validly executed a US Investor Representation Letter and returned it to the Company in accordance with the instructions thereon.

The Scheme is being implemented subject to United Kingdom disclosure requirements that are different from certain United States disclosure requirements. In addition, this document has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Scheme required by UK disclosure requirements, which may be material and may not have been summarised elsewhere in this document. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The New Shares are not, and will not be, listed on a US securities exchange, and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC. The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

It may be difficult for US HET Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, all of its officers and directors are residents of a foreign country and the majority of its officers and directors are citizens of a foreign country. US HET Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US HET Shareholders will receive any cash consideration in Sterling.

The New Shares have not been and will not be registered under the US Securities Act, and the New Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act.

The Company is not, and does not intend to be, registered under the US Investment Company Act and investors in the New Shares are not, and will not be, entitled to the benefits of the US Investment Company Act. There has not been, and there will not be, any public offer of the New Shares in the United States.

There are significant restrictions on the resale of New Shares by persons that are located in the United States, that are US Persons, or who hold New Shares for the account or benefit of US Persons and on the resale of New Shares to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, they may do so only: (i) outside the United States in an "offshore transaction" complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

## **11. TAXATION**

The attention of HET Shareholders is drawn to the summary of UK tax matters set out in Part 6 (*UK Taxation*) of this Prospectus. HET Shareholders should seek tax advice from their own tax adviser about the taxation consequences of acquiring/receiving, holding or disposing of New Shares.

## PART 5

### FINANCIAL INFORMATION

#### 1. INTRODUCTION

The financial information contained in the sections titled "*Historical Financial Information*", "*Selected Financial Information*" and "*Operating and Financial Review*" of this Part has been extracted without material adjustment from the annual reports and audited financial statements of the Company for the financial years ended 31 December 2023 (the "**2023 Annual Report**") and 31 December 2024 (the "**2024 Annual Report**").

The audited financial statements of the Company for the financial years ended 31 December 2023 and 31 December 2024 (the "**Audited Financial Statements**") were prepared 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 and in conformity with the requirements of the Companies Act. The Company's 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 AIC in July 2022. The Audited Financial Statements were audited by Ernst & Young LLP ("**EY**") whose report in each instance was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act. EY is registered to carry out audit work in the UK by the Institute of Chartered Accountants in England and Wales.

Copies of the 2023 Annual Report and the 2024 Annual Report are available for inspection on the Company's website ([www.fidelity.co.uk/Europe](http://www.fidelity.co.uk/Europe)).

#### 2. HISTORICAL FINANCIAL INFORMATION

Historical financial information relating to the Company on the matters referred to below is included in the 2023 Annual Report and the 2024 Annual Report as set out in the table below and is expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or are covered elsewhere in this Prospectus.

Nature of information	2024 Annual Report (audited) Page No.	2023 Annual Report (audited) Page No.
Financial highlights	v	v
Independent auditor's report	47 – 52	49 – 54
Income statement	53	55
Statement of changes in equity	54	56
Balance sheet	55	57
Statement of cash flows	N/A	N/A
Notes to the financial statements	56 – 73	58 – 75

Under applicable accounting standards, 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. Accordingly, the 2023 Annual Report and the 2024 Annual Report do not contain any cash flow statements.

#### 3. SELECTED FINANCIAL INFORMATION

The information regarding the Company in this paragraph has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 above. Selected historical audited financial information relating to the Company that summarises the financial position of the Company for the two financial years ended 31 December 2023 and 31 December 2024 is set out in the tables below.

**Income statement for closed-ended funds (in respect of the Company)**

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
Gains/(losses) on investments	-	(47,301)	(47,301)	-	165,905	165,905
Gains/(losses) on derivative instruments	-	35,423	35,423	-	50,441	50,441
Income	53,670	-	53,670	47,221	-	47,221
Investment management fees	(2,878)	(8,634)	(11,512)	(2,625)	(7,877)	(10,502)
Other expenses	(1,063)	-	(1,063)	(967)	-	(967)
Foreign exchange gains/(losses)	-	(2,956)	(2,956)	-	(1,464)	(1,464)
<b>Net return/(loss) before finance costs and taxation</b>	<b>49,729</b>	<b>(23,468)</b>	<b>26,261</b>	<b>43,629</b>	<b>207,005</b>	<b>250,634</b>
Finance costs	(2,770)	(8,309)	(11,079)	(2,138)	(6,414)	(8,552)
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>46,959</b>	<b>(31,777)</b>	<b>15,182</b>	<b>41,491</b>	<b>200,591</b>	<b>242,082</b>
Taxation on return/(loss) on ordinary activities	(4,422)	-	(4,422)	(3,390)	-	(3,390)
<b>Net profit/(loss) on ordinary activities after taxation for the year</b>	<b>42,537</b>	<b>(31,777)</b>	<b>10,760</b>	<b>38,101</b>	<b>200,591</b>	<b>238,692</b>
<b>Return/(loss) per Share</b>	<b>10.41p</b>	<b>(7.78)p</b>	<b>2.63p</b>	<b>9.32p</b>	<b>49.08p</b>	<b>58.40p</b>

**Balance sheet for closed-ended funds (in respect of the Company)**

Nature of Information	Year ended 31 December 2024	Year ended 31 December 2023
<b>Net Asset Value (£'000)</b>	1,563,129	1,587,479
<b>Shareholders' funds (£'000)</b>	1,563,129	1,587,479
<b>Net Asset Value per Share (basic and diluted) (p)</b>	382.44	388.39

**4. OPERATING AND FINANCIAL REVIEW**

The 2023 Annual Report and the 2024 Annual Report included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Portfolio for the relevant period. These sections are expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

Nature of information	2024 Annual Report (audited) Page No.	2023 Annual Report (audited) Page No.
Chairman's statement	2 – 5	2 – 4
Portfolio Manager's review	6 – 9	6 – 11
Investment portfolio	10 – 17	12 – 18



## 5. DOCUMENTS INCORPORATED BY REFERENCE

The following sections of the 2023 Annual Report and the 2024 Annual Report are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or are covered elsewhere in this Prospectus.

- the sections listed in paragraph 2 “Historical financial information” of this Part 5 (*Financial information*); and
- the sections listed in paragraph 4 “Operating and financial review” of this Part 5 (*Financial information*).

The documents incorporated by reference can be obtained from the Company’s website ([www.fidelity.co.uk/Europe](http://www.fidelity.co.uk/Europe)).

## 6. SIGNIFICANT CHANGE

As at the date of this Prospectus, there has been no significant change in the financial position of the Company since 31 December 2024 (being the end of the most recent financial period of the Company for which audited financial information has been published).

## 7. CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 May 2025:

	(£'000)
<b>Total current debt</b>	
– Guaranteed	–
– Secured	–
– Unguaranteed/unsecured	–
	–
<b>Total non-current debt</b> (excluding current portion of non-current debt)	
– Guaranteed	–
– Secured	–
– Unguaranteed/unsecured	–
	–
<b>Shareholder equity</b>	
– Called-up Share capital	10,411
– Share premium	58,615
– Capital redemption reserve	5,414
– Other reserve	–
– Capital reserve	1,563,987
– Revenue reserve	58,924
<b>Total</b>	<b>1,697,351</b>

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 May 2025.

The following table shows the Company's total financial indebtedness as at 31 May 2025. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 May 2025.

	(£'000)
A. Cash	4,302
B. Cash equivalents	26,808
C. Other current financial assets*	20,504
<b>D. Liquidity (A+B+C)</b>	<b>51,614</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-
F. Current portion of non-current financial debt	-
<b>G. Current financial indebtedness (E+F)</b>	<b>-</b>
<b>H. Net current financial (liquidity)/indebtedness (G-D)</b>	<b>(51,614)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	-
J. Debt instruments	-
K. Non-current trade and other payables**	2,414
<b>L. Non-current financial indebtedness (I+J+K)</b>	<b>2,414</b>
<b>M. Total financial (liquidity)/indebtedness (H+L)</b>	<b>(49,200)</b>

\* Includes the unrealised gains on derivative positions and other debtors.

\*\* Includes the unrealised losses on derivative positions and other creditors.

#### **Contingent indebtedness not recognised in the Capitalisation and Indebtedness Statement**

As at 31 May 2025, the Company had no indirect or contingent indebtedness. As at the date of this Prospectus, there has been no material change in the indebtedness of the Company since 31 May 2025.

#### **8. WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).

#### **9. NET ASSET VALUE PER SHARE**

The unaudited Net Asset Value per Share (cum income) as at 18 August 2025 was 415.5 pence.

## PART 6

### UK TAXATION

#### 1. GENERAL

The information below, which relates only to the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in the UK for taxation purposes and who hold Shares as an investment. It is based on current UK taxation law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring/receiving their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. The tax legislation of each investor's home country and of the Company's country of incorporation may have an impact on the income received from the Shares.

In particular, the information below does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax adviser regarding the US federal income tax consequences of any such investment, as required.

All tax rates and allowances refer to those in force in the UK fiscal year 2025/26. Tax rates and allowances may change in subsequent years.

**If you are in any doubt about your tax position, you should consult your tax adviser.**

#### 2. THE COMPANY

The Company is an investment trust under section 1158 of the Corporation Tax Act. The Board has conducted the affairs of the Company, and intends to conduct the affairs of the Company in the future, so as to enable it to satisfy the conditions necessary for it to continue to be eligible as an investment trust under sections 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act and the Investment Trust Tax Regulations. However, neither the AIFM nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. The Directors consider that the Company is not a close company as at the date of this Prospectus and should not be immediately following Admission.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains.

The Company will, however (subject to the following), be liable to pay UK corporation tax on its income in the normal way. Income and gains arising from overseas investments may be subject to foreign withholding taxes (or foreign capital gains taxes) at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under section 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). The Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends out of distributable profits realised in the accounting period, to the extent that it has "qualifying interest income" for that accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its taxable income in calculating its taxable profit for the relevant accounting period.

### 3. SHAREHOLDERS

#### 3.1. Taxation of capital gains

A disposal of Shares (including a disposal on a winding up of the Company) by an individual Shareholder who is resident in the UK for tax purposes, or a disposal by a non-UK resident individual who carries on a trade in the UK through a branch, agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the individual Shareholder's circumstances and subject to any available exemption or relief.

UK-resident and domiciled individual Shareholders have an annual exemption (the "**Annual Exempt Amount**"), such that UK capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The Annual Exempt Amount is £3,000 for the tax year 2025/26. For such individual Shareholders, UK capital gains tax will be chargeable on a disposal of Shares at the applicable rate, currently 18 per cent. (to the extent that the gains fall within a taxpayer's basic rate band after income has been accounted for), or 24 per cent. (to the extent that the gains fall within a taxpayer's higher or additional rate bands)). For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. The income tax rates and bands for UK (non-Scottish) taxpayers in the tax year 2025/26 are as follows: taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income up to £100,000. The personal allowance tapers down at a rate of £1 for every £2 of income above £100,000. The personal allowance does not apply for income above £125,140.

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable, on their return to the UK, to UK taxation on any chargeable gain realised (subject to any available exemption or relief) under anti-avoidance legislation relating to temporary non-residents. Special rules apply to individual Shareholders who are subject to tax on a "split-year" basis, and they should seek specific tax advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000) on chargeable gains arising on a disposal of their Shares.

Individual and corporate Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares, although such Shareholders may be subject to taxation in their own jurisdiction.

#### 3.2. Taxation of dividends

##### *Individuals*

The following statements summarise the expected UK tax treatment for UK resident individual Shareholders who receive dividends from the Company. The statements in the following three paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £500 of dividend income for the tax year 2025/26 (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a current rate of 8.75 per cent. where such a Shareholder is a basic rate taxpayer; 33.75 per cent. where such a Shareholder is a higher rate taxpayer; and 39.35 per cent. where such a Shareholder is an additional rate taxpayer. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. The income tax rates and bands for UK (non-Scottish) taxpayers in the tax year 2025/26 are as follows: Taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an

additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits, and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

The Company will not be required to withhold tax at source when paying a dividend to individuals (including such part of any dividend as may be designated an interest distribution as described above).

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the savings allowance of £1,000 will be taxed at a current rate for tax year 2025/26 of 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the savings allowance of £500 will be taxed at a current rate for the tax year 2025/26 of 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at a current rate for the tax year 2025/26 of 45 per cent. The savings allowance for additional rate taxpayers is £0. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. The income tax rates and bands for UK (non-Scottish) taxpayers in tax year 2025/26 are as follows: taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140.

#### *Corporations*

The statements in the following two paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes. However, such Shareholders are advised to consult their tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed according to the loan relationship rules in the hands of UK resident corporate Shareholders and subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000.

The Company will not be required to withhold tax at source when paying a dividend to corporations (including such part of any dividend as may be designated an interest distribution as described above).

## **4. STAMP DUTY AND SDRT**

### **4.1. Issue of New Shares pursuant to the Issue**

The issue of New Shares pursuant to the Issue should not give rise to any stamp duty or SDRT.

#### 4.2. Subsequent transfers

Subsequent transfers of New Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5.00). However, an exemption from stamp duty will be available on an instrument transferring New Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer New Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of New Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of New Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

In certain circumstances, the transfer of New Shares will be chargeable to stamp duty or SDRT on the value of the New Shares transferred, rather than the amount or value of the consideration given.

### 5. INDIVIDUAL SAVINGS ACCOUNTS

Shares acquired by a UK resident individual Shareholder may be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2025/26). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2025/26 tax year.

Individuals wishing to invest in New Shares through an ISA should contact their professional advisers regarding their eligibility.

### 6. INFORMATION REPORTING

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, CRS, the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions.

In connection with such international agreements and obligations (and UK regulations implementing the same) the Company may, amongst other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with such UK regulations and relevant international agreements and obligations.

### 7. PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION

Two United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion created by the Criminal Finances Act 2017 impose criminal liability on a company or a partnership (a “**relevant body**”) if it fails to prevent the criminal facilitation of tax evasion by a person “when acting in the capacity of a person associated” with the relevant body. There is a defence to the charge if the relevant body can show that it had in place reasonable “prevention procedures” at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company, the AIFM and the Company Secretary may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs. The Board has a zero-tolerance approach to the criminal facilitation of tax evasion. 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.



## PART 7

### GENERAL INFORMATION

#### 1. THE COMPANY

- 1.1. The Company was incorporated in England and Wales on 16 August 1991 with registered number 02638812 as a public company limited by shares under the Companies Act 1985. The Company is registered as an investment company under section 833 of the Companies Act. The Company's LEI is 549300UC0QPP7Y0W8056.
- 1.2. The registered office and principal place of business of the Company is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, with telephone number +44 (0)1732 361144.
- 1.3. As a listed investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, as a company with its shares admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market, it is subject to the Prospectus Regulation Rules, the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, UK MAR and the rules of the London Stock Exchange. The Company is domiciled in England. The Company is an alternative investment fund pursuant to the UK AIFMD Laws. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 1.4. The principal activity of the Company is to invest its assets in accordance with the investment objective and policy set out in paragraph 3 of Part 1 (*Fidelity European Trust PLC*) of this Prospectus.
- 1.5. The Company does not have a fixed life. However, under the Articles, Shareholders have the opportunity to vote on the continuation of the Company as an investment trust at every second AGM (a "**Continuation Vote**"). The next Continuation Vote will be held at the AGM to be held in 2027.
- 1.6. The Company's accounting period ends on 31 December of each year. The Company's latest financial statements for the year ended 31 December 2024 were published on 20 March 2025.
- 1.7. The auditor of the Company is Ernst & Young LLP of 25 Churchill Place, London E14 5EY, which is a member firm of the Institute of Chartered Accountants in England and Wales.
- 1.8. The Company has no employees and its day-to-day activities are delegated to third parties.
- 1.9. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
  - 1.9.1. all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds;
  - 1.9.2. the Company is not a close company at any time during the accounting period for which approval is sought;
  - 1.9.3. the Company is resident in the UK throughout that accounting period;
  - 1.9.4. the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period;
  - 1.9.5. the Company is not a venture capital trust or a real estate investment trust; and
  - 1.9.6. the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts

mentioned in (i) and (ii) above, the Company may retain an amount equal to the amount of such losses.

## 2. THE AIFM AND THE INVESTMENT MANAGER

- 2.1. FIL Investment Services (UK) Limited, a private limited company incorporated in England and Wales under the Companies Act 1985 with registered number 02016555, is the Company's AIFM. The AIFM is authorised and regulated by the FCA. The registered office of the AIFM is at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP and its telephone number is +44 (0)1732 361144.
- 2.2. FIL Investments International, a private unlimited company incorporated in England and Wales under the Companies Acts 1948 to 1976 with registered number 01448245, is the Company's Investment Manager. The registered office of the Investment Manager is at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP and its telephone number is +44 (0)1732 361144.

## 3. THE DEPOSITARY

J.P. Morgan Europe Limited has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 11.3 of this Part 7 below). The Depositary is a private limited company incorporated in England and Wales under the Companies Act 1948 with company number 00938937. It is authorised and regulated by the FCA. The registered office of the Depositary is at 25 Bank Street, Canary Wharf, London E14 5JP and its telephone number is +44 (0)20 3493 1949. The Depositary's LEI is 549300EJYMJS22ND8Y17.

## 4. SHARE CAPITAL

- 4.1. The ISIN of the Shares is GB00BK1PKQ95, the SEDOL of the Shares is BK1PKQ9 and the ticker symbol is FEV.

- 4.2. As at 18 August 2025 the issued and fully paid Share capital of the Company (excluding Shares held in treasury) consisted of:

	Nominal value (£)	Number
Shares*	10,130,356.15	405,214,246

\* Excludes any buy backs of Shares that settled subsequent to market close on 18 August 2025

- 4.3. As at 18 August 2025 the Company held 11,233,664 Shares in treasury. The Shares are admitted to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market. The Company has no authorised Share capital.

- 4.4. *For illustrative purposes only*, had the Calculation Date been close of business on 18 August 2025, and assuming that 106,159,798 New Shares are issued (such number being based on the illustration provided in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus), the issued and fully paid Share capital of the Company immediately following the Issue (excluding Shares held in treasury) would have been as follows:

	Nominal value (£)	Number
Shares*	12,784,351.10	511,374,044

\* Excludes any buy backs of Shares that settled subsequent to market close on 18 August 2025

- 4.5. In addition to the ordinary business of the Company, resolutions were passed at the AGM held on 8 May 2025 as follows:

- 4.5.1. in substitution for all previous unexpired authorities, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Shares or to grant rights to subscribe for or to convert any securities into Shares (for the purposes of this paragraph 4.5.1, "**relevant securities**") up to an aggregate nominal amount of £520,559 (representing approximately 5 per cent. of the aggregate nominal amount of the issued Share capital of the Company (including treasury Shares) as at 19 March 2025) and so that the Directors may impose any limits or restrictions and make any arrangements that 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 or the date falling 15 months from 8 May 2025, whichever is the earlier, but so that such authority will allow the Company to make offers or agreements before the expiry of such authority that would or might require relevant securities to be allotted after such expiry as if the authority conferred by such resolution had not expired;

- 4.5.2. the Directors were authorised, pursuant to sections 570 to 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority referred to in paragraph 4.5.1 above and/or to sell Shares held by the Company as treasury Shares for cash, as if section 561 of the Companies Act did not apply to such allotment or sale, provided that this power will be limited:

- (a) to the allotment of equity securities or sale of treasury Shares up to an aggregate nominal amount of £520,559 (representing approximately 5 per cent. of the aggregate nominal amount of the issued Share capital of the Company (including treasury Shares) as at 19 March 2025); 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 Share,

and such power will expire at the conclusion of the next Annual General Meeting or the date falling 15 months from 8 May 2025, whichever is the earlier, save that such authority will allow the Company to make offers or agreements before the expiry of such authority, and the Directors may allot equity securities in relation to such an offer or agreement as if the authority conferred by such resolution had not expired; and

- 4.5.3. the Company was generally and unconditionally authorised, in accordance with Section 701 of the Companies Act, to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Shares, provided that:

- (a) the maximum aggregate number of Shares authorised to be purchased is 61,628,680;
- (b) the minimum price that may be paid for a Share is 2.5 pence;
- (c) the maximum price (excluding expenses) that may be paid for each Share is the higher of: (i) 5 per cent. 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; and
- (d) such authority will expire at the conclusion of the next Annual General Meeting or the date falling 15 months from 8 May 2025, whichever is the earlier, unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase Shares under such authority prior to the expiration 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.

- 4.6. At the General Meeting, the Directors will seek Shareholder authority to allot New Shares up to an aggregate nominal amount of £5,000,000 in connection with the Issue (such authority to expire on 31 December 2025). Such authority will be in addition to the authority referred to in paragraph 4.5.1 above.

- 4.7. The provisions of section 561 of the Companies Act which, to the extent not disapplied pursuant to section 570 or section 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash and will apply to any unissued Share capital of the Company, except to the extent disapplied by the authority referred to in paragraph 4.5.2 above.

- 4.8. The New Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as

defined in the Uncertificated Securities Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 14 calendar days of the Effective Date. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar maintains a register of Shareholders holding their Shares in CREST.

4.9. Save as disclosed in this Prospectus, as at 18 August 2025:

- 4.9.1. no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital;
  - 4.9.2. no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option;
  - 4.9.3. no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
  - 4.9.4. save in connection with the Issue, there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 4.10. All New Shares will be fully paid on Admission. Subject as provided elsewhere in this Prospectus and in the Articles, Shares are freely transferable.
- 4.11. As at 18 August 2025 there have been no public takeover bids in respect of the Company's equity in the period since 1 January 2024.

## 5. REDEMPTIONS AT THE OPTION OF SHAREHOLDERS

There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of a Shareholder.

## 6. ARTICLES OF ASSOCIATION

The Company's Articles were approved and adopted on 8 May 2025. Below is a summary of the provisions of the Articles relating to the rights attached to the Shares, including any limitation of those rights and procedures for the exercise of those rights.

6.1. *Issue of shares*

Subject to the Articles and to any resolution passed by the Company and without prejudice to any right attached to existing Shares, the Board may offer, allot, grant options over or otherwise deal with or dispose of Shares in the Company to such persons, at such times and for such consideration and upon such terms as the Board may decide.

6.2. *Variation of rights*

Subject to the provisions of the Companies Act, all or any of the rights attaching to any existing class of shares may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

All the provisions of the Articles as to general meetings of the Company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons entitled to vote and holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), (but so that at any adjourned meeting one holder entitled to vote and present in person or by proxy (whatever the number of shares held by him) shall be a quorum), and that any holder of shares of the class present in person or by proxy and entitled to vote may demand a poll. The foregoing provisions shall apply to the variation of the special rights attached to some only of the

shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

### 6.3. *Alteration of share capital*

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

Whenever as a result of a consolidation, consolidation and sub-division or sub-division of shares any holders of the Company's shares would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit including by aggregating and selling them or by dealing with them in some other way. For the purposes of effecting any such sale, the board may arrange for the shares representing the fractions to be entered in the register as certificated shares. The Board may sell shares representing fractions to any person, including the company and may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

### 6.4. *Redemption of shares*

Subject to the provisions of the Companies Act and to any rights attaching to existing shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption of any redeemable shares so issued.

### 6.5. *Dividends*

The Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company and otherwise in accordance with the provisions of the Companies Act.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

Except in so far as the rights attaching to, or the terms of the issue of, any share otherwise provide: (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share; (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; and (iii) dividends may be declared or paid in any currency. The Board may decide the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.

The Board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by the member to the Company on account of calls or otherwise in respect of shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares.

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

### 6.6. *Distribution of assets on a winding up*

After the payment of all debts and satisfaction of the Company's other liabilities and after satisfying the entitlements of all other classes of share in the Company for the time being, the Shareholders

shall be entitled to receive by way of capital any surplus assets of the Company in proportion to their holdings.

#### 6.7. *Reserves*

The Board shall establish a reserve to be called the "capital reserve" and shall either carry to the credit of such reserve from time to time, or apply in providing for depreciation or contingencies, all surpluses arising on the realisation of investments. Any losses arising on the realisation of the investments shall be carried to the debit of the capital reserve except in so far as the Board may in its discretion decide to make good the same out of other funds of the Company.

The Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other. The Board may determine whether any cost, liability or expense (including any costs incurred or sums expended in connection with the management of the assets of the company or any interest charge) is to be treated as a cost, liability or expense chargeable to capital or to revenue or partly one and partly the other, having regard, *inter alia*, to the investment objective of the Company, and to the extent the Board determines that any such cost, liability or expense should reasonably and fairly be apportioned to capital the Board may debit or charge the same to the capital reserve.

Any reserve arising on the cancellation of share capital or share premium shall be credited to the capital reserve of the Company.

All sums carried and standing to the capital reserve may be applied for any of the purposes to which sums standing to any reserve of the company are applicable.

#### 6.8. *Voting rights*

Subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of the Articles, members shall be entitled to vote at a general meeting whether on a show of hands or on a poll as provided in the Companies Act. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant member to vote in the way that the proxy elects to exercise that discretion.

No member shall, unless the Board otherwise decides, be entitled in respect of any share held by them to attend or vote (either personally or by proxy) at any general meeting of the company or upon a poll or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by them in respect of that share have been paid.

#### 6.9. *Transfer of shares*

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form which the Board may approve, executed by or on behalf of the transferor and, in the case of partly paid shares, the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned. The transferor of a share shall be deemed to remain the holder of that share until the name of the transferee is entered into the Register in respect of it.

The Board can decline to register any transfer of any share that is not a fully paid share.

In addition the Board may refuse to transfer a certificated share unless: (i) the instrument of transfer is duly stamped or duly certified or otherwise shown to the satisfaction of the board to be exempt from stamp duty and is left at the office or such other place as the board may from time to time determine accompanied (save in the case of a transfer by a person to whom the company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the person signing the instrument of transfer to make the transfer and, if the instrument of transfer is signed by some other person on his behalf, the authority of that person so to do; (ii) the instrument of transfer is in respect of only one class of share; and (iii) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.



In addition, in order to avoid the Company breaching or incurring potentially onerous obligations under certain US securities laws (including ERISA), the Board has the power to impose such restrictions as it may think necessary for the purpose of ensuring that no shares in the Company are acquired or held by, or transferred to, any Non-Qualifying Holder (as defined and further discussed in paragraph 6.11 below), including a power to refuse to register a transfer of shares if the transfer is in favour of any Non-Qualifying Holder.

The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the Companies Act and Uncertificated Securities Regulations, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the Register.

**6.10. *Restrictions on rights: failure to respond to a section 793 notice***

When a person is given a section 793 notice and is in default for a period of fourteen days in supplying the Company with the information requested in the section 793 notice or makes a statement in their response that (in the reasonable opinion of the Directors) is false or inadequate in any material way, the Company may decide to restrict the rights relating to the identified shares and give a notice to the relevant member in whose name the identified shares are registered. The restriction notice shall take effect on service. The restriction notice shall state that the identified shares no longer give the member any right to attend or vote either personally or by proxy at a general meeting or to exercise any other right in relation to general meetings and, where those shares represent at least 0.25 per cent. of their class (excluding treasury shares), the Directors may withhold all or any part of a dividend or other moneys payable in respect of those shares and may also refuse to register a transfer of the shares unless the Directors are satisfied that they have been sold outright to an independent third party.

**6.11. *Restrictions on rights: ERISA and US securities laws matters***

In order to avoid the Company breaching or incurring potentially onerous obligations under certain US laws (including ERISA), under the Articles the Board has the power to impose such restrictions as it may think necessary for the purpose of ensuring that no shares in the Company are acquired or held by, or transferred to (including a power to refuse to register a transfer of shares if the transfer is in favour of), any person to whom a sale or transfer of shares in the Company, or whose direct or beneficial ownership of shares, would or might (in the determination of the Directors) have any of the following effects (any such person being a “**Non-Qualifying Holder**”):

- (i) cause a pecuniary or tax disadvantage to the company or any other holder of shares or other securities of the company or cause or be likely to cause the assets of the company to be considered “plan assets” for the purposes of the ERISA (as amended, and any rules or regulations promulgated thereunder) or the U.S. Internal Revenue Code; or
- (ii) cause the Company or its shares to be required to register (including, without limitation, as an “investment company”) or to be qualified (or to lose an exemption status to which it may otherwise be entitled) under the US Investment Company Act of 1940, as amended, the US Securities Exchange Act of 1934, as amended, the US Securities Act of 1933, as amended, or any similar legislation (in any jurisdiction); or
- (iii) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; or
- (iv) cause the Company to be a “controlled foreign corporation” for the purposes of the US Tax Code; or

- (v) create a significant legal or regulatory issue for the company under the US Bank Holding Company Act of 1956 (as amended and in force from time to time, and including regulations and interpretations thereunder) or similar legislation in any other jurisdiction; or
- (vi) cause the company to become subject to any withholding tax or reporting obligation under FATCA or the requirements of the Organisation for Economic Co-operation and Development's common reporting standard and any similar or implementing laws or regulations as may be in force from time to time in any jurisdictions to which the company may be subject (including, without limitation, the International Tax Compliance Regulations 2015) (for the purposes of this paragraph 6.11(vi) "**Other Reporting Laws**"), or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the member concerned to provide promptly to the company any Additional Information), or otherwise cause the company adverse consequences under FATCA or and Other Reporting Laws.

In addition, the Board has the power to give notice in writing to any holder requiring them, within such period as may be specified in the notice, to deliver to the Company such information, representations, certificates, waivers or forms relating to such holder as the Board may require to establish whether such person is a Non-Qualifying Holder or is otherwise qualified to hold shares in the Company. If such information, representations, certificates, waivers or forms are not delivered to the Company within the specified period, or if it comes to the notice of the Board that any shares in the Company are or may be owned directly or beneficially by any Non-Qualifying Holder, the Directors may under the serve a notice upon the relevant shareholder requiring them to transfer their shares to an eligible transferee within 21 days of such notice; and if the obligation to transfer is not met, the Company may compulsorily transfer the shares in a manner consistent with the restrictions set forth in the Articles. Pending such transfer, the rights and privileges attaching to such shares shall be suspended and not capable of exercise.

#### 6.12. *Untraced Shareholders*

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years at least three cash dividends on such shares have become payable and: (i) no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected; (ii) no communication has been received by the Company from the Shareholder or person concerned; and (iii) the Company has published two newspaper advertisements giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements (or of the last of the two advertisements to be published if they are published on different dates).

#### 6.13. *General meetings*

A general meeting shall be convened by at least such minimum period of notice as is required or permitted by the Companies Act. The Company may give such notice by any means or combination of means permitted by the Companies Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

A Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at any general meeting of the Company. The appointment of a proxy shall be in writing signed by the appointor or his duly authorised attorney or, if the appointor is a corporation, shall either be executed under its seal or signed by an officer, attorney or other person authorised to sign it. The appointment of a proxy shall be in any usual form or in such other form as the Board may approve. The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit.

The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Each Director shall be entitled to attend and speak at any general meeting of the Company.

A resolution put to a vote at a general meeting also held through one or more electronic platform(s) shall be decided on a poll (which shall be deemed to have been validly demanded at the time fixed for the holding of the meeting to which it relates), which poll votes may be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting. Otherwise, a poll on a resolution may be demanded at a general meeting before or on the declaration of the result of the show of hands by the chairman or by those members entitled under the Companies Act to demand a poll.

## **7. THE CITY CODE ON TAKEOVERS AND MERGERS**

### **7.1. Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on:

- (a) the person having received acceptances in respect of shares which (together with shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with them holding shares carrying more than 50 per cent. of the voting rights; and
- (b) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

A person not acting, or presumed not to be acting, in concert with any one or more of the directors of a company will not normally incur an obligation to make a mandatory offer under Rule 9 if, as a result of the redemption or repurchase of shares by that company, they come to exceed the percentage limits set out in Rule 9.

The Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant.

### **7.2. Compulsory acquisition**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of a class of shares of a company (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of shares of that class indicating that it is desirous of acquiring such outstanding shares whereupon the offeror will become entitled and bound to acquire such shares. At the end of six weeks from the date of such notice it would execute a transfer of such outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of such outstanding shares subject to the transfer. The consideration offered to the holders whose outstanding shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares of a company (in value and by voting rights, pursuant to a takeover offer that relates to all the shares in the company) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer ("sell-out rights").

The offeror would be required to give any relevant holder of shares notice of their right to be bought out within one month of that sell-out right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their sell-out rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 8. DISCLOSURES UNDER UK MAR

The table below sets out a summary of the information disclosed by the Company under UK MAR over the 12 month period preceding the date of this Prospectus and which is relevant as at the date of this Prospectus.

Date	Title of Announcement	Disclosure
1 August 2025	Compliance with Market Abuse Regulation	Announcement of compliance with UK MAR in relation to the period leading up to the announcement of the results in respect of the six month period ended 30 June 2025
19 June 2025	Proposed combination with Henderson European Trust plc	Announcement of heads of terms in connection with the Proposals
12 February 2025	Compliance with Market Abuse Regulations	Announcement of compliance with UK MAR in relation to the period leading up to the announcement of the results in respect of the 12 month period ended 31 December 2024

## 9. INTERESTS OF DIRECTORS, PROSPECTIVE DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 9.1. Directors' and Prospective Directors' interests

As at 18 August 2025, Vicky Hastings holds 75,000 HET Shares and Rutger Koopmans holds 41,088 HET Shares. Both of the Prospective Directors have indicated that they intend to elect for the Rollover Option in full in respect of such holdings.

Accordingly, as at 18 August 2025 and following completion of the Issue, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors and the Prospective Directors (together with their connected persons) in the issued Share capital of the Company are, or are estimated to be, as follows:

Director	Number of Shares as at 18 August 2025	Percentage of issued Share capital as at 18 August 2025 <sup>(1)</sup> (%)	Estimated number of Shares following completion of the Issue <sup>(2)</sup>	Estimated percentage of issued share capital following completion of the Issue <sup>(1)(2)</sup> (%)
Davina Walter (Chairman)	60,067	0.015	60,067	0.012
Fleur Meijs	28,970	0.008	28,970	0.006
Milyae Park	12,300	0.003	12,300	0.002
Sir Ivan Rogers	8,749	0.002	8,749	0.002
Paul Yates	32,000	0.008	32,000	0.006
Victoria (Vicky) Hastings <sup>(3)</sup>	nil	0.000	38,617	0.008
Rutger Koopmans <sup>(3)</sup>	nil	0.000	21,156	0.004

1 Excludes any Shares held in treasury.

2 Assuming the total issued share capital of the Company following completion of the Issue is 511,374,044 Shares (excluding Shares held in treasury) based on the illustrative calculations set out in paragraph 3 of Part 4 (Details of the Scheme and the Issue) of this Prospectus.

3 If the Scheme becomes effective, Vicky Hastings and Rutger Koopmans (who are currently directors of HET) will join the Board as directors of the Company on the day following the Effective Date.

As at the date of this Prospectus, save as disclosed above, no Director or Prospective Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

## 9.2. Directors' and Prospective Directors' contracts with the Company

9.2.1. No Director has a service contract with the Company, nor are any such contracts proposed. Each Director has been, and each Prospective Director will be, appointed pursuant to a letter of appointment entered into with the Company.

9.2.2. The Directors' appointments can be, and the Prospective Directors' appointments will be capable of being, terminated in accordance with the Articles and without compensation or in accordance with the Companies Act or common law. Pursuant to the Articles, each Director must retire and stand for re-election on an annual basis at each Annual General Meeting.

9.2.3. There is no notice period specified in the letters of appointment or the Articles for the removal of the Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from Board meetings for more than six consecutive months; or (iii) notice in writing that the Director's resignation is requested by all of the other Directors (such Directors being not less than three in number).

9.2.4. As at the date of this Prospectus, Davina Walter, as Chairman, is entitled to receive £50,000 per annum, Fleur Meijs, as Chair of the Audit Committee, is entitled to receive £39,000 per annum, Paul Yates, as Senior Independent Director, is entitled to receive £36,500 per annum, and all other Directors are entitled to receive £32,500 per annum for their services as Directors of the Company. The Prospective Directors are expected to be remunerated on the same terms as the other Directors (that is, they will be entitled to receive £32,500 per annum for their services as Directors of the Company).

9.2.5. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits for the Directors.

### 9.3. Directors' and Prospective Directors' other interests

9.3.1. As at the date of this Prospectus, the Directors and the Prospective Directors are, or have been during the five years preceding the date of this Prospectus, a director, member of the administrative, management or supervisory body or partner of the following companies and partnerships (other than the Company):

	Current directorships/partnerships	Past directorships/partnerships
Davina Walter (Chairman)	<ul style="list-style-type: none"> <li>• abrdn Diversified Income and Growth plc</li> <li>• City of London Endowment Trust for St Paul's Cathedral</li> <li>• The Victoria Wood Foundation</li> <li>• Tower Hill Trust</li> </ul>	<ul style="list-style-type: none"> <li>• CT Property Trust Limited (now renamed LMP Bude Limited following its acquisition by LondonMetric Property Plc)</li> <li>• JPMorgan Elect plc (<i>in members' voluntary liquidation</i>)</li> <li>• Miton UK Microcap Trust plc (<i>in members' voluntary liquidation</i>)</li> </ul>
Fleur Meijs	<ul style="list-style-type: none"> <li>• Applemart Limited</li> <li>• Bridge to the Future</li> <li>• Ruffer LLP</li> <li>• The United World Colleges (International)</li> <li>• UWC Mostar</li> </ul>	<ul style="list-style-type: none"> <li>• Invesco Asia Trust plc (now renamed Invesco Asia Dragon Trust plc)</li> </ul>
Milyae Park	<ul style="list-style-type: none"> <li>• Alliance Witan PLC</li> <li>• Faber and Faber Limited</li> <li>• Semper Agnitio Limited</li> <li>• THG PLC</li> </ul>	<ul style="list-style-type: none"> <li>• London Museum</li> <li>• London Museum Trading Ltd</li> </ul>
Sir Ivan Rogers	<ul style="list-style-type: none"> <li>• Official Monetary and Financial Institutions Forum</li> <li>• Market News Ltd.</li> <li>• High Level Group on Neighbourhood Interdependencies</li> <li>• European Council for Foreign Relations</li> <li>• Bertelsmann Foundation</li> <li>• Fordham Global Foresight</li> <li>• Ivan Rogers Limited</li> </ul>	N/A
Paul Yates	<ul style="list-style-type: none"> <li>• 33 St James's Limited</li> <li>• Capital Gearing Trust P.L.C.</li> </ul>	<ul style="list-style-type: none"> <li>• Witan Investment Trust plc (<i>in members' voluntary liquidation</i>)</li> </ul>
Victoria (Vicky) Hastings*	<ul style="list-style-type: none"> <li>• Henderson European Trust plc</li> <li>• Mountbatten Hampshire Limited</li> <li>• Mountbatten Isle of Wight Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Alliance Witan PLC</li> <li>• Impax Environmental Markets plc</li> <li>• Moorfields Eye Charity</li> <li>• The Edinburgh Investment Trust Public Limited Company</li> </ul>
Rutger Koopmans*	<ul style="list-style-type: none"> <li>• Henderson European Trust plc</li> <li>• PIT Self-Placement BV</li> <li>• Stichting Pluryn</li> <li>• Stichting Reizigerstegoeden</li> <li>• Vollenhoven Groep</li> <li>• Woningstichting Eigen Haard</li> </ul>	<ul style="list-style-type: none"> <li>• Bovemij Insurance Company</li> <li>• crmLiNK BV</li> <li>• Dutch Association of Credit Unions</li> <li>• Golfbreker BV</li> <li>• Henderson EuroTrust plc (<i>in members' voluntary liquidation</i>)</li> <li>• Office Depot Europe BV</li> <li>• Partner M-Partners Asset Management</li> <li>• Rutger Koopmans Beheer BV</li> <li>• Voedselbank Amsterdam</li> <li>• Vollenhoven Olie BV</li> </ul>

\* If the Scheme becomes effective, Vicky Hastings and Rutger Koopmans (who are currently directors of HET) will join the Board as directors of the Company on the day following the Effective Date.



- 9.3.2. Davina Walter was a director of JPMorgan Elect plc and Miton UK Microcap Trust plc, both of which were placed into voluntary liquidation approved by shareholders on 19 December 2022 and 21 May 2025, respectively.
- 9.3.3. Paul Yates was a director of Witan Investment Trust plc, a company which was placed into voluntary liquidation approved by shareholders on 9 October 2024.
- 9.3.4. Rutger Koopmans was a director of Henderson EuroTrust plc, a company which was placed into voluntary liquidation approved by shareholders on 4 July 2024.
- 9.3.5. As at the date of this Prospectus there are no potential conflicts of interest between any of the Directors' or the Prospective Directors' duties to the Company and their private interests and/or other duties.
- 9.3.6. There are no lock-up provisions regarding the disposal by any of the Directors or the Prospective Directors of any Shares.
- 9.3.7. Save as disclosed in this Prospectus, in the five years before the date of this Prospectus, the Directors and the Prospective Directors:
- (a) do not have any convictions in relation to fraudulent offences;
  - (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
  - (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 9.3.8. The Company will maintain directors' and officers' liability insurance on behalf of the Directors and the Prospective Directors at the expense of the Company.

#### 9.4. Major Shareholders

- 9.4.1. As at close of business on 18 August 2025, being the latest practicable date prior to the publication of this Prospectus, other than as set out below, there are no persons known to the Company who, directly or indirectly, are interested in three per cent. or more of the Company's issued Share capital or voting rights.

Shareholder	Number of Shares	Percentage of issued Share capital (excluding Shares held in treasury) (%)
Fidelity Platform Investors	57,131,049	14.10
Quilter Cheviot Investment Management	32,469,233	8.01
Evelyn Partners	29,741,108	7.34
Hargreaves Lansdown	26,694,920	6.59
Interactive Investor	24,687,240	6.09
Rathbones	24,284,771	5.99
Allspring Global Investors	16,845,521	4.16
Craigs Investment Partners	16,395,380	4.05
RBC Brewin Dolphin	14,975,198	3.70

- 9.4.2. As at the date of this Prospectus, the Company is not aware of any person who, immediately following the Issue, will directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

9.4.3. None of the Shareholders has or will have voting rights attached to the Shares held by them that are different from the voting rights attached to any other Shares. So far as is known to the Company, as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

#### 9.5. **Related party transactions**

Save for payment of fees and expenses to the AIFM, the Investment Manager and their affiliates pursuant to the AIFM Agreement and the Investment Management Agreement, which are summarised in paragraphs 11.1 and 11.2 of this Part 7, the Company has not entered into any related party transaction (within the meaning of UK-adopted international accounting standards) at any time during the period from 31 December 2024 to the date of publication of this Prospectus.

#### 9.6. **Other material interests**

9.6.1. The AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.

9.6.2. In particular, interested parties may provide services similar to those provided to the Company to other entities and will not be liable to account for any profit from any such services. For example, the AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject to any restrictions contained in any relevant management agreement) acquire on behalf of a client an investment in which the Company may also invest.

### 10. **OTHER INVESTMENT RESTRICTIONS**

10.1. The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy and the investment restrictions set out therein. The Company's investment policy is set out in paragraph 3 of Part 1 (*Fidelity European Trust PLC*) of this Prospectus.

10.2. In the event of a material breach of the investment policy and/or restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via an RIS announcement.

### 11. **MATERIAL CONTRACTS**

The following is a summary of each material contract, other than any contract entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it as at the date of this Prospectus.

#### 11.1. **AIFM Agreement**

The Company entered into the Original AIFM Agreement with the AIFM with effect from 22 July 2014. The Original AIFM Agreement was amended and restated on 27 July 2018 and was terminated and replaced in its entirety by the AIFM Agreement which came into effect on 27 July 2021. Under the terms of the AIFM Agreement, the AIFM has been appointed to provide to the Company portfolio management and risk management services in accordance with the Company's investment objective and policy, and subject to the overall supervision, direction and control of the Board. Pursuant to the Investment Management Agreement, which is summarised at paragraph 11.2 below, the AIFM, with the consent of the Company, has delegated day-to-day management of the Company's Portfolio to the Investment Manager. Under the terms of the AIFM Agreement, the AIFM will not terminate the Investment Management Agreement without the written consent of the Company.

The AIFM also has overall responsibility for the provision of general accounting, administrative, secretarial and marketing services to the Company. The AIFM has sub-delegated the provision of

general accounting, administrative and company secretarial services to the Company Secretary pursuant to the Secretarial Services Delegation Agreement. Under the terms of the Secretarial Services Delegation Agreement, the Company Secretary also assists the AIFM in providing the Company with marketing services.

Under the AIFM Agreement and the Investment Management Agreement, the total annual management fee payable to the AIFM and the Investment Manager by the Company is 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 (the “**Annual Management Fee**”). The Annual Management Fee is apportioned between the AIFM and the Investment Manager with the AIFM’s entitlement thereof being equal to 0.05 per cent. per annum of the Company’s Net Assets (or such other apportionment as may be agreed between the AIFM, the Investment Manager and the Company from time to time) with the Investment Manager being entitled to the remaining balance of the Annual Management Fee. The Annual Management Fee (including the AIFM’s entitlement) is calculated and charged daily and payable monthly in arrears. The AIFM also provides the Company with marketing services.

For the purposes of calculating the Annual Management Fee, an amount equal to the proportion of any management fees payable to the AIFM or its associates (including the Investment Manager) in respect of the management of, or advice to, any collective investment schemes and/or investment trusts in which the Company invests is credited to the Company and the management fee payable by the Company to the AIFM and the Investment Manager is reduced accordingly.

Pursuant to the terms of a side letter to the AIFM Agreement dated on or around the date of this Prospectus, the AIFM and the Investment Manager have also agreed that, subject to implementation of the Scheme and with effect from Admission, 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**”).

Fidelity has agreed to make a material contribution to the costs of the Proposals by means of a reduction in the management fee payable by the Combined Entity to the AIFM and the Investment Manager. This fee reduction will comprise a waiver of the management fee that would otherwise be payable by the Combined Entity to the AIFM and the Investment Manager under the AIFM Agreement and the Investment Management Agreement, respectively, in respect of the net assets transferred by HET to the Company pursuant to the Scheme for the first 12 months following the completion of the Scheme (the “**Fidelity Cost Contribution**”). The Fidelity Cost Contribution will be calculated in accordance with the terms of the Scheme and as at the Calculation Date, using the fee rate thresholds and marginal fee rates of the Revised Fee Arrangements. For the purposes of the Scheme, the financial value of the Fidelity Cost Contribution will first be credited to the FEV FAV against any and all FEV transaction costs (including, for the avoidance of doubt, Admission Fees and Acquisition Costs) and the FEV Proposed Novation Costs up to a maximum of £1.25 million (inclusive of VAT) and any remaining balance of the Fidelity Cost Contribution will be credited to the Rollover Pool FAV per HET Share.

The AIFM Agreement is terminable:

- (a) by either party on six months’ prior written notice;
- (b) by the Company on not less than 60 days’ prior written notice if the AIFM ceases to be an associate of Fidelity International;
- (c) by the Company immediately by notice in writing if, among other things: (i) the AIFM commits a material breach of its obligations under the AIFM Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days of being requested to do so; (ii) the AIFM goes into liquidation (otherwise than a voluntary and solvent liquidation for the purposes of reconstruction or amalgamation) or an administrator or similar officer has been appointed in respect of the AIFM or all or substantially all of the undertaking and assets of the AIFM; and/or (iii) the AIFM ceases to be authorised by the FCA to carry out its duties under the AIFM Agreement; and

- (d) the AIFM immediately by notice in writing if, among other things: (i) the Company commits a material breach of its obligations under the AIFM Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days of being requested to do so; and/or (ii) the Company goes into liquidation (otherwise than a voluntary and solvent liquidation for the purposes of reconstruction or amalgamation) or an administrator or similar officer has been appointed in respect of the Company or all or substantially all of the undertaking and assets of the Company.

The AIFM Agreement contains customary indemnities given by the Company in favour of the AIFM.

The AIFM Agreement is governed by the laws of England and Wales and the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the AIFM Agreement.

## 11.2. **Investment Management Agreement**

The Company, the AIFM and the Investment Manager entered into the Original Investment Management Agreement on 22 July 2014. The Original Investment Management Agreement was amended and restated on 27 July 2018 and was terminated and replaced in its entirety by the Investment Management Agreement which came into effect on 27 July 2021. Pursuant to the Investment Management Agreement, the AIFM, with the consent of the Company, has delegated the day-to-day management of the Company's entire Portfolio to the Investment Manager. The Investment Manager manages the Portfolio in accordance with the Company's investment objective and policy and the laws applicable to the Company, the AIFM and the Investment Manager and subject to the overall supervision of the Board and the overall policy decisions and directions made or given by the Board from time to time.

The Investment Manager's entitlement to a portion of the Annual Management Fee in consideration for services rendered pursuant to the Investment Management Agreement (and the Revised Fee Arrangements that will take effect subject to implementation of the Scheme and with effect from Admission) is summarised in paragraph 11.1 above.

As noted above, the Investment Manager has agreed to make the Fidelity Cost Contribution in connection with the Scheme.

The Investment Management Agreement is terminable by:

- (a) any of the parties to it on six months' prior written notice;
- (b) by the Company on not less than 60 days' prior written notice if the Investment Manager ceases to be an associate of Fidelity International;
- (c) by the Company immediately by notice in writing if, among other things: (i) the AIFM or the Investment Manager commits a material breach of its obligations under the Investment Management Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days of being requested to do so; (ii) the AIFM or Investment Manager goes into liquidation (otherwise than a voluntary and solvent liquidation for the purposes of reconstruction or amalgamation) or an administrator or similar officer has been appointed in respect of the AIFM or the Investment Manager or all or substantially all of the undertaking and assets of the AIFM or the Investment Manager (as applicable); and/or (iii) if the AIFM (or an associate of the AIFM) ceases to be the Company's alternative investment fund manager; and
- (d) the AIFM and/or the Investment Manager immediately by notice in writing if, among other things: (i) the Company commits a material breach of its obligations under the Investment Management Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days of being requested to do so; and/or (ii) the Company goes into liquidation (otherwise than a voluntary and solvent liquidation for the purposes of reconstruction or amalgamation) or an administrator or similar officer has been appointed in respect of the Company or all or substantially all of the undertaking and assets of the Company.

The Investment Management Agreement contains customary indemnities given by the Company in favour of the Investment Manager.

The Investment Management Agreement is governed by the laws of England and Wales and the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Investment Management Agreement.

### 11.3. **Depository Agreement**

The Depository Agreement is dated 17 July 2014 and entered into between the Company, the AIFM and J.P. Morgan Europe Limited (the "**Depository**"). Pursuant to the Depository Agreement, the Depository is appointed to act as depository of the Company and oversee transactional activity and safekeeping functions in respect of the Company's investments. The Depository performs the customary services of a depository in accordance with the UK AIFMD Laws. The Depository may delegate its obligations in respect of the safekeeping of the Company's investments to third parties, subject to the UK AIFMD Laws and certain conditions within the Depository Agreement. Pursuant to the Custodian Agreement, which is summarised at paragraph 11.4 below, the Depository has delegated the provision of custodian services to JPMorgan Chase Bank National Association, London Branch (the "**Custodian**"). The Custodian, with the consent of the Company, has further sub-delegated the provision of custodian services to local sub-custodians in relation to the Company's investments in Finland, Germany, Italy, Norway, Spain and Sweden.

Subject to compliance with relevant regulatory requirements, the Depository is entitled to discharge its liabilities under the Depository Agreement in respect of delegated services where: (i) such services were not delegated with a view to avoiding the requirements of UK AIFMD Laws and there is an objective reason for the delegation of such responsibilities; (ii) the safekeeping of Company's assets that are traded in markets where custodial and/or settlement systems are not fully developed is delegated in circumstances where such delegation is necessary; and/or (iii) the Depository delegates its functions to a local entity that does not satisfy the delegation requirements in the UK AIFMD Laws in circumstances in which the assets of the Company are invested in a country in which the law requires certain financial instruments to be held in custody by a local entity and no local entities satisfy the delegation requirements in the UK AIFMD Laws (subject to the Depository complying with certain conditions before delegating the services). Subject to certain conditions, the Depository has also discharged its liability in respect of the acts or omissions (other than the loss of financial instruments) or insolvency of any custodial delegate that is not a subsidiary of JP Morgan Chase & Co.

The annual fee payable to the Depository is based on the Company's Net Asset Value and is calculated as 0.0095 per cent. of the Company's Net Assets up to and including £250 million, 0.0050 per cent. of the Company's Net Assets between £250 million and £500 million, 0.0030 per cent. of the Company's Net Assets between £500 million and £1 billion, and 0.0010 per cent. of the Company's Net Assets over £1 billion. In satisfaction of the services rendered by the Depository pursuant to the Depository Agreement for the year ended 31 December 2024, the Company paid to the Depository a fee of £63,000 (inclusive of VAT). The Depository is also entitled to reimbursement of reasonable out-of-pocket or incidental expenses incurred in connection with the provision of services under the Depository Agreement.

The Depository Agreement contains customary warranties given by the Company, the Depository and the AIFM. The Depository Agreement also contains customary indemnities given by the Company in favour of the Depository, Custodian, its sub-custodians, affiliates and their respective nominees, directors, officers, employees and agents engaged in the provision of services under the Depository Agreement.

The Depository Agreement may be terminated by either party on 90 days' prior written notice. The Depository Agreement may be immediately terminated by any party in certain circumstances such as where the AIFM or the Depository ceases to be authorised to carry on its relevant regulated activity by the relevant regulatory authority or if one of the other parties to the Depository Agreement is subject to certain insolvency events or commits a material breach of the Depository Agreement which (if capable of remedy) that party has failed to remedy within 30 days of written notice requiring it to do so.

The Depository Agreement is governed by the laws of England and Wales.

#### 11.4. **Custodian Agreement**

The Custodian Agreement is dated 17 July 2014 and entered into among the Company, the AIFM, the Depositary and the Custodian. Pursuant to the Custodian Agreement, the Custodian has been appointed to provide custodial, settlement and other associated services to the Company.

Under the terms of the Custodian Agreement (as supplemented by the Depositary and Custodian Fee Agreement), the fee payable to the Custodian comprises variable elements (i) for custody charges based on the value and location of the assets to which the custody charge relates; and (ii) for transaction settlement instructions received based on the location of the assets to which the settlement instruction relates. In satisfaction of the services rendered by the Custodian pursuant to the Custodian Agreement for the year ended 31 December 2024, the Company paid a fee of £90,000 to the Custodian (exclusive of VAT).

The Custodian Agreement may be terminated by either party on 90 days' prior written notice. Any party may terminate the Custodian Agreement with immediate effect upon notice if one of the other parties is subject to certain insolvency events or commits a material breach of the Custodian Agreement which (if capable of remedy) that party has failed to remedy within 30 days of written notice requiring it to do so.

The Custodian Agreement is governed by the laws of England and Wales.

#### 11.5. **Registrar Agreement**

MUFG Corporate Markets (UK) Limited has been appointed as the Company's Registrar pursuant to the Registrar Agreement entered into between the Company and the Registrar dated 10 May 2010 to provide registrar and receiving agent services to the Company.

Under the terms of the Registrar Agreement (as amended and supplemented from time to time), the Registrar is entitled to a basic registration fee calculated based on the number of Shareholders on the Register. The Registrar charges additional fees for services that are not included in the basic registration fee. The Registrar is entitled to increase these fees annually at the rate of the retail price index prevailing at the time. In satisfaction of the services rendered by the Registrar pursuant to the Registrar Agreement for the year ended 31 December 2024, the Company paid to the Registrar a fee of approximately £91,000 (inclusive of VAT).

Either party may terminate the Registrar Agreement by giving not less than six months' notice to the other party. Either party may terminate the Registrar Agreement with three months written notice should the parties fail to reach agreement regarding any increase in fees above the rate of the prevailing retail price index as a result of a change in applicable regulatory requirements affecting the Registrar's obligations. Either party may terminate the Registrar Agreement with immediate effect upon notice if the other party is subject to certain insolvency events or commits a material breach of the Registrar Agreement which (if capable of remedy) that party has failed to remedy within 45 days of written notice requiring it to do so.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of the England and Wales.

#### 11.6. **Receiving Agent Agreement**

MUFG Corporate Markets (UK) Limited has been appointed as the Company's Receiving Agent in connection with the Proposals pursuant to the Receiving Agent Agreement entered into between the Company and the Receiving Agent dated 20 August 2025.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee of £40,250 (exclusive of VAT). The Receiving Agent is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Agreement.

Either party may terminate the Receiving Agent Agreement with immediate effect upon written notice if (i) the other party commits a material breach of its obligations under the Receiving Agent



Agreement which (if capable of remedy) that party has failed to remedy within 14 days of receipt of written notice from the first party requiring it to do so, or (ii) the other party is subject to certain insolvency events.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

#### **11.7. Sponsor Agreement**

The Company and Dickson Minto Advisers LLP have entered into the Sponsor Agreement dated 20 August 2025 pursuant to which the Company has appointed Dickson Minto Advisers to act as sponsor and financial adviser to the Company in connection with the Proposals.

The Sponsor Agreement may be terminated by Dickson Minto Advisers in certain customary circumstances. The Company will pay Dickson Minto Advisers a sponsor and financial advisory fee pursuant to the Sponsor Agreement. Dickson Minto Advisers is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Sponsor Agreement.

The Company has given certain market standard indemnities in favour of Dickson Minto Advisers in respect of Dickson Minto Advisers' potential losses in carrying out its responsibilities under the Sponsor Agreement. Dickson Minto Advisers' liability under the Sponsor Agreement is subject to a cap.

The Sponsor Agreement is governed by the laws of England and Wales.

#### **11.8. Transfer Agreement**

If the resolution to be proposed at the Second HET General Meeting is passed, the Company, HET and the Liquidators will enter into the Transfer Agreement on or around the Effective Date, which is expected to be 26 September 2025, pursuant to which the cash, undertaking and assets of HET comprising the Rollover Pool (which, in the event that the Proposed Novation becomes effective, will also include HET assets equal to the par value of the HET Loan Notes, together with interest accrued up to and including the Calculation Date on the HET Loan Notes and a further amount in respect of any interest expected to be accrued during the period from the Calculation Date to the Effective Date) will be transferred to the Company in consideration for (a) the allotment by the Company of the New Shares to the Liquidators, such New Shares to be renounced by the Liquidators in favour of Eligible HET Shareholders (or otherwise continue to hold as nominees for Excluded HET Shareholders in accordance with the terms of the Scheme); and (b) in the event that the Proposed Novation becomes effective, the assumption by FEV of the obligations under the HET Loan Notes.

Completion of the transfer of the cash, undertaking and assets of HET comprised in the Rollover Pool will take place on the date of satisfaction of the Scheme Conditions or as soon as practicable thereafter.

Upon or as soon as practicable following completion of the transfer, in respect of the transfer of any undertaking and assets of HET pursuant to the Transfer Agreement, HET acting by the Liquidators, at the Company's risk, will:

- (a) deliver to the Company, or as it may direct, duly executed transfers in favour of the Company in respect of all shares, securities and other assets comprised in the Rollover Pool which pass by transfer, together with the relevant certificates or other documents of title relating thereto (to the extent these are in HET's possession or control);
- (b) procure and deliver to the Company, or as it may direct, copies of any consents, licences and approvals necessary to transfer the assets comprised in the Rollover Pool (to the extent these are in HET's possession or control);

- (c) deliver to the Company, or as it may direct, all bearer instruments and other assets comprised in the Rollover Pool which pass by delivery; and
- (d) promptly give instructions to any person, company or other undertaking holding any part of the assets comprised in the Rollover Pool as nominee or on trust for HET or its nominee requiring such person, company or other undertaking to transfer such assets to, or to execute a declaration of nomineehip or trust in favour of, the Company and/or as the Company may direct.

Under the terms of the Transfer Agreement, nothing in the Scheme or in any document executed under or in connection with the Scheme will impose personal liability on the Liquidators or either of them (save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties) and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of the Company.

The Transfer Agreement will be governed by the laws of England and Wales.

The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date.

#### 11.9 **Deed of Novation, Amendment and Restatement**

The Company entered into a deed of novation, amendment and restatement with the HET Noteholder on 20 August 2025 (the “**Deed of Novation, Amendment and Restatement**”) approving, among other matters, the proposed novation of HET’s privately placed: (i) €25,000,000 1.53 per cent. unsecured Series A Senior Notes due 31 January 2047; and (ii) €10,000,000 1.66 per cent. unsecured Series B Senior Notes due 31 January 2052 (together, the “**HET Loan Notes**”) to the Company and substitution of the Company in place of HET in its capacity as issuer and sole debtor of the HET Loan Notes with effect from the Effective Date (the “**Proposed Novation**”).

The Deed of Novation, Amendment and Restatement contains certain market standard representations and warranties to be given by the Company and HET on the effective date of the Proposed Novation. The Proposed Novation is conditional on the entering into of the Proposed Novation Documents by the parties thereto, the Proposed Novation Documents becoming unconditional in all respects and certain market standard conditions precedent being satisfied. In the event that these conditions have not been satisfied as at the Calculation Date (other than any condition relating to the Scheme becoming effective and other ancillary conditions precedent under the Proposed Novation Documents), the Proposed Novation will not occur.

The Deed of Novation, Amendment and Restatement is governed by the laws of England and Wales.

## 12. **LITIGATION**

There have been no, and there are no ongoing, governmental, legal or arbitration proceedings during the 12 month period prior to the date of this Prospectus, and the Company is not aware of any such proceedings which are pending or threatened, or of any such proceedings having been pending or threatened during the 12 month period prior to the date of this Prospectus, in each case which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and/or its group.

## 13. **THIRD PARTY INFORMATION AND CONSENTS**

- 13.1. Where third-party information has been referenced in this Prospectus, the source of that third-party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 13.2. Dickson Minto Advisers has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

- 13.3. The AIFM and the Investment Manager, respectively, have each given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.
- 13.4. The AIFM and the Investment Manager respectively, each accept responsibility for the information and opinions contained in this Prospectus relating to them and all statements made by them. In particular, the AIFM and the Investment Manager each accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading "*Risks relating to the investment policy*" in the Risk Factors section of this Prospectus; (b) paragraph 9 (*Net Asset Value Calculations and Valuation Policy*) of Part 1 (*Fidelity European Trust PLC*) of this Prospectus; (c) Part 2 (*Market Outlook, Investment Strategy and Investment Portfolio*) of this Prospectus; (d) paragraphs 2.1 (*Managerial arrangements*) and 2.2 (*Company secretarial and administration arrangements*) of Part 3 (*Directors, management and administration of the Company*) of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates. To the best of the knowledge of the AIFM and the Investment Manager, as applicable, the information contained in this Prospectus related to or attributed to the AIFM and/or the Investment Manager, as applicable, and their affiliates is in accordance with the facts and those parts of this Prospectus for which they are responsible make no omission likely to affect their import.
- 13.5. The information and opinions contained in this Prospectus relating to the AIFM and the Investment Manager and all statements made by the AIFM and the Investment Manager have been included in this Prospectus with the consent of the AIFM and the Investment Manager, who have authorised the contents of the parts of this Prospectus in which such information, opinions and/or statements appear for the purpose of the Prospectus.

#### **14. PROFILE OF TYPICAL INVESTORS**

The Directors believe that the Company's shares are intended for investors (primarily in the UK), including retail investors, professionally-advised private clients and institutional investors, who are seeking long-term growth in both capital and income through investment in an actively managed portfolio comprised primarily of equities (and their related securities) of continental European companies, and who understand and are willing to accept the risks of exposure to equities and who view their investment in the Company as long term in nature.

#### **15. GENERAL MEETING**

The Company will publish the Circular on or around the date of this Prospectus. The Notice of General Meeting which is included in the Circular sets out in full the Resolution to be proposed at the General Meeting of the Company to be held at 10.00 a.m. on 15 September 2025.

#### **16. DOCUMENTS ON DISPLAY**

- 16.1. The following documents will be available for inspection at the Company's website ([www.fidelity.co.uk/Europe](http://www.fidelity.co.uk/Europe)) from the date of this Prospectus until the date of Admission:
- 16.1.1. this Prospectus dated 21 August 2025;
  - 16.1.2. the 2023 Annual Report;
  - 16.1.3. the 2024 Annual Report;
  - 16.1.4. the Articles; and
  - 16.1.5. the Circular.
- 16.2. In addition, a copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

## DEFINITIONS

In this Prospectus, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

<b>"A" rights</b>	the rights attaching to HET Shares in respect of which the holders are deemed to have made valid Elections for the Rollover Option
<b>"B" rights</b>	the rights attaching to HET Shares in respect of which the holders have made, or are deemed to have made, valid Elections for the Cash Option
<b>2023 Annual Report</b>	the annual report and audited financial statements of the Company for the financial year ended 31 December 2023
<b>2024 Annual Report</b>	the annual report and audited financial statements of the Company for the financial year ended 31 December 2024
<b>2026 AGM</b>	the Annual General Meeting of the Company to be held in 2026
<b>Admission</b>	the admission of the New Shares issued pursuant to the Issue to listing in the closed-ended investment funds category of the Official List and to trading on the Main Market
<b>Admission Fees and Acquisition Costs</b>	an amount equal (as at the Calculation Date) to the expenses anticipated to be payable by FEV in respect of (i) the London Stock Exchange admission fees in respect of the New Shares; and (ii) any acquisition costs (including any commissions, taxes (including stamp duty or equivalent), transaction charges and/or market charges) associated with the transfer of the Rollover Pool from HET to the Company
<b>AGM or Annual General Meeting</b>	an annual general meeting of the Company
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the 2024 AIC Code of Corporate Governance, as revised or updated from time to time
<b>AIFM</b>	FIL Investment Services (UK) Limited, a private limited company incorporated in England and Wales with registered number 02016555 and having its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
<b>AIFM Agreement</b>	the management agreement with an effective date of 27 July 2021 between the Company and the AIFM, as summarised in paragraph 11.1 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Amended and Restated Note Purchase Agreement</b>	the HET Note Purchase Agreement as novated, amended and restated by the Deed of Novation, Amendment and Restatement
<b>Annual Exempt Amount</b>	the annual exemption available to UK-resident and domiciled individual Shareholders, such that UK capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of that figure, being £3,000 for the UK tax year 2025/26

<b>Annual Management Fee</b>	the annual management fee payable by the Company to the AIFM (and apportioned between the AIFM and the Investment Manager) under the AIFM Agreement and the Investment Management Agreement, as summarised in paragraph 11.1 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Articles</b>	the articles of association of the Company, as amended from time to time
<b>Audit Committee</b>	the committee of this name established by the Board and having the duties described in paragraph 3.2 of Part 3 ( <i>Directors, Management and Administration of the Company</i> ) of this Prospectus
<b>Audited Financial Statements</b>	the audited financial statements of the Company for the financial years ended 31 December 2023 and 31 December 2024
<b>Auditor or EY</b>	Ernst & Young LLP, a limited liability partnership incorporated in England and Wales with registered number OC300001 and having its place of business at 25 Churchill Place, London E14 5EY
<b>Basic Entitlement</b>	subject to the Scheme becoming effective in accordance with its terms, the entitlement of each HET Shareholder to elect for, and have accepted in full an election for, the Cash Option in respect of up to 33.3 per cent. by number of their holding of HET Shares as at the Calculation Date, rounded down to the nearest whole HET Share
<b>Benchmark Index</b>	the FTSE World Europe ex. UK Index (in Sterling terms)
<b>Board</b>	the board of Directors of the Company from time to time, including any duly constituted committee thereof
<b>Business Day</b>	a day on which the London Stock Exchange and banks in the UK are normally open for business
<b>Calculation Date</b>	the time and date to be determined by the Board and the HET Board (but expected to be close of business on 19 September 2025) at which the value of HET's assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Proposed Novation Value, the Residual HET Formula Asset Value, the Rollover Pool FAV, the Rollover Pool FAV per HET Share, the Cash Pool FAV, the Cash Pool FAV per HET Share and the FEV FAV per Share will be calculated for the purposes of the Scheme
<b>Cash Option</b>	the option for HET Shareholders to receive cash under the terms of the Scheme
<b>Cash Option Discount</b>	the 1.75 per cent. discount to the Residual HET Formula Asset Value applied for the purposes of the Cash Option under the Scheme
<b>Cash Pool</b>	the pool of HET's cash and other assets attributable to the Reclassified HET Shares with "B" rights, the value of which will be equal to the Cash Pool FAV

<b>Cash Pool FAV</b>	the Residual HET Formula Asset Value multiplied by the proportion of Reclassified HET Shares with "B" rights relative to the total number of Reclassified HET Shares, less (i) the Cash Option Discount (expressed in GBP); and (ii) any Cash Pool Realisation Costs
<b>Cash Pool FAV per HET Share</b>	the Cash Pool FAV divided by the total number of Reclassified HET Shares with "B" rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
<b>Cash Pool Realisation Costs</b>	the costs of any realisations of HET's assets required to fund the Cash Pool
<b>Cash Uplift</b>	the aggregate value arising from the application of the Cash Option Discount (expressed in GBP), being 1.75 per cent. of the proportion of the Residual HET Formula Asset Value allocated to the Cash Pool
<b>certificated or in certificated form</b>	a share or other security which is not in uncertificated form
<b>CFD or Contract for Difference</b>	a derivative instrument comprising a contract between the Company and an investment house at the expiry of which the parties exchange the difference between the opening share price and the closing share price of an underlying asset. The Company agrees to either receive or pay the movement in the underlying share price, allowing the Company to gain access to the movement in the share price without buying or selling the relevant underlying asset
<b>Chairman</b>	the chairman of the Board
<b>Circular</b>	the Shareholder circular to be published by the Company in connection with the Proposals on or around the date of this Prospectus
<b>Companies Act</b>	the UK Companies Act 2006, as amended from time to time
<b>Company or FEV</b>	Fidelity European Trust PLC, a public limited company incorporated in England and Wales with registered number 02638812 and having its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP
<b>Company Secretary</b>	FIL Investments International, a private unlimited company incorporated in England and Wales with registered number 01448245 and having its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP
<b>Continuation Vote</b>	the biennial vote held by the Company to approve the continuation of the Company as an investment trust until the conclusion of the second AGM to be held after the date of that vote
<b>Combined Entity</b>	the enlarged Company following completion of the Proposals
<b>Corporation Tax Act</b>	the UK Corporation Tax Act 2010, as amended from time to time
<b>CREST</b>	the "relevant system" as defined in the Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form



<b>CREST Account</b>	a member's account in CREST
<b>CRS</b>	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
<b>Custodian or JP Morgan</b>	JPMorgan Chase Bank National Association, London Branch, being the UK establishment of JPMorgan Chase Bank National Association with UK establishment number BR000746 and having its UK establishment office address at 25 Bank Street, Canary Wharf, London E14 5JP
<b>Custodian Agreement</b>	the global custody agreement dated 17 July 2014 and entered into amongst the Company, the AIFM, the Depositary and the Custodian, which is summarised in paragraph 11.4 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Deed of Novation, Amendment and Restatement</b>	the deed of novation, amendment and restatement relating to the HET Note Purchase Agreement entered into on 20 August 2025 between, HET, FEV and the HET Noteholder
<b>Depositary</b>	J.P. Morgan Europe Limited, a private limited company incorporated in England and Wales with registered number 00938937 and having its registered office at 25 Bank Street, Canary Wharf, London E14 5JP
<b>Depositary Agreement</b>	the agreement dated 17 July 2014 and entered into amongst the Company, the AIFM and the Depositary, which is summarised in paragraph 11.3 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Depositary and Custodian Fee Agreement</b>	the fee agreement for the provision of custodian and depositary services dated 1 June 2022 entered into amongst the AIFM, the Investment Manager, the Depositary and the Custodian
<b>Dickson Minto Advisers</b>	Dickson Minto Advisers LLP, a limited liability partnership incorporated in England and Wales with registered number OC448025 and with its registered office at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS
<b>Directors</b>	the directors of the Company from time to time
<b>Disclosure Guidance and Transparency Rules</b>	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
<b>Dissenting HET Shareholder</b>	a HET Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act
<b>EEA</b>	the European Economic Area
<b>EEA Member State</b>	any member state within the EEA from time to time
<b>Effective Date</b>	the date on which the Scheme becomes effective, which is expected to be 26 September 2025
<b>Election</b>	the choice made by a HET Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option or the Cash Option) and any reference to "elect" or "election" shall, except where the context requires otherwise, mean "elect, or deemed to elect" or "election or deemed election", respectively

<b>Eligible HET Shareholders</b>	HET Shareholders excluding Excluded HET Shareholders, save where the Company determines otherwise (at its absolute discretion) but including Eligible US Shareholders
<b>Eligible US Shareholders</b>	US HET Shareholders that have signed and returned a valid US Investor Representation Letter to FEV in accordance with the instructions thereon prior to 1.00 p.m. on 9 September 2025
<b>ERISA</b>	the US Employment Retirement Income Security Act of 1974, as amended, and the applicable regulations thereunder
<b>ESG</b>	environmental, social and governance
<b>EU</b>	the European Union
<b>EU AIFM Delegated Regulation</b>	the Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
<b>EU AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
<b>EU Market Abuse Regulation or EU MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<b>EU PRIIPs Regulation</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (" <b>PRIIPs</b> ") and its implementing and delegated acts
<b>EU Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>Euroclear</b>	Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738 and having its registered office at 33 Cannon Street, London EC4M 5SB, the operator of CREST
<b>Excess Application</b>	that portion of an election by a HET Shareholder for the Cash Option that exceeds such HET Shareholder's Basic Entitlement
<b>Excluded HET Shareholder</b>	a HET Shareholder who is: (i) an Overseas HET Shareholder (including any Ineligible US Shareholder); and/or (ii) a Sanctions Restricted Person
<b>Existing FEV Shareholders</b>	holders of Shares prior to the Effective Date
<b>Fair Value Committee</b>	the committee of this name established by the AIFM and having the duties described in paragraph 9 of Part 1 ( <i>Fidelity European Trust PLC</i> ) of this Prospectus

<b>FATCA</b>	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
<b>FAV</b>	formula asset value
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority of the United Kingdom whose place of business is at 12 Endeavour Square, London E20 1JN, including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
<b>FEV FAV</b>	the Net Asset Value of the Company, calculated as at the Calculation Date, adjusted by (i) deducting any costs of the Proposals (and the FEV Proposed Novation Costs) payable by the Company but not accrued in the Company's NAV as at the Calculation Date (excluding Admission Fees and Acquisition Costs); (ii) deducting any dividends declared by the Company prior to the Calculation Date that have not been paid to Shareholders or accrued in the Company's NAV as at the Calculation Date (including the FEV Interim Dividend, once announced); and (iii) adding an amount equal to the value of the FEV Fidelity Contribution
<b>FEV FAV per Share</b>	the FEV FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date, expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)
<b>FEV Fidelity Contribution</b>	the portion of the Fidelity Cost Contribution, up to a maximum of £1.25 million (inclusive of VAT), that will be applied to meet the Company's transaction costs (including any Admission Fees and Acquisition Costs) and any FEV Proposed Novation Costs
<b>FEV Interim Dividend</b>	the Company's interim dividend in respect of the financial year ending on 31 December 2025 that is expected to be announced in early September 2025 and is anticipated to be not less than 3.60 pence per Share
<b>FEV Proposed Novation Costs</b>	the portion of the Proposed Novation Costs to be borne by FEV
<b>Fidelity</b>	the AIFM and the Investment Manager
<b>Fidelity Cost Contribution</b>	the contribution to be made by Fidelity towards the costs of the Proposals and the Scheme (including, for the avoidance of doubt, the Admission Fees and Acquisition Costs) and the Proposed Novation Costs
<b>Fidelity International</b>	FIL Limited, a company limited by shares incorporated in Bermuda and having its registered office at Pembroke Hall, 42 Crow Lane, Pembroke, HM 19, Bermuda and its subsidiary group of companies
<b>First HET General Meeting</b>	the general meeting of HET in relation to the Scheme convened for 10.00 a.m. on 9 September 2025, or any adjournment of that meeting

<b>Form of Proxy</b>	the form of proxy for use in connection with the General Meeting
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended from time to time
<b>Fund Services Agreement</b>	the fund services agreement between the Investment Manager and JP Morgan dated 14 July 2023
<b>General Meeting</b>	the general meeting of the Company convened for 10.00 a.m. on 15 September 2025 at the offices of Fidelity International, 4 Cannon Street, London EC4M 5AB or any adjournment of that meeting
<b>Gross Asset Exposure</b>	the value of the Portfolio to which the Company is exposed in respect of a particular investment or asset class, whether through direct or indirect investment (including the economic value of the exposure of the underlying asset(s) of the derivatives held by the Company but excluding forward currency contracts)
<b>HET</b>	Henderson European Trust plc, a public limited company incorporated in England and Wales with registered number 00427958 and having its registered office at 201 Bishopsgate, London EC2M 3AE
<b>HET Board</b>	the board of directors of HET from time to time, including any duly constituted committee thereof
<b>HET Directors</b>	the directors of HET, from time to time
<b>HET Fidelity Contribution</b>	the balance of the Fidelity Cost Contribution, if any, remaining after deduction of the FEV Fidelity Contribution, to be applied towards HET's transaction costs
<b>HET General Meetings</b>	the First HET General Meeting and/or the Second HET General Meeting, as the context requires
<b>HET Loan Notes</b>	together the privately placed (i) €25,000,000 1.53 per cent. unsecured Series A Senior Notes due 31 January 2047; and (ii) the €10,000,000 1.66 per cent. unsecured Series B Senior Notes due 31 January 2052, each issued by HET pursuant to the HET Note Purchase Agreement
<b>HET Note Purchase Agreement</b>	the note purchase agreement dated 26 January 2022, pursuant to which HET issued the HET Loan Notes (as amended, restated, supplemented, novated or otherwise modified from time to time)
<b>HET Noteholder</b>	the holder of the HET Loan Notes
<b>HET Portfolio</b>	HET's portfolio of investments prior to the Effective Date
<b>HET Pre-Liquidation Interim Dividend</b>	HET's pre-liquidation interim dividend in respect of the financial period anticipated to end on 25 September 2025 of 3.40 pence per HET Share announced on 21 August 2025 and due to be paid on 19 September 2025 to HET Shareholders on the HET Register on 5 September 2025
<b>HET Proposed Novation Costs</b>	the portion of the Proposed Novation Costs to be borne by HET

<b>HET Receiving Agent</b>	Equiniti Limited, contactable via its Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371 384 2050
<b>HET Register</b>	the register of members of HET
<b>HET Resolutions</b>	the special resolutions to be proposed at the HET General Meetings, or any of them as the context may require
<b>HET Shareholders</b>	holders of HET Shares whose names are entered on the HET Register as at the Record Date
<b>HET Shares</b>	ordinary shares of five pence each in the capital of HET
<b>HMRC</b>	His Majesty's Revenue & Customs
<b>IGA</b>	intergovernmental agreement
<b>Ineligible US Shareholders</b>	US HET Shareholders that have not executed and returned a valid US Investor Representation Letter to FEV in accordance with the instructions thereon prior to 1.00 p.m. on 9 September 2025 and are therefore deemed to be Excluded Shareholders for the purposes of the Scheme
<b>Insolvency Act</b>	the UK Insolvency Act 1986, as amended
<b>Investment Management Agreement</b>	the investment management agreement with an effective date of 27 July 2021 amongst the Company, the AIFM and the Investment Manager, as summarised in paragraph 11.2 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Investment Manager</b>	FIL Investments International, a private unlimited company incorporated in England and Wales with registered number 01448245 and having its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP
<b>Investment Trust Tax Regulations</b>	the UK Investment Trust (Approved Company) (Tax) Regulations 2011, as amended from time to time
<b>IRS</b>	the US Internal Revenue Service
<b>ISA</b>	an individual savings account approved in the UK by HMRC
<b>ISIN</b>	international securities identification number
<b>Issue</b>	the issue of New Shares to HET Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme
<b>KID</b>	key information document
<b>LEI</b>	legal entity identifier
<b>Liquidation Pool</b>	the pool of cash and other assets of HET to be retained by the Liquidators to meet all known and unknown liabilities of HET and other contingencies (less an amount equal to the Proposed Novation Value), as further described in paragraph 2.3 of Part 4 ( <i>Details of the Scheme and the Issue</i> ) of this Prospectus
<b>Liquidators</b>	the liquidators of HET being, initially, the persons appointed jointly and severally upon the relevant HET Resolution to be proposed at the Second HET General Meeting becoming effective

<b>Liquidators' Retention</b>	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of HET, which is currently estimated by HET to be £100,000
<b>London Stock Exchange</b>	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
<b>Main Market</b>	the main market for listed securities operated by the London Stock Exchange
<b>Management Engagement Committee</b>	the committee of this name established by the Board and having the duties described in paragraph 3.3 of Part 3 ( <i>Directors, Management and Administration of the Company</i> ) of this Prospectus
<b>Maximum Cash Option Shares</b>	the maximum number of HET Shares that can be elected (or deemed to have been elected) for the Cash Option, being 33.3 per cent. of the total number of HET Shares in issue (excluding treasury shares) as at the Calculation Date
<b>MiFID II Product Governance Requirements</b>	has the definition given in the section titled "Information to Distributors" in the Part titled "Important Information" of this Prospectus
<b>Modern Slavery Act</b>	the UK Modern Slavery Act 2015, as amended from time to time
<b>MUFG Corporate Markets or Registrar or Receiving Agent</b>	MUFG Corporate Markets (UK) Limited (formerly named Link Market Services Limited), a private limited company incorporated in England and Wales with registered number 02605568 and having its registered office at Central Square, 29 Wellington Street, Leeds LS1 4DL
<b>NAV or Net Assets or Net Asset Value</b>	the net asset value of the Company or HET (as applicable), calculated in accordance with the relevant company's usual accounting policies
<b>NAV per Share or Net Asset Value per Share</b>	the NAV of the Company divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
<b>Net Equity Exposure</b>	the net positive exposure of the Portfolio to the market with short and hedge positions (and fixed income interests) subtracted from long positions
<b>Net Gearing</b>	the total of all of the Company's long exposures, less its short exposures and less its exposures hedging the Portfolio in excess of Net Assets
<b>New Shares</b>	the Shares to be issued to HET Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme
<b>Nil Rate Amount</b>	has the meaning given in paragraph 3.2 of Part 6 ( <i>Taxation</i> ) of this Prospectus
<b>Nominated Charity</b>	Shelter, National Campaign for Homeless People Limited (charity number: 263710)
<b>Notice of General Meeting</b>	the notice of General Meeting, as set out at the end of the Circular



<b>OCR</b>	ongoing charges ratio
<b>Official List</b>	the official list maintained by the FCA
<b>Original AIFM Agreement</b>	the management agreement with an effective date of 22 July 2014, as amended and restated on 27 July 2018, between the Company and the AIFM, which was replaced by the AIFM Agreement on 27 July 2021
<b>Original Investment Management Agreement</b>	the investment management agreement with an effective date of 22 July 2014, as amended and restated on 27 July 2018, between the Company, the AIFM and the Investment Manager, which was replaced by the Investment Management Agreement on 27 July 2021
<b>Overseas HET Shareholder</b>	a HET Shareholder who has a registered address outside of, or who is a resident in, or a citizen, resident or national of, any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man (including any Ineligible US Shareholder but excluding any Eligible US Shareholder)
<b>Panel</b>	the UK Panel on Takeovers and Mergers
<b>personal data</b>	has the meaning given in the subsection titled "Data protection" in the section titled "Important Information" of this Prospectus
<b>Portfolio</b>	the portfolio of investments in which the funds of the Company are invested from time to time
<b>Portfolio Managers</b>	Sam Morse and Marcel Stötzl, the appointed portfolio managers of the Company as at the date of this Prospectus
<b>Proposals</b>	the proposals for the Company's participation in the Scheme and the Issue, as set out in further detail in this Prospectus and the Circular
<b>Proposed Novation</b>	the proposed substitution of the Company in place of HET in its capacity as issued and sole debtor of the HET Loan Notes
<b>Proposed Novation Costs</b>	the (i) legal and advisory fees incurred by each of the Company and HET in connection with documenting the Proposed Novation; and (ii) any fees payable to the HET Noteholder, including the proposed work fee and any legal and advisory fees of the HET Noteholder
<b>Proposed Novation Documents</b>	together the (i) Deed of Novation, Amendment and Restatement and (ii) Amended and Restated Note Purchase Agreement
<b>Proposed Novation Value</b>	an amount equal to the outstanding par value of the HET Loan Notes as at the Calculation Date, together with (i) any interest accrued thereon up to and including the Calculation Date and (ii) an amount equal to any further interest expected to be accrued thereon in the period between the Calculation Date and the Effective Date (save that, in the event that any condition of the Proposed Novation Documents has not been satisfied as at the Calculation Date (other than any condition relating to the Scheme becoming effective and other ancillary conditions precedent agreed by HET and FEV (as at the Calculation Date) to be reasonably achievable in advance of the Effective Date), the Proposed Novation Value shall be deemed to be £nil)

<b>Prospective Directors</b>	the two current HET Directors to be appointed to the Board when the Scheme becomes effective, being Victoria (Vicky) Hastings and Rutger Koopmans
<b>Prospectus</b>	this document
<b>Prospectus Regulation Rules</b>	the UK prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>QIB</b>	a “qualified institutional buyer” within the meaning of Rule 144A of the US Securities Act
<b>Qualified Purchaser</b>	a “qualified purchaser” as defined in Section 2(a)(51)(A) of the US Investment Company Act
<b>Receiving Agent Agreement</b>	the agreement dated 20 August 2025, between the Company and the Receiving Agent, as summarised in paragraph 11.6 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Reclassified HET Shares</b>	HET Shares reclassified under the Scheme as HET Shares with “A” rights or “B” rights
<b>Record Date</b>	the record date for entitlements of HET Shareholders to New Shares pursuant to the Scheme, being 6.00 p.m. on 9 September 2025 (or such other date as may be determined at the sole discretion of the HET Board)
<b>Register</b>	the register of members of the Company
<b>Registrar Agreement</b>	the agreement dated 10 May 2010, as amended from time to time, between the Company and the Registrar, as summarised in paragraph 11.5 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Regulation S</b>	Regulation S under the US Securities Act
<b>Regulatory Information Service or RIS</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Reporting FI</b>	a Foreign Financial Institution that resides in the UK under the US-UK IGA
<b>Residual HET Formula Asset Value</b>	the gross assets of HET as at the Calculation Date (calculated in accordance with HET’s normal accounting policies) less (i) the value of the cash and other assets and liabilities appropriated to the Liquidation Pool and (ii) the Proposed Novation Value
<b>Resolution</b>	the ordinary resolution to authorise the allotment and issue of New Shares pursuant to the Scheme to be proposed for approval by Shareholders at the General Meeting
<b>Revised Fee Arrangements</b>	the revised basis of calculation of the Annual Management Fee with effect from the date of Admission (subject to the Scheme becoming effective) as described in paragraph 4.2 of Part 3 ( <i>Directors, management and administration of the Company</i> ) of this Prospectus
<b>Rollover Option</b>	the option for HET Shareholders to receive New Shares under the Scheme
<b>Rollover Pool</b>	the pool of cash, undertaking and other assets (including assets with a value equal to the Proposed Novation Value) to be established under the Scheme to be transferred from HET to the Company pursuant to the Transfer Agreement

**Rollover Pool FAV**

an amount equal to the Residual HET Formula Asset Value multiplied by the proportion of Reclassified HET Shares with "A" rights relative to the total number of Reclassified HET Shares (i) plus an amount equal to the value of the HET Fidelity Contribution; (ii) plus an amount equal to the Cash Uplift; and (iii) less an amount equal to the HET Proposed Novation Costs

**Rollover Pool FAV per HET Share**

the Rollover Pool FAV divided by the total number of Reclassified HET Shares with "A" rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)

**Sanctions Authority**

each of:

- (i) the United States government;
- (ii) the United Nations;
- (iii) the United Kingdom;
- (iv) the European Union (or any of its member states);
- (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or
- (vi) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury

**Sanctions Restricted Person**

each person or entity:

- (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or
- (ii) that is, or is directly or indirectly owned or controlled by a person or entity that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as of the date of this Prospectus can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>; and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date of this Prospectus can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions/quality?locale=en>); or the current "Consolidated list of financial sanctions targets in the UK" (which as of the date of this Prospectus can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>); or

- (iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current "Sectoral Sanctions Identifications" list (which as of the date of this Prospectus can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

<b>Scheme</b>	the proposed scheme of reconstruction and members' voluntary winding up of HET under section 110 of the Insolvency Act 1986, pursuant to which the Issue will be undertaken
<b>Scheme Conditions</b>	the conditions upon which the implementation of the Scheme is conditional
<b>SDRT</b>	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
<b>SEC</b>	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
<b>Second HET General Meeting</b>	the general meeting of HET in relation to the Scheme convened for 9.00 a.m. on 26 September 2025, or any adjournment of that meeting
<b>Secretarial Services Delegation Agreement</b>	the secretarial services delegation agreement entered into between the AIFM and the Company Secretary with an effective date of 27 July 2021
<b>SEDOL</b>	the Stock Exchange Daily Official List
<b>Shareholder</b>	a holder of Shares, including a holder of New Shares if the context so requires
<b>Shares</b>	ordinary shares with a nominal value of 2.5 pence each in the capital of the Company, including the New Shares following their issue if the context so requires
<b>SORP</b>	Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts
<b>Sponsor Agreement</b>	the sponsor agreement entered into between the Company and Dickson Minto Advisers on 20 August 2025, as summarised in paragraph 11.7 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>Sterling, £ or GBP</b>	pounds sterling, the lawful currency of the UK
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers
<b>Target Market Assessment</b>	has the meaning given in the subsection titled "Information to distributors" in the section titled "Important Information" of this Prospectus

<b>Transfer Agreement</b>	the agreement for the transfer of assets from HET to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, HET and the Liquidators, with the terms of the agreed form of such agreement being summarised in paragraph 11.8 of Part 7 ( <i>General Information</i> ) of this Prospectus
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK AIFMD Laws</b>	<ul style="list-style-type: none"> <li>(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and</li> <li>(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time</li> </ul>
<b>UK Code</b>	the UK Corporate Governance Code published by the Financial Reporting Council in July 2024, as revised or updated from time to time
<b>UK GAAP</b>	UK Generally Accepted Accounting Practice
<b>UK Listing Rules</b>	the UK listing rules sourcebook made by the FCA under Part VI of FSMA, as amended from time to time
<b>UK MAR</b>	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
<b>UK MiFID II</b>	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (" <b>MiFID</b> "), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (" <b>MiFIR</b> "), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
<b>UK PRIIPs Laws</b>	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
<b>UK Prospectus Regulation</b>	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234))
<b>uncertificated or in uncertificated form</b>	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST

<b>Uncertificated Securities Regulations</b>	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001, as amended from time to time
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended
<b>US HET Shareholder</b>	a HET Shareholder that is located in the United States or is a US Person
<b>US Investment Company Act</b>	the US Investment Company Act of 1940, as amended
<b>US Investor Representation Letter</b>	the representation letter that must be completed by US HET Shareholders in order to participate in the Rollover Option under the Scheme, which can be requested from the HET Receiving Agent
<b>US Person</b>	a "U.S. person" as such term is defined under Regulation S
<b>US Securities Act</b>	the US Securities Act of 1933, as amended
<b>US Tax Code</b>	the US Internal Revenue Code of 1986, as amended
<b>US-UK IGA</b>	the IGA between the UK and the US pursuant to which parts of FATCA have effectively been incorporated into UK law
<b>VAT</b>	value added tax