To: RNS

From: European Assets Trust PLC ("the Company")

LEI: 213800N61H8P3Z4I8726

Date: 9 January 2025

Dividend Announcement

Highlights

- Continued policy of six per cent dividend per share on year-end net asset value for annual distribution to shareholders.

- Based on the unaudited net asset value of 91.8 pence per share as at 31 December 2024, the total dividend declared for 2025 will be 5.52 pence per share, a decrease from 5.90 pence paid in 2024. The resulting annual dividend yield is 6.8 per cent[(1)].

- Dividend to be paid in four equal instalments of 1.38 pence per share in January, April, July and October 2025.

(1) Calculated as the 2025 dividend divided by the 31 December 2024 share price.

Dividend for 2025

The Board confirms that the Company's stated and long-standing distribution policy of declaring, barring unforeseen circumstances, an annual dividend equivalent to six per cent of the net asset value per share at the end of the preceding year will be continued in 2025.

2024 has been a positive year for markets overall with falling interest rate expectations again proving a key influence. Frustratingly, within Europe quality growth small cap companies underperformed relative to both value and large cap stocks. However, with valuations at their lowest for several years, the Manager continues to see high quality small and mid cap European companies attractively positioned for a recovery. This was reflected in the higher average level of gearing employed by the manager during 2024 in comparison to the prior year.

The net asset value per share as at 31 December 2024 was 91.8 pence (31 December 2023: 98.3 pence). As the net asset value per share ended the year lower than 2023, this results in a reduced total dividend payable by the Company for 2025 of 5.52 pence per share (2024: 5.90 pence per share).

The 2025 dividend will be paid in four equal instalments of 1.38 pence per share on 31 January, 30 April, 31 July and 31 October 2025.

The January dividend payment of 1.38 pence per share will be paid to Shareholders on 31 January 2025, having an ex-dividend date of 16 January 2025 and a record date of 17 January 2025.

Investment Performance and Review

The Company's Sterling net asset value total return (capital performance with dividends reinvested) per share was -0.8 per cent (unaudited, Euro: 3.9 per cent)) for the year ended 31 December 2024. Sterling share price total return for the year was -3.6 per cent (Euro: 1.0 per cent). These figures compare with the Company's Benchmark[(2)] which produced a total return of +2.4 per cent in Sterling (Euro: 7.3 per cent). The rise in the value of Sterling against the Euro during the year impacted negatively on the Sterling return to Shareholders.

Macroeconomics and geopolitics strongly influenced markets during 2024. Key drivers included improving inflation, interest rate cuts and generally encouraging corporate earnings. There was some volatility as the resilience of the US economy delayed monetary easing. Later, concerns surfaced that the delay in cutting interest rates could lead to a recession; the US Federal Reserve responded with a bumper 0.5 per cent cut in September. The European Central Bank started cutting interest rates in June, with further reductions in September, October and December.

France's July parliamentary elections, where a far-right victory was avoided, supported risk appetite, but turmoil returned later in the year with government instability, prompting weakness in French shares as well as bonds. This was coupled with a collapse of the German government, and a presidential win for Donald Trump in the US, which poses risks of tariffs on European goods and restrictions on trade with China, where economic growth already appears muted.

The eurozone economy showed signs of improvement; the PMI escaped contractionary territory, driven by growth in services, though this retraced as manufacturing remained weak and the service sector slowed. Eurozone GDP rose by 0.4% in the third quarter of 2024, beating forecasts, and Germany avoided a recession.

Against this backdrop, with the largest companies driving market performance, European smaller companies struggled to keep up, and the market focused on value factors more than growth or quality to the detriment of the Company's investment performance.

Following the manager change announced in May, changes have been introduced to the portfolio. These changes have so far been broadly successful at sustaining performance.

However, returns relative to the Benchmark slipped disappointingly towards the end of the year. This was due to the previously mentioned better performance from value stocks within the small cap universe, coupled with specific issues at a small number of portfolio holdings.

The benefits of the integration of Columbia Threadneedle Investment's businesses are already evident. Coupled with the improvements this year to the investment process which are bringing greater focus to the assessment of new and underperforming positions, the investment team are also benefiting from the deeper research resources available to them.

In valuation terms, European smaller companies are attractive, more so than for several years, and for this reason we are maintaining the increased gearing to benefit from an expected improvement in market conditions. We believe the portfolio is well positioned to benefit from a stable economic backdrop and cheap entry valuations.

I will next be reporting on the results of the Company in my Chair's Statement contained in the Annual report and Accounts expected to be published during March 2025.

Stuart Paterson
Chair
9 January 2025

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Columbia Threadneedle Investment Business Limited	

(2)MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index.