European Assets Trust NV

Annual Report and Accounts

2014

Contents

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The Association of
Investment Companies

Financial Calendar 2015

30 January 2015	First Dividend Paid
March 2015	Announcement of Annual Results
23 April 2015	General Meeting of Shareholders (Rotterdam)
7 May 2015	Shareholders' and Investors' Briefing (London)
29 May 2015	Second Dividend Paid
August 2015	Announcement of Interim Results
28 August 2015	Third Dividend Paid

Company Summary

The Company

The Company is an investment company with variable capital incorporated in the Netherlands and its shares are listed on the London Stock Exchange and Euronext Amsterdam Stock Market. It is a member of the Association of Investment Companies.

Total assets (less current liabilities) at 31 December 2014 were €273.1 million (£212.0 million).

Objective

The investment objective of the Company is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom.

A high distribution policy has been adopted and dividends have been paid mainly out of other reserves.

Management

The Board has appointed F&C Investment Business Limited (F&C) as investment managers. The notice period is six months and further details of the investment management contract can be found in the 'Report of the Management Board Director' within this report.

FCA Management BV acts as the Management Board, KASBANK NV as administrator and KAS Trust & Depositary Services BV as depositary and custodian.

Capital Structure

The Company has a simple capital structure, being financed exclusively by ordinary shares. It may also employ gearing up to 20 per cent of assets.

How to Invest

F&C Management Limited operates a number of investment plans which facilitate investment in the shares of the Company. Details are contained in the 'How to Invest' section of this report. Stock Exchange dealing can be conducted through your usual stockbroker.

Share Price

The ordinary shares are quoted on the London Stock Exchange (www.londonstockexchange.com) (Reuterscode: EAT.L) and Euronext Amsterdam Stock Market (www.euronext.com) (Reuterscode: EURT.AS) and their price is published daily in *Het Financieele Dagblad* as well as *The Financial Times* and other newspapers. The share price is also available from the website noted below.

Trading primarily takes place on the London Stock Exchange.

Website

The Company's internet address is:
www.europeanassets.eu

The Company's share price, net asset value and fact sheets are available from this website.

Investment Institution

European Assets Trust NV is a closed-end investment company and an investment institution within the meaning of the Dutch Act on Financial Supervision ('Wft'). Following the implementation of the Alternative Investment Fund Managers Directive ('the AIFMD') which became fully effective on 22 July 2014, F&C Investment Business Limited has been appointed as AIF Manager and financial regulatory supervision has switched from the Dutch Autoriteit Financiele Markten to the UK's Financial Conduct Authority.

Note: Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount originally invested.

If you have sold or otherwise transferred all of your Ordinary Shares in European Assets Trust NV, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was, or is being, affected, for delivery to the purchaser or transferee.

Financial Highlights for the Year

- **Total return* performance for 2014**

	Euro	Sterling
Net asset value per share	15.3%	7.7%
Euromoney Smaller European Companies (ex UK) Index	5.2%	-1.9%

- **Total return* performance for the three years to 31 December 2014**

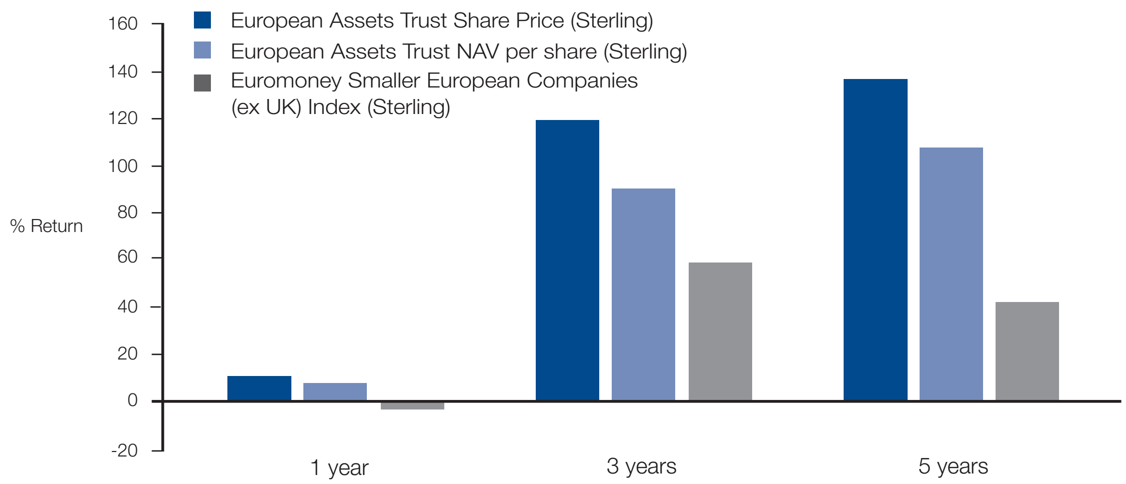
	Euro	Sterling
Net asset value per share	104.7%	90.2%
Euromoney Smaller European Companies (ex UK) Index	69.8%	57.7%

- **The annual dividend for 2015 is €0.7581 per share (2014 €0.699, net†) equivalent to 6% of the opening net asset value per share**

	Euro	Sterling
January 2015 dividend paid per share (further dividends payable in May and August)	€0.2527	£0.1933

Total Return Performance*

European Assets Trust Net Asset Value and Share Price v Euromoney Smaller European Companies (ex UK) Index



Source: Morningstar, Euromoney

All performance returns are total return basis and calculated to 31 December 2014 (accumulated).

*Total return wherever used in this document means capital performance with dividends reinvested.
For further information relating to historic performance refer to page 43.
† Net of Dutch withholding tax.

Performance Summary for the Year to 31 December 2014

	Euro 2014	2013	Sterling 2014	2013
Total Return for the year				
Net asset value total return per share*	**15.3%**	34.4%	**7.7%**	37.8%
Market price total return per share	**16.6%**	43.9%	**8.8%**	47.5%
Euromoney Smaller European Companies (ex UK) Index	**5.2%**	34.0%	**-1.9%**	37.5%

	Euro 2014	2013	Sterling 2014	2013
Capital at year end				
Total assets (less current liabilities)	**€273.1m**	€209.1m	**£212.0m**	£174.0m
Net asset value per share – basic	**€12.63**	€11.64	**980.5p**	968.6p
Net asset value per share – treasury†	**€12.63**	€11.64	**980.5p**	968.4p
Market price per share	**€12.72‡**	€11.59‡	**987.0p**	964.0p
Euromoney Smaller European Companies (ex UK) Index	**457.55**	443.73	**355.08**	369.18
Distributions per share				
Total distributions paid in cash¶ (for 2015 the annual dividend is €0.7581 per share)	**€0.7221**	€0.5757	**58.5p**	48.6p
Premium/(Discount) at Year End (difference between share price and treasury net asset value)#			**0.7%**	(0.5)%
Net Gearing at Year End (0%=nil geared position)§			**6%**	7%
Ongoing Charges (note 17)				
For 2014, excluding one-off AIFMD legal and advisory costs 1.27%			**1.33%**	1.41%
Portfolio Turnover** (UK method – note 16)			**24%**	30%
Active Share Ratio •			**93%**	93%

2014 Year's Highs/Lows	High	Low
Net asset value per share	**£10.31**	**£8.42**
Market price per share	**£10.38**	**£8.09**

* Based on net asset value per share – basic. A definition of net asset value is included in the Glossary on page 53.

† In accordance with the AIC calculation method where shares are held in treasury; subject to the Company's resale policy, including limiting dilution to 0.5 per cent of net asset value per annum. Based on shares held in treasury since the liquidity enhancement policy was put in place in 2005.

‡ London Stock Exchange prices/net asset values converted into Euros at relevant exchange rate at the year end.

¶ Gross of Dutch withholding tax.

The widest discount on the ordinary shares during 2014 was 5.5 per cent and the widest premium was 2.9 per cent in sterling terms.

§ The gearing percentage indicates the extra amount by which shareholders' funds would rise or fall if total assets were to rise or fall and is total assets (less cash and cash equivalents) divided by shareholders' funds expressed as a percentage.

** Portfolio turnover=((purchases+sales)÷2)÷average assets. Calculated in Euros.

• The active share ratio is a measure of the percentage of stock holdings in the portfolio that differ from the benchmark index. The greater the difference between the asset composition of the portfolio and its benchmark, the greater the active share percentage. Calculated in Euros.

Sources: Morningstar/Datastream/Euromoney

Chairman's Statement

Sir John Ward CBE Chairman

2014 review

I am pleased to report another strong performance from our investment team. European Assets Trust ('the Company') achieved a Sterling net asset value ('NAV') total return* for the year of +7.7% (2013: +37.8%), a Sterling share price return of +8.8% (2013: +47.5%), and a Euro dividend increase of +8.5% (2013: 27.0%). Whilst 2014 was a more subdued year for the Company, following some very impressive returns in recent years, this was another positive return relative to our benchmark which fell -1.9% in Sterling terms and also compares favourably when measured against larger company benchmarks.

This also adds to the impressive performance since the current investment strategy was introduced. From June 2010 Sterling NAV total return is +122.3% and Sterling share price total return +151.7%. These are significantly outperforming the Sterling benchmark return of +47.1% for the same period.

The bulk of the Company's performance came in the second half of the year as relatively high expectations of an economic recovery in Europe gave way to more familiar scepticism of the region's prospects and a weaker market. Our NAV made particularly strong progress over this period as investors moved towards higher quality assets. Performance was also boosted by the return of corporate activity to the European smaller companies sector, with four of our holdings receiving bids in the second half of the year. The combination of strong corporate balance sheets and cheap funding costs, in an environment of low growth, should be a good combination for further activity and we would not be surprised to see our portfolio benefit from more interest this year.

A significant governance task for the Company in 2014 has been the implementation of the requirements of the Alternative Investment Fund Manager's Directive ('the AIFMD') which became fully effective on 22 July 2014. I can report that the Company has been compliant from this date with KAS Trust & Depositary Services BV appointed as depositary and F&C Investment Business as AIF Manager. Although financial regulatory supervision has switched to the British Financial Conduct Authority, the Company remains Dutch with the corporate duties of the Supervisory and Management Boards unchanged.

Continued market demand for the Company's shares throughout 2014 has resulted in the issuance of 3,635,000 shares at a small premium to net asset value: raising £35.4 million, enhancing shareholder value and contributing to a reduction in the Company's ongoing charges rate to 1.27% (after excluding one-off costs relating to the introduction of the AIFMD).

Change in Directorate

Since 2013 a process of succession planning has been undertaken by the Supervisory Board which has resulted, progressively, in a number of changes to its membership.

I have been Chairman of this Company since June 1995 which has been a period of continuous and challenging change. During this period the Company has experienced, amongst other events, the introduction of the Euro, the technology boom and its subsequent bust, the attack on the World Trade Centre, the Global Financial Crisis, and a major restructuring of the Fund. Many of these events still impact upon the macro economic and political environments in which this Company operates, and I wish to express my thanks to Board Colleagues and all our advisors for their support in successfully managing these challenges.

At the General Meeting to be held on 23 April 2015 I will step down as Chairman. Jack Perry CBE, who was appointed to the Supervisory Board last year will be my replacement. I know that his wise counsel will serve the Company well.

To ensure an effective and complete handover I intend to remain on the Supervisory Board as a Director until the latter half of the current year. Neville Cook who has served as a Supervisory Director for 21 years will also retire at this time and I wish to place on record my appreciation for his support and guidance to me over my tenure as Chairman. In addition the Supervisory Board and the Company's advisors have greatly valued Neville's guidance and wish to add their thanks for his contribution to the Company's affairs.

Two other changes to the Supervisory Board will become effective on conclusion of the 2015 General Meeting. Professor Robert van der Meer, Chairman of

* capital performance with dividends reinvested.

Audit, will, in addition, be appointed Vice Chairman and Julia Bond, who was appointed to the Supervisory Board last year will become Senior Independent Director. These appointments will further strengthen the current structure of the Supervisory Board.

Distribution

The level of dividend paid by the Company each year is determined by the Board in accordance with the Company's distribution policy. The Board has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the net asset value of the Company at the end of the preceding year. The dividend is funded from a combination of accumulated capital gains and income.

The Board has already announced that applying the distribution policy results in a total dividend for 2015 of Euro 0.7581 per share (2014: Euro 0.699 per share, net). This represents an 8.5% increase in the 2015 dividend compared with the previous year. The 2015 dividend will be paid in three equal instalments of Euro 0.2527 per share on 30 January, 29 May and 28 August. The January dividend of Euro 0.2527 per share was paid to shareholders on 30 January 2015 and amounted to 19.33p per share in Sterling terms.

Shareholders may elect to receive dividends by way of further shares in the Company rather than cash. Where shareholders so elect, they will receive shares based on the net asset value of the Company; the shares may trade in the market at a discount or premium to net asset value. Subject to personal circumstances and shareholders taking their own tax advice, UK resident individual shareholders who receive a scrip dividend should not be liable to UK income tax on such dividend. Instead, UK capital gains tax rules should apply.

Gearing

The Company has a banking facility to allow the Manager to gear the portfolio within the 20 per cent of assets level permitted under the Articles. The facility available throughout the year was Euro 25.0 million. The facility is Euro-denominated and flexible, allowing the Manager to draw down amounts for such periods as required. The Manager made use of the facility during the year where investment opportunities arose and at the year-end the Company was 6 per cent geared.

Liquidity enhancement policy

During 2014 the Company sold 3,635,000 of its own shares held in treasury through its liquidity enhancement policy raising £35.4 million. The sale of these treasury shares occurred at an average premium of 0.1% to the estimated net asset value at time of issue. The benefits of this issuance include: improved stock liquidity, a reduction in the Company's expense ratio (Ongoing Charges figure) and a marginal uplift to the net asset value of existing shares resulting from issuance at a small premium.

Since the year end until 26 February 2015 the Company has sold a further 1,330,000 shares from treasury at an average premium to net asset value of 0.1% raising £13.3 million. As at 26 February 2015 the Company has 1,982,057 shares remaining in treasury. In 2013 the Company issued 3,180,000 of treasury shares raising £27.7 million.

Outlook

European equities have got off to a strong start in 2015 following further monetary intervention by the European Central Bank and some encouraging leading indicators. We are also optimistic that Europe can begin to show some economic progress with the triple stimuli of lower energy prices, a weaker currency, and tentative improvements in lending and borrowing data. Valuations look attractive to us, and companies appear to be in fine shape. If profit levels improve from here, returns for European equity investors could be very attractive. We must however take note of rising geo-political tensions which can cause volatility even for long term investors. Nevertheless we will continue to be disciplined in deploying our strategy that has served us so well in recent years.

Shareholder meetings

The Company's General Meeting will be held at 11.00 am on 23 April 2015 at the Company's Office, Weena 210-212, Rotterdam, the Netherlands. In addition, the Company holds a Shareholders' and Investors' Briefing in London each year.

The London Briefing this year will take place on 7 May 2015 at 11.30 am at Pewterers' Hall, Oat Lane, London EC2V 7DE and will include a presentation from the Investment Manager on the Company and its investment portfolio. A light buffet will be served at the end of the briefing. I will also take this as an opportunity to present Jack as the Company's new Chairman. The Supervisory Board look forward to welcoming as many shareholders as are able to attend.

Sir John Ward CBE
Chairman

26 February 2015

Investment Manager and Investment Process

Sam Cosh
Lead Manager

David Moss
Fund Manager

Sam Cosh Lead Manager, is a Director, European Equities at F&C. Sam joined F&C in 2010 from BNP Investment Partners and was appointed Lead Manager for European Assets Trust during 2011. Sam is also the lead manager of F&C European Small Cap Fund and manages the European investments of F&C Global Smaller Investment Trust plc. He has fifteen years' experience in European equities, principally within small and mid cap mandates.

David Moss Fund Manager, is the Head of European Equities and manages European and Pan European portfolios. From 1998-1999, he focused on UK Equity and prior to that he worked as a Fixed Interest Analyst focusing on the UK Gilt and Non-Gilt Markets. He joined F&C in 1996. David began his career in 1987 at Barclays Bank, where he worked as an Analyst on the Corporate Lending Team, working primarily with recovery situations for small to medium-sized enterprises.

Investment Managers

The investment management contract is with F&C Investment Business Limited (F&C) which is a company within the F&C Asset Management plc group (F&C Group). Following the implementation of the AIFMD which became fully effective on 22 July 2014, F&C has been appointed as AIF Manager. F&C is a wholly owned subsidiary of Bank of Montreal ('BMO') and is part of BMO Global Asset Management.

F&C provides investment management and other services to a range of investment companies.

Investment Objective and Process

The investment objective of the Company is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends have been paid mainly out of other resources. The Company utilises fully the resources of F&C's European Equities team. The portfolio is relatively concentrated (40–50 names) and has an emphasis on high quality businesses.

The team focuses on detailed fundamental analysis with particular scrutiny on balance sheets and cashflows with an aim to invest in businesses with a long term time horizon. A key tenet of the approach is the belief that the most important factors that influence stock returns are both the value creation of the business and the initial price paid to own the equity. Consequently a significant emphasis is placed on valuation.

Manager's Review

A year of strong performance with sterling NAV total return of 7.7% in comparison to -1.9% for the benchmark.

Market review:

Entering 2014, Europe's economy seemed to have stabilised with a return to economic growth, while political risks and talk of the break-up of the Eurozone were no longer headline news. The European banking crisis that had consumed investor attention during the previous two or three years had all but disappeared with the major financial institutions having taken important de-risking measures. The European Central Bank had become more accommodative by cutting its financing rate to an all-time low in an effort to spur economic activity and stave off the risk of deflation. This led to a strong first half for European equities with our indices, the Euromoney Smaller European Companies index registering gains of +6.6% in Sterling terms and +10.8% in Euro terms.

The optimism of the first half receded rapidly from the beginning of July with the bail out of Banco Espirito bringing the financial crisis back into focus, while the Ukraine/Russia conflict reminded investors of the dangers of exogenous shocks towards an already fragile region. Additionally, towards the end of the summer, leading economic indicators, while still in expansionist territory, started softening encouraging scepticism over Europe's economic recovery. While the market recovered towards the end of the year in anticipation of further European Central Bank intervention, ultimately our index lost ground in the second half and returned +5.2% in Euro terms for the full year, but fell -1.9% in Sterling terms. The weakening European currency is frustrating for Sterling investors but reflects the different economic cycles that the UK and Europe are in, with the Bank of England's next move more likely to be tightening, in contrast to further expansionist policy by the European Central Bank; something that ultimately should be positive for investors in European equities.

Performance Review:

It was a year of two halves for European Assets in terms of performance relative to the benchmark. As I cautioned in my 2013 annual review at the beginning of the year, I was concerned that investors appeared a little complacent about the prospects of a European recovery. This informed our stock research and we focused particularly hard on the quality areas of the market which had lagged the strong market recovery, and adjusted the portfolio accordingly. Whilst our absolute performance remained strong during this period it did lag a rallying benchmark.

Our strategy however prevailed during the second half of the year as investors became more cautious and quality assets took market leadership. Our portfolio performed particularly well in this environment delivering very strong performance in absolute terms against a benchmark which fell over the same period.

Ultimately our stock picking prevailed to deliver another year of good returns in Euro terms. A portion of this was however lost, when translated back to Sterling returns, as the Euro weakened through the year. Given the scale of this devaluation it is pleasing nonetheless to grow the NAV in Sterling terms; +7.7% over the course of the year, particularly compared to the market which fell -1.9% over the same time period. This further adds to the strong performance that European Assets Trust shareholders have enjoyed since the current investment strategy was employed; since June 2010 the NAV has progressed +122.3% in Sterling total return terms, with a share price return of +151.7%, both significantly outperforming the benchmark return of +47.1%.

During our marketing in recent years, in highlighting the prospects for European small companies we have consistently posited the potential for M&A to provide support for our sector. After all, funding costs are low, and companies have done a fantastic job of building up robust balance sheets during and following the financial crisis. It made sense to us that these balance sheets should be deployed. Initially this was more focused on greater capital returns to shareholders through dividends and buybacks, something that we support, however, progress on corporate activity was limited. That was until the second half of 2014 when like the proverbial London bus which takes so long to arrive, four bids appeared in rapid succession, of course contributing significantly to performance.

Our biggest contributor came from the Irish airline Aer Lingus, which received a bid from IAG, the owners of British Airways. This played a large part in the share's return of +64.7% (Sterling), however this was not the whole story. The company became biddable because management had done a fantastic job, not just in improving the operational performance of the company over a long period, but more recently in achieving a solution to the complex issue surrounding a pension deficit, taking a significant risk away for a potential suitor.

Jazztel, the Spanish broadband supplier, also performed very strongly increasing +50.5% following a bid from Orange. Jazztel holds a strategically important position in the Spanish telecoms market with good quality fibre assets. The market had gone through a consolidation process that left Orange strategically compromised. Acquiring Jazztel was the only real option left available to them if they were going to continue to compete in the Spanish market.

Two other holdings performed well on the back of corporate activity; Exact the Dutch software provider and Nutreco the Dutch animal nutrition business. Exact rose +30.2% following a bid from a private equity business who were prepared to make the investments in the business to put it on a 'cloud' platform. This is a substantial and complex journey, not without risk, and one that is probably best undertaken away from the short term scrutiny of the listed market.

Nutreco was bought by a wealthy Dutch family, following a period of underperformance. Following a detailed review, we used the weakness in the share price over the first half of the year to add to our position, and were delighted that our fundamental research was rewarded with some excellent performance.

In terms of poor performers, we managed to avoid any significant disasters, although Tod's the luxury shoe brand had a particularly bad year falling -43.2%. In retrospect we were too complacent about the valuation of the stock heading into 2014, and it turned out to be a valuation that couldn't take much disappointment. Unfortunately weak demand in both emerging markets and their home market, combined with changes in distribution strategy led to some substantial downgrades. We do however continue to hold the company as we believe in the long term growth prospects and the power of the brand. It is good to see that so far in 2015 some of this performance has been re-gained following encouraging full year results and outlook statements.

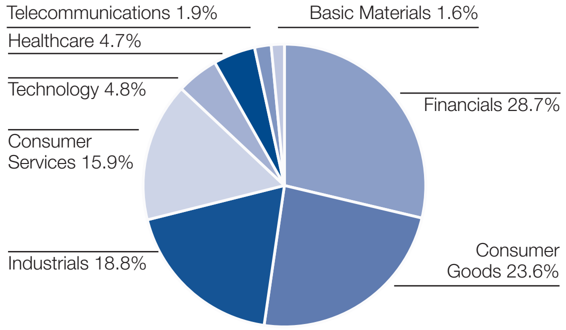
Investment Outlook:

2015 has started strongly for European equities. The latest European Central Bank intervention and announcement of quantitative easing combined with a decent result from the Purchasing Manager's Index, possibly the most closely watched leading indicator of economic activity, has helped to renew some optimism in the region. Heading into the year though, expectations of European economic growth, and corporate earnings progress, were excessively low. This was reflected in the strong performance of quality assets in the second half of last year, as investors searched for a combination of scarce growth and yield. There is however the potential for a positive growth surprise this year due to the combined effects of lower energy costs, a weaker currency and improving credit conditions. While we would not expect the effects of these powerful influences to filter through immediately, for a region where little growth is expected, and indeed where valuations discount little growth, this could, through the year, provide a significant fillip to growth and consequently equity market performance in a region where the investment world is under-invested.

Admittedly, we do not want to base our stock decisions based on expectations of economic growth, however, smaller companies should benefit from any improvement in the domestic European economy. The last decade has seen global growth related companies lead the market, as China embarked on a once in a generation capital formation binge. This is something that will take some time to absorb and potentially leads to a structural over-supply in those regions. Europe, in contrast has seen a painful period of capital destruction. Indeed this is why expectations are so low. If economic growth were to surprise positively, this could have a powerful effect on the domestic businesses who have been re-adjusting their cost bases. The improvements in returns would be powerful, yet the expectations of this occurring are low. European Smaller companies are by their nature more domestically focused then their larger counterparts and should feel the benefits of this disproportionately.

We will however, trust in the philosophy and process that has served your company so well in recent years. We will look to invest in quality businesses, run by proven managers, at attractive prices. We believe that this is the best way to deliver good performance at an attractive level of risk, and will continue to employ this strategy irrespective of prevailing economic conditions.

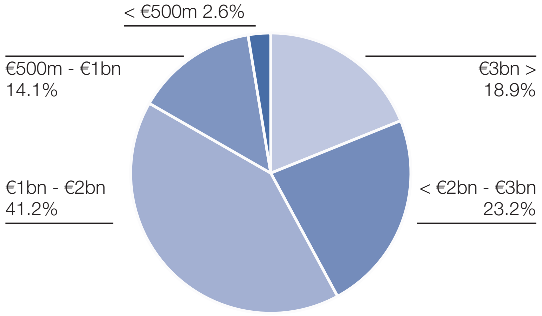
Portfolio Split by Sector as at 31/12/14



Sam Cosh
Lead Investment Manager
F&C Investment Business Limited

26 February 2015

Portfolio Split by Market Capitalisation as at 31/12/14



Investment Portfolio

Company	Valuation Euro 000's	% of Total Assets	Country of Incorporation
Glanbia Glanbia is a nutritionals business with operations globally. Its roots are in Irish milk production but the company has recently focused its operations on its global nutritionals business where it makes high margins and achieves good growth. It currently makes most of its profits from performance nutrition customised pre mix and ingredient technologies.	10,052	3.7	Ireland
Aer Lingus Aer Lingus is the national flag carrier airline for the Republic of Ireland. It operates both short and long haul routes out of Ireland's airports. Long haul routes are highly profitable and benefiting from the ability for US bound passengers to pass US immigration pre-clearance at Dublin and Shannon airports. The company is also in possession of 23 pairs of coveted landing slots at Heathrow airport.	9,196	3.4	Ireland
Origin Enterprises Origin Enterprises is a focused agri-services group which offers specialist agronomy services, crop nutrition and feed ingredients to the farming sector. It has operations in the United Kingdom, Ireland and Eastern Europe. Products lead to yield and profitability improvements for farmers and Origin's dominant market share and established customer relationships place it at an advantage to competitors.	8,538	3.1	Ireland
Plastic Omnium Plastic Omnium is a niche French automotive equipment supplier. It produces and sells external and internal plastic elements for cars such as bumpers and fuel tanks. It holds market leading positions in this market and is benefiting from the increasingly strict legislation automotive original equipment manufacturers are facing with respect to emission reduction. The lightweight nature of its products facilitate this.	8,491	3.1	France
Ringkjoebing Landbobank Ringkjoebing Landbobank is a conservatively managed, strongly capitalised local Danish bank. In its core area the company has 50% market share and is taking share from weaker competitors. The bank also has small asset management and securities trading departments.	8,457	3.1	Denmark
ASM International ASM International is a Dutch company that sells equipment used in the manufacturing of semiconductor chips. ASMi is the global market leader in atomic layer deposition which is important in leading edge technologies and seeing substantial growth. It also has a stake in Hong Kong listed ASM Pacific which also sells tools in semiconductor manufacturing. The corporate structure has resulted in the combined assets being undervalued, though management has taken steps to tackle this.	8,380	3.1	Netherlands
CTT - Correios de Portugal CTT is the former state postal monopoly in Portugal. In addition to its postal network it also distributes financial services. The efficiency and scale of its distribution network should benefit from any recovery in consumption as well as increased penetration of online retail (which in Portugal is significantly below other European countries). Further growth opportunities stem from financial products where its brand and network place it in an ideal position.	8,378	3.1	Portugal
Azimut Holding Azimut Holding is one of the largest independent asset managers in Italy. The company manages open-end mutual and pension funds, and offers investment advice and insurance. It also has its own distribution network of financial consultants who distribute the company's products in northern and central Italy.	8,050	2.9	Italy
Forbo This Swiss firm holds a globally dominant position in the floor covering market, primarily lino. It is able to benefit from scale advantages, both in terms of costs and distribution and wields pricing power in this market leading to sustainably high returns on capital. Popularity of the product is increasing as technological advances have led to design improvements whilst its anti-bacterial and anti-allergenic properties are becoming more valued.	7,944	2.9	Switzerland
Grafton Grafton Group is an Irish building merchant. It holds market leading positions within the Irish market and has benefited from a difficult operating environment, emerging in a stronger position with less competition. As a point of reference it is six times larger than its nearest competitor within the Irish market. Any recovery in the housing volumes should be particularly powerful for it.	7,900	2.9	Ireland
Ten largest investments	**85,386**	**31.3**	

Company		Valuation Euro 000's	% of Total Assets	Country of Incorporation
Mediaset España Comunicación	Free to Air Television	7,808	2.9	Spain
Amer Sports	Sporting Goods	7,642	2.8	Finland
Irish Continental	Shipping	7,628	2.8	Ireland
Gerresheimer	Glass and Plastic Containers	7,575	2.8	Germany
Partners Group	Alternative Asset Management	7,252	2.7	Switzerland
Topdanmark	Non-life Insurance	7,115	2.6	Denmark
CTS Eventim	Concerts and Ticketing	7,094	2.6	Germany
Aareal Bank	Property Financing	7,082	2.6	Germany
Nutreco	Animal Feed	7,052	2.6	Netherlands
NORMA	Plastic and Metal Based Components	6,973	2.6	Germany
Twenty largest investments		**158,607**	**58.3**	
Bolsas y Mercados Espanoles	Regional Stock Exchange	6,905	2.5	Spain
Interpump	Industrial Manufacturer of Pumps and Power Take-offs	6,893	2.5	Italy
Banca Generali	Italian Asset Manager	6,871	2.5	Italy
Leonteq	Asset Manager and Structured Solution Provider	6,740	2.5	Switzerland
Tomra Systems	Recycling Equipment	6,593	2.4	Norway
Takkt	Office Equipment	6,514	2.4	Germany
SAF Holland	Commercial Vehicle Equipment	6,416	2.3	Germany
Christian Hansen	Bacteria Culture Producer	6,289	2.3	Denmark
Betsson	Licensed Betting	6,246	2.3	Sweden
EFG International	Private Bank	6,103	2.2	Switzerland
Thirty largest investments		**224,177**	**82.2**	
Storebrand	Insurance and Asset Management	5,867	2.1	Norway
Indutrade	Engineering Equipment and Flow Technology	5,724	2.1	Sweden
Jazztel	Broadband Telecom	5,640	2.1	Spain
SpareBank 1	Regional Bank	5,596	2.0	Norway
Exact Holdings	IT Software	5,294	1.9	Netherlands
Viscofan	Sausage Skin Manufacturer	5,279	1.9	Spain
C&C Group	Brewing	5,273	1.9	Ireland
Paddy Power	Licensed Betting	4,829	1.8	Ireland
IFG	Financial Services	4,791	1.8	Ireland
Symrise	Speciality Chemicals	4,587	1.7	Germany
Forty largest investments		**277,057**	**101.5**	
Rational	Cookery Equipment	4,220	1.5	Germany
Tod's	Branded Leather Goods	3,868	1.4	Italy
SHW	Business Software Provider	2,943	1.1	Germany
Credito Emiliano	Bank	2,607	1.0	Italy
Total investments		**290,695**	**106.5**	
Net current liabilities		**(17,568)**	**(6.5)**	
Equity shareholders' funds/total assets (less current liabilities)		**273,127**	**100.00**	

Investment Portfolio

Rank 2014	Rank 2013	Company	Valuation 2013 Euro 000s	Net Purchases/ (Sales) Euro 000s	Appreciation/ (Depreciation) Euro 000s	Valuation 2014 Euro 000s
1	1	Glanbia	7,960	944	1,148	10,052
2	37	Aer Lingus	4,033	1,399	3,764	9,196
3	5	Origin Enterprises	6,634	418	1,486	8,538
4	17	Plastic Omnium	4,972	2,933	586	8,491
5	3	Ringkjoebing Landbobank	7,160	927	370	8,457
6	41	ASM International	3,782	2,101	2,497	8,380
7	–	CTT-Correios de Portugal	–	7,917	461	8,378
8	2	Azimut Holding	7,391	1,505	(846)	8,050
9	13	Forbo	5,222	790	1,932	7,944
10	26	Grafton	4,476	2,849	575	7,900
11	29	Mediaset Espãna Comunicación	4,371	1,855	1,582	7,808
12	6	Amer Sports	6,427	768	447	7,642
13	16	Irish Continental	5,020	1,404	1,204	7,628
14	8	Gerresheimer	6,006	2,289	(720)	7,575
15	22	Partners Group	4,846	997	1,409	7,252
16	18	Topdanmark	4,966	(6)	2,155	7,115
17	24	CTS Eventim	4,813	565	1,716	7,094
18	4	Aareal Bank	6,662	(602)	1,022	7,082
19	7	Nutreco	6,345	(994)	1,701	7,052
20	9	NORMA	5,566	840	567	6,973
Twenty largest investments			**106,652**	**28,899**	**23,056**	**158,607**

‘ – ’ Not held last year.

Supervisory Board

Sir John Ward CBE

Chairman

was formerly chairman of Scottish Enterprise and has held a wide range of public and private appointments and chairmanships. He is a past chairman of CBI Scotland.

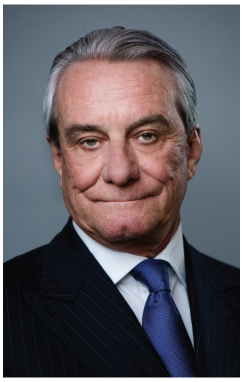
Professor Robert van der Meer

Chairman of Audit

Professor van der Meer has formerly held positions on the management boards of Fortis and AEGON. He currently combines a professorship in finance at the Rijksuniversiteit Groningen with supervisory board positions at Corio and KASBANK as well as advisoryships with a number of pension funds and charities. He serves as Deputy Justice with the High Court Amsterdam (Ondernerningskamer).

Julia Bond

has 27 years' experience of capital markets in the financial sector and held senior positions within Credit Suisse including Head of One Bank Delivery. She is currently a non executive director and trustee of several governmental bodies and charities including the Supervisory and Management Board of the British Foreign and Commonwealth Office and a non executive advisor to the CEO of the Association of Certified Chartered Accountants.

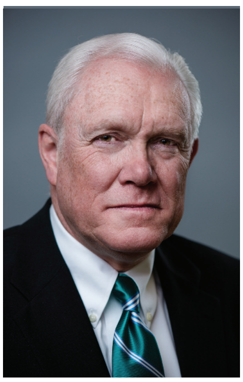


Neville Cook

was formerly chairman of Anglo Irish Bank Suisse S.A., a bank in Geneva. He is also a director of various public and private companies.

Laurence Jacquot

has extensive experience of financial markets and asset management in Continental Europe, having worked at COB, the French financial services authority regulator, and SCOR, the leading French reinsurance company. Latterly, she has been an investment consultant involving asset allocation and equity fund selection.



Jack Perry CBE

was Managing Partner, Glasgow and Regional Industry Leader (Technology, Communications and Entertainment and Consumer Products) for Scotland and Northern Ireland for Ernst and Young. He was also Chief Executive of Scottish Enterprise. He is currently Chairman of ICG Longbow Senior Secured UK Property Debt Investments Limited and a non-executive director of Silent Herdsman Holdings Limited and is a member of the Institute of Chartered Accountants of Scotland.

Company Secretary

Scott McEllen
Company Secretary

In addition to investment management, the F&C group provides other services to the Company, including company secretarial, financial and marketing.

Scott McEllen acts as Company Secretary to the Company. A chartered accountant, he has provided accounting and company secretarial services to investment companies for over fourteen years.

Management Board

Wilbert van Twuijver
representing the
Managing Director

Tim Koster
representing the
Managing Director

The Management Board consists of a single Director, FCA Management BV, a limited liability company incorporated in the Netherlands. It has its registered office in Rotterdam. FCA Management BV carries out the day-to-day management of the Company in accordance with the general directives of the Supervisory Board.

The Articles of Association and the latest annual report of FCA Management BV are available at its offices at Weena 210-212, Rotterdam.

Wilbert van Twuijver and Tim Koster represent FCA Management BV on the Management Board of European Assets Trust NV.

Report of the Management Board Director

Accounts

We have pleasure in submitting to the Shareholders the Company's Annual Report and Accounts for the year to 31 December 2014 as prepared by us and approved by the Supervisory Board. We consider the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance and strategy. They have been examined by PricewaterhouseCoopers Accountants NV, and their report is included later.

The Revenue Account for the year shows a net profit of €34,790,768. Dividends in cash totalling €0.7221 per share were paid during 2014. A dividend of €0.2527 per share was announced and paid in January 2015. Shareholders are offered the option of a scrip dividend. Dividends paid have mainly been funded from other reserves (for tax purposes from the reinvestment reserve) in accordance with the Company's distribution policy.

We recommend that the Financial Statements for the year ended 31 December 2014, together with the notes, be adopted.

Report of the Management Board Director

Supervisory Board Directors

The Supervisory Directors who held office at 31 December 2014 are shown on the page of this report entitled 'Supervisory Board'.

Sir John Ward, Ms Julia Bond, Mr Neville Cook and Mr Jack Perry had a beneficial interest of 7,600 shares, 581 shares, 15,300 shares and 2,100 shares respectively in the Company at 26 February 2015. None of the other Supervisory Directors of the Company or the families of any Director owned any interest in the shares of the Company during the year under review or at any date up to 26 February 2015. Sir John Ward, Neville Cook and Professor Robert van der Meer will be proposed for re-appointment as Supervisory Directors at the General Meeting.

With reference to article 166 of Book 2 of the Dutch Civil Code the Company does not comply with a balanced split between males and females within the Supervisory Board: the Board of Supervisory Directors currently includes two females out of a total of six. The Company and the Board of Supervisory Directors are committed to diversity in its composition in general and to the fair representation of women in particular, but strives primarily to appoint the most suitable Director regardless of gender.

Management Board Director

FCA Management BV provides management and legal compliance services to the Company. These services can be terminated by either party by giving three months notice of termination. Any termination will take effect as of the end of the calendar year in which the notice is given. FCA Management BV receives a fixed fee paid on a quarterly basis.

During the year under review, the regular management and service fee paid by the Company to FCA Management BV was €102,947 (including Dutch VAT). In connection with the implementation of the AIFMD, a one-off additional fee amounting to €24,200 (including VAT) was paid during 2014 to FCA Management BV for services rendered.

Investment Managers

F&C Investment Business Limited (F&C) provides investment management and other services to the Company. These services can be terminated by the Company at any time by giving six months notice of termination. Following the implementation of the AIFMD which became fully effective on 22 July 2014, F&C has been appointed as AIF Manager. Details of the remuneration of F&C are provided on note 11 to the Accounts on page 32.

During February 2015, the Board has reviewed the appropriateness of the Manager's continuing appointment. In carrying out the review, consideration was given to past investment performance and the ability of the Manager to produce satisfactory investment performance in the future. Consideration was also given to the standard of other services provided which include company secretarial, financial and marketing. The length of notice of the investment management contract and fees payable to the Manager were also reviewed. Following this review, it is the Directors' opinion that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

The Investment Managers, in the absence of explicit instructions from the Board, are empowered to exercise discretion in the use of the Company's voting rights. Only where there are matters of particular concern will the investment manager contact management to explore the issues. The policy of F&C is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach, including socially responsible and environmental factors, to corporate governance. In 2014 there was active use of votes. The Board reviews voting undertaken on behalf of the Company. The Manager's Corporate Responsibility Report and its statement of compliance with the UK Stewardship Code can be found on its website www.fandc.com.

Depositary and Custodian

As of 22 July 2014, the date on which the AIFMD became fully effective, KAS Trust & Depository Services BV, a subsidiary of KAS BANK NV, has been appointed as depository and custodian for the Company. The depositary and custody services can be terminated by either party by giving six months notice of termination. Prior to 22 July 2014, custody services were provided by KAS BANK NV. No depositary services were required. KAS Bank NV, has granted a credit facility to the Company.

Management of Assets during the Year

The Company has invested its assets during the year in accordance with its stated investment policy. Investment risk has been spread by investing in a diversified geographical spread of investments across a variety of industrial sectors. At 31 December 2014 there were 44 investments in the portfolio. At each Board meeting, the Board receives detailed information on the Company's investments and the Managers present on the investment portfolio and its performance. The Company can borrow up to a maximum of 20 per cent of investments. At 31 December 2014 net borrowings stood at 6 per cent of investments. The Company has a banking facility with KASBANK NV. This credit facility was employed during the year and at 31 December 2014 the Company had borrowed €17,485,254 (31 December 2013: €13,825,114).

Details on the Company's performance over the year are contained in the Chairman's Statement and Manager's Review. A historical record of key performance indicators for the Company is set out in the Historical Record section.

The Company's assets consist mainly of listed equity shares and its principal financial risks are therefore market-related. Detailed explanations of these risks and the way in which they are managed are contained in the notes to the accounts. The Boards seek to mitigate these risks in a number of ways including: through review of the investment environment and the Company's investment portfolio, policy setting and reliance on contractual obligations.

Share Capital

As at 26 February 2015 the Company has not been notified by shareholders of a holding of 5 per cent or more of its issued share capital (excluding treasury shares).

F&C Retail Products owned 7,475,419 shares or 34.6 per cent of the issued share capital (excluding treasury shares) of the Company at 31 December 2014. F&C has no discretionary voting rights over these shares.

The Company issued 23,542 shares during the year by way of its scrip dividend option and sold 3,635,000 of its own shares from treasury. The total number of treasury shares held by the Company as at 31 December 2014 is 3,319,736. Since the year end the Company has sold 1,330,000 shares from treasury at an average premium to net asset value of 0.1%.

The Company entered into a Liquidity Enhancement Agreement with F&C in November 2005. The purpose of this agreement is to enhance the liquidity in the trading of the Company's shares on the London Stock Exchange. The agreement is for a continuous period. F&C has sole discretion, in the name of the Company, to implement share buy backs or sales assuming the parameters and requirements laid down by the Board in the agreement are met. In summary, where there are shareholders wishing to sell and the average share price discount to net asset value measured over a rolling five business day period is five per cent or more, subject to other relevant requirements, shares may be bought back based upon the share price equivalent to a discount of five per cent to the net asset value, adjusted for portfolio realisation costs depending upon market circumstances. The maximum number of shares that can be bought back in any three month period is ten per cent of issued share capital. The price at which shares are sold from treasury is subject to limitations on asset dilution. The absolute level of dilution through the sale of treasury shares is restricted to 0.5 per cent of net asset value in any one year, and treasury shares which are sold at a discount to net asset value will only be sold where the discount at which the shares are to be sold is lower than the average discount at which the shares have been acquired by the Company measured over preceding financial periods and in addition at a price which is not less than the market bid price at the time of sale.

Going Concern and Internal Controls

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Procedures are in place to address the Company's system of internal control. These procedures are designed to manage, rather than eliminate risk and, by their nature, these procedures can provide reasonable, but not absolute, assurance against material misstatement or loss. The Board monitors the investment performance of the Company in comparison to its objective at each Board meeting and the Board also reviews the Company's activities since the last Board meeting. The Board has reviewed the need for an internal audit function. The Board has decided that the systems and procedures employed by the Investment Managers, including an internal audit function, and work carried out by the Management Board Director, Administrators and Custodian and the Company's external auditors mean that an internal audit function for the Company is unnecessary.

Administrative Organisation and Internal Controls ('In Control' – Statement)

Statement referred to in section 121, sub 1 Decree on the Supervision of the conduct of Financial undertakings under the Dutch Act on Financial Supervision.

We have adopted a description of the administrative organisation and internal controls which comply with the requirements as laid down in the Dutch Act on Financial Supervision and the Decree on the Supervision of the conduct of Financial undertakings under the Dutch Act on Financial Supervision.

We have evaluated the various aspects of the administrative organisation and internal controls during the financial year under review. We believe, to our best knowledge, that the framework of the administrative organisation and internal controls as referred to in section 4:14 of the Dutch Act on Financial Supervision complies with the requirements as laid down in this act and related rules. In addition, these systems have shown themselves to be reasonably effective in the year under review and thus offer a reasonable degree of certainty that the financial reporting does not contain any material misstatements.

The Management Board Director

26 February 2015

Business Model

Introduction and Recent History

The Company is an investment company with variable capital. The Company's shares are traded on the London Stock Exchange and Euronext Amsterdam Stock Market and shareholders can buy or sell shares through these exchanges. Shareholders are not, at their request, able to buy shares directly from or sell shares to the Company. The Company is incorporated with limited liability in the Netherlands having its registered office at Weena 210-212, PO Box 1370, 3000 BJ Rotterdam, the Netherlands. It was originally founded on 20 February 1931 as a Dutch investment company under the name 'Mijbeb'. It has been quoted on the Euronext Amsterdam Stock Market since 3 August 1959. The basis of the present business of the Company was established following the acquisition in 1972 of over 90 per cent of its issued share capital by a consortium of United Kingdom institutional investors and the appointment of F&C as investment managers to the Company. The investment policy adopted at that time placed an emphasis on the European Community. Subsequently, the geographical spread of the portfolio has been expanded to include companies throughout Europe, other than the United Kingdom. From 1973 to 1978, investments were also held in companies in the United States.

Between 1972 and 1980, the Company developed a broad based portfolio seeking a balance between capital growth and a reasonable level of income. Following a change of investment policy in 1980 the Company began concentrating on investment in companies which it considered had potential for higher than average capital growth. In 1983 the shares of the Company were listed on the London Stock Exchange. The high distribution policy was adopted by the Company from 2001.

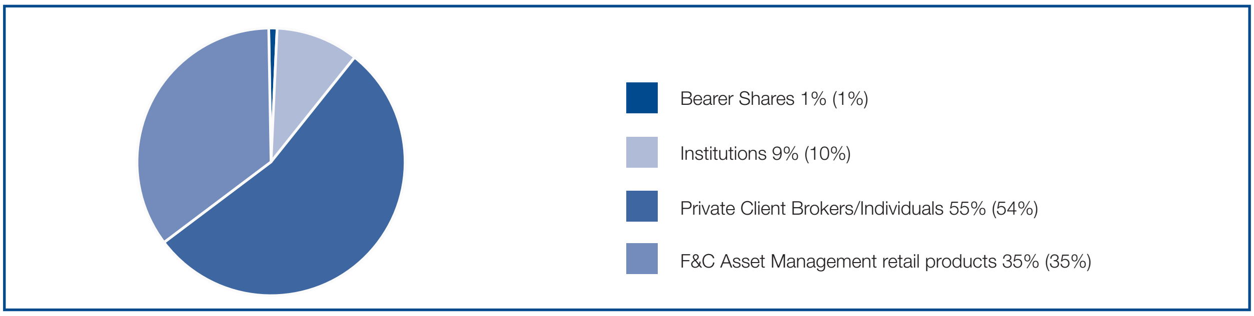
In 2014 the Company sold 3,635,000 of its own shares from treasury (2013: 3,180,000) and issued 23,542 (2013: 18,128) via its scrip dividend option. No shares were repurchased to be held in treasury (2013: none). As at 31 December 2014 there were 21,617,544 shares in circulation (2013: 17,959,002) and 3,319,736 (2013: 6,978,278) shares held in treasury.

Total Number of Shareholders

(figures include F&C Asset Management Retail Products)	**2014**	2013
Ordinary Shares	**15,610**	13,803

(excluding bearer shares)

Percentage of Ordinary Shares held at 31 December 2014 (figures in brackets relate to 2013)



Business Model continued

Regulatory Framework and Tax Status

The Company is governed by the provisions of the Wft, the Dutch Act on Financial Supervision, including the provisions on Alternative Investment Funds ('AIF'). The Company has appointed F&C Investment Business Limited as its AIF Manager and KAS Trust & Depositary Services BV as its depositary and custodian.

Any change to the Articles of Association of the Company which causes a reduction in shareholders' rights or security or imposes costs upon shareholders will not become effective until three months after approval of the change by the Autoriteit Financiele Markten. As is normal for public limited companies incorporated in the Netherlands, the Company has a two-tier structure comprising the Supervisory Board and Management Board. The Supervisory Board Directors are shown on the page entitled 'Supervisory Board'. FCA Management BV is Management Board Director and provides management and legal compliance services to the Company.

The Company has fiscal investment institution status in the Netherlands ('*fiscale beleggingsinstelling*') and is subject to tax on both income and capital gains at a zero rate.

Current Investment Objective

The investment policy adopted in 1980 has been refined by seeking investments in small and medium-sized companies in Europe, excluding the United Kingdom, defined as those with a market capitalisation below that of the largest company in the Euromoney Smaller European Companies (ex UK) Index or to a monetary value of €2.5 billion, whichever is the greater. The Company will not invest more than 20 per cent of its total assets in any one company and does not take legal or management control of any company in which it invests.

The Company does not restrict its investments to any specific industrial sectors and a diversified geographical spread has been maintained.

The Company does not seek to create a portfolio to take advantage of anticipated currency fluctuations.

The Company has the ability to undertake stock lending activities but would need to enter into a new agreement before commencing.

The Company has the powers under its Articles to borrow an amount up to 20 per cent of its securities portfolio.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators include:

- Net asset value total return per share against the benchmark index.
- Discount of share price to net asset value.
- Portfolio turnover.
- Maintenance of the Company's distribution policy.
- Ongoing charges as a percentage of the Company's net asset value.
- Active Share Ratio.

The Company's performance against these key performance indicators is reported within the Performance Summary on page 3, the Chairman's statement on pages 4 and 5 and the Manager's Review on pages 7 to 10.

Principal Risks

The principal risks and uncertainties faced by the Company, and the controls and actions to mitigate those risks, are described below and in Note 15 which provides detailed explanations of the risks associated with the Company's financial instruments:

Principal risks	Mitigation	Actions taken in the year
Objective and strategy are inappropriate in relation to investor demands, adversely affecting control over share price discount/premium.	At each Supervisory Board Meeting the Directors monitor performance against benchmark and peer group. Market intelligence is maintained via the Company's broker, Cenkos and the provision of shareholder analyses. The Supervisory Board meets shareholders on an annual basis at the General Meeting in Rotterdam and the Shareholders' and Investors' Briefing in London. A Liquidity Enhancement Agreement is in place with F&C to allow the issuance and repurchase of shares within parameters laid down by the Supervisory Board.	During the year the Company has issued 3,635,000 shares at an average premium of 0.1 per cent through the procedures of the Liquidity Enhancement Agreement.
Failure to maintain tax exempt fiscal investment institution status ('fiscal beleggingsinstelling') in the Netherlands.	The Company's employs Ernst & Young Accountants LLP to provide tax advice in the Netherlands and calculate the annual distributable profit.	The Company paid its mandatory distribution in respect of the year ended 31 December 2013 with the August 2014 dividend.
Stock selection, asset allocation and the use of gearing is inappropriate.	Investment policy and performance are reviewed by the Supervisory Board at each meeting. Cash and borrowing limits are set and monitored regularly.	A borrowing facility of €25 million from KASBANK NV was available during the year. 40 or more listed securities were held in the portfolio throughout the year. Actual gearing throughout the year did not exceed 10% and stood at 6% at the year end.
Failure of Investment Manager or loss of senior staff could cause reputational damage and/or place the business in jeopardy.	The Supervisory Board meets regularly with the management of F&C and receives an annual AAF report on its procedures. The Manager's appointment can be terminated at six months' notice.	The management agreement was fully revised during the year to reflect the new responsibilities arising from the AIFMD. All the issued share capital of the F&C Group was acquired in May 2014 by Bank of Montreal (BMO). There were no changes in the year in the investment manager's senior staff.
Error, fraud or control failures at service providers or loss of data through cyber-attack or business continuity failure could damage reputation or result in loss of assets.	The Supervisory Board receives regular reports from the Managing Director and the Investment Manager on oversight of third party service providers, together with annual internal audit reports on controls. The Depositary appointed in July oversees custody of investments and cash in accordance with the requirements of the AIFMD.	The appointment of Depositary in accordance with the AIFMD rules has increased controls over both investments and cash. The Depositary is specifically liable for loss of any of the Company's securities or cash held in custody. F&C has upgraded its IT systems and controls during the year and has introduced enhanced compliance and risk training for staff.

Corporate Governance

Summary

European Assets Trust is incorporated as a Dutch company. Its shares are listed on the stock exchanges in Amsterdam and London. The Company is committed to high standards of corporate governance and accordingly, adheres to Dutch corporate governance requirements as determined by the prevailing Dutch Corporate Governance Code ('the Dutch Code'), insofar as they are relevant to externally managed closed-end investment funds, and the UK Corporate Governance Code ("the UK Code") of the UK Financial Reporting Council updated in September 2014. The UK Association of Investment Companies issued its own code of Corporate Governance in February 2013 (the 'AIC Code') which can be found at www.theaic.co.uk.

The Company monitors developments in corporate governance codes and legislation. The Company believes its current articles of association, rules and regulations and practices are consistent with these developments.

Corporate Structure

The Company has a two-tier board structure comprising a Management Board and a Supervisory Board. With FCA Management BV appointed as Management Board Director, the corporate management functions are separated from the administration function performed by KASBANK NV, the custody and depositary function performed by KAS Trust & Depositary Services BV and investment management and other functions performed by F&C Investment Business Limited. The Management and Supervisory Boards believe that this arrangement enhances the Company's management and corporate governance.

The Management Board, FCA Management, is entrusted with the corporate management of the Company and is obliged to act in accordance with the general directives of the Supervisory Board concerning the financial and investment policy of the Company. A contract with the Management Board Director sets out its responsibilities.

The Supervisory Board ('the Board') is responsible for supervising the policy of the Management Board and the general course of the Company's affairs and business. The Board currently consists of six Directors, all of whom are non-executive.

Sir John Ward is currently Chairman. Following the conclusion of the General Meeting on 23 April 2015 Jack Perry will be appointed as Chairman. In addition, Professor Robert van der Meer will be appointed Vice Chairman and Julia Bond will become Senior Independent Director.

Corporate Governance – the Netherlands

Corporate Governance policy and framework of European Assets Trust.

The Company is organised in the form of a listed Dutch law public investment company with variable capital governed by the provisions of the Wft, the Dutch Act on Financial Supervision including the provisions on Alternative Investment Funds. Its shares are listed in Amsterdam (NYSE Euronext) and London (LSE). European Assets Trust qualifies as an Alternative Investment Fund ('AIF') under the Wft and, in July 2014, appointed F&C Investment Business Limited ('F&C') as its AIF Manager.

The Company has adopted principles and best practices of good corporate governance. As far as possible, practicable and advisable it has adopted governance procedures in line with those of the prevailing Dutch Code. The Company believes there are no differences of principle or inconsistencies between the Dutch Code and the UK Code.

As the Company is an externally managed investment institution without its own organisation, it is not possible to apply the Dutch Code in full, as the preamble to the Dutch Code also acknowledges explicitly. For instance, many of the provisions of the Dutch Code deal with management and remuneration by and of individuals. These cannot be applied in full in the case of the Company, because its statutory and corporate management and investment management have been outsourced to FCA Management and F&C respectively. In addition, the Company's Articles of Association provide indemnification for the directors by the Company.

The provisions of the Dutch Code that relate to the appointment and remuneration of management are therefore not fully complied with. The remuneration for these functions is governed by contractual arrangements as described in the Report of the Management Board Director. For example, such contracts have been entered into for a period in excess of the maximum of four years according to the Dutch Code. However, the contract with the Managing Director can be terminated with a notice period of three months and can be terminated per the end of a calendar year, whereas the contract with the Investment Manager can be terminated at six months' notice.

In addition, these contracts do not provide for severance payments to individual Directors or Managers.

All Dutch regulated investment institutions, including the Company are subject to detailed and clearly described conditions and associated unambiguous remuneration and corporate governance structures. The Company is covered by the regime of Wft and subject to the supervision of Autoriteit Financiele Markten, while the AIF Manager is supervised by the Financial Conduct Authority in the UK.

These conditions offer investors clarity about what they are entitled to expect from an investment in European Assets Trust and place specific demands on management, reporting and information supply, as well as the accountability of the managers. No amendments to these conditions can be made without the approval of the Supervisory Board and due observance of regulatory restrictions.

Responsibility of Institutional Investors under the Code

The principles and provisions with regard to the responsibility of institutional investors as laid down in the Dutch Code do apply to all institutional investors including European Assets Trust. The Investment Manager, in the absence of explicit instructions from the Supervisory Board in a specific case, is empowered to exercise discretion in the use of the Company's voting rights. Only when there are matters of particular concern will the Investment Manager contact the Management Board to explore issues. The policy of the Investment Manager is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance. The Company seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken by the Investment Manager on behalf of the Company. The Company's Investment Manager considers socially responsible investment and actively engages with portfolio companies.

Annual discussion with shareholders about corporate governance framework during shareholders' meeting

Corporate governance has been an agenda item for each general meeting of the Company's shareholders since 2004. Each year, the corporate governance policy, including the remuneration policy, and the corporate governance as described in this section have been approved by the shareholders. At the General Meeting held in April 2014, shareholders once again approved the current corporate governance framework. In line with the Company's intention to do so annually, the subject is scheduled for discussion at the General Meeting of shareholders on 23 April 2015.

The Management and Supervisory Board will continue to give the required attention to the subject during the current year. If preferable or required, the prevailing framework and policies and practice will be adjusted and improved. In doing this, the legal requirements of Dutch Law, as well as the principles and 'best practices' of the Dutch Code, in addition to the UK Code, as far as appropriate, will be taken into account.

Statement referred to in Section 3 of the Decree of 23 December 2004, Stb 747, determining the further requirements concerning the contents of annual reports

Based on Section 391 of Book 2 of the Dutch Civil Code* and the Royal Decree of 23 December 2004, limited liability companies, whose shares, are listed on a stock exchange, must include a statement in their annual reports about their compliance with the principles and best practices of the Dutch Code. European Assets Trust assumes that, with the introduction of the Dutch Act on Financial Supervision on 1 January 2007, the Dutch Code does not apply in full to externally managed investment institutions such as European Assets Trust. Nevertheless, European Assets Trust makes the following statement: In the year under review, European Assets Trust did not comply fully with the provisions of the Code, nor does it intend to comply with these during the current financial year or the next financial year. Its grounds for doing so are explained in the corporate governance policy of European Assets Trust described above.

*Act of 9 July 2004, Stb 370, to amend Book 2, CC

Corporate Governance – the United Kingdom

As a matter of good practice, the Company has adopted corporate governance arrangements which follow the general principles of the UK Code and the AIC Code. Significant differences in actual practice from the UK Code and the AIC Code are detailed below.

The Supervisory Board

The Supervisory Board is the Company's non-executive supervisory body. The Company has no employees.

A management contract between the Company and its Investment Managers, F&C Investment Business Limited, sets out the matters over which the Investment Managers have authority and the limits above which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing, and corporate governance procedures, are reserved for the approval of the Supervisory and Management Board of Directors. With regard to these matters it is the responsibility of the Supervisory Board to provide the Managing Director with general instruction and guidance. It is the responsibility of the Managing Director to act and manage the Company in accordance with these general directives and to report to the Supervisory Board upon their corporate management. A contract with the Management Board Director sets out its responsibilities.

The Board currently meets at least four times a year. In order to enable them to discharge their responsibilities, all Supervisory Directors have full and timely access to relevant information. At each meeting the Supervisory Board reviews the Company's management information, which includes reports on investment performance and strategic matters and financial analyses. The Managing Director and key representatives of the Investment Managers attend each meeting. Board meetings are also held on an ad-hoc basis to consider particular issues when they arise.

The following table sets out the number of Supervisory Board and Shareholder meetings held during the year ended 31 December 2014 and the number of meetings attended by each Director.

	Board meetings of Directors		Shareholder meetings in The Netherlands (formal) and UK (informal)	
	Held	Attended	Held	Attended
Sir John Ward CBE	6	6	2	1
Julia Bond (appointment effective from 1 July 2014)	2	2	–	–
Neville Cook	6	6	2	1
Laurence Jacquot	6	6	2	1
Professor Robert van der Meer	6	6	2	2
Jack Perry CBE (appointment effective from 1 July 2014)	2	2	–	–
Duco Sickinghe (resigned 31 December 2014)	6	5	2	1

Supervisory Directors do not have service contracts but new Supervisory Directors are provided with a letter of appointment. The terms of Supervisory Directors' appointment provide that Supervisory Directors are subject to periodic retirement and re-election by shareholders. Copies of these letters are available to shareholders on request.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. No such professional advice was taken by Supervisory Directors during the year under review. The Supervisory Board has direct access to the company secretarial advice and services provided by F&C. The proceedings at all Supervisory Board meetings are fully recorded through a process that allows any Supervisory Director's concerns to be recorded in the minutes. The Supervisory Board through the Managing Director has the power to appoint or remove and replace the company secretary. The Company maintains appropriate Directors' and Officers' liability insurance in addition to indemnity provisions in the Company's articles of association.

Appointments and succession planning

Under the requirements of the Articles of Association, Supervisory Directors retire by rotation at shareholder meetings and Supervisory Directors are appointed for a specified term of no more than four years, subject to reappointment by shareholders. The Supervisory Board has agreed, however, that Supervisory Directors will seek re-election at the completion of each three years' service and annually after serving on the Supervisory Board for more than nine years.

Sir John Ward, Neville Cook and Professor Robert van der Meer wil be proposed for re-appointment as Supervisory Directors at the General Meeting on April 2015. Following the evaluation process set out on page 23, the Supervisory Board confirms that the performance of each of these Directors continues to be effective and demonstrates commitment to the role. The Supervisory Board therefore believes that it is in the interest of shareholders that these directors be re-elected.

Appointments of all new Supervisory Directors are made on a formal basis using professional search consultants, with the Supervisory Board agreeing the selection criteria and the method of selection, recruitment and appointment. A Supervisory Board Director role specification is prepared to assist with this process.

The Supervisory Board keeps under review its structure, size, composition, experience, diversity and skills ranges. In considering the appointment of additional Supervisory Directors, the Supervisory Board takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Supervisory Board. The Supervisory Board favours diversity and welcomes appointments that contribute to it, but its first objective is to select Supervisory Directors on merit with relevant and complementary skills.

Full details of the duties of a Supervisory Director are provided at the time of appointment.

An introduction process takes place for new appointees, who meet the Fund Manager, Managing Director, company secretary and other key employees of the Investment Manager and are given a briefing on the workings and processes of the Company.

Independence of Supervisory Directors

All Supervisory Directors are considered by the Supervisory Board to be independent of the Company's Investment Managers. Sir John Ward and Mr Neville Cook have both served on the Supervisory Board for longer than nine years and seek re-election from shareholders annually. The Supervisory Board does not consider that a Supervisory Director's tenure necessarily reduces his ability to act independently and, following performance evaluations, believes that each Supervisory Director is independent in character and judgement and that continuity and experience add to the strength of the Supervisory Board.

Board committees

Given the size and structure of the Company, the limited number of Supervisory Board Directors and taking account of Dutch corporate governance principles, the Supervisory Board performs the functions of Audit, Management Engagement, Nomination and Remuneration Committees.

The Board performs the duties of an Audit Committee including reviewing the Annual and Interim Accounts, the system of internal controls and risk management, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors.

The Supervisory Board, meets twice a year specifically to consider audit matters and this provides a forum through which the auditors may report to the Supervisory Board. Professor Robert van der Meer chairs the part of the meeting of Supervisory Directors that considers audit matters.

The Supervisory Board considers Director remuneration on an annual basis. Remuneration is compared to a peer group of similar investment companies. The approval of shareholders at a general meeting is required for any changes to the remuneration of Supervisory Board Directors.

Board effectiveness

In order to review the effectiveness of the Supervisory Board and the individual Supervisory Directors, the Supervisory Board carries out a process of formal annual self-appraisal. This is facilitated by the completion of a questionnaire and led by the Chairman. The performance of the Chairman is evaluated by the other Supervisory Directors. The Supervisory Board considers that the appraisal process is a constructive means of evaluating the contribution of Supervisory Directors and to identify ways to improve the functioning and performance of the Supervisory Board. The Supervisory Board does not consider that the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process that has been adopted, but the option of doing so will be kept under review.

The Board reviews the terms of the Managing Director and Investment Manager's appointment at least on an annual basis.

The Supervisory Directors are encouraged to attend relevant training courses and seminars and receive regular updates on the industry and changes to regulation from the Managing Director and the company secretary.

Relations with shareholders

The Company welcomes the views of shareholders and places importance on communication with its shareholders. The Investment Managers hold meetings with the Company's largest shareholders and report back to the Supervisory Board on these meetings. Each year, the Company holds a General Meeting of shareholders in the Netherlands and a Shareholders' and Investors' Briefing in London, which provide a forum, both formal and informal, for shareholders to meet and discuss issues with the Supervisory and Managing Directors and Investment Managers of the Company.

Julia Bond will be appointed Senior Independent Director on conclusion of the 2015 General Meeting. The Senior Independent Director is available to shareholders if they have concerns which initial contact through the Chairman or Company Secretary has failed to resolve or for which such contact is inappropriate.

Shareholders wishing to communicate with the Chairman or other members of the Supervisory Board may do so by writing to European Assets Trust NV, 80 George Street, Edinburgh, EH2 3BU.

Financial Statements – Balance Sheet

after appropriation of the Result

as at 31 December

	Notes	2014 Euro	2013 Euro
Investments			
Securities	1	**290,695,109**	222,966,178
Receivables			
Other receivables	2	**168,518**	71,398
Total current assets		**168,518**	71,398
Current liabilities (due within one year)			
Banking Facility	3	**(17,485,254)**	(13,825,114)
Accrued liabilities	4	**(251,607)**	(135,888)
Total current liabilities		**(17,736,861)**	(13,961,002)
Total of receivables and other assets less current liabilities		**(17,568,343)**	(13,889,604)
Total assets less current liabilities		**273,126,766**	209,076,574
Capital and reserves			
Issued share capital	5	**9,944,070**	8,261,141
Share premium account	6	**89,360,641**	47,756,492
Other reserves	8	**173,822,055**	153,058,941
		273,126,766	209,076,574
Net asset value per Ordinary Share – Basic	9	**12.63**	11.64

The accompanying notes are an integral part of the financial statements.

Financial Statements – Profit and Loss Account

for the year ended 31 December

	Notes	2014 Euro	2013 Euro
Income from Investments			
Dividends from securities		**5,099,147**	3,804,665
Withholding taxes		**(7,026)**	(50,927)
	10	**5,092,121**	3,753,738
Movements on investments – realised		**16,706,124**	9,935,353
Movements on investments – unrealised		**16,483,480**	38,931,205
		33,189,604	48,866,558
Total investment gain		**38,281,725**	52,620,296
Investment management fee	11	**(2,003,329)**	(1,364,563)
Depositary and custody fees	12	**(107,993)**	(59,697)
Other expenses	13	**(1,110,662)**	(979,524)
Interest charges	14	**(268,973)**	(198,366)
Total operating expenses		**(3,490,957)**	(2,602,150)
Net profit		**34,790,768**	50,018,146
Earnings per share		**1.72**	3.07

The accompanying notes are an integral part of the financial statements.

Financial Statements – Statement of Cash Flows

as at 31 December

	Notes	**2014 Euro**	2013 Euro
Cash flow from investment activities			
Dividends		**4,995,001**	3,858,605
Purchase of securities		**(74,378,548)**	(65,487,947)
Sales of securities	1	**39,905,816**	35,177,781
Depositary fees, custody fees and other expenses		**(1,215,134)**	(1,124,281)
Investment management fee	11	**(2,003,329)**	(1,364,563)
Interest charges		**(271,870)**	(171,596)
		(32,968,064)	(29,112,001)
Cash flow from financing activities			
Credit facility		**3,660,140**	5,339,929
Dividends	8	**(14,027,654)**	(8,809,528)
Sale of own shares	7	**43,335,578**	32,581,600
		32,968,064	29,112,001
Cash and cash equivalents			
Net decrease for the year		**–**	–
Balance as at 1 January		**–**	–
Balance as at 31 December		**–**	–

The balance of cash and cash equivalents at the beginning and end of the year ended 31 December 2014 was nil. The net movement during the year ended 31 December 2014 was nil. This is due to the Company's use of a banking facility (refer to Note 3).

The accompanying notes are an integral part of the financial statements.

Financial Statements – Accounting Policies

General

European Assets Trust N.V. (the “Company”), registered in Amsterdam, the Netherlands, and having its offices in Rotterdam, the Netherlands, is a closed-end investment company with variable capital. Until 22 July 2014, the Company operated under a licence pursuant to the Dutch Financial Supervision Act granted by the Autoriteit Financiele Markten, the supervisory body in the Netherlands. As of 22 July 2014, the date on which the Alternative Investment Fund Management Directive (“the AIFMD”) became fully effective, F&C Investment Business Limited has been appointed as AIF manager and KAS Trust & Depositary Services BV as depositary. For a general description of the agreements with the AIF manager, the depositary and the Company’s managing director (FCA Management B.V.) reference is made to Note 11, Note 12 and Note 18, respectively.

The prospectus information prepared for the Company is taken up in the Company’s Annual Report and Accounts each year. The Company has prepared an AO/IC Manual describing its administrative and internal control procedures

The Annual Accounts 2014 are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards as published by the Dutch Accounting Standards Board (“Raad voor de Jaarverslaggeving”).

The financial year of the Company equals the calendar year. The comparative figures included in these financial statements refer to the financial year 2013.

The valuation principles and method of determining the Company’s results are the same as those used in the previous year.

The functional and reporting currency for the Company is the Euro.

Investments

Listed investments are valued at the closing bid price on the valuation date on the relevant stock markets.

Unquoted investments are valued by the Management Board Director. As at 31 December 2014, the Company did not own any unquoted investments.

All movements in value as well as profits and losses on realisation are recognised as income and are accounted for in the Revenue Account.

Own shares held by the Company

The Company is allowed to purchase its own shares. Any such shares purchased are not cancelled and are available for sale by the Company. In line with the Dutch Guidelines for Annual Reporting for investment funds, own shares held by the Company are deducted in arriving at the share capital and share premium in the Balance Sheet and the difference between their cost and paid-up amount is deducted from Other reserves. On a sale of such shares, the difference between the proceeds of sale and nominal value is credited to the share premium account.

Share premium account

This reserve originates from the issue of shares in 1972 and 1983, and from the purchase and sale of shares held in treasury.

Cash and cash equivalents and bank overdraft

Cash and cash equivalents represent bank balances and deposits with terms of less than twelve months. The bank overdraft is recognised as part of the banking facility under current liabilities. Cash at bank is valued at nominal value.

Other assets and liabilities

Receivables are initially valued at the fair value of the consideration to be received. Where considered necessary, provisions for bad debts are deducted from the carrying amount of the receivable. On initial recognition other current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Determination of results - general

The results on transactions are recognised in the year in which they are realised. In the determination of results, the unrealised movements in value of the investments are also taken into account.

Income

(a) Dividends are recognised on an ex-dividend date basis and interest is accrued on a daily basis.

(b) If the Company elects to receive a stock dividend in lieu of a cash dividend, an amount equal to dividends not received is included in income.

(c) When the Company receives a stock dividend when there is no cash alternative, an amount equal to the nominal value of the shares issued is included in income to the extent that such stock dividend is regarded as revenue for Dutch tax purposes.

(d) Other interest includes interest on credit bank balances and interest received from tax authorities.

(e) Movements on investments include all movements in the value of the investments during the financial year as well as profits and losses on realisation.

Expenses

Expenses are dealt with on an accruals basis. All expenses are charged to the Revenue Account. Transaction costs in respect of purchases and sales of investments are included in movements on investments – unrealised (purchase costs) and movements on investments – realised (sales costs).

Financial income and expenses

Interest income and charges are recognised on an accruals basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest charges, the availability commission for the undrawn part of the banking facility is taken into consideration.

Taxation

As the Company has qualified as an investment institution ('Beleggingsinstelling') under Dutch tax law, it has been subject to corporation tax at a zero rate; so long as it qualifies that way and distributes in cash its annual distributable income as defined for tax purposes, no liability to Dutch tax arises on income or capital gains. For the calculation of the distributable income, all movements on investments and transaction costs arising on purchases and sales of investments are credited or charged to the Company's reserves. Other expenses are charged to the Revenue Account and the reserves based on the proportion between the fiscally defined capital reserve and overall equity at the beginning of the year.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences on investments are accounted for in the Revenue Account. Transactions in foreign currencies are converted into euros at the exchange rate on the transaction date.

Rates of exchange as at 31 December (with regard to euro).

	2014	2013
Danish Krone	**0.13429**	0.13404
Norwegian Krone	**0.11022**	0.11962
Pound Sterling	**1.28858**	1.20192
Swedish Krone	**0.10557**	0.11299
Swiss Franc	**0.83170**	0.81599

Statement of Cash Flows

The Statement of Cash Flows is prepared using the direct method. Cash and cash equivalents include cash held at banks. Receipts and payments in respect of received dividends, interest charges, sales and purchases of securities and expenses are included under "Cash flows from investment activities". Receipts and payments in respect of amounts drawn down from or redeemed to the credit facility, dividends distributed to shareholders and sale and repurchase of own shares are included under "Cash flows from financing activities".

Related parties

A related party is any entity or person which has control or significant influence over the Company, or any entity over which the Company has control or significant influence. The Management and Supervisory Board Directors, the AIF manager, and key employees of the AIF manager involved with the investment management of the Company and their close relatives are also considered related parties. Transactions with related parties are disclosed to the extent that these have not been entered into at arm's length basis. Such disclosure will contain the nature and size of the transaction and other relevant information.

Estimates

In applying the principles and policies for drawing up the Annual Accounts, estimates and judgments are made that may impact the amounts disclosed in the Annual Accounts. If and when necessary for providing the transparency as required under section 362, sub 1, Book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant item in the Annual Accounts.

1 Investments

	2014 Euro	2013 Euro
Listed investments as at 31 December incorporated in:		
Denmark	**21,861,510**	17,654,951
Finland	**7,642,577**	6,426,937
France	**8,490,960**	9,378,046
Germany	**53,402,498**	47,908,863
Ireland	**58,208,110**	42,160,905
Italy	**28,289,354**	25,342,574
Netherlands	**20,726,137**	14,076,240
Norway	**18,055,969**	9,914,615
Portugal	**8,378,421**	–
Spain	**25,632,041**	21,406,920
Sweden	**11,969,593**	8,975,533
Switzerland	**28,037,939**	19,720,594
	290,695,109	222,966,178

Investments in Denmark, Norway, Sweden and Switzerland are priced in local currencies and converted to Euros. There were no unquoted investments at 31 December 2014 and 2013. All investments as at 31 December 2014 are at the free disposal of the company.

	2014 Euro	2013 Euro
The changes in securities are shown below:		
Market value as at 1 January	**222,966,178**	143,798,006
Purchases during the year	**74,445,143**	65,479,395
Sales during the year	**(39,905,816)**	(35,177,781)
	257,505,505	174,099,620
Currency exchange loss	**(1,334,632)**	(1,437,285)
Change in value and results on realisation	**34,524,236**	50,303,843
Market value as at 31 December	**290,695,109**	222,966,178

Transaction costs

During the year the Company incurred transaction costs of €190,915 (2013: €258,824) on the purchase and sale of investments.

Financial Statements – Notes to the Accounts continued

2 Other receivables

Other receivables at 31 December 2014 amounting to €168,518 relate entirely to amounts receivable from Dutch and other tax authorities (31 December 2013: €71,398). Other receivables all have a remaining term to maturity of less than one year.

3 Banking facility

The Company has a banking facility with KASBANK NV. The total amount of the banking facility available to the Company may vary from time to time depending on the value of the Company's investments, and currently will not exceed €25,000,000 (31 December 2013: €25,000,000). The credit facility arrangement is part of an overall custody agreement between the Company and KASBANK NV. The agreement is entered into for an indefinite period of time and can be terminated by either party with due observance of a notice period of 60 days. For amounts drawn under the facility, an interest rate equal to the one month Euribor plus 1.53% per annum applies; for the undrawn part of the facility an availability commission of 0.18% per annum is paid. As at 31 December 2014, the Company had drawn down under this facility €17,485,254 (31 December 2013: €13,825,114). As part of the custody agreement, the Company has granted to KASBANK NV a first right of pledge over its investments as a continuing security for due payments of all liabilities to KASBANK NV including the amounts drawn under the banking facility.

4 Accrued liabilities

This item includes accrued expenses and creditors, all due within 12 months.

5 Issued share capital

The Company is an investment company with a variable capital.

	2014 Shares	**2014 Euro**	2013 Shares	2013 Euro
Balance as at 1 January	**17,959,002**	**8,261,141**	14,760,874	6,790,002
Stock dividend	**23,542**	**10,829**	18,128	8,339
Shares sold (see Note 7)	**3,635,000**	**1,672,100**	3,180,000	1,462,800
Balance as at 31 December	**21,617,544**	**9,944,070**	17,959,002	8,261,141

	2014 Euro	2013 Euro
30,000,000 authorised shares of €0.46 each (2013: €0.46)	**13,800,000**	13,800,000

The number of shares issued and outstanding as at 31 December 2014 amounts to 24,937,280 (31 December 2013: 24,937,280), of which 3,319,736 (31 December 2013: 6,978,278) shares are held by the Company in treasury.

6 Share premium account

	2014 Euro	2013 Euro
Balance as at 1 January	**47,756,492**	16,646,031
Decrease as a result of stock dividend	**(10,829)**	(8,339)
Increase as a result of shares sold (see note 7)	**41,614,978**	31,118,800
Balance as at 31 December	**89,360,641**	47,756,492

7 Sale and repurchase of own shares

During 2014, the Company sold in total 3,635,000 of its own shares (2013: 3,180,000) and did not purchase any shares (2013: none). The sale of treasury shares was in accordance with the stated policy and conditions set by the Company during 2005 for the buy-back and sale of shares.

The total net proceeds from the sale of own shares in 2014 amounted to €43,287,078 equal to €11.91 per share (2013: €32,581,600 equal to €10.25 per share). There were no unsettled or unpaid transactions as at 31 December 2014 except for brokerage fees payable to the amount of €48,500 which are included in accrued liabilities as at 31 December 2014.

8 Other reserves

	2014 Euro	2013 Euro
Balance as at 1 January	**153,058,941**	111,850,323
Add: net profit	**34,790,768**	50,018,146
Less: interim dividends paid in cash	**(14,027,654)**	(8,809,528)
Balance as at 31 December	**173,822,055**	153,058,941

9 Net asset value/net income

Comparative figures for movement in capital and income:

	2014 Euro	2013 Euro	2012 Euro	2011 Euro	2010 Euro
Net asset value	**273,126,766**	209,076,574	135,286,356	109,523,924	126,639,946
Number of shares	**21,617,544**	17,959,002	14,760,874	14,881,368	14,912,652
Net asset value per share	**12.63**	11.64	9.17	7.36	8.49
Dividend income	**5,092,121**	3,753,738	3,306,636	3,382,688	2,839,173
Movements on investments	**33,189,604**	48,866,558	32,407,627	(10,161,945)	24,888,420
Interest/other income	**–**	–	–	2,357	253
Total investment gain/(loss)	**38,281,725**	52,620,296	35,714,263	(6,776,900)	27,727,846
Depositary fees, custody fees and other expenses	**(1,218,655)**	(1,039,221)	(1,065,257)	(955,034)	(1,030,445)
Investment management fee	**(2,003,329)**	(1,364,563)	(1,017,335)	(1,033,096)	(904,376)
Interest charges	**(268,973)**	(198,366)	(163,132)	(198,239)	(78,554)
Net profit/(loss)	**34,790,768**	50,018,146	33,468,539	(8,963,269)	25,714,471
Dividend and interest income per share*	**0.25**	0.23	0.22	0.23	0.19
Gains/(losses) on investments per share*	**1.64**	3.00	2.19	(0.68)	1.64
Expenses per share**	**(0.17)**	(0.16)	(0.14)	(0.15)	(0.13)
Net profit/(loss) per share*	**1.72**	3.07	2.27	(0.60)	1.70
Dividends paid per share	**0.7221**	0.5757	0.4698	0.5337	0.4613
Ongoing charges***	**1.33%**	1.41%	1.70%	1.64%	1.72%

*Returns per share based on the weighted average number of shares in circulation during the year.

** Expenses per share: Total of investment management fee, depositary fee, custody fee and other expenses and interest charges divided by weighted average number of shares in circulation during the year.

*** For the definition of ongoing charges reference is made to Note 17.

10 Income

	2014 Euro	2013 Euro
Interest and dividends from securities, after deduction of irrecoverable taxes, are related to investments in:		
Austria	**–**	76,652
Belgium	**–**	78,932
Denmark	**251,710**	239,918
Finland	**175,500**	130,970
France	**232,893**	288,590
Germany	**991,228**	655,138
Ireland	**1,086,501**	833,287
Italy	**818,950**	442,062
Netherlands	**530,563**	425,660
Norway	**225,955**	98,039
Spain	**471,584**	405,980
Sweden	**127,296**	–
Switzerland	**179,941**	78,510
	5,092,121	3,753,738

11 Investment management fee

	2014 Euro	2013 Euro
Remuneration of the Investment Manager	**2,003,329**	1,364,563

F&C Investment Business Limited (F&C) provides investment management and other services to the Company. F&C have provided these services during 2013 and 2014 (as of 22 July 2014 in their capacity of AIF Manager for the Company). These services can be terminated by the Company at any time by giving six months notice of termination. F&C receives a quarterly fee, payable in advance, equal to 0.2 per cent of the value of funds under management, excluding the value of any funds managed by the F&C group and 50 per cent of the value of funds managed by other managers, based on the value of total assets less current liabilities (excluding borrowings from current liabilities) at the end of the preceding quarter.

In accordance with the exceptive clause under article 411 of the Dutch Accounting Standard 615 for investment funds not having a license under the Dutch Financial Supervision Act, the disclosures on the remuneration policy of the AIF Manager are not taken up in the notes to these accounts. In line with UK practice the disclosures will be provided in the financial statements for the year ended 31 December 2015.

12 Depositary and custody fees

	2014 Euro	2013 Euro
Custody fees	**88,776**	59,697
Depositary fee	**19,217**	–
	107,993	59,697

As of 22 July 2014, the date on which the AIFMD became fully effective, KAS Trust & Depositary Services BV, a subsidiary of KAS BANK NV, has been appointed as depositary and custodian for the Company. The depositary and custody services can be terminated by either party by giving six months notice of termination. Prior to 22 July 2014 custody services were delivered by KAS BANK NV. No depositary services were required.

The fee for depositary services, payable on a monthly basis, is equal to 0.013 per cent of the value of funds under management less the amount used under the credit facility at the end of the preceding month, divided by twelve, plus VAT. The fee for custody services, payable on a monthly basis, is equal to the sum of 0.0325 per cent of the value under custody up to €100 million plus 0.03 per cent of the value under custody from €100 million up to €150 million plus 0.0275 per cent of the value under custody above €150 million, divided by twelve. No VAT is applicable to custody services. The value under custody is determined at the end of the preceding month.

13 Other expenses

	2014 Euro	2013 Euro
Remuneration of the Supervisory Directors (see Note 18)	**169,606**	151,467
Remuneration of the Management Director (see Note 18)	**127,147**	101,428
Travel expenses	**49,894**	52,745
Indemnity insurance costs	**10,000**	9,358
Auditor's remuneration	**36,500**	56,773
Fund administration fee	**108,151**	88,449
Broker fees	**40,204**	35,859
Advisory costs	**220,188**	111,107
Marketing, plan administration, advertising and printing costs	**110,748**	169,257
Bank administration charges	**68,450**	68,489
Other expenses	**169,774**	134,592
	1,110,662	979,524

Other expenses include mainly Dutch and UK listing, registration and other regulatory fees and miscellaneous costs. The independent auditor's remuneration for 2014 comprises an amount of €36,500, including VAT, in respect of the audit of these financial statements. The auditor did not provide any other service to the company.

14 Interest charges

	2014 Euro	2013 Euro
Interest on bank facility	**268,973**	198,366

15 Financial instruments

In the normal course of its business, the Company holds a portfolio of equities and other securities, and manages investment activities with on-balance sheet risk. Equities and other securities are valued at fair value. A description of the basis of valuation of investments is included within Accounting Polices. These financial instruments are subject to the risks described below.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, caused by factors that exclusively apply to the individual instrument or its issuer or by factors that affect all instruments traded in the market. Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates.

The Company minimises the risks by making a balanced selection of companies with regard to distribution across European countries, sectors and individual stocks.

Any changes in market conditions will directly affect the profit or loss reported through the Revenue Account. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2014 would have increased net assets and net profit for the year by €72.7 million (2013: €55.7 million). A decrease of 25 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

Credit risk

Credit risk is the risk that the counterparty of a financial instrument will no longer meet its obligations, as a result of which the Company will suffer a financial loss. To reduce exposure to credit risk relating to financial instruments, the creditworthiness of the counterparties and the transactions' size and maturity are assessed by service providers to the Company. Wherever it is customary in the market, collateral will be demanded and obtained. The Company and its service providers monitor and control its risks to exposures frequently and, accordingly, Management believes that it has in place effective procedures for evaluating and limiting the credit risks to which it is subject.

15 Financial instruments (continued)

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. The Company reports its results and financial position in Euros. The Company's main activity is to invest in small and medium-sized companies in Europe, excluding the United Kingdom, whereby a majority of the Company's investments concern companies with listings and activities in the European Monetary Union. The Company will have exposure to European currencies other than the Euro (see Note 1). The Company does not employ any derivatives to hedge its exposure to other currencies.

Liquidity risk

Liquidity risk is the risk that the Company is not able to obtain the financial means required to meet its obligations. The Company minimises this risk by mainly investing in equities that are traded on a regular basis. The Company may use borrowings to seek to enhance returns for shareholders. This may include the use of financial instruments; such financial instruments are valued at fair value. Cash balances may be held from time to time and these will be held with reputable banks. Liquidity risk of the Company is mitigated by the fact that the Company is a closed-end investment company.

Insight into actual risks

The Report of the Management Board Director, the overview of the Investment Portfolio, which includes the geographic distribution of the investments, and the Notes to the Annual Accounts give an insight into the actual risks at the Balance Sheet date.

Risk management of financial instruments

Managing risk is a part of the investment process as a whole and, with the help of systems, the risks outlined above are limited, measured and monitored on the basis of fixed risk measures.

Policy regarding the use of financial instruments

Investing implies that positions are taken. As it is possible to use various instruments, including derivative instruments, to construct an identical position, the selection of derivatives is subordinate to the positioning of a portfolio. The Company does not employ any derivatives to take positions.

The Company presently has banking facilities to gear the portfolio within the 20 per cent of assets level as permitted under the Articles and under the Company's tax status as a Fiscal Investment Institution.

16 Turnover ratio

Dutch method

This shows the turnover of the investments against the average net assets value of the Company. The turnover ratio ('Portefeuille omloop factor') is determined by expressing the amount of turnover as a percentage of the average net asset value of the Company. In the calculation method used, the amount of turnover is determined by the sum of purchases and sales of investments less the sum of sale and repurchase of own shares. The turnover ratio (Dutch method) for 2014 is 29.3% (2013: 39.9%).

UK method

The turnover ratio (UK method) for the year ended 31 December 2014 was 24% (2013: 30%). This is expressed as ((purchases + sales) ÷ 2) as a percentage of the average net asset value of the Company.

17 Ongoing charges

The Ongoing Charges Figure ('OCF') which, within the scope of the Dutch Act on Financial Supervision ('Wft'), should be reported by investment institutions in order to provide clear and comparable information on the level of costs, amounts to 1.33 per cent for the financial year (2013: 1.41 per cent). In the *Nadere regeling gedragstoezicht beleggingsinstellingen Wft* (further regulation supervision investment institutions) for the definition of OCF reference is made to the EU Directive 2009/65/EC. As per the EU Directive 2009/65/EC, the OCF is defined as the ratio of total ongoing charges, i.e. total ongoing costs, to the average net asset value. Performance related fees, interest on borrowing and transaction costs are not considered as ongoing charges and should be excluded from the calculation of the OCF.

18 Remuneration of the Supervisory and Management Board

The annual remuneration of the members of the Supervisory Board comprises fixed amounts as determined by the General meeting of shareholders. The remuneration of the Chairman of the Supervisory Board amounted to €34,535 (2013: €34,535) and the remuneration of the Supervisory Director who is also Chairman of the Audit Committee amounted to €27,409 (2013: €26,409), whereas the other members of the Supervisory Board each received €25,409 (2013: €24,909). The remuneration of the Managing Director, FCA Management BV, is also fixed on annual basis and amounted to €102,947, including VAT (2013: €101,428). In connection with the implementation of the AIFMD, a one-off additional remuneration amounting to €24,200, including VAT, was paid during 2014 to FCA Management BV for compliance services rendered.

The policy on Supervisory Directors fees is that remuneration should reflect the experience of the Board as a whole, time committed and responsibilities of Directors and be fair and consistent to other comparable investment companies. The Company Secretary and Managing Director provide information on comparative levels of directors' fees to enable a review to be undertaken. An increase in fee levels requires approval of Shareholders at a general meeting.

FCA Management BV provides management and legal compliance services to the Company. These services can be terminated by either party by giving three months' notice of termination. Any termination will take effect as of the end of the calendar year in which the notice is given. FCA Management BV receives a fixed fee paid on a quarterly basis.

19 Outsourcing

The Company has drawn up service level agreements for the outsourced duties with the following external parties, which, among others, deal with requirements regarding mutual transfer of information, term of notice, compliance with regulation and fees.

Main duty:	Outsourced to:
Accounting and Reporting	KASBANK NV
Managing Director	FCA Management BV
AIF Manager (including investment management)	F&C Investment Business Limited
Custodian and Depositary	KAS Trust & Depositary Services B.V.

20 Transactions with related parties

If funds have been placed at, or transactions have been carried out with KASBANK NV, FCA Management BV or F&C Investment Business Limited, these placements or transactions took place at arm's length. During the year 2014 there were no fund or investment transactions between these related parties and the Company. During the year, the Company did not invest in any funds managed by the F&C Group.

21 Employees

The Company does not have any employees.

22 Subsequent event

With regard to the Distribution Policy, the Company announced a dividend of €0.2527 per share on 7 January 2015. This dividend was paid from the other reserves on 30 January 2015. During the year 2015, the total distributions are expected to be €0.7581 per share, payable in equal instalments in January, May and August.

Subsequent to the end of the financial year 2014 until the date of these annual accounts (26 February 2015), the Company sold in total 1,330,000 of its own shares with total proceeds amounting to €13,275,589 equal to €9.98 per share.

The Management Board Director
FCA Management BV
The Supervisory Board
Sir John Ward CBE, Chairman
Julia Bond
Neville Cook
Laurence Jacquot
Professor Robert van der Meer
Jack Perry CBE
Rotterdam
26 February 2015

Other Information

Statutory Income Allocation

According to Article 21 of the Articles of Association the Company's profit shall be at the disposal of the general meeting of Shareholders. Distribution of profit can only be made in so far as the net asset value of the Company shall exceed the aggregate of the amounts paid upon the issued share capital and the reserves of the Company, which are to be maintained by statute. The Management Board may, on a proposal of the Supervisory Board, decide to grant an interim distribution of profit and/or grant a distribution out of reserves. In view of the interim dividends already distributed amounting to €0.7221 per share, the final dividend for 2014 is proposed to be nil. It is further proposed to allocate the remaining amount as undistributed income to other reserves.

Proposed income allocation

	2014 Euro	2013 Euro
Net profit	**34,790,768**	50,018,146
Dividends	**(14,284,129)**	(8,991,563)
Dividends distributed in shares	**256,475**	182,035
Undistributed income carried forward	**20,763,114**	41,208,618
Earnings per share	**1.72**	3.07
Dividends per share	**0.7221**	0.5757

Earnings per share are based on the net profit for the year divided by 20,281,352 (2013: 16,301,729) shares, being the weighted average number of shares in circulation during the year.

Major Shareholders

Dutch Act on the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions (Wet melding zeggenschap en kapitaalbelang in effectenuitgevende instellingen (Wmz 2006))

In the register of major holdings maintained by Autoriteit Financiele Markten the following major holdings in the Company are disclosed:

European Assets Trust NV: 9.89%*. This concerns shares held by the Company in treasury, which are not in circulation and disregarded both from a financial and a voting right point of view.

* This concerns the percentage registered as at 12 February 2015. At 31 December 2014 the Company held 14.62% of the total number of shares issued, amounting to 24,937,280 (including all shares held in treasury). As at 26 February 2015 the company held 7.95% of the total number of shares issued.

Interests of the Supervisory and Management Board Directors

The Supervisory Board Directors and the Management Board Director collectively had no interests in securities held in the Company's portfolio at 31 December 2014, except for Mr Neville Cook who held 10,000 shares in EFG International and 200 shares in Forbo.

Professor Robert van der Meer is a Supervisory Board director of KASBANK NV which currently acts as custodian, provides administrative services for the Company and has granted a credit facility to the Company. No Supervisory Director of the Company has any material interest in any contract to which the Company is a party. No Supervisory Director of the Company has a contract of service with the Company.

As at 31 December 2014, Sir John Ward, Ms Julia Bond, Mr Neville Cook and Mr Jack Perry had a beneficial interest of 7,600 shares, 581 shares, 15,300 shares and 2,100 shares respectively in European Assets Trust NV. The other Supervisory Board Directors and the Management Board Director did not hold any shares in the Company as at 31 December 2014.

Alternative Investment Fund Managers Directive

In accordance with the Alternative Investment Fund Managers Directive ('the AIFMD'), information in relation to the Company's leverage and the remuneration of its AIF manager, F&C Investment Business Limited, is required to be made available to investors.

The Company qualifies as a Dutch fiscal investment institution ('fiscale beleggingsinstelling'). Investments can therefore be funded by borrowings up to a maximum of 20 per cent of the book value of the securities portfolio of the Company. A similar restriction is also included within the Company's Articles of Association which state that the Company can only exceed this level of borrowing with the prior approval of shareholders at a general meeting.

Therefore, the maximum gross leverage, calculated in accordance with the requirements of the AIFMD, is 125% under the Gross Method and 125% under the Commitment Method (equivalent to 20% of the book value of the Company securities portfolio).

The Company's maximum and average actual leverage levels at 31 December 2014 are shown below:

Leverage exposure as at 31 December 2014	Gross Method	Commitment method
Maximum limit	125%	125%
Actual	106%	106%

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Company's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

The AIF manager's remuneration policy is available from F&C Investment Business Limited on request and the numerical remuneration disclosures in relation to the AIF manager's first relevant accounting period will be made available in due course.

An Investor Disclosure Document for the Company is available on the Company's website *www.europeanassets.eu.*

Independent Auditor's Report

To: the general meeting and Supervisory Board of European Assets Trust N.V.

Report on the financial statements 2014

Our opinion

In our opinion the financial statements give a true and fair view of the financial position of European Assets Trust N.V. as at 31 December 2014, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2014 of European Assets Trust N.V., Rotterdam ('the company'). The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of European Assets Trust N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at subjective judgments made by the directors, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that may represent a risk of material misstatement due to fraud.

Since this is the first year we performed an audit of the financial statements of the company we inquired with the company's previous auditor to confirm that to their knowledge there are no matters that would prevent us from auditing the financial statements 2014.

Materiality

- Overall materiality: €1,233,500 which represents 0.5% of net assets.

Audit scope

- The company is a standalone Company and engages F&C Investment Business Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements at KAS BANK NV (the 'Administrator') to whom the Management Board has delegated the provision of certain administrative functions.
- We place reliance on the Administrator's service provider report on the operating effectiveness of internal controls on outsourced processes since it covers IT general controls and operational processes that are relevant to our audit of the financial statements.
- We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.

Key audit matters

- Completeness of the direct and indirect income of the investments
- Valuation and existence of investments

Materiality

The scope of our audit is influenced by the application of materiality. Our audit opinion aims on providing reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€1,233,500.
How we determined it	0.5% of net asset.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that the net asset value is an important metric for the financial performance of the company.

We also take misstatements and/or possible misstatements into account that, in our judgment, are material for qualitative reasons.
We agreed with the Supervisory Board that we would report to them misstatements identified during our audit above € 67,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the company, the involvement of the Investment Manager, F&C Investment Business Limited (the 'Manager') and KAS BANK N.V. (the 'Administrator'), the accounting processes and controls, and the industry in which the company operates.

The company's accounting is delegated to the Administrator who maintain their own accounting records and controls and report to the Management Board.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and reading the relevant control reports issued by the independent auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. We then identified those key controls at the Administrator on which we could place reliance to provide audit evidence. We also assessed the gap period of two months between the period covered by the controls report and the year-end of the company. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements, including whether we needed to perform additional testing in respect of those key controls to support our substantive work. For the purposes of our audit, we determined that additional testing of controls in place at the Administrator was not required because additional substantive testing was performed.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Supervisory Board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the matter*
1 Completeness of the direct and indirect income of the investments Dutch Standards on Auditing presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve capital growth in line with the objective of the company. We focussed on the accuracy and completeness of dividend income recognition and its presentation in the profit & loss account as set out in the requirements of the financial reporting framework. This is because incomplete or inaccurate revenue could have a material impact on the company’s net asset value. The indirect and direct income of the Company are recorded in the profit and loss account based on the accounting principles as set out on pages 27 and 28 of the financial statements.	We assessed the accounting policy for revenue recognition for compliance with accounting standards and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We understood and assessed the design and implementation of key controls surrounding revenue recognition. In addition, we tested dividend receipts by agreeing the dividend rates from a sample of investments to independent third party sources. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared by a sample of investment holdings in the portfolio. The gains/losses on investments held at fair value comprise realised and unrealised gains/losses: • For unrealised gains/losses, we obtained an understanding of, and then tested the valuation process as set out in key audit matter 2 to ascertain whether these gains/losses were appropriately calculated. • For realised gains/losses, we tested disposal proceeds by agreeing the proceeds to bank statements and sale agreements and we re-performed the calculation of a sample of realised gains/losses.
2 Valuation and existence of investments The investment portfolio at the year-end comprised European listed equity investments valued at €290,695,109 as mentioned on page 24 of the financial statements. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. In testing the valuation of the listed investments we used our valuation specialists. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from KAS Trust & Depositary Services BV.

Responsibilities of the Management Board and the Supervisory Board

The Management Board is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the Management Board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for
- such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit has been performed with a high but not absolute level of assurance which makes it possible that we did not detect all errors and frauds.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Management Board report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Management Board report and other information):

- We have no deficiencies to report as a result of our examination whether the Management Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code and the Act on Financial Supervision, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Management Board report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of European Assets Trust N.V. on 24 April 2014 by the Supervisory Board following the passing of a resolution by the shareholders at the annual meeting held on 24 April 2014 and has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of one year.

Rotterdam, 26 February 2015

PricewaterhouseCoopers Accountants N.V.

F.J. van Groenestein RA

Appendix to our auditor's report on the financial statements 2014 of European Assets Trust N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted among others things of:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Concluding on the appropriateness of the Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

How to Invest

One of the most convenient ways to invest in European Assets Trust NV is through one of the savings plans run by F&C Management Limited ('F&C').

F&C Private Investor Plan (PIP)
A flexible way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250.

F&C Investment Trust ISA
Use your ISA allowance to make an annual tax-efficient investment of up to £15,000 for the 2014/15 tax year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund (CTF)
CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Additional contributions can be made from as little as £25 per month or £100 lump sum – up to a maximum of £4,000 for birthdays in the 2014/15 tax year.

F&C Children's Investment Plan (CIP)
A flexible way to save for a child. With no maximum contributions, the plan can easily be written under trust to help reduce inheritance tax liability or kept in your name if you may need access to the funds before the child is 18. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

F&C Junior ISA (JISA)
This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £4,000 for the 2014/15 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child's name. Money cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

Annual account charge
ISA: £60+VAT
PIP: £40+VAT
JISA/CIP/CTF: £25+VAT
You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits)

Dealing charge per holding
ISA: 0.2%
PIP/CIP/JISA: postal instructions £12, online instruction £8

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

How to Invest
You can invest in all our savings plans online.

New Customers
Contact our Investor Services Team

Call: **0800 136 420** (8:30am – 5:30pm, weekdays, calls may be recorded)
Email: **info@fandc.com**
Investing online: **www.fandc.com**

Existing Plan Holders
Contact our Investor Services Team

Call: **0845 600 3030** (*9:00am – 5:00pm, weekdays, calls may be recorded)
Email: **investor.enquiries@fandc.com**
By post: **F&C Plan Administration Centre**
PO Box 11114
Chelmsford
CM99 2DG

BMO A part of BMO Financial Group

F&C Investment Business Limited is authorised and regulated by the Financial Conduct Authority FRN: 119230 and is a member of the F&C Group. The ultimate parent company of the F&C Group is the Bank of Montreal.

Historical Record

The performance of the Company since 2001 is shown in the table below.

31 December	Market price per share Pence	Market price per share Euro	Net asset value per share Pence	Net asset value per share Euro	Dividends/ distributions per share Euro	Euro		Sterling	
						% Annual total return net asset value per share	% Annual total return benchmark	% Annual total return net asset value per share	% Annual total return benchmark
2001*	531	8.25	569.12	9.35	1.56	(23.2)	(17.3)	(25.1)	(19.5)
2002	304	4.67	392.13	6.03	0.90	(27.5)	(22.1)	(22.5)	(17.0)
2003	482	6.85	548.19	7.78	0.37	37.1	40.0	48.5	51.2
2004	553	7.80	619.58	8.75	0.465	19.3	25.0	19.9	25.6
2005	721	10.49	782.52	11.39	0.555	37.7	39.6	33.7	35.5
2006	970	14.40	1,000.61	14.85	0.7325	38.2	33.8	35.9	31.2
2007	893	12.17	978.02	13.32	0.912	(4.8)	(3.0)	3.7	5.8
2008	479	4.95	519.97	5.38	0.8535	(56.4)	(49.5)	(42.1)	(33.4)
2009	582	6.55	642.10	7.23	0.3551	42.5	55.2	31.0	42.5
2010	628	7.33	727.44	8.49	0.4613	25.2	21.7	20.8	17.4
2011	544	6.51	614.78	7.36	0.5337	(7.6)	(21.8)	(9.9)	(23.8)
2012	692	8.54	743.39	9.17	0.4698	32.0	20.4	28.2	17.0
2013	964	11.59	968.61	11.64	0.5757	34.4	34.0	37.8	37.5
2014	**987**	**12.72**	**980.50**	**12.63**	**0.7221**	**15.3**	**5.2**	**7.7**	**(1.9)**

*High distribution policy adopted from 2001.

For the purpose of the table, the Net Asset Value of the Company at the relevant date is based on the Balance Sheet as at 31 December of each year. Rates in the London spot market on the relevant dates have been applied to convert the Euro figures into Sterling.

Shareholder Information

Shares and Distribution Policy

The shares of the Company, which form one class and rank pari passu in all respects as regards dividend and capital, may be held in either registered or bearer form. They are listed on the London Stock Exchange and Euronext Amsterdam Stock Market. Holders of bearer shares may request the Company to convert their shares into registered shares and holders of registered shares may convert such shares into bearer shares. The share certificates are signed by the Management Board Director.

The Company also has a facility to allow CREST participating shareholders to hold and transfer interests in the shares of the Company within the CREST UK electronic settlement system. The facility is in the form of Depository Interests which is operated by Computershare Investor Services PLC pursuant to a Deed Poll executed under English law. Shareholders that wish to continue to hold their shares in the Company in certificated form on the UK register can continue to do so and their rights are unaffected by the issue of the Depository Interests.

The Board intends, barring unforeseen circumstances, setting an annual dividend yield level of 6 per cent on the net asset value per share at the end of the preceding year. A scrip alternative is available.

Dividends are declared in Euros and paid in Euros (bearer shares) or in sterling (registered shares). Those registered shareholders who wish to receive their dividends in Euros should contact the Company's UK Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Distributions on bearer shares are announced in the Official Price List of Euronext Amsterdam NV. The holders of registered shares receive their payment from the Company's Registrars.

Scrip Dividend

Shareholders may elect to receive dividends by way of further shares in the Company. Where shareholders elect for scrip dividends, they will receive shares at net asset value either from the Company's holding of shares in treasury or through an issue of new shares; the net asset value for this purpose will be that announced for the end of the month immediately preceding the record date for the relevant dividend. Roundings will be retained by the Company. Application will be made for any new shares issued to be listed on the London Stock Exchange and Euronext Amsterdam Stock Market.

Computershare Investor Services PLC acts as administrator for the purposes of the Company's scrip dividend payments for holders of registered shares. The Administrator's address for correspondence is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Elections for scrip dividends may be made by registered shareholders by notice to the Administrator using the form available from the Administrator on request. Such elections for scrip dividends must be received by the record date for a particular dividend in order to apply to the payment in respect of that month. Elections for scrip dividends apply to all future dividends until revoked. Unless otherwise agreed by the Administrator, instructions by registered shareholders to revoke an election to receive scrip dividends must be received by the record date for a particular dividend in order for that month's dividend to be paid in cash. If a registered shareholder who has elected for scrip dividends sells part of their holding, their election will remain valid in respect of the reduced holding.

Holders of bearer shares can elect for scrip dividends in the manner customary in the Dutch market through the bank at which those shareholders have their securities account.

Costs of the Investment Fund

The Company incurs the following costs on an annual basis: advertising fees, audit and accounting fees, bank charges, broker and distribution fees, custody fees, D&O insurance, fund administration fees, investment management fees, legal fees, marketing and retail plan administration fees, printing costs, registration fees, UK and Dutch regulatory fees, tax advice and travel expenses as well as remuneration of the Managing Board Director and Supervisory Directors.

Company Taxation

The Company qualifies as a fiscal investment institution ('fiscale beleggingsinstelling').

Companies with fiscal investment institution status in the Netherlands are subject to tax on both income and capital gains in the Netherlands at a zero rate. The conditions which have to be satisfied in order for a company to have investment institution status under Dutch tax law are summarised below:

(a) The company must be exclusively or almost exclusively engaged in investment in securities or in real estate or in loans secured by mortgage on real estate.

(b) Investment may be funded by borrowing only as follows:

(i) loans of up to 20 per cent of the book value of the securities portfolio of the company and its subsidiaries; and

(ii) loans of up to 60 per cent of the book value of the real property of the company and its subsidiaries, where the moneys borrowed are secured by mortgage on that property.

For purposes of this test, real property is not limited to immovable property, but includes also real estate companies (i.e. companies whose assets, on a consolidated basis, consist for at least 90% of immovable property).

(c) Distributable profit must be distributed within the eight months following the end of the related financial year. Distributable profit includes all fiscal profits but does not include:

(i) net realised or unrealised capital gains provided that these are added to a fiscal reinvestment reserve; and

(ii) amounts set aside to an accumulation reserve which amounts may be set aside at the Company's option, subject to the reserve not exceeding a balance equal to 1 per cent of the Company's paid in capital (the aggregate of the share capital and the share premium account).

(d) One quarter or more than one quarter of the interest in the entity is not held by one individual.

(e) Both the total number of shares or participation certificates or of the shares or participation certificates that share in the reserves of the entity on its dissolution 45 percent or more are not held by one entity – not being a fiscal investment institution or an undertaking for collective investments as meant in article 4, paragraph 4 of the Dutch General Tax Act – that is subject to any form of income tax or whose profits are subject to such tax at the level of the beneficiaries' of the assets or profits of the entity, or else of two or more such entities that are affiliated with each other, also taking into account the shares or participation certificates on which basis the aforementioned entities, whether or not pursuant to an agreement with others, can exercise their right to vote in the general shareholders' meeting.

Professional advice should be sought in respect of any question relating to taxation.

A summary of taxation is set out below. It represents a general description only and should not be construed or read as advice on shareholders' own tax positions, as individual circumstances may affect the general tax consequences as described in the summary. Shareholders should consult their own tax advisers with regard to their individual tax position.

Withholding Tax

The Dutch dividend withholding tax is 15 per cent. Therefore, where withholding tax is applicable to dividends paid by the Company, these dividends are subject to a Dutch dividend withholding tax rate of 15 per cent. The Dutch dividend withholding tax rate can be reduced under a tax treaty.

The double taxation agreement between the Netherlands and the United Kingdom currently allows a general dividend withholding tax of 15 per cent. This withholding tax is available as a credit against any United Kingdom tax payable by a United Kingdom resident shareholder in respect of dividends. The withholding tax is also available as a credit against Dutch income or corporate income tax payable by a Dutch resident shareholder or will be refunded if there is no tax due, as in the case of a Dutch resident tax exempt entity. Subject to certain ordering rules, which deem income to be distributed first, a distribution from the reinvestment reserve with effect from 1 January 2001 is exempt from withholding tax.

Dividend Taxation

Netherlands Taxation

The information below, is of a general nature only and relates to Dutch law. If you are in any doubt as to your tax position you should contact your own professional adviser.

Dividend withholding tax

The existing fiscal reinvestment reserve (roughly equalling the balance of realised and unrealised capital gains) is treated as paid in capital for dividend withholding tax purposes. This also applies to additions to this reserve in later years. Distributions which are made out of paid in capital in principle can be made free of withholding tax. In determining whether these payments can be made free of withholding tax out of paid in capital, certain mandatory ordering rules apply. In general these ordering rules deem a dividend to come out of earnings (income on an accruals basis) before coming out of paid in capital. For payments coming out, or deemed to come out, of earnings withholding tax at a rate of 15 per cent is due. This withholding tax is available as a credit against any United Kingdom tax payable by a United Kingdom resident shareholder in respect of dividends.

Of the dividends paid in 2014, an amount of €3,145,613 has been paid in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. The remainder of €10,882,041 is charged against the fiscal reinvestment reserve. No dividend withholding tax has been withheld on that portion.

Scrip dividends that are booked against paid in capital for dividend withholding tax purposes are not subject to dividend withholding tax.

Dutch resident shareholders who are taxed in the Netherlands on their worldwide income generally are able to credit the withholding tax against their overall Dutch income tax liability.

Tax on income and capital gains

A shareholder who is considered a UK resident under the terms of the Netherlands/UK double taxation treaty, will not be subject to any Dutch taxes on income or capital gains in respect of dividends distributed by the Company or in respect of capital gains realised on the disposition of shares in the Company (other than the dividend withholding tax described above), provided that:

- such UK resident shareholder is not an individual who has been resident or is deemed to have been resident in the Netherlands during a period of five years preceding an alienation of the shares in the Company;
- such UK resident shareholder does not have a business or an interest in a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which business or part of a business, as the case may be, the shares in the Company are attributable; and
- the shares in the Company owned by such UK resident shareholder, whom is an individual, do not form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company.
- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

A shareholder who is resident in the Netherlands for tax purposes and whose shares do not:

- form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company; or
- form part of a business, or deemed to be income from labour,

will be taxed at a 30 per cent tax rate on a notional return of 4 per cent on the average value of the shares, regardless of the actual income or gains on the shares.
A shareholder who is not a resident of the Netherlands and who is not considered a resident of the UK under the terms of the Netherlands/UK double taxation treaty, will not be subject to any Dutch taxes on income or capital gains in respect of distributions made by the Company or in respect of capital gains realised on the disposition of shares in the Company (other than the dividend withholding tax described above), provided that:

- such shareholder does not have a business or an interest in a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which business or part of a business, as the case may be, the shares in the Company are attributable; and

- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

Generally, a shareholder will not have a substantial interest in the Company if he, his spouse, certain other relatives (including foster children) or certain persons sharing his household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5 per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company, or rights to acquire shares, whether or not already issued, that represent at any time (and from time to time) 5 per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company or the ownership of certain profit participating certificates that relate to 5 per cent or more of the annual profit of the Company and/or to 5 per cent or more of the liquidation proceeds of the Company. A deemed substantial interest generally exists if (part of) a substantial interest has been disposed of or is deemed to have been disposed of without recognition of gain.

UK Resident Shareholders

The information below, which is of a general nature only and does not constitute tax advice, and which relates only to Netherlands and UK taxation, is applicable to persons who are resident or ordinarily resident in the UK and who hold Ordinary shares as an investment. The provisions set out below may not apply to certain classes of shareholders, such as dealers in securities, or to shareholders who are not absolute beneficial owners of their shares. Any shareholder or prospective investor in shares who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the UK is strongly recommended to consult their professional adviser as soon as possible. Special provisions apply to certain kinds of shareholder who are also strongly recommended to seek their own professional advice. If you are in any doubt as to your tax position you should consult your own professional adviser.

Individual Shareholders

UK resident individual shareholders will be liable to UK income tax on dividends received from the Company. An individual shareholder, resident in the UK for tax purposes, holding less than 10 per cent of the Company's share capital will generally be entitled to a notional tax credit in respect of any dividend received equal to one-ninth of the amount of the dividend. The notional tax credit therefore equals 10 per cent of the aggregate of the dividend and the tax credit. UK resident individual shareholders, (including those who hold their shares through an ISA), who are not liable to income tax in respect of their dividends, will not generally be entitled to reclaim any part of the notional tax credit. The income tax charge in respect of dividends for basic rate tax payers will be at the rate of 10 per cent and, after offsetting the 10 per cent notional tax credit, such shareholders will have no further liability to UK tax on their dividends.

A higher rate taxpayer will be liable to UK income tax on dividends received from the Company (to the extent that, taking the dividend as the top slice of his income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent of the gross dividend including any Netherlands dividend withholding tax and any notional tax credit which, after offsetting the 10 per cent notional tax credit, equates to a rate of tax of 22.5 per cent of the gross dividend, or an effective rate of 25 per cent of the dividend paid. Netherlands dividend withholding tax may also be set against the UK income tax liability arising on dividends received from the Company. The relevant dividend voucher will show whether Netherlands dividend withholding tax has been applied or not.

With effect from 6 April 2013 an additional rate taxpayer is liable to UK income tax on dividends received from the Company (to the extent that, taking the dividend as the top slice of his income, it falls above the threshold for the additional rate of income tax of £150,000) at the rate of 37.5 per cent of the gross dividend including any Netherlands dividends withholding tax and any notional tax credit which, after offsetting the 10 per cent notional tax credit, equates to a tax rate of 27.5 per cent of the gross dividend, or an effective rate of 30.56 per cent of the dividend paid.

UK resident shareholders who are not liable to UK income tax on their income and those who hold their Ordinary shares through an ISA will not be subject to UK tax on dividends.

UK resident individual shareholders who receive a scrip dividend will not, to the extent that it is paid up out of the tax exempt share premium reserve, be liable to UK income tax on such a dividend. Instead, for the purposes of UK capital gains tax, such a scrip dividend will be treated as a bonus issue of shares derived from the shareholders' existing shareholding.

Corporate Shareholders

With effect from 1 July 2009 UK companies will generally be exempt from corporation tax on dividends received from the Company.

Taxation of Share Buy-backs and Resale of Shares Held in Treasury

UK taxation

The information below is of a general nature only, does not constitute tax advice and shareholders should consult their professional advisers with regard to their individual tax position.

Capital gains tax

Shareholders who are resident or ordinarily resident in the UK for taxation purposes who sell their shares through the market (other than shares held through an ISA) may, depending upon their own personal circumstances be subject to capital gains tax (or, in the case of a UK resident corporate shareholder, corporation tax on capital gains) in respect of any gain arising on such sale unless the shareholder is taxed as a dealer in securities, in which case any gain will be treated as income and taxed as such.

Shareholders who are individuals will, to the extent that a gain on a disposal of shares, together with other gains less allowable losses in a fiscal year, exceeds the annual exempt amount which, for the fiscal year 2014/15 is £11,000 (2013/14: £10,900), be liable to capital gains tax. Disposals by higher rate taxpayers will be liable to capital gains tax at the rate of 28 per cent. Basic rate taxpayers will be taxed at the rate of 18 per cent.

Shareholders within the charge to UK corporation tax may benefit from indexation allowance in respect of their period of ownership, which in general terms, increases the tax base cost of an asset in accordance with changes in the Retail Prices Index.

Stamp taxes

- Buy back

  Where the shares are bought back into treasury a charge to stamp duty will arise if the document of transfer is executed in the UK or there is a matter to be done in the UK, which will include an update to the UK share register. Stamp duty will be chargeable at 0.5 per cent of the consideration given (and will be rounded up to the nearest £5). This will normally be paid by the purchaser, in this case the Company.

- Resale of shares held in treasury

  A resale of the shares held in treasury will only be within the charge to stamp duty if the document of transfer is executed in the UK or there is a matter to be done in the UK, which will include an update or change to the UK share register where the shares are resold to a UK resident. This transfer would be stampable with £5 fixed duty which is normally payable by the purchaser. No charge to Stamp Duty Reserve Tax (SDRT) should arise.

Netherlands taxation

Netherlands withholding tax

The information below, which is of a general nature only and which relates to certain Dutch dividend withholding tax consequences of the repurchase of shares of the Company, does not represent a comprehensive description of all Dutch tax considerations that may be relevant to holding or disposition of the shares.

This summary is based on the present tax laws of the Netherlands, as well as present regulations, rulings and decisions of the Netherlands tax and other authorities available and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

A buy back of shares will not be subject to Dutch withholding tax as long as the price at which the shares are repurchased does not exceed the average paid in capital on those shares. For this purpose, paid in capital comprises for Dutch tax purposes recognised paid in capital and share premium, as well as the fiscal reinvestment reserve (as defined under Dutch law).

To the extent the repurchase price exceeds the average paid in capital made on those shares, Dutch withholding tax at a 15 per cent rate applies. Where applicable, a tax treaty may provide for a lower rate.

Notwithstanding the above, no withholding tax applies if the repurchase can be regarded as a temporary investment. Under a special deeming provision applicable to Dutch investment companies such as the Company, a repurchase of shares is considered a temporary investment by operation of law, unless the company elects otherwise.

If by the end of the year a company repurchased more shares as temporary investment than it issued to the market in the same year, the difference is deemed to be a repurchase of shares subject to withholding tax to the extent that the average fair market value of all shares repurchased during the year exceeds the average paid in capital. An exemption from withholding tax may nevertheless apply if and to the extent this excess is debited from the share premium reserve or the fiscal reinvestment reserve (as defined under Dutch law).

Articles of Association

This is a summary of the Articles of Association of the Company and provides additional information on issues dealt with in the Articles of Association. The numbers of the articles below do not concur with the numbers of the actual Articles of Association. Copies of the articles are available at the office of the Company.

1. *Shares and distributions*

(a) The authorised capital amounts to thirteen million eight hundred thousand euros (€13,800,000), and is divided into thirty million (30,000,000) shares, to the amount of €0.46 each.

(b) The shares of the Company may be in bearer or registered form.

(c) Transfer of registered shares is effected by a duly stamped instrument of transfer which is submitted with the relevant share certificate to, and acknowledged by or on behalf of, the Company.

(d) All unclaimed dividends and distributions shall be forfeited to the Company after a period of twelve years following their respective declarations.

2. *Financial year and annual statements of account*

(a) The financial year shall be the calendar year.

(b) Annually within four months after closing of the preceding financial year, the Management Board shall draw up and make available the balance sheet and revenue account with separate notes thereon. Although not included in the Articles of Association the semi-annual accounts will be available within two months of the close of the first six months of the year in order to comply with the Decree on the Supervision of the Investment Institutions.

As of the date of the notice for the annual general meeting of Shareholders until the end of such meeting, the annual accounts together with the management report shall be available for inspection by the persons who have by statute a right of inspection.

3. The annual and semi-annual accounts and reports will be available at the offices of the Management Board Director and of F&C Asset Management plc, 80 George Street, Edinburgh, generally in the first weeks of April and August respectively.

4. *General meetings of shareholders*

A general meeting shall be held each year before the end of June.

The agenda of that meeting shall contain inter alia the following items:

(a) Report of the Management Board on the affairs of the Company and its administration in the past financial year.

(b) Adoption of the annual accounts.

(c) Fixing of the appropriation of profit.

(d) Discharge of the member of the Management Board and members of the Supervisory Board.

(e) Filling of existing vacancies.

General meetings shall also be held whenever the Management Board or the Supervisory Board deem necessary. Notice shall be given with due observance of the statutory notice period.

Notice shall be given in such manner as shall be authorised by Dutch Law as well as in accordance with the regulations of the regulated market(s) where the shares of the Company are admitted to trading.

5. Voting rights

(a) Every shareholder shall be entitled to receive notice of, and to attend and vote at, any general meeting.

(b) Every sum of one €0.46 nominal in shares shall entitle the holder to cast one vote, whether in person or by proxy. A proxy need not be a shareholder. The form of proxy must provide for two-way voting on all resolutions other than those relating to procedure.

(c) Resolutions of the shareholders shall be passed by a simple majority of votes cast except (i) in the case of any resolution which is to be proposed for the alteration of the Articles of Association or the dissolution of the Company (any such resolution being proposed only by the Supervisory Board), a majority representing at least three-fourths of the votes cast at the meeting is required; and (ii) in the case of a resolution to appoint, dismiss or suspend a member of the Management Board contrary to the recommendation of the Supervisory Board, a majority representing at least two-thirds of the votes cast at the meeting is required and such majority shall represent more than one-half of the issued share capital of the Company.

(d) The Chairman of the general meeting shall establish the number of votes to which each of the persons attending is entitled and how many votes have been cast in favour of or against a resolution.

6. Borrowing powers

The Management Board shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies so as to secure (as regards subsidiary companies so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the group (being the Company and its subsidiaries for the time being), exclusive of monies borrowed by the Company from and for the time being owing to any such subsidiary or by any such subsidiary from and for the time being owing to the Company or another such subsidiary, shall not at any time without the previous sanction of the general meeting of the Company exceed an amount equal to the aggregate of:

(a) Twenty per cent of the book value of the securities portfolio of the Company and its subsidiaries (if any); and

(b) Sixty per cent of the book value of the real property of the Company and its subsidiaries (if any), where the monies borrowed are secured by mortgage on that property.

7. Directors

(a) The Company shall have a Management Board consisting of one or more members and a Supervisory Board consisting of at least three members. Save as aforesaid, the general meeting shall fix the number of managing directors and the number of supervisory directors.

(b) The general meeting shall appoint the members of the Management Board upon the recommendation of the Supervisory Board (subject to (a) above) and shall appoint the members of the Supervisory Board and may remove or suspend a member of either Board. A member of the Management Board may also be suspended by the Supervisory Board. Any suspension shall not last longer than three months in total.

(c) The members of the Supervisory Board retire by rotation in accordance with a rotation schedule to be determined by the Supervisory Board, pursuant to which rotation schedule every member of the Supervisory Board is a member for a period not exceeding 4 years.

(d) The salary and other conditions of employment of each Management Board director shall be fixed by the Supervisory Board. The general meeting may grant remuneration to each member of the Supervisory Board.

(e) Without prejudice to the provisions of the Articles of Association, the Management Board shall be entrusted with the management of the Company.

(f) The members of the Supervisory Board and Management Board shall be reimbursed for (i) reasonable costs of conducting a defence against claims based on acts or failures to act in the exercise of their duties, (ii) any damages or fines payable by them as a result of an act or failure to act as referred to under (i), and (iii) reasonable costs of appearing in other legal proceedings in which they are involved as current or former director.

(g) The Management Board shall be obliged to act in accordance with the general directives of the Supervisory Board concerning the financial and investment policy to be followed.

(h) Without prejudice to the other provisions in the Articles of Association concerning approval of resolutions of the Management Board, the following resolutions of the Management Board shall be subject to the approval of the Supervisory Board:

 (i) the entering into, variation or termination of any investment advisory contract or management contract;

 (ii) any borrowing and the giving of any sureties or guarantees;

 (iii) the exercise of voting rights on shares in other companies, as far as the Company holds, either directly or indirectly, 30 per cent or more of the issued shares of such companies;

 (iv) the institution or defending of legal proceedings or the making of any compromise;

 (v) the appointment of executives with signing authority and the determination of their powers and titles;

 (vi) the issuing, acquiring or withdrawing of debentures at the expense of the Company; and

 (vii) any application for quotation or cancellation of the quotation of shares and debentures of the Company on any official list of any stock exchange.

(i) Each member of the Management Board shall represent and has authority to bind the Company.

(j) A member of the Management Board must declare to the Supervisory Board any conflict of interest which he may have with the Company in connection with any matter to be considered by the Management Board and, in such a case and in other cases of conflict, the Company shall be represented by the member of the Supervisory Board or of the Management Board so authorised by the Supervisory Board.

(k) A member of the Supervisory Board who has a conflicting interest with the Company in connection with a resolution to be considered by the Supervisory Board shall notify the other members of the Supervisory Board prior to the consideration of, and shall abstain from voting on, such resolution.

(l) The Supervisory Board shall supervise the management of the affairs and the administration of the property by the Management Board and the general course of the Company's affairs and business. The Supervisory Board shall also assist the Management Board with advice.

8. Appropriation of profit

The sum standing to the credit of the other reserve fund shall be available for distribution to the shareholders or remain in other reserve as the Management Board shall decide on proposal of the Supervisory Board.

9. Dissolution of the Company

(a) In the event of dissolution of the Company by virtue of a resolution of the general meeting, the Management Board shall be entrusted with the winding-up of the Company's affairs and the Supervisory Board with the supervision thereof, unless the general meeting decides otherwise, either at the time of, or during, the liquidation. That meeting shall also fix the remuneration of the liquidators and of any supervisory directors entrusted with the supervision of the liquidation.

(b) During the liquidation the provisions of the Articles of Association shall remain in force so far as possible.

The surplus assets after liquidation will be divided among the holders of shares in proportion to their nominal holdings of shares.

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from **www.fca.org.uk** to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('FCA') on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at **www.fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

Glossary of Terms

AIC – Association of Investment Companies, is the UK trade body for closed-end investment companies (www.theaic.co.uk).

AIFMD – Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that all investment vehicles (AIF – Alternative Investment Fund) in the European Union must have appointed a Depositary and an Alternative Investment Fund manager on or before 22 July 2014. The Directors of the Company nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIF manager – The AIF manager, F&C Investment Business Limited, is responsible for the provision of investment management services to the Company.

Benchmark – This is a measure against which the Company's performance is compared. The Company's benchmark is the Euromoney Smaller European Companies (ex UK) Index.

Custodian – A specialised financial institution responsible for safeguarding worldwide the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services. The Company's custodian is KAS Trust & Depositary Services BV.

Depositary – Under AIFMD rules applying from July 2014, the Company must appoint a depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under AIFMD regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties. The depositary's oversight duties include, but are not limited to dividend payments and adherence to investment limits. The Company's depositary is KAS Trust & Depositary Services BV.

Discount (or Premium) – If the share price of the Company is less than its Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.

Dividend – The income from an investment. The Company currently pays dividends to shareholders three times per year in January, May and August. The rate of the dividend is announced in January each year and is set at an annual yield of six per cent to the net asset value at the end of the preceding year. A scrip alternative is available.

Gearing – The Company has the ability to borrow to invest within pre-determined limits. This term is used to describe the level of borrowings that the Company has undertaken, and is stated as a percentage of total assets less current liabilities. The higher the level of borrowings, the higher the gearing ratio.

Leverage – As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to Gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Management Board – The Management Board in the Netherlands, FCA Management, is entrusted with the corporate management of the Company and is obliged to act in accordance with the general directives of the Supervisory Board concerning the financial and investment policy of the Company.

Market Capitalisation – The stock market value of a company as determined by multiplying the number of shares in issue, excluding those shares held in treasury, by the market price of the shares.

Glossary of Terms continued

Net Assets (or Shareholders' Funds) – This is calculated as the value of the investments and other assets of the Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of the Company at a point in time.

Net Asset Value ('NAV') per Ordinary Share – This is calculated as the net assets of the Company divided by the number of shares in issue, excluding those shares held in treasury.

Ongoing Charges – This is a measure of the level of expenses incurred by the Company during a reporting period. It is calculated as the sum of the investment management fee and other expenses divided by the average net assets during the period.

Ordinary Shares – Shareholders are entitled to their share of both income, in the form of dividends paid by the Company and any capital growth. The Company has only Ordinary Shares in issue.

Scrip Dividend – Shareholders can elect to receive dividends by way of further shares in the Company rather than cash. Where shareholders so elect, they will receive shares based on the net asset value of the Company; the shares may trade in the market at a discount or premium to net asset value. Subject to personal circumstances, UK resident individual shareholders who receive a scrip dividend should not be liable to UK income tax but UK capital gains tax rules should apply.

Share Price – The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Amsterdam and London stock exchanges

Supervisory Board – The Supervisory Board is responsible for supervising the policy of the Management Board and the general course of the Company's affairs and business. The Board currently consists of six Directors, all of whom are non-executive.

Total Return – The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

Notice of General Meeting

Notice is hereby given that the General Meeting of shareholders of European Assets Trust NV, will be held at the Company's Office, Weena 210-212, Rotterdam, at 11.00 am on 23 April 2015.

The agenda to be considered is as follows:

1. Opening.
2. Management Board Director's report for the financial year to 31 December 2014.
3. Adoption of the financial statements for the year ended 31 December 2014.
4. Appropriation of profit for the year ended 31 December 2014.
5. Discharge of the Management Board Director for the management over the last financial year.
6. Discharge of the Supervisory Board Directors for their supervision over the last financial year.
7. To re-appoint PricewaterhouseCoopers Accountants NV as auditors to the Company.
8. Retirement and re-appointment of Sir John Ward to the Supervisory Board.
9. Retirement and re-appointment of Neville Cook to the Supervisory Board.
10. Retirement and re-appointment of Professor Robert van der Meer to the Supervisory Board.
11. Approval of the corporate governance policy of the Company as set out in this annual report.
12. Increase the remuneration of the Chairman from €34,535 to €36,035, the Director who is also Chairman of Audit from €27,409 to €28,909 and all other Directors from €25,409 to €26,409 with effect from 1 January 2015.
13. Any other business.
14. Closing.

An explanation of the agenda, the annual report for 2014 and the data prescribed by mandatory Dutch law with respect to Sir John Ward, Neville Cook and Professor Robert van der Meer are deposited at the offices of FCA Management BV and are available for every shareholder.

To be passed, resolutions numbers 3 to 12 require a simple majority of votes cast.

FCA Management BV
Rotterdam
26 February 2015

A member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company.

A Form of Proxy for use by Ordinary shareholders is enclosed with this Report. Completion of the Form of Proxy will not prevent a shareholder from attending the meeting and voting in person.

Holders of Bearer Shares may obtain a letter of entitlement from KASBANK NV on deposit of their share certificates or upon receipt of a deposit advice from a bank certifying that the stated number of share certificates is in its possession and will remain so until the conclusion of the meeting. Registered shareholders do not need to apply for such a letter of entitlement.

No member of the Supervisory Board has a contract of service with the Company.

No member of the Supervisory Board has a material interest in any contract to which the Company is a party.

Corporate Information

Management Board Director
FCA Management BV
Chamber of Commerce
Rotterdam, nr. 33239987

Supervisory Board
Sir John Ward CBE (Chairman)
Julia Bond
Neville Cook
Laurence Jacquot
Professor Robert van der Meer
Jack Perry CBE

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Tel No. 0131 718 1000

UK Registrars and Transfer Office
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Registrar's Shareholder Helpline
Tel No. 0870 707 1550

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Depositary and Custodian
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1012 SJ Amsterdam

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Accountants N.V.
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