European Assets Trust PLC

Report and Accounts 2023

European Assets Trust

Forward looking statements

This document may contain forward looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward looking statements. The forward looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

Front cover image: Zurich, Switzerland

Contents

Financial calendar

First interim dividend paid for 2024	31 January 2024
Announcement of annual results	20 March 2024
Second interim dividend paid for 2024	30 April 2024
Annual General Meeting	17 May 2024
Third interim dividend paid for 2024	31 July 2024
Interim results for 2024 announced	August 2024
Fourth interim dividend paid for 2024	31 October 2024

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in European Assets Trust PLC please forward this document, together with the accompanying documents, immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Company Overview

The easy way to access the growth of Europe's most dynamic smaller companies

Europe's hugely dynamic smaller companies have generated some of the strongest returns among global stock markets over the past 15 years. Most investors ignore this market, which creates a significant opportunity to discover and capture value. European Assets Trust gives you access to the growth of some of Europe's best and most exciting small and mid-cap companies, while rewarding investors through the ups and downs with a market-leading dividend of 6% of net asset value.

Our portfolio managers, backed by the global expertise of Columbia Threadneedle's investment team, search for smaller European companies that are under-researched and under-valued. We seek out growing, profitable businesses which are globally competitive.

Investing in European Assets Trust is the easy way to benefit from the growth of Europe's most overlooked companies.

Visit our website at **www.europeanassets.co.uk**

Registered in England and Wales with company registration number 11672363. Legal Entity Identifier 213800N61H8P3Z4I8726

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

European Assets Trust is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth over the longer term in capital and income, and who understand and are willing to accept the risks and rewards of exposure to equities.

Financial Highlights

for the year ended 31 December 2023

8.2%

Net Asset Value per share total return

The Sterling Net Asset Value per share total return* was 8.2% for the year ended 31 December 2023 in comparison to our Benchmark[1] Index which returned 9.8%. Further analysis of this performance is provided in the Chairman's Statement and Investment Manager's Review.

4.5%

Share price performance

The Company recorded a Sterling Share Price total return* of 4.5% for the year ended 31 December 2023 in comparison to our Benchmark[1] Index which returned 9.8%.

5.90p

Dividend

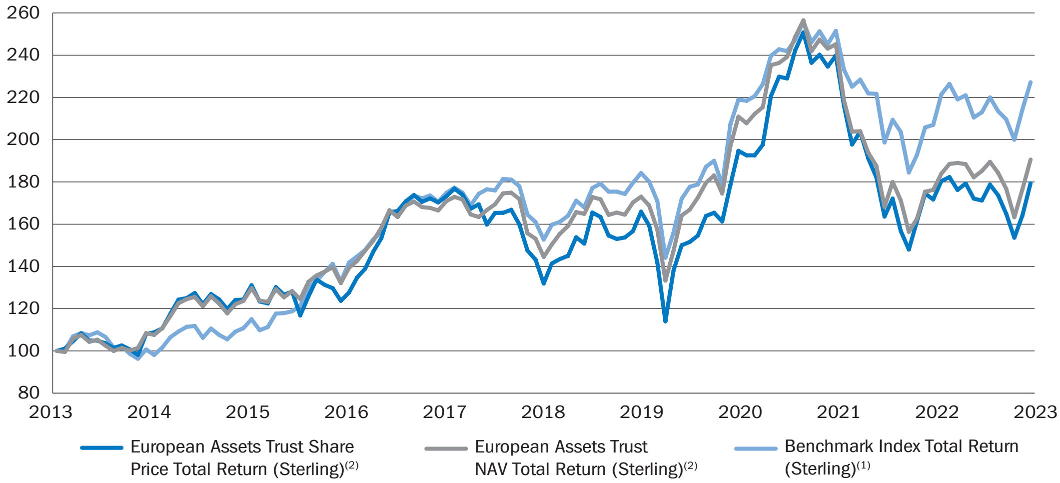
The Board has declared a total dividend for 2024 of 5.90 pence per share (2023: 5.80 pence per share) in accordance with its aim to pay at a rate of six per cent of the closing Net Asset Value of the preceding year.

1.04%[3]

Ongoing charges*

The ongoing charge of the Company during 2023 remained broadly static at 1.04% compared to 1.03% for 2022.

Long Term Performance (rebased to 100 at 31 December 2013)



The annualised ten year share price total return was 6.0%.

Source: Refinitiv Eikon

(1) At 1 April 2021 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (gross) to EMIX Smaller European Companies (ex UK) Index (net). With effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. A time apportioned composite of each indices has therefore been calculated and disclosed.
(2) European Assets Trust NV prior to migration on 16 March 2019.
(3) Calculated in accordance with the basis recommended by the AIC.
* See Alternative Performance Measures on pages 91 and 92 for explanation.

Summary of Performance

The easy way to access the growth of Europe's most dynamic smaller companies

Total Return for the year ended 31 December	**2023**		**2022**	
	Sterling	Euro	Sterling	Euro
Net Asset Value per share*	8.2%	10.8%	(28.2%)	(32.0%)
Share Price*	4.5%	7.0%	(28.4%)	(32.3%)
Benchmark Index [1]	9.8%	12.4%	(17.7%)	(22.1%)

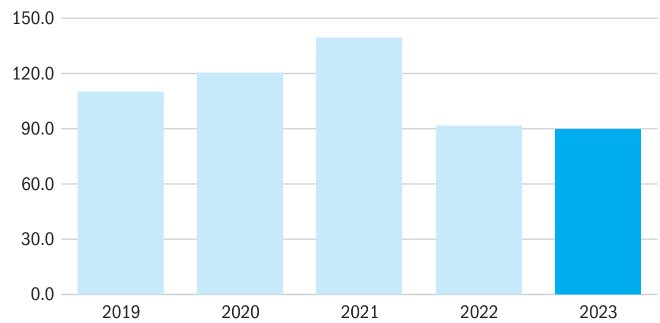
Capital Return for the year ended 31 December	**2023**		**2022**	
	Sterling	Euro	Sterling	Euro
Net assets – millions	£354.0	€408.5	£347.6	€391.8
Net Asset Value per share	98.3p	113.5c	96.5p	108.8c
Share Price	89.7p	103.5c[2]	91.6p	103.7c[2]

Dividend per share for the year ended	**2023**	**2022**
	Sterling	Sterling
Total dividends paid	5.80p	8.80p

(1) At 1 April 2021 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (gross) to EMIX Smaller European Companies (ex UK) Index (net). With effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. A time apportioned composite of each indices has therefore been calculated and disclosed.
(2) Converted at the relevant exchange rate on the balance sheet date.
* See Alternative Performance Measures on pages 91 and 92 for explanation.

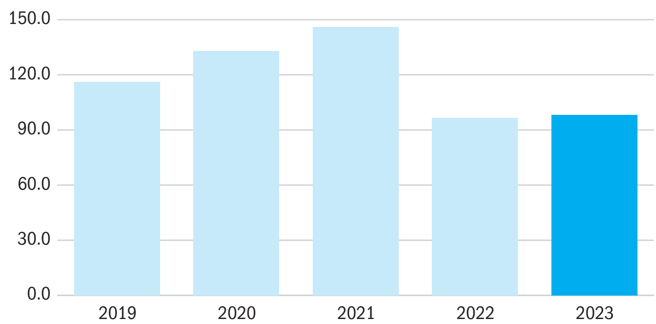
Source: Columbia Threadneedle Investments, Refinitiv Eikon

Share Price (pence) at 31 December‡



Source: Columbia Threadneedle Investments

Net Asset Value per share (pence) at 31 December‡



Source: Columbia Threadneedle Investments

‡ European Assets Trust NV prior to the migration on 16 March 2019.

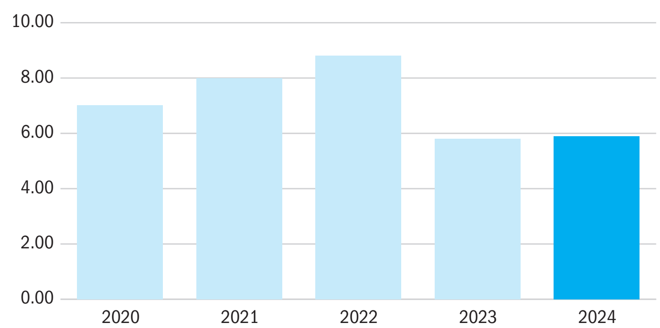
At 31 December	2023	2022
Discount to Net Asset Value*	(8.8%)	(5.1%)
Gearing/(net cash)*	6.8%	(1.3%)
Ongoing Charges*	1.04%	1.03%

2023 Year's Highs/Lows	High	Low
Net Asset Value per share	104.5p	82.8p
Share Price	97.2p	73.0p
Discount to Net Asset Value	(3.7%)	(11.8%)

* See Alternative Performance Measures on pages 91 and 92 for explanation.

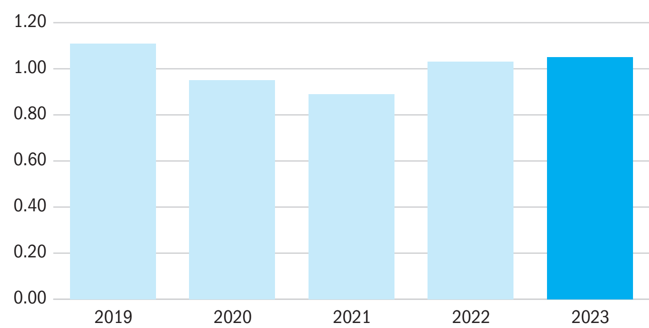
Source: Columbia Threadneedle Investments, Refinitiv Eikon

Net dividends paid/declared^ per share - (pence)



Source: Columbia Threadneedle Investments

Ongoing charges (%)ǂ*



Source: Columbia Threadneedle Investments

^ 2024 Sterling dividends declared.
ǂ European Assets Trust NV prior to the migration on 16 March 2019.
* See Alternative Performance Measures on pages 91 and 92 for explanation.

Chairman's Statement

"Following two years of smaller company underperformance versus larger companies, valuations look attractive. History would suggest that these are good opportunities to buy into the long-term favourable characteristics of smaller growth companies."

Jack Perry CBE, Chairman

Fellow Shareholders,

European Assets Trust PLC ("the Company") recorded a Sterling Net Asset Value ("NAV") total return for the year ended 31 December 2023 of 8.2% (2022: -28.2%). This compares to the total return of its Benchmark*, which rose 9.8% (2022: -17.7%) during the same period. With the discount widening from 5.1% as at 31 December 2022 to 8.8% at the year-end, the Sterling share price total return for the year was 4.5% (2022: -28.4%).

Market Backdrop

Markets produced a far more supportive backdrop for 2023, although the tension between tighter Central Bank policy and economic growth remained high. With investor focus on the latest pronouncements from the US Federal Reserve, whose policy decisions have been the predominant influence over market sentiment, there was significant intra-year volatility. We can be reassured though that the rate of inflation across the developed world has more than halved and economic activity has remained relatively resilient in the face of the significant monetary tightening of the last couple of years. The softening inflation data and some weakness in the US jobs market has led to expectations for interest rate cuts in 2024, driving a strong finish to the year. Within this backdrop, the portfolio performance for the year was on one hand satisfactory, in that it compared well with the peer group and allowed us to announce an increase in dividend, but also disappointing in that it lagged the Benchmark.

2023 was another year where European market leadership came from value stocks, providing a headwind for our growth biased portfolio. Smaller companies also struggled, for the second consecutive year, when compared with larger companies, partly due to two of the most significant investment themes of the year, generative artificial intelligence (AI) and weight-loss drugs, that significantly boosted some of the world's largest listed businesses. We have benefited from some exposure to these themes in our portfolio through holdings in semiconductor equipment companies, which will provide the means of production for AI powered microchips, and pharmaceutical packaging companies, which will provide the delivery mechanisms for these medicines. Health and wellness and digital transformation are two of our most significant themes, alongside sustainability and emerging growth, which we believe will drive asset value growth over the long term. This should hold true, particularly when smaller companies come back into favour to deliver the sort of performance that, for very good fundamental reasons, they have in the past. If we look at what held us back last year, in addition to the portfolio's style tilt, our consumer staples holdings were the main disappointment. This was principally due to our holdings in drinks companies Remy Cointreau and Royal Unibrew which both delivered worse earnings than expected in a more challenging consumer environment.

Review of Investment Performance

Following the Company's disappointing performance in 2022, the Board initiated a review of the investment strategy, philosophy and process adopted by the investment manager, with particular focus given to the strengths and weaknesses of its performance over the past ten years. This work was carried out by the investment managers supported by the wider resources within Columbia Threadneedle Investments.

Following this review, a number of changes were made to the composition of the Company's investment portfolio including an increase in the number of stocks held, reflecting access to broader

* With effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. A time apportioned composite of each indices has therefore been calculated and disclosed.

research capabilities within Columbia Threadneedle Investments. The implementation of these changes was coincident with the decision to take advantage of market opportunities to increase gearing.

While it is early days since these changes were implemented, the initial results in the final quarter of 2023 and the early part of 2024 are encouraging.

A further discussion of these changes, together with details of performance drivers is made in the Investment Manager's report. The Board will continue to closely monitor the effectiveness of these and future changes.

Dividend

The level of dividend paid each year is determined in accordance with the Company's distribution policy. The Company has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of its NAV at the end of the preceding year. As the net asset value per share of the Company has increased since 31 December 2022, the dividend has also increased from 5.8 pence per share in 2023 to 5.9 pence per share in 2024.

This 2024 dividend of 5.9 pence per share is payable in four equal instalments of 1.475 pence on 31 January, 30 April, 31 July and 31 October 2024.

A dividend of 1.475 pence per share will be paid on 30 April 2024 to Shareholders on the register on 5 April 2024 with an ex-dividend date of 4 April 2024.

Directorate Change

European Assets Trust PLC ("EAT PLC") was incorporated on 12 November 2018. It should though be remembered that EAT PLC is the UK domiciled successor of the Company's Dutch predecessor, European Assets Trust NV ("EAT NV") which was dissolved on 16 March 2019. All of the directors of the Supervisory Board of EAT NV were appointed to the Board of EAT PLC on the date of its incorporation. Although EAT PLC and EAT NV were separate legal entities, for governance purposes, the Board regards the date of first appointment to the Supervisory Board of EAT NV as the date of appointment to the continuing business.

As part of the Board's succession plan and following thorough selection processes which included the services of a search company, Kevin Troup and Kate Cornish–Bowden were appointed to the Board with effect from 19 May 2023 and 2 January 2024 respectively.

Kevin is a qualified Chartered Accountant who has worked in the fund management industry since 1995 with senior investment roles at Scottish Life, Martin Currie and Standard Life Investments. He is now a non-executive director at Baring Fund Managers Limited. He is also a non-executive director and Chair of the Audit Committee at Baillie Gifford Shin Nippon PLC. His other appointments include Chair of the Risk, Audit and Compliance Committee at the BT Pension Scheme Management Limited and he is a Director of Kintail Trustees Limited, the corporate trustee of The Robertson Trust charity where he is chair of the Investment Committee.

Kate is the chair of International Biotechnology Trust plc, and a non-executive director of Finsbury Growth & Income Trust plc and CC Japan Income & Growth Trust plc, where she is also chair of the audit committee. Until recently Kate was the senior independent non-executive director of Schroder Oriental Income Fund Limited. Previously Kate worked for twelve years as a fund manager for Morgan Stanley Investment Management, where she was managing director and head of the global equity team.

As a further part of this succession plan Julia Bond retired from the Board on 31 January 2024. Julia was appointed as a Director of the Supervisory Board of the Company's Dutch predecessor, European Assets Trust NV, in April 2014 and upon retirement had served nine years between both entities. On behalf of the Board and Shareholders of the Company I thank Julia for her diligence and wise counsel throughout her period of appointment.

Following the retirement of Julia Bond, Kate Cornish-Bowden has been appointed the Company's Senior Independent Director.

I was also appointed to the Supervisory Board of the Company's predecessor in April 2014 and became its Chairman with effect from April 2015. As previously announced, I will retire from the Board at the conclusion of the Company's 2024 Annual General Meeting and Stuart Paterson, who was appointed to the Board in July 2019 will become Chairman. Following my retirement and Stuart Paterson's assumption of the Chairmanship, Kevin Troup will be appointed Chairman of the Company's Audit and Risk Committee.

My tenure has coincided with a period of continuous change. The Company has experienced, amongst other events, the Eurozone Crisis, the withdrawal of the United Kingdom from the European Union, the COVID-19 pandemic and, more recently, Russian military action in Ukraine. Many of these events still impact upon the social, macro-economic and political environments in which this Company operates and I wish to express my sincere thanks to my fellow Directors and the Company's advisers for their support in successfully navigating these challenges.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at 3.00 pm on 17 May 2024 at the offices of Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6AG. This will be followed by a presentation by the Investment Manager on the Company and its investment portfolio.

For Shareholders who are unable to attend the meeting, any questions they may have regarding the resolutions proposed at the AGM or the performance of the Company can be directed to a dedicated email account, eatagm@columbiathreadneedle.com, by 9.00am on Thursday 16 May 2024. The Board will endeavour to ensure that questions received by such date will be addressed at the meeting. The meeting will be recorded and will be available to view on the Company's website, www.europeanassets.co.uk shortly thereafter.

In addition, for the first time this year, the AGM and Investment Manager presentation will be broadcast live on the Investor Meet Company platform. This broadcast is open to all existing and potential Shareholders to view. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9.00am on Thursday 16 May 2024. Investors can sign up to Investor Meet Company for free and add to meet European Assets Trust plc via: www.investormeetcompany.com/european-assets-trust-plc/register-investor. Investors who already follow European Assets Trust plc on the Investor Meet Company platform will automatically be invited.

All Shareholders that cannot attend in person, including those viewing the live broadcast on the Investor Meet Company platform are encouraged to complete and submit their Form of Proxy or Form of Direction in advance of the meeting to ensure that their votes will count.

Outlook

It was probably inevitable that after such a strong finish to the year we would enter 2024 with some volatility. The market had begun to look forward to the attractive combination of lower inflation leading to Central Bank easing, resilient economic growth and good corporate profitability. This is potentially optimistic given that achieving this balance is not without risks and has not often been achieved historically. Nonetheless when we look at our area of the market, European Small and Mid-cap companies, we think a positive outlook is not being reflected. Following two years of smaller company underperformance versus larger companies, valuations look attractive. History would suggest that these are good opportunities to buy into the long-term favourable characteristics of smaller growth companies.

The investment managers are now fully integrated within the large Columbia Threadneedle Investment team and are benefitting from a deep pool of research. Idea generation is therefore felt to be more productive and is reflected in the higher portfolio turnover figures seen in this report as these new holdings are incorporated. This also helped provide the investment managers with the confidence to gear the portfolio following the October market sell-off. We would expect them to continue to do so as they find attractive opportunities using the research talent at their disposal and given the strong long-term outlook that our asset class has.

Jack Perry CBE
Chairman
19 March 2024

Purpose, Strategy and Business Model

Purpose and strategy

The purpose of the Company is to achieve long-term growth of capital. A high distribution policy has been adopted with dividends paid out of current year revenue profits and the Distributable Reserve.

The strategy is to invest in quoted small and medium-sized companies in Europe, excluding the United Kingdom.

Investment policy and principal guidelines

The investment policy seeks investments in quoted 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 MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index.

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 or geographical sector; a diversified geographical spread is 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 does not anticipate doing so and would need to enter into a new agreement with its custodian before commencing.

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

It is the intention of the Company barring unforeseen circumstances, to pay an annual dividend equivalent to six per cent of the NAV of the Company at the end of the preceding year.

Business model

The Directors have a duty to promote the success of the Company. As an investment company with no employees, the Board believes that the optimum basis for doing this and achieving the Company's objective, and strategy is a strong working relationship with the Company's appointed manager, Columbia Threadneedle Investment Business Limited (the **"Manager"**). Within policies set and overseen by the Board, the Manager has been given overall responsibility for the management of the Company's assets, asset allocation, gearing, stock selection and risk.

As an Investment Trust the Company is not constrained by asset sales to meet redemptions and is well suited to investors seeking longer term returns. The share capital structure provides the flexibility to take a long-term view and stay invested while taking advantage of illiquidity throughout normal and volatile market conditions. All the Company's investments are listed. Having the ability to borrow to invest is a significant advantage over a number of other investment fund structures.

The Board remains responsible for decisions over corporate strategy; corporate governance; risk and internal control assessment; setting policies as detailed on pages 22 and 23, setting limits on gearing and asset allocation; monitoring investment performance; and monitoring marketing performance.

Implementing the strategy

The investment management contract is with the Manager part of Columbia Threadneedle Investments. The Manager has been appointed as Alternative Investment Fund Manager ("AIF Manager"). The ultimate parent company of Columbia Threadneedle Investments is Ameriprise Financial, Inc.

Sam Cosh is the lead portfolio manager appointed by the Manager to the Company. He is assisted by Lucy Morris. Biographies of Sam Cosh and Lucy Morris who are members of the Global Smaller team at Columbia Threadneedle Investments are provided on page 12. Details of the Manager's approach are provided on pages 16 and 17.

The fee that the Manager receives for its services is based on the value of assets under management of the Company, thus aligning its interests with those of the Shareholders. The ancillary functions of secretarial and marketing services are also provided by the Manager. The Manager is also responsible for the provision of administration to the Company for which a separate administration fee is charged.

Details of the management and administration fees payable to the Manager are provided on page 41.

Environmental, Social and Governance ("ESG") Impact

Our ESG policies are set out on pages 26 to 30. The direct impact of our activities is minimal as the Company has no employees, premises, physical assets or operations either as a producer or a provider of goods or services. Its indirect impact occurs through the investments that it makes and this is mitigated through Columbia Threadneedle Investments responsible investment approach as explained on pages 26 to 30.

Manager evaluation

Investment performance and responsible ownership are fundamental to delivering sustainable long-term growth in capital for the Company's Shareholders and therefore an important responsibility of the Board is exercising a robust annual evaluation of the Manager's performance. This is conducted by the Management Engagement Committee of the Board. This is an essential part of the strong governance that is carried out by the Board, all the members of which are independent and non-executive. The process for the evaluation for the year under review and the basis on which the decision to reappoint the Manager for another year are set out on page 53. As noted above, the management fee is based on the value of assets under management of the Company, thus fully aligning the Manager's interests with those of Shareholders.

Gearing strategy

The Company has the ability to borrow up to an amount of 20 per cent of the value of its investment portfolio.

At 31 December 2023 the Company had drawn €30 million from its €45 million borrowing facility with The Bank of Nova Scotia, London Branch and held cash balances of £2.4 million, resulting in net gearing of 6.8%.

Following the year end, the Company's loan facility with The Bank of Nova Scotia, London Branch expired. A new loan with a maximum facility of €60 million with The Royal Bank of Scotland International, London Branch has been entered into.

Liquidity management

The Company has share issuance and buy back authorities which are designed to minimise the volatility of its share price relative to its Net Asset Value (**"NAV"**).

Communication and marketing with key stakeholders

The Company fosters good working relationships with its key stakeholders; Shareholders, suppliers, contractors and the manager. The Company has no employees. With approximately 90% of the shares held by retail investors, and savings or execution-only platforms representing an increasingly significant and growing element of the Shareholder base, the Company remains focused with its Manager on promoting its success. All appropriate channels are used including the internet and social media as well as the CT Savings Plans.

The Company's activities and performance are reported through the publication of its financial statements but the majority of Shareholders and CT Savings Plan investors prefer not to receive such detailed information. To avoid losing this essential line of communication, the Company issues a short notification with the key highlights of its half-yearly and annual results. The Company also issues a monthly factsheet. All stakeholders can locate the full information on the Company's website, www.europeanassets.co.uk.

The Annual General Meeting (**"AGM"**) of the Company provides a forum, both formal and informal for Shareholders to meet and discuss issues with the Directors and Investment Managers. Through the Manager, the Company also ensures that CT Savings Plan investors are encouraged to attend and vote at annual general meetings in addition to those who hold their shares on the main shareholder register. Details of the proxy voting results on each resolution are published on the Company's website where there is also a link to the daily publication of the Company's NAV and its monthly factsheet.

The Manager also has in place a programme of meetings designed to foster good relations with wealth managers and other institutional investors in promoting the Company's investment proposition. Feedback from meetings is reported regularly to the Board. The Chairman is available to meet with major Shareholders.

Managing risks and opportunities

Like all businesses, investment opportunities come with risks and uncertainties and so the performance of the Manager is monitored at each board meeting. In addition to managing the Company's investments, the ancillary functions of administration, secretarial, accounting and marketing services are all carried out by Columbia Threadneedle Investments.

The Board receives reports on the investment portfolios; the wider portfolio structure; risks; income and expense forecasts; internal control procedures; marketing; shareholder and other stakeholder issues, including the Company's share price premium or discount to NAV; and accounting and regulatory updates.

Shareholders can assess the financial performance of the Company from the Key Performance Indicators that are set out on page 21. The Board has undertaken a robust assessment of the principal and emerging risks facing the Company. The Principal Risks that the Board considers the Company faces are detailed on page 32.

The risk of not achieving the Company's objective, or of consistently underperforming the Benchmark or peer group, may arise from any or all of inappropriate stock selection, asset allocation, poor market conditions, ineffective or expensive gearing, poor cost control, loss of assets and service provider governance issues. In addition to regularly monitoring the Manager's performance, their commitment and available resources and their systems and controls, the Directors also review the quality and value of services provided by other principal suppliers. These include the Custodian and Depositary in their duties in respect of the safeguarding of the assets.

The principal policies that support the strategy are set out on pages 22 and 23, whilst the Investment Manager's review of activity in the year can be found on pages 13 to 15.

Image: Stockholm, Sweden

Investment Managers

Sam Cosh, Lead Investment Manager
is a Director, at Columbia Threadneedle Investments. Sam joined Columbia Threadneedle Investments in 2010 from BNP Investment Partners and was appointed Lead Manager for European Assets Trust during 2011. Sam also manages the European investments of The Global Smaller Companies Trust PLC. He has over twenty years' experience in European equities, principally within small and mid-cap mandates.

Lucy Morris, Investment Manager
is a Director at Columbia Threadneedle Investments specialising in smaller companies. Lucy joined the business in 2007, originally working in the Performance Analytics team before transferring to Equities in 2011. She has worked on the European Small Cap mandates since that point which include European Assets Trust as well as the European investments of The Global Smaller Companies Trust PLC. She also manages the CT European Smaller Companies open ended fund. Lucy holds the Investment Management Certificate and is a CFA Charterholder.

Investment Manager's Review

"Following two years of underperformance for smaller companies against the larger market, we think this is an excellent opportunity for the creation of long-term returns."

Sam Cosh, Lead Manager

Market Backdrop

While geopolitical events continued to cast a shadow over 2023, macroeconomic factors were the predominant influence driving market direction for better and for worse. A surge of investor optimism ultimately pushed equities higher in the fourth quarter delivering a good year for markets overall. In this context, European smaller companies achieved an attractive return, however, it was the second year that they have lagged their larger counterparts, something we would not expect to be an ongoing trend. Indeed we believe this is an excellent opportunity for long term investors with valuations looking particularly appealing.

Inflation and its influence on Central Bank policy decisions were the focus of investor attention as policy makers sought to balance controlling rising prices with maintaining economic activity. In aggregate the evidence so far suggests that they appear to have managed this though Europe's economy was weaker than the US whose robust labour markets caused some concern that the Federal Reserve would have to keep interest rates 'higher for longer'. This caused an aggressive sell off in equities and bonds in September and October. Sentiment changed completely in November as better inflation data emerged alongside the first sign of some softening of the US jobs markets, leading to expectations that both the US Federal Reserve and the European Central Bank would start cutting rates in 2024. This tension between inflation, monetary policy and economic activity is likely to continue to play a big role in driving market direction but we hope that with inflation appearing more benign, markets may be more driven by stock specific factors rather than macroeconomics.

Performance

While our performance compared well with our peer group and we delivered an increase in dividend, our total return lagged the Benchmark. This was partly because our growth biased portfolio faced the headwind of another year of the value style outperforming. We detail some of the stock specifics below.

As discussed above macroeconomic factors featured strongly in stock returns, however, the advent of Generative Artificial Intelligence (AI) and a new class of weight loss drugs (GLP-1 agonists) provided a strong thematic background for specific sectors and boosted some of our holdings. For example, two of our best performing positions were Dutch listed ASMI and BE Semiconductor Industries, both market leaders in equipment used in the semiconductor manufacturing process. Generative AI requires significant computing power which means both a greater demand for semiconductor chips but also an acceleration of the miniaturisation trend of those chips. The prospects for both ASMI and BE Semiconductor Industries whose equipment is integral in the production process of these products have therefore improved at the same time as there appears to be improvements in the more cyclical areas of demand.

Originally developed for diabetes, the new class of GLP-1 drugs are a huge breakthrough in inducing significant weight loss, with mostly manageable side-effects. This is potentially a seismic development given the huge problem that obesity is for the Western World. Whilst we do not own shares in the companies responsible for these medicines, because they are amongst the biggest companies regionally, we have exposure to the theme through Gerresheimer the German pharmaceutical packaging company. The shares performed strongly prior to the GLP-1 announcements and expectation of contract wins related to these obesity drugs propelled their performance further. Siegfried, the contract development and manufacturing organisation that produces small molecules and drug products for pharmaceutical companies also had a strong year. Whilst many in the sector struggled due to weaker demand caused by excess inventories at customers following the COVID-19 related healthcare boom, Siegfried executed strongly with the shares getting an additional boost from hope that they would also receive contracts related to weight loss drugs.

Automation and re-shoring of supply chains is another theme within the portfolio that worked well for us in 2023. Recent years that have been dominated by the COVID-19 pandemic and volatile geopolitics have increased the risk of extended supply chains causing corporates to look closer to home for key components and materials. With tight labour markets, the need for greater automation is accelerating. One of our best performers, Kardex, the Swiss listed leader in intra-logistics solutions provides efficient storage solutions at a relatively low cost but a higher return on investment. Kardex has benefitted from the need of corporates to manage their operations more efficiently. Other stocks that help improve their customers' efficiency in the face of rising costs and labour shortages are Engcon, the Swedish listed global leading producer of tiltrotators, and Rational, the global leading manufacturer of combi-steamer ovens. Both stocks had a good year.

Other strong performers of note were our Irish holdings Cairn Homes, Dalata Hotel Group, and Glanbia. Ireland is suffering from a severe shortage of housing and as the largest, and only, volume producer of note, Cairn Homes is benefitting from its large landbank to deliver affordable homes in an attractive demand environment. Dalata Hotel Group, a modern hotel operator, is enjoying the recovery in the hospitality sector in a market where supply is constrained, and competition is underwhelming. Glanbia, the nutritional business, simply executed well, leveraging their strong global brand presence.

Conversely, our area of biggest disappointment as a sector was consumer staples that did not provide the steady performance we would normally expect. Particularly disappointing were our beverage stocks Royal Unibrew and Remy Cointreau. Royal Unibrew is a Danish brewer that manages strong local brands that are both alcoholic and non-alcoholic drinks. They also operate as a bottler for Pepsi -Cola in the region. Poor weather hampered sales in the key summer months, and they downgraded their expected contribution from their recent Dutch acquisition. These led to cuts to earnings that were compounded by concerns around downtrading in a more challenging economic environment.

The French cognac producer, Remy Cointreau, faced a perfect storm last year. We initiated a holding early in the year in the knowledge that one of their key growth engines, the US, was spluttering. We believed however that China, the other growth engine, would pick up the slack and the valuation was also attractive. Unfortunately, the US deterioration was worse than expected, and China growth failed to materialise. While hugely disappointing thus far, we believe that the valuation is now at such a low level that investors are paying little more than the realisable inventory value. Although the outlook is uncertain over the short term, we believe there is a great deal of value here in what is a unique asset.

I have highlighted some good returns from our healthcare holdings. We did however suffer from poor performance from our diagnostics equipment stocks, Swiss listed Tecan and German listed Stratec. Tecan, which provides automated liquid handling solutions to the life sciences and diagnostics markets, performed operationally well but saw a substantial de-rating through the year. The share could not withstand the multiple profit warnings amongst its peers which all struggled with tough comparisons with the strong COVID-19 period, and a weakening environment in the biotechnology space (which is itself suffering from funding issues) as well as more tentative buying habits in China. Tecan ended the year cheaper than it started and with no deterioration in franchise, so we continue to hold the stock. Stratec, on the other hand, struggled operationally. They produce machines for diagnostics equipment companies who suffered from the industry issues mentioned above. Additionally, they incurred higher costs from customer specification changes. We felt that this represented a deterioration of their market position and a loss in confidence with the management team, so we sold the position.

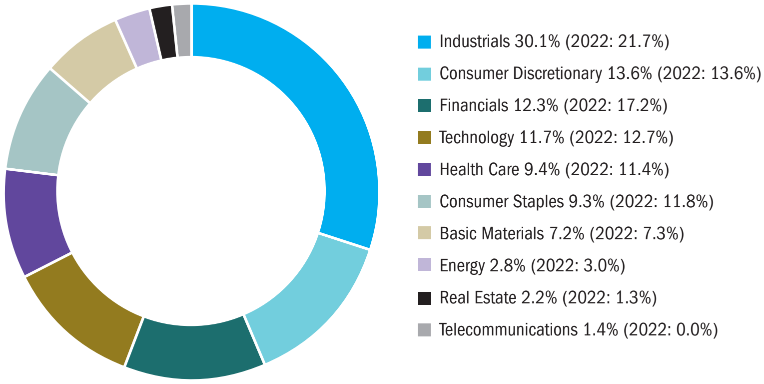
Other poor performers of note include Coor, the Swedish listed integrated facilities manager hit by two large contract losses and a margin squeeze as they struggled to pass on higher costs. With some significant client negotiations on the horizon, we decided to exit the position. In contrast to our other semiconductor related companies, Nordic Semiconductor had a poor year. The low power Bluetooth provider's principal end market is consumer electronics. With high stock levels of Bluetooth chips at customers that were only slowly being reduced because of deteriorating consumer demand, Nordic Semiconductor recorded a significant sales and profit decline. We are of the view that this, while painful, is temporary so continue to hold the stock. Similarly, MIPs, the Swedish producer of helmet safety technology struggled as weak bicycle markets were compounded by high inventories. We do not believe the long-term growth rate or market position is permanently impaired so also continue to hold the stock.

Review of investment performance

Following mixed performance in recent years, and at the Board's request, the investment team in conjunction with the Manager's investment risk and oversight function undertook a review of the Company's investment strategy, philosophy and process. While no wholesale changes were recommended, we are evolving our investment process and taking steps towards improvement in its execution. This is supported by the significant resources available, both in terms of research but also risk analysis, at Columbia Threadneedle Investments.

With the aim of reducing the volatility of returns, the portfolio will increase its number of holdings and balance 'style' exposures. We

Portfolio Split by Sector at 31 December 2023



will continue to invest in high quality growth companies, but individual holdings will be more systematically analysed on their risk and style contribution in order to ensure that when we pay a premium to the market that this valuation is supported by superior growth and profitability characteristics. A portfolio that is more diversified will also, where warranted by market opportunity, be supported with increased gearing. These recommendations which were implemented towards the end of the year, provide a strong basis on which to look forward.

Portfolio Activity

We are now embedded in the investment teams at Columbia Threadneedle, and have a significantly larger pool of resources at our disposal. The research capacity and the reach that we have to engage with potential investee companies is by far the largest since we have managed the Company. This is manifesting itself in more frequent and productive idea generation. When combined with a volatile market at the end of the third quarter, this led to higher portfolio turnover and more holdings, in line with the evolution of our process. We also took the opportunity provided by the market falls of September and October 2023 to deploy gearing. In terms of sales, in addition to those mentioned above, we exited positions in Alten, the French R&D outsourcer, and Sparebank, the Norwegian regional bank, having reached our fair values, thus taking profits. We also exited Sligro, the Dutch food distributor and HelloFresh, the German listed meal kit business, following operating disappointments sufficient to derail the investment cases.

In terms of new additions, we diversified our large positions in semiconductors by adding Melexis, which produces sensors for the automotive market, and Inficon, which has leading positions in the production of vacuum technology for both industrial and technology markets. Within industrials, we added Elis, the European leader in textile rental, Stabilus, the auto-supplier which is transforming to a broader industrial automation exposed business, and Accelleron.

Accelleron is relatively new to the listed market having been spun out of the large Swedish industrial ABB, so not necessarily broadly known. They are the global market leader in turbochargers primarily for marine and energy applications. These turbochargers provide substantial cost efficiencies and reduce emissions, so offer good return on investments for their clients. With 75% of revenues accounted for by services and spare parts, they have predictable sales and high profit margins, which demonstrate a high-quality business that is not priced as such by the market.

Other new additions include KPN, the Dutch telecommunication company whose cash generation is improving as they finalise their fibre network roll-out, and Smurfit Kappa, the value-added packaging company, which operates in an oligopoly that should benefit from a recovery in the end markets.

Outlook

The outlook for inflation and its influence on interest rates are likely to continue to dictate market direction, however, the debate has shifted from when will rates stop rising, to how quickly will they fall. This should provide a positive backdrop to investing, though we are aware that the impact of the rapidly tightening liquidity environment of the last few years has yet to fully impact the economy which may lead to a risk of wider recession for this year. Nonetheless, the low valuation of European smaller and mid-cap companies suggest much of this is priced in. Following two years of underperformance for smaller companies against the larger market, we think this is an excellent opportunity for the creation of long-term returns. We expect to use any further volatility to take advantage of this opportunity and gear the portfolio further.

Sam Cosh
Lead Investment Manager
Columbia Threadneedle Investment Business Limited
19 March 2024

Investment Manager’s Investment Philosophy and Process

There are approximately 4,000 quoted European (ex-UK) small and mid-cap companies. This is a large, diversified universe of exciting opportunities and is not necessarily well researched or understood properly. This leads to ‘market inefficiency’ that we, as disciplined stock pickers, can take advantage of to aim to deliver superior investment performance over the long term.

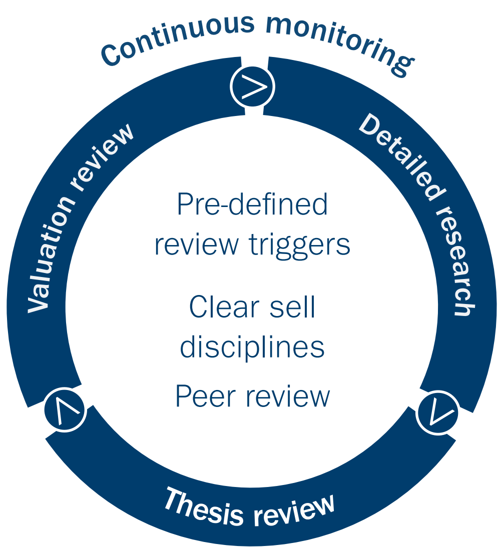
Our philosophy is based on our belief that companies that can compound high returns over an enduring period tend to be undervalued by the market. We want to invest in these high-quality companies, or those that have the business models that will achieve quality characteristics in the future. Integral to this approach is understanding the competitive advantages, or moats, of these companies. After all, this is what will allow a business to defend or improve its market position delivering growing profits for shareholders.

While we do not necessarily target specific sectors, our philosophy will naturally lead us towards certain areas or themes where long-term growth of superior cash flow is more likely. This will result in a portfolio that is significantly differentiated against the benchmark.

Integral to our assessment of quality is an analysis of Environmental, Social and Governance (**“ESG”**) issues that face the company and its response to them. More details can be found on pages 26 to 29.

Management teams of smaller companies have a huge role to play in the evolution of their businesses. How they are motivated, rewarded, and allocate capital is crucial in a company’s development, for better or for worse. We want to invest alongside management teams who make good long-term decisions and are rewarded for doing so. This often leads us to have a natural affinity towards family businesses, owner-operators, who are successful entrepreneurs, who tend to be good guardians of capital and reinvest their profits intelligently.

Continuous Monitoring Process



While we believe the evolution of a company's profits and cash generation will be the principal determinant of shareholder returns, we also believe the price that you pay for an asset is important. Maintaining valuation discipline is crucial to long-term returns and often requires patience. Companies that reach our quality hurdle but do not appear reasonably valued are placed on our watch list. This allows us to execute quickly when the opportunity presents itself.

Ultimately this approach should lead to a portfolio of quality smaller companies with the following characteristics:

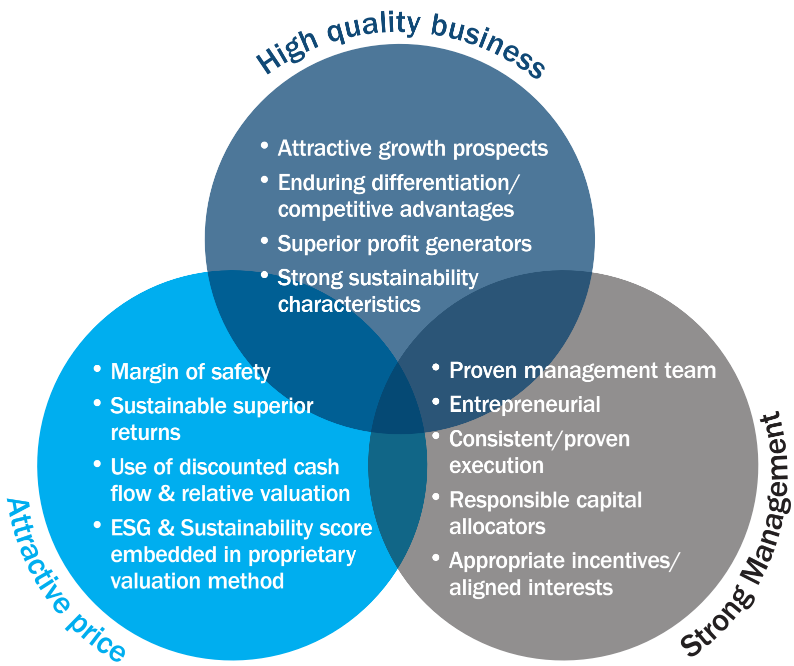
- Proven business models that are defended by scale, intellectual property, brand or market positions
- Management teams that have the right balance of entrepreneurial flair and rational capital allocation, who are incentivised appropriately
- Higher growth rates, margins and returns on capital than the market
- Superior cash flow generation and strong balance sheets that provide stability and opportunity for value added deployment

Having a disciplined process is essential in driving a consistent application of our philosophy. We undertake our own research which is peer reviewed by the wider investment team prior to a purchase decision. This ensures the benefit of shared knowledge and experience is brought to bear on each investment. The original investment thesis is retested particularly if the company or its share price performs below expectations.

Like all investors, we are having to make assessments about the future and take decisions in the face of uncertainty. There is a real possibility of being wrong. We believe we can mitigate this risk by following this long-term philosophy, emphasising a number of factors: thorough independent research; the need for a margin of safety on purchase; continuous monitoring; and diversification of the investment portfolio. Reasons to sell can be driven by positive or negative factors: positive if the value of the company has risen to an excessive valuation, or negative, if the assessment of the company's long-term value drivers deteriorates significantly. We believe this approach gives us the best chance of delivering attractive long term returns for our Shareholders.

Sam Cosh
Lead Investment Manager
Columbia Threadneedle Investment Business Limited
19 March 2024

The Investment Process Focuses on Three Aspects for Each Company



Ten Largest Holdings as at 31 December 2023

1. Ringkjoebing Landbobank (2)
Denmark

High quality regional Danish bank with a long track record of loyal customers, low loan losses and good returns on equity. They have a dominant position in their local region, and have been growing outside of this as they take advantage of lower quality competitors.

3.4% of net assets **£11,915,729** value

www.landbobanken.dk

2. Interpump (3)
Italy

Manufacturer of ultra high pressure pumps used for fluid movement and hydraulic components installed on vocational trucks and other machinery. Proven resilient operator as a result of diverse end markets and high quality product, highly cash generative and excellent capital allocation record.

3.3% of net assets **£11,718,954** value

www.interpumpgroup.it

3. Tecan (1)
Switzerland

Tecan is a leading global provider of automated laboratory instruments and solutions. Their systems and components improve productivity in a market that is growing strongly driven by increasingly personalised diagnostic needs.

3.0% of net assets **£10,675,669** value

www.tecan.com

4. IMCD (10)
Netherlands

Listed in the Netherlands, IMCD is a market leading specialist in chemical distribution. They formulate, sell and distribute products and ingredients for large chemical companies. They are improving their market share through both organic means and acquisitions.

3.0% of net assets **£10,508,517** value

www.imcdgroup.com

5. Siegfried (33)
Switzerland

Leading CDMO (contract development and manufacturing organisation) for small molecules used as ingredients in drug production and drug products such as aseptic fill & finish syringes. Pharmaceutical companies are increasingly outsourcing their production to companies such as Siegfried providing a tailwind of growth.

2.9% of net assets **£10,403,095** value

www.siegfried.ch

6. Cairn Homes (22)
Ireland

Cairn is the leading Irish housebuilder. They built up an unrivalled landbank after the financial crisis that has enabled them to be the only supplier of significant volume in a market that has a serious demand supply imbalance. With little need for further meaningful investment in land, cash generation is excellent and capital returns to shareholders will be substantial.

2.8% of net assets **£10,017,957** value

www.cairnhomes.com

7. CTS Eventim (14)
Germany

Europe's leading provider of online ticketing solutions and event organiser, CTS has pioneered the digitalisation of live entertainment. The shift from paper to electronic ticketing has provided a good tailwind for their growth but this has now been superseded by growth in live entertainment as musicians increasingly generate their income from touring.

2.8% of net assets **£9,982,752** value

www.eventim.de

8. Atea (7)
Norway

Largest IT infrastructure provider in the Nordic and Baltic region reselling hardware, software and value added services with a large exposure to the public sector who are investing in their 'digital transformation'.

2.7% of net assets **£9,389,993** value

www.atea.com

9. Vidrala (31)
Spain

Glass bottle manufacturer supplying products across Iberia and the UK to beverage, food and cosmetic companies. Large market shares allow them to benefit from economies of scale and generate industry leading margins and returns. The high capital requirement of building a new furnace and the inefficiency of transporting glass large distances make the entrance of new competition unlikely. End markets demonstrate steady and stable growth.

2.6% of net assets **£9,349,537** value

www.vidrala.com

10. Gerresheimer (25)
Germany

Leading global packaging supplier for medication and drug delivery. Has a defendable strong market position as packaging forms part of the drug approval process so changing suppliers is highly unusual. The industry has high structural growth prospects due to an ageing and increasingly wealthy population and margins should improve as we shift towards more complex personalised medicines.

2.6% of net assets **£9,240,309** value

www.gerresheimer.com

Note: Number in brackets is the position held in the portfolio as at 31 December 2022

Investment Portfolio as at 31 December 2023

Company	Nature of Business	Valuation £'000s	% of Net Assets	Country of Incorporation
Ringkjoebing Landbobank	Regional Banking	11,916	3.4%	Denmark
Interpump	Industrial Producer of Fluid Movement Pumps and Hydraulic Components	11,719	3.3%	Italy
Tecan	Automated Laboratory Instruments and Solutions	10,676	3.0%	Switzerland
IMCD	Speciality Chemical Distributer	10,509	3.0%	Netherlands
Siegfried	Contract Development Manufacturing Organisation	10,403	2.9%	Switzerland
Cairn Homes	House Builder	10,018	2.8%	Ireland
CTS Eventim	Concerts and Ticketing	9,983	2.8%	Germany
Atea	Value Added IT Hardware and Software Reseller	9,390	2.7%	Norway
Vidrala	Manufacturer and Supplier of Glass Containers	9,350	2.6%	Spain
Gerresheimer	Glass and Plastic Containers	9,240	2.6%	Germany
Ten largest investments		**103,204**	**29.1%**	
Dalata Hotel Group	Hotel Chain Operator	8,612	2.4%	Ireland
Merlin Properties	Commercial Real Estate Owner	8,389	2.4%	Spain
Symrise	Speciality Chemicals	8,225	2.3%	Germany
Royal Unibrew	Nordic and Baltic Beverage Producer	8,126	2.3%	Denmark
Hexpol	Chemical Compounder	8,070	2.3%	Sweden
Bank of Ireland	National Bank Operating in a Consolidated Market	8,065	2.3%	Ireland
Sdiptech	Industrial Consolidator Focused on Sustainability	8,002	2.3%	Sweden
Azimut	Asset Management	7,944	2.2%	Italy
SIG Group	Systems and Consumables Provider for Aseptic Packaging	7,890	2.2%	Switzerland
Kardex	Intralogistics Solutions and Automated Storage Provider	7,791	2.2%	Switzerland
Twenty largest investments		**184,318**	**52.0%**	
Rational	Specialist in Hot Food Preparation for Professionals	7,769	2.2%	Germany
Lectra	Provider to the Fashion, Automotive and Furniture Industries	7,550	2.1%	France
Carel Industries	Producer of Control Solutions for Air Conditioning and Refrigeration	7,415	2.1%	Italy
Storebrand	Long-term Savings and Insurance	7,344	2.1%	Norway
ASM International	Semiconductor Equipment	7,270	2.0%	Netherlands
Fluidra	Swimming Pool Equipment and Maintenance	7,239	2.0%	Spain
Accelleron Industries	Market Leader of High Powered Turbo Chargers	6,773	1.9%	Switzerland
Glanbia	Global Nutrition Company	6,679	1.9%	Ireland
Karnov	Mission Critical Information Provider to the Legal Industry	6,555	1.9%	Sweden
Indutrade	Niche Industrial Conglomerate	6,412	1.8%	Sweden
Thirty largest investments		**255,324**	**72.0%**	

Company	Nature of Business	Valuation £'000s	% of Net Assets	Country of Incorporation
Remy Cointreau	Cognac Producer	6,262	1.8%	France
Stabilus	Auto and Industrial Component Manufacturer	5,942	1.7%	Germany
Schoeller Bleckmann Oilfield Equipment	Oilfield Equipment Manufacturer	5,773	1.6%	Austria
Thule	Outdoor and Transportation Product Manufacturer	5,767	1.6%	Sweden
Elis	European Market Leader in the Textile Rental Industry	5,649	1.6%	France
Smurfit Kappa	Paper Packaging Manufacturer	5,644	1.6%	Ireland
Nordnet	Scandinavian Savings Platform	5,640	1.6%	Sweden
Nordic Semiconductor	Market Leader in Low Power Bluetooth Semiconductor Design	5,524	1.6%	Norway
Davide Campari Milano	Branded Drinks Producer	5,511	1.6%	Netherlands
Melexis	Designer of Semiconductors for the Automotive Industry	5,445	1.5%	Belgium
Forty largest investments		**312,481**	**88.2%**	
Engcon	Tiltrotator Manufacturer	5,340	1.5%	Sweden
Verallia	Glass Bottle Manufacturer	5,221	1.5%	France
KPN	Leading Dutch Telecommunication Provider	5,134	1.4%	Netherlands
MIPS	Helmet Safety	4,976	1.4%	Sweden
Inficon	Producer of Vacuum and Precision Control Components and Equipment	4,976	1.4%	Switzerland
Avanza Bank	Swedish Savings and Investment Platform	4,976	1.4%	Sweden
BE Semiconductor Industries	Producer of Semiconductor Assembly Products	4,944	1.4%	Netherlands
Wizz Air	Budget Airline	4,927	1.4%	Jersey
TGS	Geophysical Consulting and Contracting Services	4,860	1.4%	Norway
Technoprobe	Producer of Semiconductor Probe Cards	4,102	1.2%	Italy
Fifty largest investments		**361,937**	**102.2%**	
Lotus Bakeries	Indulgent and Natural Snack Manufacturer	3,975	1.1%	Belgium
Viscofan	Artificial Casings for Meat Products	3,898	1.1%	Spain
Surgical Science Sweden	Surgical Simulation Hardware and Software Provider	3,378	1.0%	Sweden
Carasent	Cloud Healthcare Software Provider	1,653	0.5%	Norway
V Zug	Luxury Household Appliance Manufacturer and Service Provider	225	0.1%	Switzerland
Total investments		**375,066**	**106.0%**	
Net current liabilities		**(21,070)**	**(6.0%)**	
Total assets less current liabilities		**353,996**	**100.0%**	

Key Performance Indicators

The Board recognises that it is longer term share price performance that is most important to the Company's investors. Underlying share price performance is driven by the performance of the Net Asset Value. The overriding priority is to continue to strive for the consistent achievement of relative outperformance. The Board assesses its performance in meeting the Company's objective against the following key performance indicators (**"KPIs"**):

1. Net Asset Value per share total return
2. Share Price total return
3. Premium/(discount) to Net Asset Value
4. Ongoing charges
5. Shares issued/(bought back)

Information in relation to these KPIs is set out in the tables below. Commentary can be found in the Chairman's Statement and the Investment Manager's Review.

Net Asset Value per share sterling total return performance at 31 December 2023[1]

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust*	8.2	(9.6)	31.9	90.6
Benchmark Index[2]	9.8	3.8	48.8	127.2

Source: Columbia Threadneedle Investments and Refinitiv Eikon

Share price sterling total return performance at 31 December 2023[1]

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust*	4.5	(7.8)	36.1	79.4
Benchmark Index[2]	9.8	3.8	48.8	127.2

Source: Columbia Threadneedle Investments and Refinitiv Eikon

Average discount[1]*

For the year ended 31 December	%
2023	(8.4)
2022	(5.2)
2021	(6.7)
2020	(10.0)
2019	(5.2)

Source: Columbia Threadneedle Investments

Ongoing charges as at 31 December[1]*

	%
2023	1.04
2022	1.03
2021	0.89
2020	0.95
2019	1.11

Source: Columbia Threadneedle Investments

Shares issued during the year ended 31 December[1]

2023	–
2022	–
2021	–
2020	134,573
2019[3]	179,383

Source: Columbia Threadneedle Investments

(1) European Assets Trust NV prior to the migration on 16 March 2019.
(2) At 1 April 2021 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (gross) to EMIX Smaller European Companies (ex UK) Index (net). With effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. A time apportioned composite of each indices has therefore been calculated and disclosed.
(3) Excludes issuance related to the migration on 16 March 2019.
* See Alternative Performance Measures on pages 91 and 92 for explanation

Principal Policies

Investment

The Company is required to have a publicly available investment policy from which Shareholders, prospective investors and stakeholders can understand the scope of its investment remit and constraints. Any material changes to this policy can only be made with the approval of Shareholders and the Financial Conduct Authority (**"FCA"**).

Details of the investment policy are provided on page 9.

In the event of a breach of the Company's investment policy, the Manager shall promptly inform the Board and if the Board considers the breach to be material, notification will be made by a regulatory information service to the London Stock Exchange.

Dividends

The level of dividend paid by the Company each year is determined by the Board in accordance with the Company's distribution policy. It is the intention of the Company, barring unforeseen circumstances, to pay an annual dividend equivalent to six per cent of the NAV of the Company at the end of the preceding year. The Company expects to pay the dividend in four equal instalments in January, April, July and October each year.

The Company will pay dividends on the shares only to the extent that it has distributable reserves available for that purpose. Dividends are funded from current year revenue profits and the Distributable Reserve.

The Board is mindful that many Shareholders reinvest their dividends through schemes operated by savings plans and platforms.

Borrowings

The Company's borrowings shall not (without the sanction of a general meeting of the Company) exceed an amount equal to the aggregate of 20% of the book value of its securities portfolio and its subsidiaries, if any.

Currency hedging

Due to its investment focus on investing in companies in Europe, the Company's investments can be denominated and quoted in currencies other than euro. The Company does not seek to create a portfolio to take advantage of anticipated currency fluctuations and has no current intention of seeking to hedge any currency exposure which may arise from investing in non-euro denominated investments.

The Board declares dividends in sterling. This provides certainty of income for the overwhelming majority of the Company's Shareholders who choose to receive their dividends in sterling rather than euros. To attempt to manage any sterling/euro exchange rate exposure which may arise from the currency of the dividend, the Company has entered into forward currency hedging contracts to cover this specific exposure.

Taxation

The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. It is essential that the Company always retains its investment trust tax status by complying with Section 1158 of the Corporation Tax Act 2010 (**"Section 1158"**) such that it does not suffer UK Corporation Tax on capital gains. The Company has received approval from HMRC as an investment trust under Section 1158 and has since continued to comply with the eligibility conditions. The Manager also ensures that the Company submits correct taxation returns annually to HMRC; settles promptly any taxation due; and claims back, where possible, all taxes suffered in excess of taxation treaty rates on non-UK dividend receipts.

Liquidity

The Board recognises the need to address any sustained and significant imbalance of buyers and sellers which might otherwise lead to shares trading at a material discount or premium to NAV per share. While it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to purchase shares or issue further shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate in such a way as to mitigate the effects of any such imbalance. In considering whether buyback or issuance might be appropriate in any particular set of circumstances, the Board will take into account: the prevailing market conditions; the degree of NAV accretion that will result from the buyback or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; and the working capital requirements of the Company.

Board diversity

The Board's policy towards the appointment of non-executive Directors is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender.

The Board's policy is always to appoint the best person for the job and, by way of this policy statement it is confirmed that there will be no discrimination on the grounds of gender, ethnicity, socio-economic background, religion, sexual orientation, age or physical ability.

The overriding aim of the appointment policy is to ensure that the Board is composed of the best combination of people to deliver the Company's objective. The policy is applied for the purpose of appointing individuals that, together as a Board, will continue to achieve that aim as well as ensuring optimal promotion of the Company's investment proposition in the marketplace.

In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has provided the following information in relation to its diversity.

Board Gender as at 31 December 2023(1)

	Number of Board Members	Percentage of the Board(2)	Number of senior positions on the Board(3)
Men	4	67%	1
Women	2	33%	1

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust.
(2) The Listing Rule 9.8.6R (9)(a)(i) target is 40% women. Following the planned retirement of the Chairman on 17 May 2024, it is anticipated that the composition of the Board will be 60% male, 40% female.
(3) Composed of the Chair and the Senior Independent Director in accordance with Listing Rule 986R (9)(a)(ii).

Board Ethnic Background as at 31 December 2023(1)

	Number of Board Members(2)	Percentage of the Board	Number of senior positions on the Board(3)
White British or other white (including minority-white groups	5	83%	2
Asian/Asian British	1	17%	–

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust.
(2) The Listing Rule 9.8.6R (9)(a)(iii) target is one individual from a minority ethnic background.
(3) Composed of the Chair and the Senior Independent Director.

The information included in the above tables has been obtained following confirmation from the individual Directors. The Board will continue to take diversity into account as part of its succession planning and recruitment process.

Integrity and business ethics

The Company applies a strict anti-bribery and anti-corruption policy insofar as it applies to any directors or employee of the Manager and of any other organisation with which it conducts business. The Board also ensures that adequate procedures are in place and followed in respect of third-party appointments, acceptance of gifts and hospitality and similar matters.

Modern Slavery Act 2015

The Company is an investment company with no employees or customers and does not provide goods or services in the normal course of business. The Company has appointed the Manager to manage the investments, engage on ESG issues and to carry out administrative and secretarial services.

The Company's own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. The Board therefore believes that the potential for acts of modern slavery or human trafficking in the Company's own environment is extremely low.

UK Financial Sanctions and Prevention of the Facilitation of Tax Evasion

The Board is fully committed to complying with all legislation, regulation and relevant guidelines including those relating to the UK financial sanctions regime in the context of the Company's business and also the UK's Criminal Finances Act 2017, designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Company operates. Professional advice is sought as and when deemed necessary.

On behalf of the Board
Jack Perry
Chairman
19 March 2024

Promoting the Success of the Company
– Section 172 Statement

Under Section 172 of the Companies Act 2006, the Directors have a duty to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so, have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's Shareholders;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Stakeholders of the Company

As explained on page 9, the Company is an externally managed investment company and has no employees, customers or premises. The key stakeholders are the Shareholders, the Manager, suppliers and service providers.

The Board believes that the optimum basis for meeting its duty to promote the success of the Company is by appointing and managing third parties with the requisite performance records, resources, infrastructure, experience and control environments to deliver the services required to achieve the investment objective and successfully operate the Company. By developing strong and constructive working relationships with these parties, the Board seeks to ensure high standards of business conduct are adhered to at all times and service levels are enhanced whenever possible. This combined with the careful management of costs is for the benefit of all Shareholders who are also key stakeholders.

Engagement with Shareholders

The Directors value engagement with Shareholders. The Company's website www.europeanassets.co.uk is available to all Shareholders and key decisions are announced to the London Stock Exchange through a Regulatory News Service.

The Company holds an Annual General Meeting. The Shareholders are invited to attend, and this provides an open forum for them to discuss issues and matters of concern with the Board and representatives of the Manager and the Company's advisors.

The Manager also engages with the Company's larger Shareholders and the outcome of these discussions are reported to the Board at the following Board Meeting. Shareholders are invited to communicate with the Board through the Chairman or Company Secretary. They can be contacted at the Company's registered office address detailed on page 36.

Manager and Service Providers

The Company's primary working relationship is with the Manager. The portfolio activities undertaken by the Manager and the impact of decisions taken are set out in the Investment Manager's Review on pages 13 to 15. On pages 26 to 30 information is provided on the Company's approach towards responsible investment. The Directors are supportive of the Manager's approach, which includes engagement with the investee companies on ESG issues and how this links with the United Nations Sustainable Development Goals (**"SDGs"**). Further information on the annual evaluation of the Manager, to ensure its continued appointment remains in the best interests of Shareholders, is set out on page 53.

Service providers such as, JPMorgan Chase Bank (**"the Bank** and **the Custodian"**), JPMorgan Europe Limited (**"the Depositary"**), Panmure Gordon (**"the Broker"**), The Royal Bank of Scotland International, London Branch (**"the Lender"**) and Computershare Investor Services PLC (**"the Registrar"**) are also considered key stakeholders. The Board receives regular reports from them and evaluates them to ensure expectations on service delivery are met.

2023 – Key Board Decisions

The Company's Stakeholders are always considered when the Board makes decisions and key examples this year include:

Dividends

The Board is aware that dividend income is important to Shareholders. A high distribution policy has been adopted with a stated aim to pay Shareholders a dividend of 6% based on the NAV on 31 December of the prior year.

Despite the effects of the war in Ukraine, recent events in the Middle East and inflationary pressures, the Directors have been able to maintain the Company's high distribution policy as the dividend can be funded from current year revenue profits and the Distributable Reserve. The Distributable Reserve, which had a value of £281.6 million as at 31 December 2023 was created during the migration of the Company from the Netherlands to the United Kingdom.

Review of Investment Performance
Following the Company's disappointing investment performance in 2022, the Board initiated a review of investment strategy, philosophy and process adopted by the Manager with particular focus given to the strengths and weaknesses of its performance over the past ten years. This work was carried out by the investment managers supported by the wider Columbia Threadneedle Investment team. Following this review, a number of changes were made to the composition of the Company's investment portfolio including an increase in the number of stocks held.

Share issuance and buy-backs
Ensuring that liquidity is maintained for the Company's shares is important to Shareholders. The Directors sought and received the authority from Shareholders at the 2023 AGM the power to issue and buyback shares. At each Board Meeting the Directors will consider the current level and direction of the discount that the Company's share price trades to its NAV and also those of its peer group. Representatives of the Company's broker, Panmure Gordon, will attend most Board meetings and provide an update on the demand for the Company's shares. During the year ended 31 December 2023 the Company did not buyback or issue shares. The discount as at 31 December 2023 was 8.8% (2022: 5.1%).

Marketing
Increasing demand for the Company's shares will improve their liquidity and attractiveness. In the shorter term it will reduce the level of the Company's share price discount. In the longer term it could lead to share issuance resulting in a larger Company against which fixed operating costs can be shared.

During the year, the Board engaged an external consultancy to undertake a strategic marketing review of the Company. The objective of the work was to differentiate the Company, making clear the benefits of investing with it and to inform how to efficiently attract new investors. The outcomes from this process will drive the Company's marketing strategy for future years.

Board succession planning
The Board is committed to ensuring that its composition is compliant with best corporate governance practice under the revised AIC Code including guidance on tenure.

As part of an orderly succession plan and following thorough selection processes which included the services of a search company, Kevin Troup and Kate Cornish-Bowden were appointed to the Board with effect from 19 May 2023 and 2 January 2024 respectively.

As a further part of this plan, Julia Bond retired from the Board on 31 January 2024 having served nine years.

Following the retirement of Julia Bond, Kate Cornish-Bowden has been appointed the Company's Senior Independent Director.

Jack Perry was appointed in April 2014 and became Chairman with effect from April 2015. In accordance with corporate governance best practice, and to allow a handover period, he will retire from the Board at the conclusion of the Company's 2024 Annual General Meeting on 17 May 2024.

Upon his retirement, Stuart Paterson, who was appointed to the Board in July 2019 will become Chairman.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Chairmanship, Kevin Troup will be appointed Chair of the Company's Audit and Risk Committee.

While the Company became operational in March 2019, the Board considers a Director's appointment to the Company's Dutch predecessor, European Assets Trust NV, as the beginning of their period of continuous service.

Sustainability and ESG

As stewards of £354 million of assets, we support positive change. The Company benefits from the Manager's leadership in this field.

Responsible Investment

We believe investing responsibly is fundamental to long-term wealth creation. We have a Manager that integrates environmental, social and governance (**"ESG"**) factors into its research and investment process and encourages stronger ESG practices through its engagement and voting activities.

Our approach

We believe that good financial outcomes are more likely to be achieved if we fully understand the risks and opportunities that relate to the markets in which we invest. More than ever, ESG is a critical component of this understanding. We need to ensure we, and the companies we invest in, have a robust approach to managing environmental and social risks and opportunities. We also expect good governance practices which we believe better positions investee companies to manage risks, identify opportunities, and deliver sustainable growth.

There are two strands to our approach to Responsible Investment:

- The Company's own responsibilities on matters such as governance; and
- The impact it has through the investments that are made on its behalf by its Manager.

The Company's compliance with the revised AIC Code of Corporate Governance is detailed in the Corporate Governance Statement on pages 43 to 46. In addition, the Principal Policies statement on pages 22 and 23 notes the Company's policies towards board diversity, integrity and business ethics, prevention of the facilitation of tax evasion and the Modern Slavery Act 2015.

The Board recognises that the most material way in which the Company can have an impact is through responsible ownership of its investments. The Manager engages actively with the management of investee companies to encourage high standards of ESG practice. The Manager has long been at the forefront of the investment industry in its consideration of these issues and has one of the longest established and largest teams focused solely on ESG.

Responsible ownership

Engaging actively with companies on significant ESG matters, to reduce risk, improve performance, encourage best practice and underpin long-term investor value forms a fundamental part of our Manager's approach towards responsible investment. Engagement in the first instance rather than simply divesting or excluding investment opportunities is also part of this approach.

The Manager's Corporate Governance Guidelines set out its expectations of the management of investee companies in terms of good corporate governance. This includes the affirmation of responsibility for reviewing internal business ethics policies and ensuring that there is an effective mechanism for the internal reporting of wrongdoing, whether within the investee company itself, or involving other parties, such as suppliers, customers, contractors or business partners. The Manager is also a signatory to the United Nations Principles for Responsible Investment (**"UNPRI"**) under which signatories contribute to the development of a more sustainable global financial system. As a signatory the Manager aims to incorporate ESG factors into its investment processes.

ESG and the investment process

Understanding risks and opportunities is an integral part of the Manager's investment process. ESG factors are a critical component of this understanding. Consideration of financially material ESG factors forms an important part of the assessment of the Quality and Management criteria for possible and ongoing investments. The Manager's Responsible Investment team and fundamental analysts work closely with the portfolio managers to create an internally generated assessment of financially material risks and opportunities for each company.

During 2023, the Manager underwent an extensive project to join all investment teams together on a single order management system (**"OMS"**). Linked to this, the Manager continued to expand the availability of its ESG integration tools, uploading these to the combined OMS. These tools use data from many sources to enhance and inform the integration of ESG considerations into investment research, portfolio construction and risk monitoring, by giving a clear picture of the ESG considerations that are financially relevant to different investment opportunities. Key tools include:

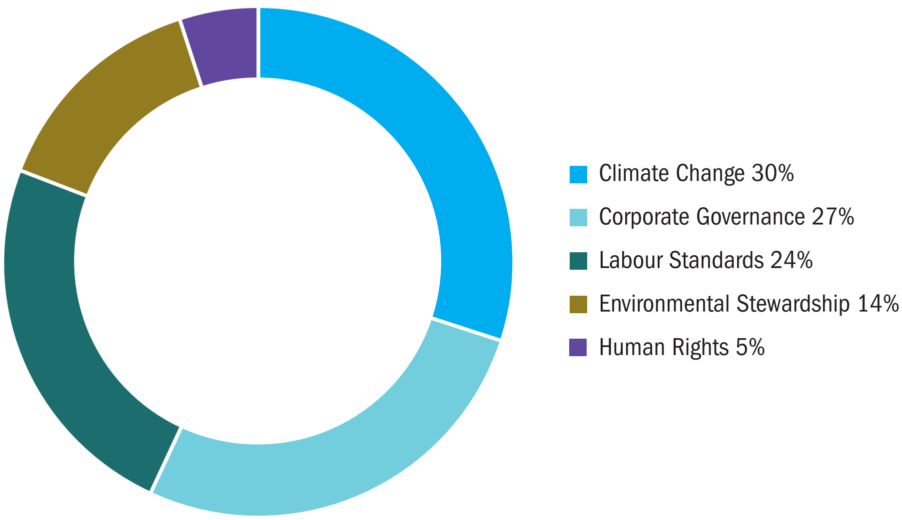
- ESG materiality ratings
- Sustainable Development Goals (**“SDG”**) mapping tool
- Net Zero Framework
- Good governance model
- Exclusions framework
- Controversy rating

These tools mark a starting point for the Manager’s ESG assessment. This research is used to adjust the Manager’s assessment of the weighted average cost of capital for the investee company; this is an important component of the valuation model, such that companies with higher ESG standards will warrant a lower cost of capital and in turn a higher valuation, and vice-versa. In these ways, ESG affects each of the cornerstones of the investment process, Quality, Management and Price, as well as driving an ongoing dialogue between the Manager and the investee company. It is also used to inform active ownership in the form of engagement and voting.

Engagement

During the year ended 31 December 2023, the Manager’s Responsible Investment team had 18 engagements with 13 investee companies on a range of ESG topics. The team continued their focus on more in-depth interactions with investee companies, with in-person meetings or teleconference calls increasing further to 50% from 46% the previous year. The most common topics for discussion were climate change, labour standards and corporate governance.

2023 engagement analysis



Source: Columbia Threadneedle Investments

Examples in the reporting period

Smurfit Kappa

Engagement theme: Environmental Stewardship

Smurfit Kappa is an Ireland-based provider of paper-based packaging. It is the largest producer in Europe of corrugated packaging, containerboard and ‘bag in box’. It is also the only pan-American producer of containerboard and corrugated packaging. The Manager had two meetings with the company in 2023 and participated in their ESG materiality survey.

Biodiversity was a key focus for the discussions. Smurfit Kappa's primary operational impact on biodiversity is through its Colombian forestry assets. It discloses the presence of threatened species and protected areas in the vicinity of operational sites but has not set operational targets on biodiversity nor has it set wider biodiversity targets for its suppliers. The Manager flagged to Smurfit Kappa that: several industry peers had now set explicit biodiversity targets covering operations and suppliers; and that there were an increasing number of ways to collect data and have suppliers certified to improved standards. The company was receptive of the Manager’s views and has followed up with additional guidance.

The Manager discussed the impact of the EU Deforestation Regulation. Smurfit Kappa has evolved its due diligence practices to meet the requirements, but still has a considerable way to go to meet the geolocation requirement. The Manager encouraged Smurfit Kappa to set top-level biodiversity targets for its Colombian and European operations that cover both set-aside areas for conservation and plantations, and provided examples of targets the company could look to emulate. The Manager also encouraged the company to explore setting biodiversity targets to cover the suppliers it procures from. The company also reached out to the Manager to request that it complete their bi-annual ESG materiality assessment which was being carried out by a third-party consultant.

The Manager will continue its engagement with Smurfit Kappa on environmental stewardship in 2024 with a particular focus on water usage.

Tecan

Engagement theme: Environmental, Social

Tecan is a Swiss company providing laboratory instruments and solutions in biopharmaceuticals, forensics, clinical diagnostics and medical technology for pharmaceutical and biotechnology companies, university research departments, diagnostic laboratories and clinics. The Manager continued its engagement with Tecan in 2023. The Manager spoke with Tecan’s Associate Director of Corporate Communications and Sustainability and Head of Corporate Communications on a number of ESG topics. The Manager commended the company for submitting Scope 1, 2 and 3 reduction targets to the Science-Based Targets Initiative (SBTi). While awaiting approval the company is setting up internal processes to manage the data, especially from suppliers. Last year, Tecan received a C-score from the Carbon Disclosure Project (CDP). The company is aiming to improve that score.

The Manager discussed the company’s first submission to the Workforce Disclosure Initiative (**“WDI”**) in 2022. The WDI strives for relevant and material workforce-related disclosure, encompassing a wide range of topics, including health & safety practices, remuneration, freedom of association and employee engagement. The Manager had encouraged Tecan to complete the WDI survey. Tecan received a 60% score, which is considered good for a first submission and above the company’s own expectations. The company will submit to the 2023 survey and aims to improve its disclosures on responsible sourcing.

Voting on portfolio investments

As noted previously, the Manager's Corporate Governance Guidelines set out expectations of the boards of investee companies in terms of good corporate governance. The Board expects to be informed by the Manager of any sensitive voting issues involving the Company's investments. In the absence of explicit instructions from the Board, the Manager is empowered to exercise discretion in the use of the Company's voting rights and reports at each meeting to the Board on its voting record.

We expect the Company's shares to be voted on all holdings where possible. During the year, the Manager voted at 42 meetings of investee companies. The Manager did not support management's recommendations on at least one resolution at approximately 56% of all meetings. With respect to all items voted, the Manager supported over 85% of all management resolutions.

Two of the most contentious issues voted at meetings were remuneration and the election of board directors. On these issues, an adverse vote was cast at the meeting by either abstaining or voting against management resolutions. Remuneration matters represented approximately 30% of these votes. The rationale centred on a number of issues which did not accord with best practice including poor disclosure or a misalignment of pay with long-term performance. The election of board directors represented approximately 10% of adverse votes. Some of these votes were linked to concerns over remuneration. However other issues included independence, overboarding or concerns regarding board composition. Boards should have a diverse representation of skills, background, and expertise that can manifest in a variety of ways. Non-executives should be primarily independent of the company, although the Manager recognises that, in certain cases, connected non-executives have a valuable role to play.

The Manager's strategic approach to engagement helps to achieve positive outcomes, or 'milestones', relating to the targets that have been set under each of the Sustainable Development Goals. Two examples of milestones achieved in the reporting period are set out below.

Milestone examples in the reporting period

Cairn Homes
Engagement theme: Corporate Governance

The company enhanced its remuneration policy by increasing the level of stretch in its one-off long term incentive plan award. This followed engagement by the Manager with the company on this matter.

ASM International
Engagement themes: Labour Standards, Corporate Governance

ASM International improved its workplace diversity from 15% to 17%; the company appears on track to reach its target of 20% by 2025. It has established concrete goals to reach this target, has increased its female hiring rate from 14% to 19% in a year, and has almost doubled the promotion of female employees. The Manager had previously engaged the company to formalise programmes to reach its diversity and inclusion target.

The company improved oversight and accountability of ESG practices and performance by incorporating sustainability metrics in its executive remuneration plan. 25% of short-term incentive is tied to non-financial metrics, specifically, leadership development and targets submitted to the science-based Target initiative. The Manager engaged with the company to encourage linking ESG metrics to executive compensation.

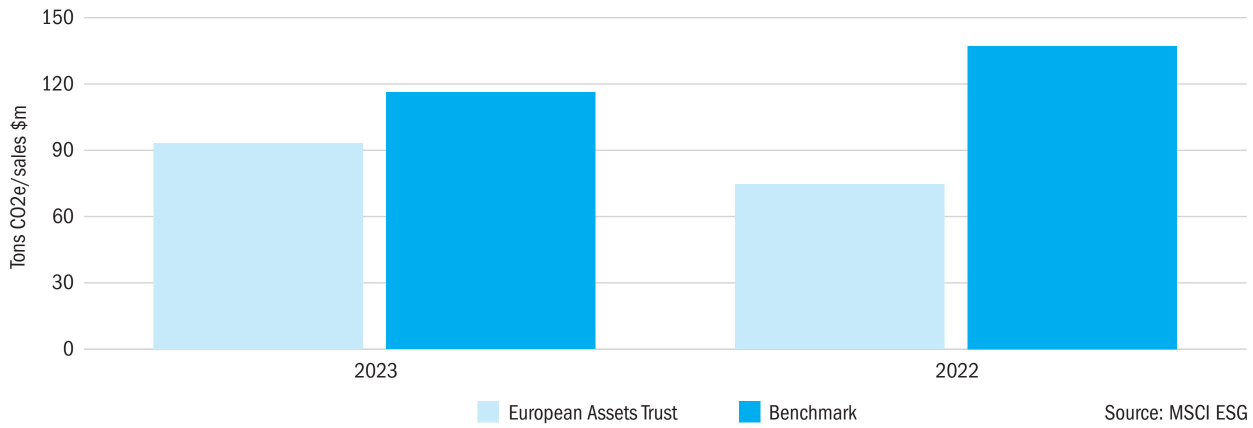
Climate change

The Manager considers climate change to be one of the defining issues of our generation, and fully supports the goals of the Paris agreement. The Company expects the Manager to incorporate considerations around climate change risks and opportunities in its investment processes.

The Manager published its second climate change report in June 2023. The report details how the Manager manages climate-related risks and opportunities, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures. This year, in accordance with the deadline for complying with regulations set by the Financial Conduct Authority, disclosure specific to the Company's portfolio will be published on the Manager's website. The report will provide data on the portfolio's carbon footprint and the largest individual contributors to the carbon footprint by individual issuer and sector as well as overall net zero alignment of the portfolio.

In line with this reporting, we disclose the portfolio weighted average carbon intensity (**"WACI"**) of the Company's investments. WACI shows the emissions impact of companies as a proportion of sales. It reports how companies generate revenue while emitting more or lesser amounts of greenhouse gas (**"GHG"**). A low score means a fund invests in more carbon-efficient companies. WACI is calculated by dividing GHG emissions by the revenue generated by companies. It is reported in GHG per $m of underlying revenues of holdings. WACI, therefore, provides an indication of exposure to companies with high emissions.

Weighted average carbon intensity



Please note with effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index.

The rise in WACI for 2023 in comparison to 2022 was due mainly to the increase in the Company's positions in Wizz Air and Vidrala.

The largest contributor to WACI on an issuer level was European low-cost airline Wizz Air. Consistent with its engagement-led approach to net zero targets, the Manager has been engaging with Wizz Air on its decarbonisation strategy. Wizz Air's emissions are lower than peers on a CO_2e per passenger kilometre basis, and it is currently looking to meet the sustainable aviation fuel (**'SAF'**) blending mandates in the EU. While this is encouraging, the Manager has requested improved disclosures on the company's SAF strategy, the implications of various European climate policies, and for further details on Wizz Air's carbon offset procurement approach.

2024

In 2024 the Manager will continue focusing on its priority engagement themes: climate change; environmental stewardship; public health; labour standards; human rights; corporate governance and business conduct. The Manager will identify and prioritise companies for engagement based on a number of factors including: the impact of ESG risk and opportunity factors; the investment team's and research analysts' judgement and expertise; previous engagement track record and level of exposure.

Image: Frankfurt, Germany

Principal Risks and Changes in the Year

The Board has carried out a comprehensive robust assessment of the principal risks as well as a thorough process for the identification of emerging risks and reviewed the uncertainties that could threaten the Company's success.

Most of the Company's principal risks are market-related and no different to those of other investment trusts investing in listed markets.

The global economy continues to suffer considerable disruption due to the effects of the war in Ukraine, recent events in the Middle East and inflationary pressures. The Directors have reviewed the risk register, which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them. A description of the principal ongoing risks and uncertainties currently faced by the Company, and the controls and actions to mitigate those risks, follows.

In addition a detailed review of the risks of the Company's investment portfolio including market, credit, foreign currency and liquidity is provided in note 22 beginning on page 76. Details of actions taken to reduce the potential impact of these risks is also provided.

Principal Risks

Poor absolute and/or relative performance
Inappropriate stock selection, asset allocation and gearing levels result in poor NAV and share price performance against Benchmark and/or peer group. Poor performance results in reduced demand for the Company's shares and a widening share price discount.

Increase in overall risk in year.

Relevance/attractiveness of the investment strategy and policy
An unattractive investment strategy, loss of cost competitiveness and/or a changing investment product environment, including ESG, leads to a fall in demand for the Company's shares resulting in an increasing share price discount.

No change in overall risk in year.

The Manager
Failure of the Manager or loss of senior staff could cause reputational damage and/or place the business in jeopardy.
Execution risk arising from the post-acquisition integration of BMO GAM EMEA with Columbia Threadneedle Investments.

No change in overall risk in year.

Regulatory and compliance (including ESG reporting)
To maintain its investment trust status, the Company is required to comply with Section 1158 of the UK Corporation Taxes Act. The Company is also required to comply with UK company law, is subject to the requirements of the AIFMD and the relevant regulations of the London Stock Exchange and the Financial Conduct Authority.

No change in overall risk in year.

Service provider failure
Errors, fraud or control failures at service providers or loss of data through increasing cyber threats or business continuity failure could damage reputation or investors' interests or result in losses.

No change in overall risk in year.

Dividend policy
The Company's high distribution policy becomes unsustainable.

No change in overall risk in year.

Geopolitical issues and their impact
Geopolitical issues including the impact of the war in Ukraine and conflict in the Middle East.

Increase in overall risk in year.

Mitigation	Actions taken in the year
At each Board meeting the Directors monitor performance against Benchmark and peer group. The Manager attends each regular board meeting and will discuss the reasons for any over or underperformance. The Company's broker, Panmure Gordon, will provide market intelligence at each meeting noting underlying demand for the Company's shares. The Company has received the necessary authority from Shareholders to regulate the premium or discount that the Company's shares may trade at by purchasing or issuing shares.	An annual strategy meeting of the Board is held to consider longer term issues and opportunities for the Company. This includes a review of the Company's investment policy. Representatives of the Company's broker attended most Board meetings and updated Directors with regard to changes in the demand for the Company's shares. During the year the Board sought and received from Shareholders at the Annual General Meeting held in May 2023 the powers to issue and buyback shares. The Board initiated a review of investment strategy, philosophy and process adopted by the Manager with particular focus given to the strengths and weaknesses of its performance over the past ten years. Following this review, a number of changes were made to the composition of the Company's investment portfolio including an increase in the number of stocks held.
Investment policy and performance are reviewed by the Board at each meeting. Rigorous individual stock reviews are regularly performed by the Manager and action taken to either hold, accumulate or sell. Cash, borrowing and gearing limits are set and monitored regularly.	At each meeting of the Board, the Directors consider and discuss the investment performance of the Company with the Company's investment managers. As noted above, the Board held its annual strategy meeting in October 2023. The Board initiated a review of investment strategy, philosophy and process adopted by the Manager with particular focus given to the strengths and weaknesses of its performance over the past ten years. Following this review, there was some tightening of the quality growth criteria, a number of changes to the composition of the Company's investment portfolio were made including an increase in the number of stocks held. During the year, the Board engaged an external consultancy to undertake a strategic marketing review of the Company. The objective of the work was to differentiate the Company, making clear the benefits of investing with it and to inform how to efficiently attract new investors. The outcomes from this process will drive the Company's marketing strategy for future years.
The Board meets regularly with the management of Columbia Threadneedle Investments and receives an annual Audit Assurance Faculty Report on its procedures. The Manager's appointment can be terminated at six months' notice. Key man risk is limited by the team approach adopted by the Global Smaller team at Columbia Threadneedle Investments.	At each meeting of the Board representatives of the Manager provide an update on the integration of the former BMO GAM EMEA business into Columbia Threadneedle Investments. In addition, during March 2024 the Chairman and the Chair of the Audit and Risk Committee met with senior members of the management team at Columbia Threadneedle Investments to discuss progress with regard to this integration process and its future plans to further develop its investment trust business.
At each Board meeting the Company receives an update from the Secretary on legal, regulatory and accounting developments. The Company is a member of the Association of Investment Companies which provides guidance on regulatory developments. The Company has appointed EY LLP as its tax advisor and Shepherd and Wedderburn as its legal counsel. The Manager has a long established and highly regarded Responsible Investment team which presents to the Board annually.	During the year, members of the Board visited the offices of the Company's Custodian and Depositary and met representatives of these service providers. The Remuneration and Nomination Committee liaised with the external recruitment agent to develop a role specification for the Board vacancies.
The Board receives regular control reports from the Manager covering risk and compliance including oversight of third-party service providers. The Board has access to the Manager's Risk Manager and requires any significant issues directly relevant to the Company to be reported immediately. The Depositary is specifically liable for loss of any of the Company's securities and cash held in custody.	The Manager continues to strengthen and develop its Risk, Compliance and Internal Control functions including IT security. Supervision of third-party service providers has been maintained by the Manager and includes assurances regarding IT security and cyber threat. The Depositary oversees custody of investments and cash and reports to the Company in accordance with the Alternative Investment Fund Managers Directive. During the year the Audit and Risk Committee met with members of the Manager's internal audit function to discuss the outcome of their recent reviews and planned activities.
The annual dividend is calculated as six per cent of the closing net asset value of the Company as at 31 December of the preceding year. As at 31 December 2023 the Distributable reserves of the Company was £281.6 million in comparison to a 2023 dividend cost of £20.9 million.	On 4 January 2024 the Board declared an annual dividend for 2024 of 5.9 pence per share. This was calculated as six per cent of the 31 December 2023 NAV of the Company. At each Board meeting during the year the Directors monitor the dividend yield of the Company. The Directors also monitor the Company's distributable reserves and the net asset value five years previously.
The Company has a clearly defined and approved strategy. The Board can hold additional board meetings at short notice to discuss the impact of significant changes in the macroeconomic and geopolitical environment. The Company maintains a portfolio of diversified stocks. Forward looking stress tests ranging from moderate to extreme scenarios are provided by the Manager to the Board to support the Viability and Going Concern Statements.	At each meeting of the Board, the Directors consider and discuss the investment performance of the Company with the Company's investment managers. The Board held its annual strategy meeting in October 2023. During its annual strategy meeting, the Board received a presentation from a Chief Economist of a brokerage house on the prospects for the Irish economy. In May 2023 the Chief Economist of the Manager presented to the Board on the global and European economy. At the March 2024 Audit and Risk Committee meeting, the Directors reviewed updated forward looking stress tests prepared by the Manager providing support for the Viability and Going Concern Statements disclosed on page 38.

Directors

Jack Perry CBE, Chairman and Chair of Management Engagement Committee (appointed 1 July 2014)* is a portfolio non-executive director and has served on the Boards of FTSE 250 and other public and private companies. He is currently Chairman of ICG-Longbow Senior Secured UK Property Debt Investments Limited and a non-executive director and Chairman of the Audit and Risk Committee of Witan Investment Trust plc. In his executive career he was Chief Executive of Scottish Enterprise and prior to this, Managing Partner, Glasgow and a Regional Industry Leader for Scotland and Northern Ireland for Ernst and Young LLP. He is a member of the Institute of Chartered Accountants of Scotland and is a past Chairman of CBI Scotland. Jack will retire from the Board at the conclusion of the Annual General Meeting of the Company to be held on 17 May 2024. Shared directorships with other Directors: None

Stuart Paterson, Chair of Audit and Risk Committee (appointed 22 July 2019) is a co-founder and partner of Scottish Equity Partners ("SEP"), one of Europe's leading technology growth equity investors with a strong investment performance track record, managing more than £1 billion of institutional capital over two decades. Stuart has over 25 years of equity investing in European private companies and has served on Boards in numerous sectors over the years. Notable private company investments of Stuart on behalf of SEP include Cambridge Silicon Radio plc which listed and became a FTSE 250 company, and Skyscanner the consumer internet business which became the world's largest flight search business. Stuart trained with Ernst & Young and is a member of the Institute of Chartered Accountants of Scotland. He latterly worked in Corporate Finance for Ernst & Young before moving into equity investment. Stuart will become Chairman of the Company at the conclusion of the Annual General Meeting to be held on 17 May 2024. Shared directorships with other Directors: None

Martin Breuer (appointed 10 May 2016)* is Founder and CEO of 2M SRLS and CEO of Carslan Italia Srl. He is also a non-executive director of Gruppo Glossip Srl, SISME SpA and MVP Holding SA. Previously he was an executive with Siemens, Chief Financial Officer of SEVES and Intercos Group. In addition, he has served as Chief Executive Officer for Intercos in Asia Pacific and Chief Executive Officer of Italian cosmetic manufacturer Gotha Cosmetics. Shared directorships with other Directors: None

Pui Kei Yuen (appointed 26 February 2021) has over 25 years' experience in equities. Her roles have included UK institutional equity portfolio management and research at Mercury Asset Management, Pan European equity responsibilities at UBS and Bank of America Merrill Lynch, advising large institutional investors and hedge funds, and working with the Boards of earlier stage private companies. Pui Kei is also a non-executive director of JPMorgan American Investment Trust PLC. Shared directorships with other Directors: None

*Appointed to the Company's predecessor European Assets Trust NV

Kevin Troup (appointed 19 May 2023) is a qualified Chartered Accountant. He has worked in the fund management industry since 1995 with senior investment roles at Scottish Life, Martin Currie and Standard Life Investments. He is now a non-executive director at Baring Fund Managers Limited. He is also a non-executive director and Chair of the Audit Committee of Baillie Gifford Shin Nippon PLC. His other appointments include Chair of the Risk, Audit and Compliance Committee at the BT Pension Scheme Management Limited and he is a director of Kintail Trustees Limited, the corporate trustee of The Robertson Trust charity where he is chair of the Investment Committee. Kevin will become Chair of the Company's Audit and Risk Committee at the conclusion of the Annual General Meeting to be held on 17 May 2024. Shared directorships with other Directors: None

Kate Cornish-Bowden, Senior Independent Director and Chair of the Remuneration and Nomination Committee (appointed 2 January 2024) is the Chair of International Biotechnology Trust plc, and a non-executive director of Finsbury Growth & Income Trust plc and CC Japan Income & Growth Trust plc, where she is also chair of the Audit Committee. Until recently Kate was the senior independent non-executive director of Schroder Oriental Income Fund Limited. Previously Kate worked for twelve years as a fund manager for Morgan Stanley Investment Management, where she was managing director and head of the global equity team. Prior to Morgan Stanley she worked as a research analyst at M&G. Kate is a member of the Chartered Financial Analyst Institute, holds a Masters in Business Administration, and has completed the Financial Times Non-Executive Director Diploma. Shared directorships with other Directors: None

Management and Advisers

Board
Jack Perry (Chairman and Chair of the Management Engagement Committee)
Stuart Paterson (Chair of the Audit and Risk Committee)
Martin Breuer
Kate Cornish-Bowden (appointed 2 January 2024, Senior Independent Director and Chair of the Remuneration and Nomination Committee)
Kevin Troup (appointed 19 May 2023)
Pui Kei Yuen

All Directors are non-executive

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Tel No. 0131 718 1000

Registrar
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The Pavilions
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Loan Provider
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Brokers
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Depositary
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Custodian
JPMorgan Chase Bank
National Association, London Branch
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Atria One
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Directors' Report

The Directors submit the Report and Accounts of the Company for the year ended 31 December 2023. The Directors' biographies, the Corporate Governance Statement; the Reports of the Remuneration and Nomination Committee; the Audit and Risk Committee and the Management Engagement Committee; and the Directors' Remuneration Report form part of this Directors' Report.

Statement regarding Report and Accounts

The Directors consider that, following advice from the Audit and Risk, Management Engagement, and Remuneration and Nomination Committees, the 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 and performance, business model and strategy. The Audit and Risk Committee has reviewed the final draft Report and Accounts for the purposes of this assessment. The market outlook for the Company can be found on page 8. Principal risks can be found on page 32 with further information in note 22 beginning on page 76.

Accounting

Shareholders will be asked to approve the adoption of the Report and Accounts at the forthcoming AGM (**Resolution 1**).

The financial statements, starting on page 61, comply with current UK-adopted International Accounting Standards, supplemented by the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (**"SORP"**). The significant accounting policies of the Company are set out in note 2 to the accounts. The auditors' unqualified opinion on the financial statements appears on pages 55 to 60.

Results and dividends

The results for the period are set out in the attached accounts. The Company's dividend payments during the year ended 31 December 2023 are set out opposite.

Dividends paid in the year ended 31 December 2023

First interim dividend for the year ended 31 December 2023 paid on 31 January 2023	1.45p
Second interim dividend for the year ended 31 December 2023 paid on 28 April 2023	1.45p
Third interim dividend for the year ended 31 December 2023 paid on 31 July 2023	1.45p
Fourth interim dividend for the year ended 31 December 2023 paid on 31 October 2023	1.45p

As explained in the Chairman's Statement, the Board has resolved to pay a dividend of, in aggregate, 5.9 pence per share for 2024. The dividend for 2024 will be paid in four equal, quarterly instalments on 31 January, 30 April, 31 July and 31 October 2024 to registered holders of shares at an appropriate record time. The first quarterly dividend of 1.475 pence per share was paid on 31 January 2024 to Shareholders on the register of members on 12 January 2024 with an ex-dividend date of 11 January 2024.

As the Company's current practice is to pay dividends quarterly at the end of January, April, July and October, the Company does not pay a final dividend that would otherwise require formal Shareholder approval at a General Meeting. In the absence of such a requirement for Shareholder approval of a final dividend, approval will be sought at the forthcoming 2024 Annual General Meeting (**"AGM"**) to approve the Company's dividend policy as set out on page 22 of this report. (**Resolution 2** in the Notice of AGM set out on pages 83 to 86).

Company status

The Company is a public limited company and an investment company as defined by section 833 of the Companies Act 2006. The Company is limited by shares and is registered in England and

Wales with company registration number 11672363. It is subject to the Listing Rules of the UK Financial Conduct Authority, UK legislation and regulations including company law, financial reporting standards, taxation law and its own articles of association.

Taxation

As set out on page 72 and in note 9 to the accounts, the Company is exempt from UK Corporation Tax on its dividend income and from UK Corporation Tax on any capital gains arising from the portfolio of investments, provided it complies at all times with section 1158 of the Corporation Tax Act 2010. Dividends received from investee companies domiciled outside the UK are subject to taxation in those countries in accordance with relevant double taxation treaties.

Viability and going concern statements

The UK Corporate Governance Code requires a board to assess the future prospects for a company, and report on the assessment within the annual report.

The Board considered that a number of characteristics of the Company's business model and strategy were relevant to this assessment:

- The Company as an active investor looks to long-term outperformance compared to its Benchmark rather than short term opportunities;
- The Company is a closed-end investment company and as such is not required to sell investments in a market downturn in order to fund investor redemptions;
- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that it is invested in realisable, listed securities and that the level of borrowings is restricted; and
- The Company's business model and strategy is not time limited.

Also relevant were a number of aspects of the Company's operational arrangements:

- It retains title to all assets held by the Custodian under the terms of formal agreements with the Custodian and Depositary;
- The annual dividend declared by the Company is determined in accordance with the year-end net asset value; and
- Revenue and expenditure forecasts of the Company are reviewed by the Directors at each Board Meeting.

In addition, the Board carried out a robust assessment of the principal risks which could threaten the Company's objective, strategy, future performance, liquidity and solvency. These risks, mitigating actions in place to ensure the Company's resilience and the processes for monitoring risks are set out on page 32 and in note 22 of the accounts. These principal risks were identified as relevant to the viability assessment. In undertaking this assessment, the Board took into account the following factors:

- the liquidity of the Company's portfolio;
- the existence of a borrowing facility;
- the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings;
- the maintenance of dividend payments and the retention of investors;
- the potential need for more share issuance capacity in the event of unexpected market demand; and
- minimising the discount between the Company's share price and net asset value.

The Board gave careful consideration to the effects of the war in Ukraine, recent events in the Middle East, and inflationary pressures and the resulting volatility in stockmarkets and economic disruption when making this assessment.

As discussed in note 23 to the financial report on page 81, the Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached. The primary risk is that there is a very substantial decrease in the net asset value of the Company in the short to medium term. Financial modelling has been undertaken to consider compliance with these covenants in several scenarios. These extreme but plausible scenarios indicate that the loan covenants would not be breached. In addition, the Directors have considered the remedial measures that are open to the Company if such a covenant breach appears possible. As at 18 March 2024, the latest practicable date before the publication of this report, borrowings amounted to €35.0 million (£29.9 million). This is in comparison to a net asset value of €409.5 million (£350.1 million). In accordance with its investment policy the Company is invested mainly in readily realisable listed securities. These can be realised if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

These matters were assessed over a five-year period to March 2029. The Board of the Company will continue to assess viability over five-year rolling periods, taking account of foreseeable severe but plausible scenarios. A rolling five-year period represents the horizon over which the Board believes it can form a reasonable expectation of the Company's prospects, balancing its financial flexibility and scope with the current uncertain outlook for longer-term economic conditions affecting it and its Shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out before, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to March 2029. For this reason, the Board also considers it appropriate to continue adopting the going concern basis in preparing the Report and Accounts.

Statement as to disclosure of information to the auditors

Each of the Directors confirms that, so far he or she is aware, there is no information relevant to the preparation of the Report and Accounts of which the auditors are unaware and that he or she has taken all the steps that a Director ought to have taken to be aware of relevant audit information and to establish that the auditors are aware of that information.

Capital structure

As at 31 December 2023 there were 360,069,279 Ordinary Shares in issue. As at 18 March 2024 (being the latest practicable date before publication of this report) the number of Ordinary Shares in issue was 360,069,279. No Ordinary Shares were held in treasury.

All ordinary shares rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

Details of the capital structure can be found in note 16 to the accounts. The revenue profits of the Company, together with the realised capital profits and the balance of the Distributable Reserve are available for distribution by way of dividends to the holders of the Ordinary Shares.

Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to Shareholders pro-rata to their holdings of Ordinary Shares. Full details are set out in the Company's articles of association.

Share capital

At 31 December 2023 no notifications of significant voting rights had been received under the Financial Conduct Authority's Disclosure and Transparency Rules.

Planholders of CT Savings Plans owned 128,538,644 Ordinary Shares or 35.7 per cent of the issued share capital of the Company, at 31 December 2023. For non-contentious resolutions the nominee company holding these shares votes the shares held on behalf of planholders who have not returned their voting directions in proportion to the directions of those who have ("proportional voting"). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the CT Savings Plans being voted. A maximum limit of 50,000 shares that any one individual investor can vote, being approximately 1.0% of the relevant minimum threshold, also applies. Any individual voting directions received in excess of the maximum limit will remain valid but will not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

Borrowings

In March 2023 the Company entered into a €45 million multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch expiring March 2024. The loan covenants have all been met during the period. The interest rate on the amount drawn down and commitment fees payable on undrawn amounts are based on the commercial terms agreed with The Bank of Nova Scotia, London Branch.

As at 31 December 2023 the loan facility was €30 million drawn.

Following the year end, the Company's loan facility with The Bank of Nova Scotia, London Branch expired. A new loan with a maximum facility of €60 million with The Royal Bank of Scotland International, London Branch has been entered into.

Remuneration Report

The Directors' Remuneration Report, which can be found on page 47, provides detailed information on the remuneration arrangements for Directors of the Company, including the Directors' Remuneration Policy.

Remuneration is set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective.

The policy is subject to approval by Shareholders every three years. There have been no changes to the policy since the last approval by Shareholders in 2023.

It is intended that the policy approved by Shareholders at the 2023 AGM will continue for the three-year period ending at the AGM in 2026.

Shareholders will be asked to approve the Directors' Remuneration Report (**Resolution 3**).

Appointment of auditors and auditor's remuneration

Resolutions 4 and 5 seek Shareholder approval, respectively, for the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Company and to authorise the Audit and Risk Committee to determine their remuneration for the audit of the Report and Accounts for the year ended 31 December 2024.

Director re-elections

The names of the Directors, along with their biographical details, are set out on pages 34 and 35.

Kevin Troup was appointed to the Board on 19 May 2023. Since 31 December 2023, Kate Cornish-Bowden was appointed to the Board on 2 January 2024. Julia Bond retired from the Board on 31 January 2024.

All current directors with the exception of Jack Perry will stand for election or re-election by Shareholders at the AGM. Jack Perry will retire from the Board at the conclusion of the Company's forthcoming AGM to be held on 17 May 2024.

Following a review of their performance, the Board believes that each of the Directors standing for election or re-election has and will continue to make a valuable and effective contribution to the Company. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. The Board recommends that Shareholders vote in favour of the election and re-elections of the Directors (**Resolutions 6 to 10**).

Resolution 6 concerns the re-election of Stuart Paterson who has served on the Board for over four years. He was a co-founder and is a partner of Scottish Equity Partners, one of Europe's leading technology growth equity investors. He is an experienced technology investor with over 25 years of equity investing in European private companies and is a member of the Institute of Chartered Accountants of Scotland. He will become Chairman of the Company at the conclusion of the forthcoming AGM to be held on 17 May 2024.

Resolution 7 concerns the re-election of Martin Breuer, who has served the Company and its predecessor for over 7 years. He is a German national, currently based in Italy, with extensive industrial experience with Continental European companies.

Resolution 8 concerns the election of Kate Cornish-Bowden who was appointed to the Board on 2 January 2024. She worked for twelve years as a fund manager for Morgan Stanley Investment Management, where she was managing director and head of the global equity team. Prior to Morgan Stanley she worked as a research analyst at M&G. Kate is currently Chair of one investment trust, the Chair of Audit of another and a non-executive director of a third.

Resolution 9 concerns the election of Kevin Troup who was appointed to the Board on 19 May 2023. He has worked in the fund management industry since 1995 with senior investment roles at Scottish Life, Martin Currie and Standard Life Investments. Among his current roles he is a non-executive director at Baring Fund Managers Limited and chair of the Risk, Audit and Compliance Committee at the BT Pension Scheme Management Limited. He is also a non-executive director and Chair of the Audit Committee of another investment trust. He is a qualified Chartered accountant.

Resolution 10 concerns the re-election of Pui Kei Yuen who has served the Company for three years. She has extensive experience in the fund management and investment banking industries at Mercury Asset Management, UBS and Bank of America Merrill Lynch. She is also currently a non-executive director of another investment trust.

Directors' interests and indemnification

There were no contracts of significance to which the Company was a party and in which a Director is, or was, materially interested during the period. There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Company has granted deeds of indemnity to the Directors in respect of liabilities that may attach to them in their capacity as Directors of the Company. These deeds cover any liabilities that may arise to a third-party for negligence, default or breach of trust or duty. These deeds of indemnity are qualifying third-party provisions (as defined by section 234 of the Companies Act 2006) and have been in force throughout the period of review and remain in place at the date of this report. They are available for inspection at the Company's registered office during normal business hours and at the AGM. The Company also maintains directors' and officers' liability insurance.

Safe custody of assets

The Company's investments are held in safe custody by JPMorgan Chase Bank (**"the Custodian"**). Operational matters with the Custodian are carried out on the Company's behalf by the Manager in accordance with the provisions of the management agreement. The custodian is paid a variable fee dependent on the number of trades transacted and location of the securities held.

Depositary

JPMorgan Europe Limited acts as the Company's depositary, (**"the Depositary"**) in accordance with the AIFMD. The Depositary's responsibilities, which are set out in an Investor Disclosure Document on the Company's website, include: cash monitoring; ensuring the proper segregation and safekeeping of the Company's financial instruments that are held by the Custodian; and monitoring the Company's compliance with investment and leverage limits requirements.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to the Custodian, in the event of loss of those assets that constitute financial instruments under the AIFMD, the Depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Manager's fee

The Manager receives a fee equal to 0.75 per cent per annum of the value of funds under management up to the value of €400 million. Funds under management is calculated as the value of total assets less current liabilities (excluding borrowings) at the end of the preceding quarter. Where the value of funds under management exceeds €400 million, the applicable rate over such excess value is 0.6 per cent per annum.

An additional fee of £100,000 per annum is payable by the Company to the Manager for the provision of administrative services.

AGM

The Notice of AGM to be held on 17 May 2024 at 3.00pm is set out on pages 83 to 86.

Directors' authority to allot shares and disapplication of pre-emption rights

The Directors are seeking to renew their authority to allot shares. **Resolution 11** in the Notice of AGM, which will be proposed as an ordinary resolution, seeks renewal of such authority to allot Ordinary Shares up to an aggregate nominal amount of £3,600,692 (being an amount equal to 10 per cent of the total issued share capital of the Company as at the date of this report).

Under **Resolution 12**, which will be proposed as a special resolution, the Directors are also seeking to renew the authority to allot new Ordinary Shares and/or sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply. (This section requires that, when equity securities are allotted for cash, such new shares are first offered to existing equity shareholders in proportion to their existing holdings of shares, this entitlement being known as "pre-emption rights").

Allotments of Ordinary Shares pursuant to these authorities would enable the Directors to issue shares for cash and/or to sell equity securities held as treasury shares to take advantage of changes in market conditions that may arise, in order to increase the amount of the Company's issued share capital. A likely purpose of such an increase would be to improve the liquidity of the market in the Company's shares and to spread the fixed costs of administering the Company over a wider base. The Directors believe that this authority, if granted to the Directors, would provide the necessary flexibility permitted by investor protection guidelines to respond to market developments in the interest of existing Shareholders. Except where authorised by Shareholders, no shares will be issued or sold from treasury by the Directors at a price which (after costs and expenses) is less than the net asset value per share at the time of the issue or sale, unless the shares are first offered pro rata to Shareholders on a pre-emptive basis. The Company has been authorised to sell any treasury shares held from time-to-time at below net asset value subject to the limitation on asset dilution set out below.

The absolute level of dilution through the sale of treasury shares is restricted to 0.5% 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 sold is lower than the average discount at which the shares have been acquired, and in addition the price at which shares are sold must not be less than the market bid price at time of sale.

Resolution 12, if passed, will give the Directors power to allot for cash Ordinary Shares of the Company and to sell Ordinary Shares out of treasury up to a maximum nominal amount of £1,800,346 (being an amount representing 5 per cent of the total issued ordinary share capital of the Company as at the date of this report) without the application of the pre-emption rights described above. The calculation of the above figure is in accordance with the Investment Association Share Capital Management Guidelines and other applicable investor protection guidelines, and the Directors will not use the authority other than in accordance with those guidelines.

The authorities contained in Resolutions 12 and 13 will continue until the AGM of the Company in 2025, and the Directors envisage seeking renewal of these authorities in 2025 and in each succeeding year, subject to such renewals again being in accordance with the applicable investor protection guidelines.

Directors' Authority to Buy Back Shares

The current authority of the Company to make market purchases of up to 10 per cent of the issued Ordinary Shares expires at the end of the AGM and **Resolution 13**, as set out in the Notice of the AGM, seeks renewal of such authority. The renewed authority to make market purchases will be in respect of a maximum of 10 per cent of the issued Ordinary Shares as at the date of the passing of the resolution (approximately 36 million Ordinary Shares). The price paid for Ordinary Shares under this authority will not be less than the nominal value of 10p per Ordinary Share nor more than the highest of:

(i) 5 per cent above the average of the middle market values of those shares for the five business days before the shares are purchased;

(ii) the price of the last independent trade on the trading venue where the purchase is carried out; and

(iii) the highest current independent bid on that venue.

This power will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in net asset value per share of the Ordinary Shares and be in the interests of Shareholders as a whole. Purchases would only be made for cash at a cost which is below the prevailing net asset value per share. Any shares purchased under this authority will be cancelled or held in treasury for future re-issue. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, where held in treasury, shares are treated as if they had been cancelled (for example they carry no voting rights and do not rank for dividends).

The purpose of holding some shares in treasury is to allow the Company to issue or sell these shares quickly and cost effectively, thus providing the Company with greater flexibility.

The authority contained in Resolution 13, if passed, will continue until the AGM of the Company in 2025, and the Directors envisage seeking renewal of this authority in 2025 and in each succeeding year, subject to such renewals again being in accordance with the applicable investor protection guidelines.

Recommendation

The Board considers that the passing of the resolutions to be proposed at the AGM is in the interests of the Company and its Shareholders as a whole and they unanimously recommend that Shareholders vote in favour of all of them as the Directors intend to do in respect of their beneficial holdings.

Statement Regarding Report and Accounts

Following a detailed review of the Report and Accounts by the Audit and Risk Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Report and Accounts would have a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

By order of the Board
Columbia Threadneedle Investment Business Limited
Secretary
19 March 2024

Corporate Governance Statement

Introduction

The Company adheres to the principles and recommendations of the revised AIC Code of the Corporate Governance (the **"AIC Code"**) published in 2019.

The Board believes that the Company has complied with the current recommendations of the AIC Code during the year under review and up to the date of this report and, except as regards the provisions set out below, has thereby complied with the relevant provisions of the 2018 revision to the UK Corporate Governance Code (**"UK Code"**):

The UK Code includes provisions relating to:

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

For the reasons set out in the AIC Corporate Governance Guide for Investment Companies, the Board considers these provisions as not being relevant to the Company, as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions have been delegated to the Manager. As a result, the Company has no executive Directors, employees or internal operations. Therefore, with the exception of the need for an internal audit function, which is addressed on page 52, the Company has not reported further in respect of these provisions.

Detailed information on the Directors' remuneration can be found in the Directors' Remuneration Report on pages 48 to 50 and in note 6 to the accounts.

Copies of both codes may be found on the respective websites theaic.co.uk and frc.org.uk.

AIFMD

The Company is defined as an Alternative Investment Fund (**"AIF"**) under the AIFMD issued by the European Parliament, and which has been implemented into UK law. This requires that all AIFs must appoint a Depositary and an Alternative Investment Fund Manager (**"AIFM"**). The Board remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations. The Manager is the Company's AIFM.

Articles of association

The Company's articles of association may only be amended by special resolution at general meetings of Shareholders.

The Board

The Board of the Company is entirely non-executive. The Company has no employees. A management contract between the Company and the Manager sets out the matters over which the Manager has 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 Board. With regard to these matters it is the responsibility of the Board to provide the Manager with general instruction and guidance. It is the responsibility of the Manager to act and manage the Company in accordance with these general directives and to report to the Board upon its corporate management.

During the period the performance of the Board, committees and individual Directors was evaluated through a discussion process led by the Chairman. The performance of the Chairman was evaluated by the other Directors.

Amongst other considerations, the performance evaluation considered the balance of skills and diversity of the Board, as well as the Board's overall effectiveness. The Board believes it has an appropriate balance of skills and experience, length of service and knowledge of the Company. The Board does not consider that the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process adopted. The option is, however, kept under review.

The table on page 44 sets out the number of scheduled Board and Committee meetings held during the year ended 31 December 2023 and the number of meetings attended by each Director.

The Board also held a strategy meeting and five committee meetings during the year.

Director attendance – year ended 31 December 2023

Year ended 31 December 2023(1)	Board meetings of Directors		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings		Management Engagement Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Jack Perry CBE	5	5	2	2	1	1	1	1
Julia Bond OBE(2)	5	5	2	2	1	1	1	1
Martin Breuer	5	5	2	2	1	1	1	1
Stuart Paterson	5	5	2	2	1	1	1	1
Kevin Troup(3)	2	2	1	1	–	–	–	–
Pui Kei Yuen	5	5	2	2	1	1	1	1

(1) Since 31 December 2023, Kate Cornish-Bowden was appointed to the Board on 2 January 2024.
(2) Julia Bond retired from the Board on 31 January 2024.
(3) Appointed to the Board and committees on 17 May 2023.

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 advice was sought during the period. The Company maintains appropriate Directors' and Officers' liability insurance and has granted deeds of indemnity to the Directors in respect of liabilities that may attach to them in their capacity as Directors of the Company.

The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Board has direct access to the company secretarial advice and services provided by the Manager. The proceedings at all Board meetings are recorded in the minutes. The Board has the power to appoint or remove the Company Secretary.

Appointments and Succession Planning

The Board has established a Remuneration and Nomination Committee. This committee is responsible for the review of the re-appointment of Directors, as they fall due for re-election and to make recommendations to the Board.

In order to comply with the spirit of the Code, the Directors consider that their period of office commenced with their appointment to the Board of European Assets Trust NV, the Company's predecessor.

In addition, this committee is responsible for making recommendations to the Board regarding the nomination of additional Directors, where appropriate, for approval by the General Meeting of Shareholders.

In accordance with the AIC Code all Directors are subject to annual re-election at each AGM. Following the evaluation process set on page 43, the Board confirms that the performances of all Directors continue to be effective and demonstrate commitment to the role. The Board therefore believes that it is in the interest of Shareholders that all Directors seeking election or re-election be elected or re-elected.

Since 31 December 2023, Kate Cornish-Bowden was appointed to the Board on 2 January 2024. Julia Bond retired from the Board on 31 January 2024.

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

The length of tenure of the Chairman is determined by the UK Code's nine-year limit subject to the AIC Code derogation. Factors that will be considered include board rotation and retention of experience. The Board has an agreed succession plan for the orderly retirement of existing directors and to provide for the regular refreshment of skills and talent. Regular retirements of Directors will take place ensuring that the Company complies with both the letter and spirit of the AIC Code.

As part of an orderly succession plan and following thorough selection processes which included the services of a search company, Kevin Troup and Kate Cornish-Bowden were appointed to the Board with effect from 19 May 2023 and 2 January 2024 respectively. Details regarding the search company are provided on page 47. As a further part of this plan, Julia Bond retired from the Board on 31 January 2024 having served nine years.

Jack Perry was appointed in April 2014 and became Chairman with effect from April 2015. In accordance with corporate governance best practice, and to allow a handover period, he will retire from the Board at the conclusion of the Company's forthcoming AGM to be held on 17 May 2024.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Chairmanship, Kevin Troup will be appointed Chair of the Company's Audit and Risk Committee.

Full details of the duties of a Director are provided at the time of their appointment. An induction process takes place for new appointees, who meet the Investment Manager, Company Secretary and other key employees of the Manager and are given briefings on the workings and processes of the Company.

Directors are encouraged to attend relevant training courses and seminars and receive regular updates on the industry and changes to regulation from external advisors and the Company Secretary.

Independence of Directors

All Directors are considered by the Board to be independent of the Manager. The Board does not consider that a Director's tenure or other board memberships necessarily reduces his or her ability to act independently and, following performance evaluations, believes that each Director is independent in character and judgement and that continuity and experience add to the strength of the Board.

Board committees

The Board has appointed committees with sufficient expertise, in accordance with the AIC Code in order to increase the efficiency of the Board's work. The respective chairs of the committees report to the Board on the work of the committees. The Company has established an Audit and Risk Committee, a Remuneration and Nomination Committee and a Management Engagement Committee.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which is chaired by Stuart Paterson and is comprised of all the independent members of the Board. The Audit and Risk Committee meets at least twice a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee is responsible for ensuring that the financial performance of the Company is properly reported on and monitored and provides a forum through which the Company's external auditors may report to the Board. The Audit and Risk Committee reviews and recommends to the Board on the annual and half yearly reports and financial statements, financial announcements, internal control systems and procedures and accounting policies of the Company.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Company's Chairmanship, Kevin Troup will be appointed Chair of the Company's Audit and Risk Committee with effect from the conclusion of the forthcoming AGM to be held on 17 May 2024.

The Report of the Audit and Risk Committee is contained on pages 51 and 52.

Management Engagement Committee

The Company has established a Management Engagement Committee, which is chaired by Jack Perry and consists of all the independent members of the Board. The Management Engagement Committee meets at least once a year and its principal duties are to review the terms and conditions of the appointment of the Manager and other significant service providers including the Depositary and Custodian, corporate broker, administrator and legal counsel. Full consideration is given to the quality and value of the service received and recommendations are made to the Board on the appropriateness of all continuing appointments.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Company's Chairmanship, Stuart will be appointed Chair of the Company's Management Engagement Committee with effect from the conclusion of the forthcoming AGM to be held on 17 May 2024.

The Report of Management Engagement Committee is contained on page 53.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee, which is chaired by the Senior Independent Director, and consists of all the independent members of the Board. Until her retirement on 31 January 2024, the Remuneration and Nomination Committee was chaired by Julia Bond. Following the retirement of Julia Bond, Kate Cornish-Bowden has been appointed Senior Independent Director and therefore Chair of this committee. The Remuneration and Nomination Committee meets at least once a year.

The Report of the Remuneration and Nomination Committee on page 47 includes details of its duties.

Conflicts of interest

A company director has a statutory obligation to avoid a situation in which he or she has, or potentially could have, a direct or indirect interest that conflicts with the interests of the Company (a **"situational conflict"**). The Board therefore has procedures in place for the authorisation and review of situational conflicts relating to the Company's Directors.

Other than the formal authorisation of the Directors' other directorships and appointments, no authorisations have been sought.

Aside from situational conflicts, the Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company. In the year under review there have been no instances of a Director being required to be excluded from a discussion or abstain from voting because of a conflict of interest.

Relations with Shareholders

The Company welcomes the views of Shareholders and places importance on communication with its members. The Managers hold meetings with the Company's largest Shareholders and report back to the Board on these meetings. Each year, the Company will hold an Annual General Meeting to be followed by a presentation by the investment manager in London.

In accordance with the UK Code, in the event that when votes of 20 per cent or more have been cast against a resolution at a General Meeting the Company will announce the actions it intends to take to consult Shareholders to understand the reasons behind the result. A further update will be published within six months. No such votes were received during 2023.

Shareholders wishing to communicate with the Chairman or other members of the Board may do so by writing to European Assets Trust PLC, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG.

By order of the Board
Columbia Threadneedle Investment Business Limited
Secretary
19 March 2024

Report of the Remuneration and Nomination Committee

Role of the Committee

The Committee met once during the year. The duties of the Remuneration and Nomination Committee are:

- To periodically review the level of Directors' fees and recommend any changes to the Board;
- The annual Board evaluation process;
- To be responsible for reviewing and making recommendations to the Board regarding nominating candidates for the approval by the General Meeting of Shareholders to fill vacancies on the Board of Directors;
- To consider and review the composition and balance of the Board from time to time and, where appropriate, to make recommendations to the Board;
- To review the re-appointment of Directors, as they fall due for re-election, under the terms of the Articles, and to make recommendations to the Board as considered appropriate;
- To review actual or possible conflicts of interest in respect of each Director and any authorised conflicts; and
- To consider other relevant topics, as defined by the Board.

Composition of the Committee

All the Directors are members of the Committee the terms of reference of which can be found on the website at www.europeanassets.co.uk. The Committee is chaired by the Senior Independent Director. Following the retirement of Julia Bond, Kate Cornish-Bowden has been appointed Senior Independent Director and therefore Chair of the Committee. Until her retirement on 31 January 2024, the Remuneration and Nomination Committee was chaired by Julia Bond.

Succession planning

Appointments of all new Directors are made on a formal basis, normally using professional search consultants, with the Remuneration and Nomination Committee agreeing the selection criteria and the method of recruitment, selection and appointment.

The Board has an agreed succession plan for the orderly retirement of existing Directors and to provide for the regular refreshment of skills and talent. Regular retirements of Directors will take place in the following years to ensure the Board enjoys the right balance of both continuity and the regular refreshment of talent as well as compliance with the requirements of the AIC Code.

As part of an orderly succession plan and following thorough selection processes which included the services of the search company, Cornforth Consulting, which has no connection to the Company or an individual director, Kevin Troup and Kate Cornish-Bowden were appointed to the Board with effect from 19 May 2023 and 2 January 2024 respectively.

To allow for an orderly handover period, the complement of directors was temporarily increased to seven. Following the AGM on 17 May, the number of directors will revert to its customary complement of five.

As a further part of this plan, Julia Bond retired from the Board on 31 January 2024 having served nine years.

Jack Perry was appointed in April 2014 and became Chairman with effect from April 2015. In accordance with corporate governance best practice, and to allow a handover period, it has been announced previously that he will retire from the Board at the conclusion of the Company's forthcoming AGM to be held on 17 May 2024. Upon his retirement Stuart Paterson will become Chairman.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Company's Chairmanship, Kevin Troup will be appointed Chair of the Company's Audit and Risk Committee with effect from the conclusion of the forthcoming AGM to be held on 17 May 2024.

Diversity

The Board's diversity policy, objective and progress in achieving it are set out on page 23.

Committee evaluation

The activities of the committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 43. The conclusion from the process was that the committee was operating effectively, with the right balance of membership, experience and skills.

Kate Cornish-Bowden
Remuneration and Nomination Committee Chairman
19 March 2024

Directors' Remuneration Report

Introduction

This Directors' remuneration report covers the year ended 31 December 2023.

Directors' Remuneration Policy

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. The policy aims to be fair and reasonable in relation to comparable investment trusts and other similar sized financial companies. Time committed to the Company's affairs and the role that individual Directors fulfil in respect of Board and committee responsibilities are taken into account. The policy also provides for the Company's reimbursement of all reasonable travel and associated expenses incurred by the Directors in attending Board and committee meetings, including those treated as a benefit in kind subject to tax and national insurance. The Directors are not eligible for pension benefits, share options, long-term incentive schemes or other benefits.

This policy was last approved by Shareholders at the AGM held in May 2023 with 89.7% voting in favour and 10.3% against. The policy is subject to approval by the Shareholders every three years. There have been no changes to the policy since this last approval and it is intended that it will continue until the AGM in 2026. The policy will next be put to Shareholders for approval at the Company's 2026 AGM. The Board has not received any views from Shareholders in respect of the levels of Director's remuneration.

The Company's articles of association limit the aggregate fees payable to the Board to a total of £500,000 per annum. The Remuneration and Nomination Committee considers the level of Directors' fees at least annually. The Committee receives details of the fees paid to directors of commensurate companies. The Committee will then recommend to the Board a proposal for its approval.

The fees are fixed and are payable in cash, quarterly in arrears.

Following the latest review the Board agreed that with effect from 1 April 2024 the annual rates of remuneration will be increased to £49,000 for the Chairman, £38,750 for the Chairman of the Audit and Risk Committee, £37,750 for the Senior Independent Director and £33,500 for a Non-executive Director.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company. Each new Director

Fees for services to the Company for the year ended 31 December (audited)

	Fees (audited)		Taxable Benefits(1)(2) (audited)		Total (audited)		Fees(5) (unaudited)
Director	**2023 £**	2022 £	**2023 £**	2022 £	**2023 £**	2022 £	**2024 £**
Jack Perry CBE	**47,563**	45,813	**4,647**	3,724	**52,210**	49,537	**18,300**
Stuart Paterson	**37,688**	36,413	**3,174**	1,224	**40,862**	37,637	**45,100**
Julia Bond OBE	**36,688**	35,413	**69**	1,009	**36,757**	36,422	**3,100**
Martin Breuer	**32,438**	31,200	**6,312**	2,253	**38,750**	33,453	**33,300**
Pui Kei Yuen	**32,438**	31,200	**–**	918	**32,438**	32,118	**33,300**
Kevin Troup(3)	**20,233**	n/a	**3,818**	n/a	**24,051**	n/a	**36,700**
Kate Cornish-Bowden(4)	**n/a**	n/a	**n/a**	n/a	**n/a**	n/a	**36,700**
Total	**207,048**	180,039	**18,020**	9,128	**225,068**	189,167	**206,500**

(1) Comprises amounts reimbursed for expenses incurred in carrying out business for the Company which have been grossed up to include PAYE and NI contributions.
(2) Increased year on year as a result of the continuing return to normal business travel on behalf on the Company post COVID-19.
(3) Appointed 19 May 2023.
(4) Appointed 02 January 2024.
(5) The 2024 fees are based on expected tenures and incorporate the planned retirements of Julia Bond and Jack Perry in January 2024 and May 2024 respectively.

is provided with a letter of appointment. There is no provision for compensation upon early termination of appointment. In normal circumstances these letters of appointment are available for inspection at the Company's registered office during business hours and will be available for 15 minutes before and during the forthcoming AGM.

Each Director's appointment is subject to election at the first AGM and continues thereafter subject to re-election at each subsequent AGM. All the Directors with the exception of Jack Perry will stand for election or re-election at the AGM to be held on 17 May 2024. Jack Perry will retire from the Board at the conclusion of the forthcoming AGM.

Annual percentage change

The table below sets out the annual percentage change in fees for each director who served in the year under review.

Annual percentage change

Director	2023 (audited)	2022 (audited)	2021 (audited)	2020 (audited)
Jack Perry CBE	+3.8	+3.2	+0.9	+4.8
Stuart Paterson	+3.5	+3.2	+6.3	+155.6[2]
Julia Bond OBE	+3.6	+3.2	+0.9	+3.0
Martin Breuer	+4.0	+3.2	+0.8	+3.4
Pui Kei Yuen	+4.0	+22.3[1]	n/a	n/a
Kevin Troup[3]	n/a	n/a	n/a	n/a

(1) Appointed as a Director with effect from 26 February 2021. Increase reflects the first full year with the Company.
(2) Appointed as a non-executive Director on 22 July 2019, became Audit Committee Chair with effect from 14 May 2020. Increase reflects the first full year with the Company and the change in positions held.
(3) Appointed 19 May 2023.

Policy implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for its approval will be put to Shareholders at the forthcoming AGM. The results of this vote is made available on the Company's website as soon as practicably possible afterwards.

At the AGM held on 18 May 2023 Shareholders approved the Directors' Remuneration Report in respect of the year ended 31 December 2022. 91.6% of votes were cast in favour of the resolution and 8.4% against.

Directors' remuneration for the year

The Directors who served during the year received remuneration at the following annualised rates for services as non-executive Directors. Directors can expect to receive fees at the rates indicated for 2024 as well as reimbursement for expenses necessarily incurred.

The fees for specific responsibilities are set out below.

Annual fee rates for Board Responsibilities

	With effect from 1 April 2024 £	With effect from 1 April 2023 £
Chairman	49,000	48,000
Chairman of the Audit and Risk Committee	38,750	38,000
Senior Independent Director	37,750	37,000
Non-executive Director	33,500	32,750

Directors' share interests (audited)

	31 December 2023	31 December 2022
	Number of shares held	Number of shares held
Jack Perry CBE	86,903	86,903
Julia Bond OBE	99,609	99,609
Martin Breuer	121,000	114,300
Stuart Paterson	120,000	95,000
Kevin Troup[1]	20,000	N/A
Pui Kei Yuen	17,700	7,700

(1) Appointed to the Board on 19 May 2023.

Since the year end Kate Cornish-Bowden was appointed to the Board on 2 January 2024. As at 18 March 2024, being the last practicable date before publication of this report, Kate Cornish-Bowden held 50,000 shares in the Company. Julia Bond retired from the Board on 31 January 2024. There have been no other changes to Director shareholdings since the year end. No Director held any interests in the issued share capital of the Company other than as stated above. Directors are encouraged but not required to hold shares in the Company.

Relative importance of spending on pay

The table below shows the actual expenditure in relation to Board remuneration, other expenses, Shareholder dividends and 31 December Net Asset Value:

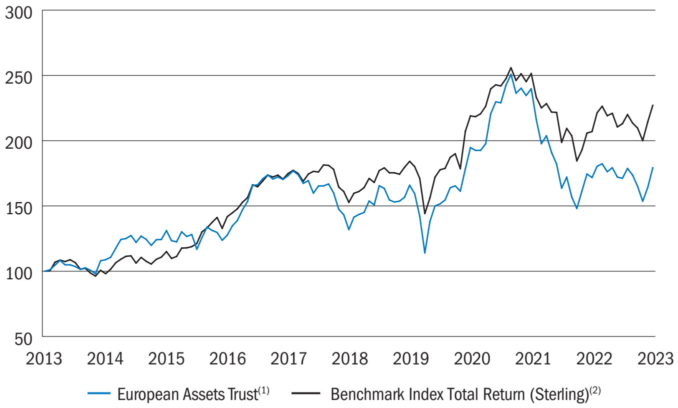
Relative importance of spending on pay

	2023 £'000s	2022 £'000s	% Change
Aggregate Board remuneration (excluding taxable benefits)	207	180	+15.0%
Management and other expenses	3,572	3,863	-7.5%
Dividends paid to Shareholders	20,884	31,688	-34.1%
Net Asset Value	353,996	347,627	+1.8%

Company performance

The Board is responsible for the Company's investment strategy and performance. The management of the investment portfolio is delegated to the Manager. An explanation of the performance of the Company is given in the Chairman's Statement and Investment Manager's Review. A comparison of the Company's performance over the required ten-year period is set out in the following graph. This shows the total return (assuming all dividends are re-invested) to ordinary Shareholders against the Benchmark.

Share Price Total Return Performance
(In sterling terms, rebased to 100 at 31 December 2013)



Source: Reuters Eikon

(1) European Assets Trust NV prior to migration on 16 March 2019.

(2) At 1 April 2021 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (gross) to EMIX Smaller European Companies (ex UK) Index (net). With effect from 1 June 2023 the Benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. A time apportioned composite of each indices has therefore been calculated and disclosed.

On behalf of the Board

Jack Perry

Chairman

19 March 2024

Report of the Audit and Risk Committee

Composition of the Committee

All of the Directors are members of the Committee. The Committee is chaired by Stuart Paterson.

Following the retirement of Jack Perry and Stuart Paterson's assumption of the Company's Chairmanship, Kevin Troup, who is a qualified Chartered Accountant will be appointed Chair of this Committee with effect from the conclusion of the forthcoming AGM to be held on 17 May 2024.

Duties of the Committee

The duties of the committee include reviewing the annual and interim accounts, the system of internal controls, risk management, and the terms of appointment and remuneration of the auditors, PricewaterhouseCoopers LLP ('PwC'), including its independence and objectivity. It is also the forum through which the auditors' report to the Board of Directors. The terms of reference of the Audit and Risk Committee can be found on the website at www.europeanassets.co.uk.

The committee meets at least twice-yearly including at least one meeting with the auditors.

The Audit and Risk Committee met on two occasions during the year and the attendance of each of the members is set out on page 44. In the course of its duties, the committee had direct access to the auditor and senior members of the Manager's fund management and investment trust teams. Amongst other things, the Audit and Risk Committee considered and reviewed the following matters and reported thereon to the Board:

- The annual results announcements, and annual and half-yearly reports and accounts;
- The accounting policies of the Company;
- The principal risks faced by the Company and the effectiveness of the Company's internal control environment;
- The effectiveness of the audit process and related non-audit services and the independence and objectivity of the auditor, their re-appointment, remuneration and terms of engagement;
- The policy on the engagement of the auditors to supply non-audit services;
- The implications of proposed new accounting standards and regulatory changes;
- The receipt of an internal controls report from the Manager; and
- Whether the Annual Report and Accounts is fair, balanced and understandable.

Significant issues considered by the Audit and Risk Committee for the year ended 31 December 2023

Matter	Action
Existence and valuation of investments	
The Company's portfolio is invested in listed securities. Errors in valuation could have a material impact on the Company's net asset value per share.	The Board reviews the full portfolio valuation at each Board meeting and receives quarterly reports from the AIF Manager and the Depositary. The Board receives at each Board meeting analysis from the investment managers reviewing the liquidity of the portfolio.
Appropriateness of viability assessment	
The Company discloses a viability assessment and statement in accordance with the requirements of the UK Corporate Governance Code.	Mindful of the guidance issued by the Financial Reporting Council, when assessing viability, the Company's cash position, availability of the loan facility and the operational resilience of its service providers were considered. Further analysis of the five-year viability assessment and the application of the going concern principle are detailed on page 38 and note 23 to the financial statements.
Effectiveness of internal control environment	
On an annual basis the Audit and Risk Committee considers the Company's internal control environment.	The Audit and Risk Committee meeting considered the control reports and written assurances received from third party service providers with regard to the operation of internal controls during the year ended 31 December 2023.

As part of its review of the scope and results of the audit, during the period the Audit and Risk Committee considered and approved the auditor's plan for the audit of the financial statements for the year ended 31 December 2023. At the conclusion of the audit the auditor did not highlight any issues to the Audit and Risk Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. The auditors issued an unqualified audit report which is included on pages 55 to 60.

Following the implementation of the Statutory Audit Amending Disclosure, with effect from 1 January 2017, the auditors are unable to provide tax compliance and advisory services to the Company.

As part of the review of auditor independence and effectiveness, PwC has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating the auditors, the Audit and Risk Committee has taken into consideration the standing, skills and experience of the firm and the audit team. In addition, the Audit and Risk Committee reviewed the FRC's Audit and Quality review for PwC and discussed the findings with the Company's audit partner to determine if any of the indicators in the report had specific relevance to this year's audit of the Company. The Audit and Risk Committee discussed the audit plan and PwC's final report and concluded that an effective external audit had been conducted. PwC Netherlands was appointed auditors to the Company's predecessor, European Assets Trust NV, on 24 April 2014. PricewaterhouseCoopers LLP UK was appointed auditors to the Company on 17 May 2019. The Company is not required to tender for auditors at least until after the audit in respect of the year ended 31 December 2029. It is the current intention of the Audit and Risk Committee not to tender for the audit until then. The Audit and Risk Committee, from direct observation and enquiry of the Manager, remains satisfied that the auditors continue to provide effective independent challenge in carrying out its responsibilities. Following professional guidelines, the audit partner rotates after five years. The current audit partner, Jennifer March, is in the third year of her appointment. On the basis of this assessment, the Audit and Risk Committee has recommended the continuing appointment of the auditor to the Board. The auditors' performance will continue to be reviewed annually taking into account all relevant guidance and best practice.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based principally on the Manager's existing risk-based approach to internal control whereby a matrix is created for the Company that include the key functions and activities carried out by the Manager and other service providers, the risks associated with these functions and activities and the controls employed to minimise these risks. These functions and activities include the financial reporting process. A residual risk rating is then applied. The matrix is regularly updated and reviewed by the committee and the Board.

A formal annual review of these procedures is carried out by the Audit and Risk Committee and includes consideration of internal control reports issued by the Manager and other service providers. Such review procedures have been in place throughout the financial year and up to the date of approval of the annual report, and the Board is satisfied with their effectiveness. These procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss. At each Board meeting the Board monitors the investment performance of the Company in comparison to its stated objective, its peer group and its Benchmark index. The Board also reviews the Company's activities since the previous Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines. The Depositary reports to the Board and carries out daily independent checks on cost and investment transactions, annually verifies asset ownership and has strict liability for the loss of the Company's financial assets in respect of which it has safe keeping duties.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager, including its own internal audit function, provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary but this decision will be kept under review.

Stuart Paterson
Chairman of the Audit and Risk Committee
19 March 2024

Report of the Management Engagement Committee

Duties of the Committee

The duties of the Management Engagement Committee are to review the terms and conditions of the appointment and the appropriateness of the continuing appointment of:

- The Manager,
- Other significant service providers including the Depositary and Custodian, corporate broker, administrator and legal counsel.

The Management Engagement Committee also reviews the fees paid during the year to all of the Company's service providers.

Composition of the Committee

The Management Engagement Committee is appointed by the Board from amongst the Board Directors of the Company. A quorum is two members.

The Chairman of the Management Engagement Committee is the Chairman of the Board, Jack Perry.

All members of the Board have been appointed to the Management Engagement Committee.

The terms of reference of the Management Engagement Committee are available on the Company's website www.europeanassets.co.uk.

The Manager's Evaluation Process

The Committee meets annually. Its most recent meeting was March 2024 which included a formal evaluation of the performance and remuneration of the Manager. At each Board meeting throughout the year the performance of the Company is reviewed. The Board receives detailed papers, reports and reviews from the Manager on performance at each regular Board meeting. These papers include details of portfolio attribution, asset and sector allocation, gearing and risk. These enable the Board to assess the success or failure of the Manager's performance against the Key Performance Indicators determined by the Board.

The Manager's Re-appointment

During March 2024, the Management Engagement Committee of the Board 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, accounting, administration 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 Board's opinion that the continuing appointment of the Manager on the terms agreed is in the interests of Shareholders as a whole.

The Manager's Fee

An important responsibility of the Committee is the review of the Manager's fee. Details of the investment management fee are included in note 5 to the Accounts. At each annual Committee meeting the Directors compare the basis of the remuneration of the Manager against that of the peer group.

Service providers

At each meeting of the Committee the Directors consider the remuneration, quality of service provided and value for money received from each of the key service providers of the Company.

Reporting Procedures

The Secretary circulates the minutes of meetings of the Management Engagement Committee to all members of the Board at the next Board meeting following a Management Engagement Committee Meeting.

A member of the Management Engagement Committee attends the Annual General Meeting and is available to answer questions on the Management Engagement Committee's activities and responsibilities.

Jack Perry
Chairman
19 March 2024

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed on pages 34 and 35 confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

On behalf of the Board
Jack Perry
Chairman
19 March 2024

Independent auditors' report to the members of European Assets Trust PLC

Report on the audit of the financial statements

Opinion

In our opinion, European Assets Trust PLC's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts 2023 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

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

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope

- The Company is a standalone Investment Trust Company and engages Columbia Threadneedle Investment Business Limited (the "Investment Manager") to manage its assets.
- We conducted our audit of the financial statements using information from State Street Bank & Trust Company (the "Administrator") to whom the Investment Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- 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.
- We obtained an understanding of the control environment in place at both the Investment Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.

Key audit matters

- Valuation and existence of investments
- Accuracy, occurrence and completeness of income from investments.

Materiality

- Overall materiality: £3,539,960 (2022: £3,476,270) based on 1% of Net Asset Value (NAV).
- Performance materiality: £2,654,970 (2022: £2,607,203).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and existence of investments Refer to the Report of the Audit and Risk Committee (page 51), Significant accounting policies (page 65) and Notes to the Financial Statements (page 70). The investment portfolio at the year-end comprised listed equity investments valued at £375.1m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the Annual Report.	Our audit work on the valuation and existence of investments included the following: · We tested the valuation of 100% of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources; and, · We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. Based on the results of the audit procedures performed we are satisfied that the equity investments exist and that the valuation of the equity investments is not materially misstated.
Accuracy, occurrence and completeness of income from investments. Refer to the Report of the Audit and Risk Committee (page 51), Accounting policies (page 65) and Notes to the Financial Statements (page 70). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments). We focused on the accuracy, completeness and occurrence of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition. In addition, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	We responded to this risk by performing the following audit procedures: · We obtained an understanding of the processes and controls around income recognition and classification of special dividends by reviewing the internal controls reports of the Administrator; and, · We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. For all dividends recorded by the Company, we performed our audit procedures through the use of our proprietary testing tool Halo: · We tested the accuracy of dividend income by agreeing the dividend rates from investments to independent market data; · We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings; · We also tested the occurrence of realised gains by agreeing a sample of gains recorded to supporting evidence such as bank statements and broker statements; and · To test for completeness, we investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. We have no matters to report as a result of this testing.

How we tailored the audit scope

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 structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records. We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls 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 analysing the relevant controls reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

The impact of climate risk on our audit

In conducting our audit, we made enquiries of the Directors and the Investment Manager to understand the extent of the potential impact of climate change risk on the Company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the majority of the Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report and Investment Manager Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall Company materiality	£3,539,960 (2022: £3,476,270).
How we determined it	1% of Net Asset Value (NAV)
Rationale for benchmark applied	We have applied this benchmark, which is generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £2,654,970 (2022: £2,607,203) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £176,998 (2022: £173,814) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and,
- assessing the implication of significant reductions in net asset value as a result of a severe but plausible downside in the market's performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors' Remuneration

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

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's

ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:
- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporate Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- holding discussions with the Manager and the Audit and Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- understanding the controls implemented by the Manager and the Administrator designed to prevent and detect irregularities;
- reviewing relevant meeting minutes, including those of the Audit and Risk Committee;
- assessing the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- identifying and testing journal entries, in particular year-end journal entries posted by the Administrator during the preparation of the financial statements; and,
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 17 May 2019 to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement is five years, covering the years ended 31 December 2019 to 31 December 2023.

Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 March 2024

Statement of Comprehensive Income

for the year ended 31 December

Revenue notes	Capital notes		2023 Revenue £'000s	2023 Capital £'000s	2023 Total £'000s	2022 Revenue £'000s	2022 Capital £'000s	2022 Total £'000s
	12	Gains/(losses) on investments held at fair value through profit or loss	–	32,185	32,185	–	(177,223)	(177,223)
		Foreign exchange gains/(losses)	2	(17)	(15)	(25)	(86)	(111)
3		Income	7,874	–	7,874	8,527	–	8,527
5	5	Management fees	(550)	(2,200)	(2,750)	(610)	(2,438)	(3,048)
6	6	Other expenses	(969)	(60)	(1,029)	(958)	(37)	(995)
		Profit/(loss) before finance costs and taxation	6,357	29,908	36,265	6,934	(179,784)	(172,850)
8	8	Finance costs	(141)	(564)	(705)	(51)	(206)	(257)
		Profit/(loss) before taxation	6,216	29,344	35,560	6,883	(179,990)	(173,107)
9	9	Taxation	(672)	–	(672)	(944)	–	(944)
		Profit/(loss) for the year and total comprehensive income/(expense)	5,544	29,344	34,888	5,939	(179,990)	(174,051)
11	11	**Earnings per share (basic and diluted) – pence**	1.54	8.15	9.69	1.65	(49.99)	(48.34)

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes on pages 65 to 82 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2023

Notes		Share capital £'000s	Distributable reserve* £'000s	Capital reserve* £'000s	Revenue reserve* £'000s	Cumulative translation reserve £'000s	Total Shareholders' funds £'000s
	Balance as at 31 December 2022	**37,506**	**296,945**	**8,671**	**–**	**4,505**	**347,627**
	Movement during the year ended 31 December 2023						
10	Interim dividends distributed	**–**	**(15,340)**	**–**	**(5,544)**	**–**	**(20,884)**
	Total comprehensive income	**–**	**–**	**29,344**	**5,544**	**–**	**34,888**
	Cumulative translation adjustment	**–**	**–**	**–**	**–**	**(7,635)**	**(7,635)**
	Balance as at 31 December 2023	**37,506**	**281,605**	**38,015**	**–**	**(3,130)**	**353,996**

for the year ended 31 December 2022

Notes		Share capital £'000s	Distributable reserve* £'000s	Capital reserve* £'000s	Revenue reserve* £'000s	Cumulative translation reserve £'000s	Total Shareholders' funds £'000s
	Balance as at 31 December 2021	37,506	322,694	188,661	–	(23,426)	525,435
	Movement during the year ended 31 December 2022						
10	Interim dividends distributed	–	(25,749)	–	(5,939)	–	(31,688)
	Total comprehensive income	–	–	(179,990)	5,939	–	(174,051)
	Cumulative translation adjustment	–	–	–	–	27,931	27,931
	Balance as at 31 December 2022	37,506	296,945	8,671	–	4,505	347,627

*These reserves include balances that are distributable by way of dividend, as disclosed in note 2(k).

The accompanying notes on pages 65 to 82 are an integral part of these financial statements.

Statement of Financial Position

at 31 December

Notes		2023 £'000s	2022 £'000s
	Non-current assets		
12	Investments at fair value through profit or loss	**375,066**	340,717
	Current assets		
13	Other receivables	**3,063**	3,247
	Cash and cash equivalents	**2,089**	13,317
	Total current assets	**5,152**	16,564
	Current liabilities		
14	Other payables	**(226)**	(782)
15	Bank Loan	**(25,996)**	(8,872)
	Total current liabilities	**(26,222)**	(9,654)
	Net current (liabilities)/assets	**(21,070)**	6,910
	Net assets	**353,996**	347,627
	Capital and reserves		
16	Share capital	**37,506**	37,506
17	Distributable reserve	**281,605**	296,945
18	Capital reserves	**38,015**	8,671
18	Revenue reserve	**–**	–
	Cumulative translation reserve	**(3,130)**	4,505
	Total Shareholders' funds	**353,996**	347,627
19	**Net Asset Value per ordinary share - pence**	**98.31**	96.54

The notes on pages 65 to 82 form an integral part of the financial statements.

Approved by the Board and authorised for issue on 19 March 2024 and signed on its behalf of by:

Jack Perry, Chairman

Statement of Cash Flows

for the year ended 31 December

Notes		2023 £'000s	2022 £'000s
20	**Cash flows from operating activities before interest and dividends received and interest paid**	**(4,328)**	(3,353)
	Dividends received	**7,388**	6,990
	Interest received	**321**	34
	Interest paid	**(654)**	(257)
	Cash flows from operating activities	**2,727**	3,414
	Investing activities		
	Purchase of investments	**(138,453)**	(107,060)
	Sale of investments	**128,176**	156,430
	Other capital expenses	**(60)**	(37)
	Cash flows from investing activities	**(10,337)**	49,333
	Cash flows before financing activities	**(7,610)**	52,747
	Financing activities		
10	Equity dividends distributed	**(20,884)**	(31,688)
15,21	Drawdown of bank loan	**26,293**	–
15,21	Repayment of bank loan	**(8,589)**	(17,173)
	Cash flows from financing activities	**(3,180)**	(48,861)
	Net movement in cash and cash equivalents	**(10,790)**	3,886
	Cash and cash equivalents at the beginning of the year	**13,317**	8,342
	Effect of movement in foreign exchange	**(15)**	(111)
	Translation adjustment	**(423)**	1,200
	Cash and cash equivalents at the end of the year	**2,089**	13,317
	Represented by:		
	Cash at bank	**18**	9
	Short term deposits	**2,071**	13,308
		2,089	13,317

The notes on pages 65 to 82 form an integral part of the financial statements.

Notes to the Accounts

1. General information

European Assets Trust PLC is an investment company incorporated in England (UK) with a premium listing on the London Stock Exchange. The Company registration number is 11672363 and the registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AG, England.

The Company has conducted its affairs so as to qualify as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. Approval of the Company under Section 1158 has been received. The Company intends to conduct its affairs so as to enable it to continue to comply with the requirements. Such approval exempts the Company from UK Corporation Tax on gains realised in the relevant year on its portfolio of fixed asset investments.

The accounting policies have been applied consistently throughout the year ended 31 December 2023, with no significant changes, as set out in note 2 below.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared on a going concern basis under the historical cost convention modified to include fixed asset investments and derivatives at fair value, and in accordance with the Companies Act 2006, UK-adopted International Accounting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB").

Where presentational guidance set out in the 2018 amended Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") is consistent with the requirements of UK-adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

All of the Company's operations are of a continuing nature. The functional currency of the Company is the euro and presentational currency is the pound sterling as the Board believe this will provide clarity of the Company's financial statements for its Shareholders, the overwhelming majority of whom are located in the United Kingdom.

The Board confirms that no other significant accounting judgements or estimates have been applied to the financial statements and therefore there is no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

As referred to in the Directors' Report on page 37 and note 23 to the accounts the Directors believe that it is appropriate for the accounts to be prepared on a going concern basis.

(b) New and revised Accounting Standards

The Company adopted the following amended standard and interpretation during the year however the Board does not expect the change to have an effect on the Company's accounts:

- IAS 8 Amendments - Definition of Accounting Estimates (effective 1 January 2023) The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also clarify the interaction between an accounting policy and an accounting estimate. The amendments are not expected to have a

2. Significant accounting policies (continued)

material impact on the Company's financial statements;

- IAS 12 Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023). The amendments require entities with certain assets to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are not expected to have a material impact on the Company's financial statements;

- IFRS 17 Amendments – Insurance contracts (effective 1 January 2023). The IASB has issued this new standard as a replacement for IFRS 4, which currently allows a range of accounting treatments for insurance contracts. IFRS 17 will fundamentally change the accounting for insurance and investment contracts by all entities with discretionary participation features. The amendments are not expected to have a material impact on the Company's financial statements;

Other new standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") but not effective for the current financial year and not early adopted by the Company include:

- IAS 1 Amendments - Classification of Liabilities as Current or Non-Current (effective date amended to 1 January 2024). The amendments specify the requirements for classifying liabilities as current or non-current;

- IAS 1 Amendments - Disclosure of Accounting Policies (effective 1 January 2024). The amendments require an entity to disclose its material accounting policy information instead of its significant accounting policies. The amendments contain guidance and examples on identifying material accounting policy information;

- IAS 1 Amendments - Non-current Liabilities with Covenants (effective 1 January 2024). The amendments require disclosure of information when there is a right to defer settlement of a liability for at least twelve months.

- IAS 7 Amendments - Supplier Finance Arrangements (effective 1 January 2024). The amendments require an entity to provide additional disclosures about its supplier finance arrangements to provide users of financial statements with information to enable them to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

- IFRS 16 Amendments - Lease Liability in a Sale and Leaseback (effective 1 January 2024). The amendments require an entity to add subsequent measurement requirements for sale and leaseback transactions.

- IAS 21 Amendments - Lack of Exchangeability (effective 1 January 2025). The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The IASB have issued a number of other new standards, amendments and interpretations that are not yet effective for the current financial year end and are not expected to be relevant or material to the Company's operations. They are therefore not expected to have an impact on the Company's financial statements when they become effective.

(c) Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 Corporation Tax Act 2010.

(d) Financial instruments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value.

Investments are classified as fair value through profit or loss. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition.

Financial assets designated as at fair value through profit or loss are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Unlisted investments are valued at fair value by the Directors on the basis of all information available to them at the time of valuation.

Where securities are designated upon initial recognition as fair value through profit or loss, gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item.

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:
Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 – techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(e) Receivables

Receivables do not carry any interest and are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Receivables are recognised initially at fair value based on contractual settlement amounts and subsequently measured at amortised cost using the effective interest rate method. The Company records any impairment allowance on financial assets at amortised cost using the expected credit loss model under the simplified method.

(f) Cash and cash equivalents

Cash at banks and short term deposits that are held to maturity are carried at cost. Cash and cash equivalents consist of cash at bank and short term deposits with an original maturity of three months or less.

(g) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are initially recorded at the proceeds received, net of issue costs.

(h) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(i) Derivative financial instruments

Derivatives are classified as fair value through profit or loss – held for trading and are held at fair value and changes in fair value are recognised in the capital return column of the Statement of Comprehensive Income.

2. Significant accounting policies (continued)

(j) Payables

Payables are not interest bearing and are recognised initially at fair value based on contractual settlement amounts and subsequently measured at amortised cost using the effective interest rate method.

(k) Share capital and reserves

(i) Share capital is held at the year end as Sterling denominated ordinary Shares.

(ii) Distributable reserve – Created by cancellation of the Share Premium Account. This reserve is available as distributable profits and may be used for the payment of dividends and the repurchase of Company shares.

(iii) Capital Reserves

Capital reserves – arising on investments sold and distributable by way of a dividend.

The following are accounted for in this reserve:

- gains and losses on the disposal of fixed asset investments and derivatives;
- settled foreign exchange differences of a capital nature; and
- other capital charges and credits charged or credited to this account in accordance with the above policies.

Capital reserves – arising on investments held and are non-distributable

The following are accounted for in this reserve:

- increases and decreases in the valuation of fixed asset investments and derivatives held at the year-end; and
- unsettled foreign exchange valuation differences of a capital nature.

(iv) Revenue reserve – The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to Shareholders as a dividend.

(v) Cumulative translation reserve

This reserve comprises all foreign exchange differences arising from the translation from the Company's functional currency, the euro, to the reporting currency, pound sterling. The figure represents:

- the differences arising from translation of transactions made by the Company at the exchange rate on the date of execution;
- the translation of assets and liabilities held at the Statement of Financial Position (SOFP) date at the exchange rate prevailing on that date; and,
- the translation of brought forward assets translated at the exchange rate prevailing on the SOFP date and brought forward capital and reserves at prior period exchange rates.

(l) Income

Dividends are recognised as income on the date that the related investments are marked ex-dividend.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established.

Special dividends of a non-capital nature are recognised through the revenue column of the Statement of Comprehensive Income. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, an amount equal to the cash dividend is recognised as income.

Interest income from fixed interest securities is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other investment income and deposit interest are included on an accruals basis.

(m) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

(n) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under section 1158 Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(o) Expenses and interest

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except those incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio taking account of the expected long term split of returns as follows:

- Management fees and finance costs have been allocated 20 per cent to revenue and 80 per cent to capital.

(p) Foreign currency

Foreign currency monetary assets and liabilities are expressed in Sterling at rates of exchange ruling at the Balance Sheet date. Purchases and sales of investment securities, dividend income, interest income and expenses are translated at the rates of exchange prevailing at the respective dates of such transactions. Exchange profits and losses on fixed assets investments are included within the changes in fair value in the Capital Reserve. Exchange profits and losses on other currency balances are separately credited or charged to the Capital Reserve except where they relate to revenue items.

Rates of exchange as at 29 December (with regard to Sterling)	2023	2022
Danish Krone	**8.60279**	8.38163
Norwegian Krone	**12.94648**	11.84977
Euro	**1.15403**	1.12710
Swedish Krona	**12.84724**	12.53362
Swiss Franc	**1.07294**	1.11292

(q) Use of judgements, estimates and assumptions

The presentation of the financial statements in accordance with accounting standards require the Board to make judgements, estimates and assumptions that effect the accounting policies and reported amounts of assets, liabilities, income and expenses.

2. Significant accounting policies (continued)

Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement and estimation in preparation of the financial statements are: recognising and classifying unusual or special dividends received as either revenue or capital in nature; and setting the level of dividends paid and proposed in satisfaction of both the Company's long-term objective and its obligations to adhere to Investment Trust status rules under Section 1158 of the Corporation Tax Act 2010.

Dividends received which appear to be unusual in size or circumstance are assessed on a case-by-case basis, based on interpretation of the investee companies' relevant statements, to determine their allocation in accordance with the SORP to either the Revenue Account or Capital Reserves. Dividends which have clearly arisen out of the investee company's reconstruction or reorganisation are usually considered to be capital in nature and allocated to Capital Reserves. Investee company dividends which appear to be paid in excess of current year profits may nevertheless still be considered to be wholly revenue in nature unless evidence suggests otherwise. The value of dividends received in the year treated as capital in nature is disclosed in note 18 to the Accounts. The value of special dividends receivable in any period cannot be foreseen as such dividends are declared and paid by investee companies without prior reference to the Company.

3. Income

	2023 £'000s	2022 £'000s
Dividend income[1] from listed investments in:		
- Austria	**236**	46
- Belgium	**66**	76
- Denmark	**313**	416
- France	**586**	495
- Germany	**539**	622
- Iceland	**–**	84
- Ireland	**928**	492
- Italy	**515**	755
- Netherlands	**441**	378
- Norway	**1,305**	1,673
- Portugal	**–**	159
- Spain	**865**	896
- Sweden	**1,235**	1,883
- Switzerland	**524**	518
Total dividend income	**7,553**	8,493
Other income:		
Interest on cash and cash equivalents	**321**	34
Total income	**7,874**	8,527

(1) Dividend income includes special dividends classified as revenue in nature in accordance with note 2(q) of £107,000 (2022: £218,000).

4. Operating segments

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, of investing in listed equity securities and that therefore the Company has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company.

5. Management fee

	2023			2022		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Management fee	**550**	**2,200**	**2,750**	610	2,438	3,048

The Manager receives a fee equal to 0.75 per cent per annum of the value of funds under management up to the value of €400 million. Funds under management is calculated as the value of total assets less current liabilities (excluding borrowings) at the end of the preceding quarter. Where the value of funds under management exceeds €400 million, the applicable rate over such excess value is 0.6 per cent per annum.

Detailed regulatory disclosures including those on the AIF Manager's remuneration policy and costs are available on Company's website or from Columbia Threadneedle Investments on request.

6. Other expenses

	2023			2022		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Depositary and custody fees	**74**	**–**	**74**	120	–	120
Remuneration of Directors(1)	**207**	**–**	**207**	180	–	180
Travel expenses	**23**	**–**	**23**	8	–	8
Indemnity insurance costs	**14**	**–**	**14**	15	–	15
Independent auditors' remuneration						
– for audit services(2)	**55**	**–**	**55**	56	–	56
Legal, secretarial and accounting	**125**	**–**	**125**	129	–	129
Broker fees	**37**	**–**	**37**	36	–	36
Marketing, advertising and printing costs	**202**	**–**	**202**	200	–	200
Other expenses(3)	**232**	**60**	**292**	214	37	251
Total other expenses	**969**	**60**	**1,029**	958	37	995

All expenses are stated gross of irrecoverable VAT, where applicable.
(1) See the Directors' Remuneration Report on page 48.
(2) Total Auditors' remuneration for audit services, exclusive of VAT amounts to £46,150 (2022: £42,900). There were no non-audit services paid to PwC in the year (2022: none).
(3) Other expenses include Registrar fees, listing fees, Loan non-utilisation fees and subscriptions.

7. Directors fees

The emoluments of the Chairman, the highest paid Director, were at the rate of £48,000 per annum (2022: £46,250).

Other Directors' emoluments amounted to £32,750 (2022: £31,500) each per annum, with the chairman of the Audit and Risk Committee receiving an additional £5,250 (2022: £5,250) per annum and the Senior Independent Director an additional £4,250 (2022: £4,250). Full details are provided in the Directors' Remuneration Report on pages 48 to 50.

8. Finance costs

	2023			2022		
	Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
Loan interest	**140**	**561**	**701**	35	141	176
Bank interest charges	**1**	**3**	**4**	16	65	81
Total finance cost	**141**	**564**	**705**	51	206	257

Finance costs have been allocated 80% to capital reserve in accordance with the Company's accounting policies.

9. Taxation

(a) Analysis of tax charge for the year

	Revenue £'000s	**Capital £'000s**	**2023 Total £'000s**	Revenue £'000s	Capital £'000s	2022 Total £'000s
Overseas taxation	**672**	**–**	**672**	944	–	944
Total taxation (see note 9(b))	**672**	**–**	**672**	944	–	944

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK.

(b) Factors affecting the current tax charge for the year

	Revenue £'000s	**Capital £'000s**	**2023 Total £'000s**	Revenue £'000s	Capital £'000s	2022 Total £'000s
Net profit/(loss) on ordinary activities before taxation	**6,216**	**29,344**	**35,560**	6,883	(179,990)	(173,107)
Net Return on ordinary activities multiplied by the standard rate of corporation tax of 23.5% (2022: 19%)	**1,461**	**6,896**	**8,357**	1,308	(34,197)	(32,889)
Effects of:						
Dividends*	**(1,776)**	**–**	**(1,776)**	(1,614)	–	(1,614)
Capital returns*	**–**	**(7,564)**	**(7,564)**	–	33,672	33,672
Currency losses	**–**	**4**	**4**	5	16	21
Expenses not utilised in the year	**315**	**664**	**979**	301	509	810
Overseas taxation not relieved	**672**	**–**	**672**	944	–	944
Total taxation (see note 9(a))	**672**	**–**	**672**	944	–	944

* These items are not subject to corporation tax in an investment trust company.

No deferred tax asset in respect of unutilised expenses at 31 December 2023 (2022: same) has been recognised as it is uncertain that there will be taxable profits from which the future reversal of a deferred tax asset could be deducted.

10. Dividends

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

The Company distributed the following interim dividends to Shareholders:

	Register date	Payment date	**2023 £'000s**	2022 £'000s
First of four interims for the year ended 31 December 2022 of 2.20 pence per share	14 Jan 22	31 Jan 22	**–**	7,922
Second of four interims for the year ended 31 December 2022 of 2.20 pence per share	08 Apr 22	29 Apr 22	**–**	7,922
Third of four interims for the year ended 31 December 2022 of 2.20 pence per share	08 Jul 22	29 Jul 22	**–**	7,922
Fourth of four interims for the year ended 31 December 2022 of 2.20 pence per share	07 Oct 22	31 Oct 22	**–**	7,922
First of four interims for the year ended 31 December 2023 of 1.45 pence per share	13 Jan 23	31 Jan 23	**5,221**	–
Second of four interims for the year ended 31 December 2023 of 1.45 pence per share	11 Apr 23	28 Apr 23	**5,221**	–
Third of four interims for the year ended 31 December 2023 of 1.45 pence per share	07 Jul 23	31 Jul 23	**5,221**	–
Fourth of four interims for the year ended 31 December 2023 of 1.45 pence per share	06 Oct 23	31 Oct 23	**5,221**	–
			20,884	31,688

	2023 £'000s
Net revenue return attributable to Shareholders	**5,544**
First of four interims for the year ended 31 December 2023 of 1.45 pence per share	**(5,221)**
Second of four interims for the year ended 31 December 2023 of 1.45 pence per share	**(5,221)**
Third of four interims for the year ended 31 December 2023 of 1.45 pence per share	**(5,221)**
Fourth of four interims for the year ended 31 December 2023 of 1.45 pence per share	**(5,221)**
Shortfall paid from distributable reserves	**(15,340)**

11. Earnings per share

The net return is equivalent to profit after tax per the Statement of Comprehensive Income. The return per share figure is based on the net profit or loss for the year and on the weighted average number of shares in issue during the year. The return per share amount can be further analysed between revenue and capital, as follows:

			2023			2022
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Net return attributable to equity Shareholders – £'000s	**5,544**	**29,344**	**34,888**	5,939	(179,990)	(174,051)
Return per share – pence	**1.54**	**8.15**	**9.69**	1.65	(49.99)	(48.34)

Both the revenue and capital returns per share are based on a weighted average of 360,069,279 ordinary shares in issue during the year (2022: 360,069,279).

12. Investments held at fair value through profit or loss

	2023 Total (Level 1) £'000s	2022 Total (Level 1) £'000
Cost brought forward	**306,742**	368,841
Unrealised gains brought forward	**33,975**	170,915
Fair value of investments at 1 January	**340,717**	539,756
Movements in the period:		
Purchases at cost	**138,453**	107,060
Sales proceeds	**(128,176)**	(156,430)
Gains/(losses) on investments sold in the year	**10,559**	(12,729)
Movement in unrealised gains/(losses) on investments held at the year end	**21,626**	(164,494)
Translation Adjustment	**(8,113)**	27,554
Fair value of investments at 31 December	**375,066**	340,717
Cost at 31 December	**327,578**	306,742
Unrealised gains carried forward	**47,488**	33,975
Fair value of investments at 31 December	**375,066**	340,717

	2023 £'000s	2022 £'000s
Gains/(losses) on investments sold in the year	**10,559**	(12,729)
Movement in unrealised Gains/(losses) on investments held at the year end	**21,626**	(164,494)
Total gains/(losses) in year	**32,185**	(177,223)

All assets held by the Company were classified as Level 1 in nature as described in note 2(d) and includes investments and derivatives listed on any recognised stock exchange.

Investments sold during the year have been revalued over time since their original purchase, and until they were sold any unrealised gains/losses was included in the fair value of the investments.

Included within the capital reserve movement for the year are £270,000 (2022: £278,000) of transaction costs including stamp duty on purchases of investments and £69,000 (2022: £74,000) of transaction costs on sales of investments.

Listed equities designated at fair value through profit or loss on initial recognition, incorporated in:	**2023 £'000s**	2022 £'000s
- Austria	**5,773**	6,621
- Belgium	**9,420**	10,223
- Denmark	**20,042**	22,095
- France	**24,682**	24,354
- Germany	**41,158**	40,446
- Ireland	**39,018**	25,147
- Italy	**31,180**	19,306
- Jersey	**4,927**	2,194
- Netherlands	**33,369**	27,737
- Norway	**28,771**	47,267
- Spain	**28,875**	22,480
- Sweden	**59,117**	53,256
- Switzerland	**48,734**	39,591
	375,066	340,717

The investment portfolio is set out on page 19.

13. Other receivables

	2023 £'000s	2022 £'000s
Prepayments	**32**	30
Overseas taxation recoverable	**3,031**	3,217
	3,063	3,247

14. Other payables

	2023 £'000s	2022 £'000s
Management fee	**–**	602
Loan interest	**58**	7
Accruals	**168**	173
	226	782

15. Borrowings

In March 2022 the Company entered into at €45 million multi-currency revolving loan facility with The Bank of Nova Scotia, London Branch, expiring March 2023. The covenants for this facility have all been met during the period. The interest rate on amounts drawn down and commitment fees payable on undrawn amounts are based on commercial terms agreed with The Bank of Nova Scotia.

Following the year end, the Company's loan facility with The Bank of Nova Scotia, London Branch expired. A new loan with a maximum facility of €60 million with The Royal Bank of Scotland International, London Branch has been entered into. As at 31 December 2023 the Company had drawn down €30.0 million (£26.0 million) of the loan facility.

16. Share capital

	2023 Issued, allotted and fully paid Number	2023 £'000s	2022 Issued, allotted and fully paid Number	2022 £'000s
Ordinary shares of £0.10 each				
Balance brought forward and carried forward at 31 December	**360,069,279**	**37,506**	360,069,279	37,506

17. Distributable reserve

	2023 £'000s	2022 £'000s
Balance brought forward	**296,945**	322,694
Dividends paid from distributable reserve	**(15,340)**	(25,749)
Balance carried forward	**281,605**	296,945

18. Capital & Revenue Reserves

	Capital reserve – realised £'000s	Capital reserve – unrealised £'000s	Capital reserve – total £'000s	Revenue reserve £'000s
Movements in the year:				
Gains on investments sold in year	**10,559**	**–**	**10,559**	**–**
Gains on investments held at year end	**–**	**21,626**	**21,626**	**–**
Foreign exchange losses	**(9)**	**(8)**	**(17)**	**–**
Management fee (see note 5)	**(2,200)**	**–**	**(2,200)**	**–**
Finance costs (see note 9)	**(564)**	**–**	**(564)**	**–**
Other capital charges (see note 6)	**(60)**	**–**	**(60)**	**–**
Revenue return	**–**	**–**	**–**	**5,544**
Return attributable to Shareholders	**7,726**	**21,618**	**29,344**	**5,544**
Dividends paid in year (see note 10)	**–**	**–**	**–**	**(5,544)**
Balance at 31 December 2022	**(23,302)**	**31,973**	**8,671**	**–**
Balance at 31 December 2023	**(15,576)**	**53,591**	**38,015**	**–**

There were no dividends recognised as capital during the year (2022: £nil).

19. Net Asset Value per ordinary share

The net asset value per share is based on the net assets attributable to the ordinary shares in issue as at 31 December:

	2023	2022
Net asset value per share – pence	**98.31**	96.54
Net assets attributable at the year end – £'000s	**353,996**	347,627
Number of ordinary shares in issue at the year end	**360,069,279**	360,069,279

20. Reconciliation of total return before taxation to net cash flows from operating activities

	2023 £'000s	2022 £'000s
Net return on ordinary activities before taxation	**35,560**	(173,107)
Adjustments for non-cash flow items, dividend income and interest expense:		
(Gains)/losses on investments	**(32,185)**	177,223
Foreign exchange movements	**15**	111
Non-operating expenses of a capital nature	**60**	37
Dividend income receivable	**(7,553)**	(8,493)
Interest receivable	**(321)**	(34)
Interest payable	**705**	257
(Increase)/decrease in other debtors	**(2)**	25
(Decrease)/increase in other creditors	**(607)**	628
	(39,888)	169,754
Cash flows from operating activities before interest and dividends received and interest paid	**(4,328)**	(3,353)

21. Reconciliation of liabilities arising from financing activities

	Bank loans £'000s	2023 Total £'000s	Bank loans £'000s	2022 Total £'000s
Financial liabilities brought forward	**8,872**	**8,872**	25,188	25,188
Cash flows:				
Drawdown of bank loans	**26,293**	**26,293**	–	–
Repayment of bank loans	**(8,589)**	**(8,589)**	(17,173)	(17,173)
Non-cash:				
Translation adjustment	**(580)**	**(580)**	857	857
Financial liabilities carried forward	**25,996**	**25,996**	8,872	8,872

22. Financial Risk Management

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom ("UK") as an investment trust under the provisions of section 1158 of the CTA. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

The Company invests in equities in order to achieve its investment objective, which is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. In pursuing this objective, the Company is exposed to financial risks which could result in a reduction in the Company's value of the net assets and profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit.

The Company's use of leverage and borrowings can increase its exposure to these risks, which in turn can also increase the potential returns it can achieve. The Company has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Company up to a level of 20 per cent of assets as permitted under the Articles of Association.

The Board, together with the Manager, is responsible for the Company's risk management, as set out in detail in the Strategic Report and Directors' Report. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) on the following pages.

The accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 2. The policies are in compliance with UK-adopted International accounting standards and best practice. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities including derivatives held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Company's objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager minimises the price risk by making a balanced selection of companies with regard to distribution across the European countries, sectors and individual stocks, assessing exposure to market risks when making each investment decision and monitors the ongoing market risk within the portfolio.

Details of the geographical exposure of investments can be found in note 12, the table below is a summary of the sector concentrations with the portfolio:

	2023 %	2022 %
Company's securities portfolio:		
Industrials	30.1	21.7
Consumer Discretionary	13.6	13.6
Financials	12.3	17.2
Technology	11.7	12.7
Health Care	9.4	11.4
Consumer Staples	9.3	11.8
Basic Materials	7.2	7.3
Energy	2.8	3.0
Real Estate	2.2	1.3
Telecommunications	1.4	–
	100.0	100.0

Based on the portfolio of investments held at each Balance Sheet date, and assuming other factors, including the management charge, remain constant, an increase or decrease in the fair value of the portfolio in sterling terms by 20% would have had the following approximate effects on the net capital return attributable to Shareholders and on the NAV per share:

		2023		2022
	Increase in value	Decrease in value	Increase in value	Decrease in value
Capital return – £'000s	75,013	(75,013)	68,143	(68,143)
NAV per share – pence	20.83	(20.83)	18.93	(18.93)

22. Financial Risk Management (continued)

(b) Currency risk

The Company invests in securities denominated in European currencies other than the euro which gives rise to currency risk. It is not the Company's policy to hedge this risk. The table below is a summary of the Company currency exposure:

	2023 £'000s	2022 £'000s
Danish Krone	**20,043**	22,095
Norwegian Krone	**28,771**	47,266
Pound Sterling	**4,927**	2,194
Swedish Krona	**59,117**	53,257
Swiss Franc	**48,734**	39,591
Total	**161,592**	164,403

Based on the financial assets and liabilities held and the exchange rates applying at the Balance Sheet date, a weakening or strengthening of the euro against other currencies by 10% would have the following approximate effect on returns attributable to Shareholders and on the NAV per share.

Weakening of the euro by 10% against other currencies	**2023 £'000s**	2022 £'000s
Net revenue return attributable to Shareholders	**325**	485
Net capital return attributable to Shareholders	**16,228**	18,349
Net total return attributable to Shareholders	**16,553**	18,834
NAV per share - pence	**4.60**	5.23

Strengthening of the euro by 10% against other currencies	**2023 £'000s**	2022 £'000s
Net revenue return attributable to Shareholders	**(325)**	(397)
Net capital return attributable to Shareholders	**(16,228)**	(15,013)
Net total return attributable to Shareholders	**(16,553)**	(15,410)
NAV per share - pence	**(4.60)**	(4.28)

These effects are representative of the Company's activities although the level of the Company's exposure to the other currencies fluctuates in accordance with the investment and risk management processes. As this analysis only reflects financial assets and liabilities, it does not include the impact of currency exposures on the management fee.

As discussed in note 2(a) the functional currency of the Company is the euro. Income earned in foreign currencies is therefore converted to the euro on receipt. The Board regularly monitors the effects of movements in foreign exchange rates on net revenues, interest earned on deposits and paid on gearing.

During the year, the Company entered in to Forward Currency Contracts for the purpose of hedging the euro to pound sterling exposure as a result of the differing functional currency and dividend payment currency. These forward currency contracts resulted in a net gain of £277,000 (2022: loss of £403,000).

Overview
Chairman's Statement
Strategic Report
Governance Report
Auditors' Report
Financial Report
Notice of Meeting
Other Information

The fair values of the Company's assets and liabilities at 31 December by currency are shown below:

2023	**Short-term debtors £'000s**	**Cash and cash equivalents £'000s**	**Short-term creditors - other £'000s**	**Short-term creditors - loans £'000s**	**Net monetary (liabilities)/ assets £'000s**	**Investments £'000s**	**Net exposure £'000s**
Euro	**2,215**	**2,089**	**(73)**	**(25,996)**	**(21,765)**	**213,474**	**191,709**
Danish Krone	**256**	**–**	**–**	**–**	**256**	**20,043**	**20,299**
Norwegian Krone	**328**	**–**	**–**	**–**	**328**	**28,771**	**29,099**
Pound Sterling	**31**	**–**	**(153)**	**–**	**(122)**	**4,927**	**4,805**
Swedish Krona	**–**	**–**	**–**	**–**	**–**	**59,117**	**59,117**
Swiss Franc	**233**	**–**	**–**	**–**	**233**	**48,734**	**48,967**
Total	**3,063**	**2,089**	**(226)**	**(25,996)**	**(21,070)**	**375,066**	**353,996**

2022	Short-term debtors £'000s	Cash and cash equivalents £'000s	Short-term creditors - other £'000s	Short-term creditors - loans £'000s	Net monetary assets/ (liabilities) £'000s	Investments £'000s	Net exposure £'000s
Euro	2,336	13,317	(609)	(8,872)	6,172	176,314	182,486
Danish Krone	309	–	–	–	309	22,095	22,404
Norwegian Krone	357	–	–	–	357	47,266	47,623
Pound Sterling	30	–	(173)	–	(143)	2,194	2,051
Swedish Krona	23	–	–	–	23	53,257	53,280
Swiss Franc	192	–	–	–	192	39,591	39,783
Total	3,247	13,317	(782)	(8,872)	6,910	340,717	347,627

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates. When the Company retains cash balances, the cash is held with approved banks, usually on overnight deposit. In addition, the Company has a loan facility which is exposed to floating interest rate risk. Interest received or paid on cash balances and bank overdrafts is at market rates and is monitored and reviewed by the investment manager and the board.

The exposure of the financial assets and liabilities to interest rate movements at 31 December was:

			2023			2022
	Within one year £'000s	**More than one year £'000s**	**Total £'000s**	Within one year £'000s	More than one year £'000s	Total £'000s
Exposure to floating rates:						
Cash and cash equivalents	**2,089**	**–**	**2,089**	13,317	–	13,317
Loans	**(25,996)**	**–**	**(25,996)**	(8,872)	–	(8,872)
Net exposure	**(23,907)**	**–**	**(23,907)**	4,445	–	4,445

The Company had no exposure to fixed interest rates at the year end.

Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Company arising out of the investment and risk management processes.

22. Financial Risk Management (continued)

Based on the financial assets and liabilities held and the interest rates ruling at each balance sheet date, an increase or decrease in interest rates of 2% would have the following approximate effects on the Income Statement revenue and capital returns after tax and on the NAV per share:

	Increase in rate £'000s	2023 Decrease in rate £'000s	Increase in rate £'000s	2022 Decrease in rate £'000s
Revenue return	**(96)**	**96**	18	(18)
Capital return	**(447)**	**383**	53	(71)
Total return	**(543)**	**479**	71	(89)
NAV per share – pence	**(0.151)**	**0.133**	0.020	(0.025)

(d) Credit risk and counterparty exposure

Credit and Counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the financial stability and credit quality of the brokers used, which are monitored on an ongoing basis by the investment manager. The investment manager also monitors the quality of service provided by the brokers used to further mitigate this risk.

The Company has an ongoing contract with its custodian for the provision of custody services. The contract is reviewed regularly. Details of securities held in custody on behalf of the Company are received and reconciled monthly. The Company's Depositary, JPMorgan Europe Limited, has regulatory responsibilities relating to segregation and safe keeping of the Company's financial assets, amongst other duties, as set out in the Directors' Report. The Board has direct access to the Depositary and receives regular reports from it via the Manager.

To the extent that the Manager carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk through regular meetings with the management of Columbia Threadneedle Investments (including the Fund Manager) and with its Risk Management function. In reaching its conclusions, the Board also reviews Columbia Threadneedle Investments annual Audit and Assurance Faculty Report.

In summary, compared to the amounts held at the balance sheet date of £nil, the maximum exposure to credit risk during the year was £nil (2022: Balance Sheet: same; maximum exposure: same).

None of the Company's financial liabilities is past its due date or impaired.

(e) Liquidity risk

The Company is required to raise funds to meet commitments associated with financial instruments and share buybacks. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given: the number of quoted investments held in the Company's portfolio (100% at 31 December 2023 and 100% at 31 December 2022); the liquid nature of the portfolio of investments; the industrial and geographical diversity of the portfolio (see pages 19 to 20); and the existence of an ongoing loan and overdraft facility agreement. All investments are realisable within one year and therefore no detailed maturity analysis has been included. Cash balances are held with approved banks, usually on overnight deposit. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

The Company has a €45 million unsecured revolving floating rate credit facility available until March 2023. Following the year end, the Company's loan facility with The Bank of Nova Scotia, London Branch expired. A new loan with a maximum facility of €60 million with The Royal Bank of Scotland International, London Branch has been entered into.

(f) Fair values of financial assets and liabilities

IFRS 13 requires disclosures relating to fair value measurements using a three-level hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the Balance Sheet at fair value, or at a reasonable approximation thereof. Borrowings under loan and overdraft facilities do not have a value materially different from their capital repayment amount.

(g) Capital risk management

The objective of the Company is stated as being to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. In pursuing this objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buy back share capital within limits set by the Shareholders in general meeting; borrow monies in the short and long term; and pay dividends to Shareholders out of current year revenue earnings as well as out of other distributable reserves.

Changes to ordinary share capital are set out in note 16, dividend payments in note 10 and details of loans in note 21.

23. Going Concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, strategy and policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers.

At present the global economy is suffering disruption due to the effects of the war in Ukraine, recent events in the Middle East and inflationary pressures and the Directors have given serious consideration to the consequences for this Company. As at 31 December 2023, the Company has a €45 million multi-currency loan facility with the Bank of Nova Scotia, London Branch, which was due to expire on 12 March 2024, of which €30.0 million was drawndown. Following the year end, the Company's loan facility with The Bank of Nova Scotia, London Branch expired. A new loan with a maximum facility of €60 million with The Royal Bank of Scotland International, London Branch has been entered into.

The Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached. The primary risk is that there is a very substantial decrease in the net asset value of the Company in the short to medium term.

Financial modelling has been undertaken to consider compliance with these covenants in several scenarios including the outcome of the 2008 Global Financial Crisis. These extreme but plausible scenarios indicate that the loan covenants would not be breached. In addition, the Directors have considered the remedial measures that are open to the Company if such a covenant breach appears possible. As at 18 March 2024, the latest practicable date before the publication of this report, borrowings amounted to €35.0 million (£29.9 million). This is in comparison to a net asset value of €409.5 million (£350.1 million). In accordance with its investment policy the Company is invested mainly in readily realisable listed securities. These can be realised if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

The Company operates within a robust regulatory environment. The Company retains title to all assets held by the Custodian. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Company's annual dividend, which is declared in sterling, is determined by reference to the year-end net asset value. The Company manages any sterling/euro exchange rate exposure which may arise from the declaration of a sterling denominated dividend by entering into specific matched forward currency hedging contracts. As at 31 December 2023 the Company had a Distributable Reserve of £281.6 million.

As at 31 December 2023 the Company had net current liabilities of £21.1 million. The Company invests in listed securities which can be realised to fund any short term cash shortfall that may arise.

Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

24. Related party transactions

The Directors of the Company are considered a related party. There are no transactions with the Board other than aggregated remuneration for services as Directors as disclosed in the Directors' Remuneration Report on pages 48 to 50 and as set out in note 7 to the financial statements.

There are no outstanding balances with the Board at the year end.

The beneficial interests of the Directors in the Ordinary shares of the Company are disclosed on page 49.

25. Transactions with the Manager

Transactions between the Company and Columbia Threadneedle Investments are detailed in note 5 on management fees. The existence of an independent Board of Directors demonstrated that the Company is free to pursue its own financial and operating policies and therefore under the AIC SORP, the Manager is not considered a related party.

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

European Assets Trust PLC
(incorporated in England and Wales under the Companies Act 2006 with registered number 11672363)

Notice is hereby given that the sixth Annual General Meeting of Shareholders of European Assets Trust PLC, the "Company", will be held on Friday, 17 May 2024 at 3.00 pm at Cannon Place, 78 Cannon Street, London EC4N 6AG, to transact the following business.

The resolutions to be proposed to the meeting are set out below. Resolutions 1 to 11 will be proposed as ordinary resolutions, meaning that for each of those resolutions to be passed, more than half the votes cast must be in favour. Resolutions 12 to 13 will be proposed as special resolutions, meaning that for either of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Ordinary Resolutions:

1. To receive and adopt the Directors' report and accounts for the year ended 31 December 2023 together with the Independent Auditor's Report thereon (the "2023 Report and Accounts").
2. To approve the Company's dividend policy with regard to quarterly payments as set out on page 22 of the Report and Accounts 2023.
3. To approve the Directors' Remuneration Report for the year ended 31 December 2023 set out on pages 48 to 50 of the 2023 Report and Accounts.
4. To re-appoint PricewaterhouseCoopers LLP as auditors to European Assets Trust PLC, to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
5. To authorise the Audit and Risk Committee to determine the remuneration of the auditor for the audit of the Report and Accounts for the year ended 31 December 2024.
6. To re-elect Stuart Paterson to the Board of European Assets Trust PLC.
7. To re-elect Martin Breuer to the Board of European Assets Trust PLC.
8. To elect Kate Cornish-Bowden to the Board of European Assets Trust PLC.
9. To elect Kevin Troup to the Board of European Assets Trust PLC.
10. To re-elect Pui Kei Yuen to the Board of European Assets Trust PLC.
11. That, in accordance with section 551 of the Companies Act 2006 (the "Act"), the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company to an aggregate nominal amount of £3,600,692 equal to 10 per cent of the total issued share capital of the Company as at 18 March 2024. Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2025, save that the Company may, before the expiry of any authority contained in this resolution, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous unexercised authorities conferred on the Directors in accordance with section 551 of the Act.

Special Resolutions:

12. That, subject to the passing of resolution 11, the directors be empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the general authority conferred on them by resolution 11 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act 2006, in each case as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:

    a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having an aggregate nominal value not exceeding the sum of £1,800,346 (being an amount equal to 5 per cent of the total issued share capital of the Company as at 18 March 2024, being the latest practicable date before the publication of this notice).

This authority shall expire, unless previously varied, revoked or renewed by the Company in general meeting, at the conclusion of the Annual General Meeting of the Company in 2025, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

13. That the Company be and it is hereby authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10 pence each in the capital of the Company ("Ordinary Shares") provided that:

(i) the maximum number of Ordinary Shares authorised to be purchased shall be 10 per cent of the number of the Ordinary Shares in issue at the date on which this resolution is passed;
(ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 10p;
(iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than the highest of:
(a) 5 per cent above the average of the middle market quotations of Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase;
(b) the price of the last independent trade on the trading venue where the purchase is carried out; and
(c) the highest current independent purchase bid for any of the Ordinary Shares on that venue.

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2025, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

By order of the Board

Columbia Threadneedle Investment Business Limited
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

19 March 2024

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 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.

Notes:

1. A member of the Company at the time set out in note 7 below is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
   A member who wishes to attend the AGM in person should arrive at the venue for the AGM in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the AGM, it is advisable for members to have some form of identification with them.
2. Any person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as their proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
3. A Form of Proxy is provided with this notice for members. If a member wishes to appoint more than one proxy and so requires

additional proxy forms, the member should contact Computershare Investor Services PLC on 0370 889 4094. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, not less than 48 hours before the time of the holding of the meeting or any adjournment thereof. Amended instructions must also be received by the Company's Registrar by the deadline for receipt of Forms of Proxy.

4. Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website www.eproxyappointment.com where full instructions for the procedure are given. The Control Number, Shareholder Reference and PIN as printed on the Form of Proxy will be required in order to use the electronic proxy appointment system. This website is operated by Computershare Investor Services PLC. The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Computershare Investor Services PLC not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. If you want to appoint more than one proxy electronically please contact Computershare Investor Services PLC on 0370 889 4094.
5. Investors holding shares in the Company through the CT Investment Trust ISA, Lifetime ISA, Junior ISA, Child Trust Fund, General Investment Account and/or Junior Investment Account should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 3.00 p.m. on 10 May 2024. Alternatively, voting directions can be submitted electronically at www. eproxyappointment.com by entering the Control Number, Shareholder Reference Number and PIN as printed on the form of direction. Voting directions must be submitted electronically no later than 3.00 p.m. on 10 May 2024.
6. Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Act (a "Nominated Person") should note that the provisions in notes 3 and 4 concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting.
   If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
7. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the Act, the Company has specified that only those members registered on the register of members of the Company at 3 p.m. on 15 May 2024 (the "Specified Time") (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 3 p.m. on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 3.00 p.m. on 15 May 2024 in order to be considered valid.
   Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in notes 3 and 4. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s)

are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

13. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
(a) the audit of the Company's Accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or
(b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual Accounts and Reports were laid in accordance with section 437 of the Act.

14. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

15. Any member permitted to attend the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting.
However, members should note that no answer need be given in the following circumstances:
(a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
(b) if the answer has already been given on a website in the form of an answer to a question; or
(c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

16. As at 18 March 2024, being the latest practicable date before the publication of this notice, the Company's issued capital consisted of 360,069,279 ordinary shares of 10 pence each carrying one vote each.
Therefore, the total voting rights in the Company as at 18 March 2024 were 360,069,279. No shares are held in treasury.

17. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 18 March 2024 being the latest practicable date prior to the printing of this notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available at www.europeanassets.co.uk.

18. Copies of the letters of appointment, which do not constitute contracts of employment, between the Company and its Directors; a copy of the Articles of Association of the Company; the register of Directors' holdings; and a deed poll relating to Directors' indemnities will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the commencement of the meeting to the conclusion thereof.

19. Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:
(a) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or
(b) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

20. Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Other Financial Information (unaudited)

Alternative Investment Fund Managers ('AIFM') Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Columbia Threadneedle Investment Business Limited, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy and costs are available on the Company's website or from Columbia Threadneedle Investments on request.

The Company's Articles of Association allow borrowings up to a maximum of 20% of its book value of the securities portfolio. The Company can only exceed this level of borrowing with the prior approval of shareholders at a general meeting.

The maximum gross leverage is therefore 125% (equivalent to 20% of the book value of its securities portfolio).

The Company's maximum and actual leverage levels authorised by the Financial Conduct Authority ("FCA") at 31 December 2023 are shown below:

Leverage

	Gross method	Commitment method
Maximum limit	200%	200%
Actual	106%	107%

For the purposes of the AIFM Disclosure, 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 the 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.

An Investor Disclosure Document is available on www.europeanassets.co.uk.

Securities financing transactions ("SFTR")

The Company has not, in the year to 31 December 2023 (2022: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the UK regulations on transparency of SFT, issued in November 2015.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZZ on request. Where dividends are paid to Shareholders' bank accounts, dividend tax vouchers are sent directly to Shareholders' registered addresses.

Share Price

The Company's shares are listed on the London Stock Exchange. Prices are published daily in the Financial Times and other newspapers and are available on the Company's website www.europeanassets.co.uk.

Change of Address

Communications with Shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Computershare Investor Services PLC under the signature of the registered holder.

Website

Additional information regarding the Company may be found at its website address which is: www.europeanassets.co.uk

Warning to Shareholders – Beware of Share Fraud.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell to you shares that turn out to be worthless or non-existent, or to buy your shares at an inflated price in return for an upfront payment following which the proceeds are never received.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from **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 **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 **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**.

How to Invest

One of the most convenient ways to invest in European Assets Trust PLC is through one of the Savings Plans run by Columbia Threadneedle Investments.

CT Individual Savings Account (ISA)
You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

CT Junior Individual Savings Account (JISA)*
A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

CT Lifetime Individual Savings Account (LISA)
For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

CT General Investment Account (GIA)
This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

CT Junior Investment Account (JIA)
This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

CT Child Trust Fund (CTF)*
If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges
Annual management charges and other charges apply according to the type of Savings Plan, these can be found on the relevant product Pre-sales Cost & Charges disclosure on our website www.ctinvest.co.uk.

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

Dealing charges
£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest in, these can be found at www.ctinvest.co.uk/documents.

How to Invest
To open a new Columbia Threadneedle Savings Plan, apply online at **www.ctinvest.co.uk** Online applications are not available if you are transferring an existing Savings Plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new Savings Plan in more than one name but paper applications are available at www.ctinvest.co.uk/documents or by contacting Columbia Threadneedle Investments.

New Customers:
Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)
Email: **invest@columbiathreadneedle.com**

Existing Savings Plan Holders:
Call: **0345 600 3030**** (9:00am – 5:00pm, weekdays)
Email: **investor.enquiries@columbiathreadneedle.com**
By post: Columbia Threadneedle Management Limited
PO Box 11114
Chelmsford CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

To find out more, visit **ctinvest.co.uk**

0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

COLUMBIA THREADNEEDLE INVESTMENTS

Capital at risk.
The material relates to an investment trust and its Ordinary Shares are traded on the main market of the London Stock Exchange.
The Investor Disclosure Document, Key Information Document (KID), latest annual or interim reports and the applicable terms & conditions are available from Columbia Threadneedle Investments Cannon Place, 78 Cannon Street, London EC4N 6AG, your financial advisor and/or on our website www.columbiathreadneedle.com. Please read the Investor Disclosure Document before taking any investment decision.
This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness.
In the UK: Issued by Columbia Threadneedle Management Limited, No. 517895, registered in England and Wales and authorised and regulated in the UK by the Financial Conduct Authority.

Ten Year Record (Unaudited)

As at/for the year ended 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	Dividends/ distributions per share Pence	Euro Total Return: Net asset value per share %	Euro Total Return: Benchmark %	Sterling Total Return: Net asset value per share %	Sterling Total Return: Benchmark %
2014*∞	98.7	1.272	98.05	1.263	0.07221†	n/a	15.3	5.2	7.6	(1.9)
2015*∞	112.7	1.529	112.01	1.520	0.07743†	n/a	26.9	23.5	20.5	17.2
2016*∞	102.2	1.197	112.19	1.314	0.09429†	n/a	(7.3)	6.4	7.4	23.3
2017*∞	130.8	1.474	129.85	1.463	0.08220†	n/a	18.0	18.6	22.6	23.3
2018*∞	93.0	1.036	102.73	1.140	0.09298†	n/a	(16.3)	(13.6)	(15.4)	(12.7)
2019	110.0	1.300	116.17	1.370	0.07136†	n/a	26.9	27.8	19.8	20.6
2020	120.3	1.343	132.75	1.480	n/a	7.02	15.4	12.6	21.9	18.9
2021	139.5	1.662	145.93	1.740	n/a	8.00	24.0	22.5	16.3	14.9
2022	91.6	1.032	96.54	1.088	n/a	8.80	(32.0)	(22.1)	(28.2)	(17.7)
2023	89.7	1.035	98.31	1.135	n/a	5.80	10.8	12.4	8.2	9.8

* European Assets Trust NV prior to the migration on 16 March 2019.
∞ For comparison purposes, historical values have been adjusted for the ten for one stock split effective 3 May 2018.
† Dividends prior to 16 March 2019 are shown gross of Dutch withholding tax.

Alternative Performance Measures

The Company uses the following Alternative Performance Measures ("APMs"). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. No new APMs have been identified or added since the prior year end.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the net asset value ("NAV") per share of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. The discount is shown as a percentage of the NAV per share. Shares trading at a price above NAV per share are deemed to be at a premium.

		31 December 2023 pence	31 December 2022 pence
Net Asset Value per share	(a)	**98.31**	96.54
Share price per share	(b)	**89.70**	91.60
Premium or (Discount) (c= (b-a)/a)	(c)	**(8.8%)**	(5.1%)

Gearing – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a "prior charge" over the assets of a company, ranking before ordinary Shareholders in their entitlement to capital and/or income. They may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash". The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report.

		31 December 2023 £'000	31 December 2022 £'000
Loan		**25,996**	8,872
Less cash and cash equivalents		**(2,089)**	(13,317)
Total	(a)	**23,907**	(4,445)
Net Asset Value	(b)	**353,996**	347,627
Gearing (c = a/b)	(c)	**6.8%**	(1.3%)

Ongoing Charges – all operating costs expected to be incurred in future and that are payable by the Company, expressed as a proportion of the average net assets of the Company over the reporting year. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing shares.

Ongoing charges calculation		31 December 2023 £'000	31 December 2022 £'000
Management fees		**2,750**	3,048
Other expenses		**969**	958
Ad-hoc non-recurring expenses		**(86)**	(120)
Total	(a)	**3,633**	3,886
Average daily net assets	(b)	**347,688**	377,305
Ongoing charges (c = a/b)	(c)	**1.04%**	1.03%

Total Return – the theoretical 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 in the period. The dividends are assumed to have been re-invested in the form of shares or net asset, respectively, on the date on which the shares were quoted ex-dividend.

	Net Asset Value	Share price
NAV/Share price per share at 31 December 2022 (pence)	**96.54**	**91.60**
NAV/Share price per share at 31 December 2023 (pence)	**98.31**	**89.70**
Change in the year	**1.8%**	**(2.1%)**
Impact of dividend reinvestments	**6.4%**	**6.6%**
Total return for the year	**8.2%**	**4.5%**

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 requires that all investment vehicles (AIF – Alternative Investment Fund) must appoint a Depositary and an Alternative Investment Fund Manager. 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, Columbia Threadneedle 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. With effect from 1 June 2023 the benchmark changed from EMIX Smaller European Companies (ex UK) Index (net) to MSCI Europe excluding United Kingdom Small Mid Cap (Net Return) Index. For the year ended 31 December 2023 a time-apportioned composite of each indices has therefore been calculated and disclosed.

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 JPMorgan Chase Bank.

Depositary – Under AIFMD rules, 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 JPMorgan Chase Bank.

Dividend – The income from an investment. The Company currently pays dividends to shareholders four times per year in January, April, July and October. 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. Since January 2020 the Board has declared the Company's annual dividend in sterling. The previous practice was to declare in euros.

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.

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

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.

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.

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 London Stock Exchange.

European Assets Trust PLC
Report and Accounts
31 December 2023

Contact us

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To find out more visit **columbiathreadneedle.com**