

**Fund manager**  
**Sam Cosh**



## Manager Commentary

In a difficult month for equities, European smaller companies outperformed their large cap counterparts and US equities. The latter suffered on the back of higher inflation data and a first quarter GDP announcement that, while weak at first glance, showed resilient private demand. This fuelled fears that central banks will not ease monetary policy as quickly as hoped. Europe's outperformance was fuelled by more benign inflation and improving economic activity; the Eurozone's flash composite PMI, a leading indicator of economic activity, expanded more than expectations. With European equities and smaller companies looking good value, this augurs well.

Our portfolio marginally underperformed the index as value sectors maintained leadership. Our best performer was Nordic Semiconductor, the leading designer of Bluetooth chips. The shares have had a difficult year as high inventory levels exacerbated weak demand, particularly for consumer electronics. The share price rebounded 42% following the results announcement. While the figures were in line with forecasts, their outlook for the second quarter exceeded expectations, inspiring confidence that demand and restocking were through the worst. We benefited from a strong positive reaction to Royal Unibrew's results. The shares had earlier been weak due to tough consumer demand; the first quarter saw a return to attractive growth, and the upgrade to full-year guidance was welcome. Other strong performance came from Storebrand, the Norwegian insurer, Sdiptech, the Swedish industrial, and Atea the Norwegian IT reseller which all posted strong first quarter results.

In terms of poor performers, Tecan, the Swiss Medtech was the worst contributor though there was no particular news; the performance followed a peer's profit warning. IMCD, the Dutch specialist chemical distributor, fell following disappointing results. We spoke to the company and were reassured this did not indicate a long-term trend change. Other poor performers were Indutrade, the Swedish industrial, Tomra, the Norwegian recycling operator, and Carl Zeiss, the German medtech - all issued disappointing updates.

### Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance. Where investments are made in smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment.

The mention of any specific shares or bonds should not be taken as a recommendation to deal. Past performance does not predict future returns.

## Key facts as at 30.04.24

**Trust aims:** To achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends are paid from a mix of income and capital reserves.

**Trust highlights:** Diversified portfolio of small to mid-cap growth businesses across Continental Europe and Ireland. This area of the market is less well researched, allowing value to be added from stock selection.

**Benchmark:** MSCI Europe ex UK SMID Cap Index<sup>†</sup>

**Fund type:** Investment Trust

**Launch date:** 1972

**Total assets:** £381.1 million

**Share price:** 86.00p

**NAV:** 97.54p

**NAV:** €1.14

**Discount/premium(-/+):** -11.83%

**Dividend payment dates:** Jan, Apr, Jul, Oct

**Yield<sup>††</sup>:** 6.86%

**Net gearing/Net cash<sup>†</sup>:** 7.30%/0.00%

**Management fee rate<sup>\*\*</sup>:** 0.75%

**Ongoing charges<sup>\*\*\*</sup>:** 1.04%

**Year end:** 31 December

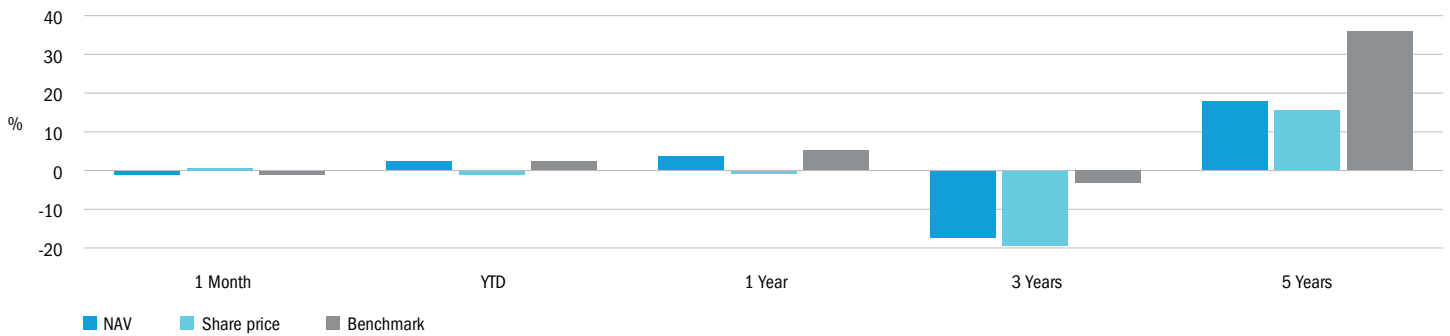
**Sector:** European Smaller Companies

**Currency:** Euros

**Website:** [www.europeanassets.co.uk](http://www.europeanassets.co.uk)

<sup>\*\*\*</sup>Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.

## Fund performance as at 30.04.24



## Cumulative performance as at 30.04.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-0.99	2.27	3.45	-17.14	17.68
Share price	0.54	-0.80	-0.74	-19.28	15.33
Benchmark	-0.85	2.19	5.05	-3.11	35.74

## Discrete annual performance as at 30.04.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	3.45	-2.74	-17.64	59.65	-11.05
Share price	-0.74	-5.98	-13.50	59.56	-10.45
Benchmark	5.05	-0.40	-7.40	53.49	-8.72

**Past performance is not a guide to future performance.** Source: Columbia Threadneedle Investments and LIPPER. Basis: Percentage growth, total return, bid to bid price with net income reinvested in Sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

## Trust codes

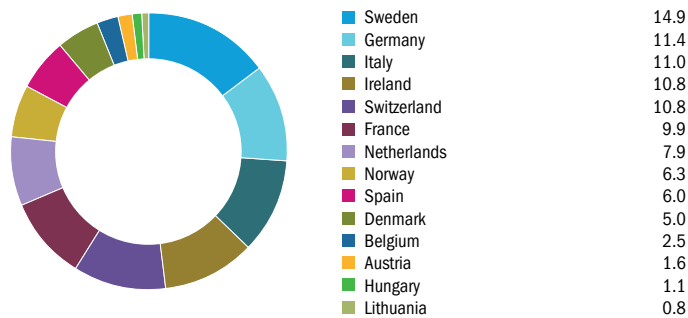
Stock exchange code	Sedol
EAT	BD0BSY3

## Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
CTS Eventim	2.8	0.2	2.6	Consumer Discretionary
Ringkjoebing Landbobank	2.6	0.2	2.4	Financials
Vidrala	2.6	0.1	2.5	Industrials
Smurfit Kappa	2.5	0.5	2.0	Industrials
Royal Unibrew	2.4	0.2	2.2	Consumer Staples
Cairn Homes	2.4	0.0	2.4	Consumer Discretionary
Interpump	2.3	0.1	2.2	Industrials
Elis	2.3	0.2	2.1	Industrials
Rational	2.3	0.2	2.1	Industrials
Gerresheimer	2.3	0.2	2.1	Health Care

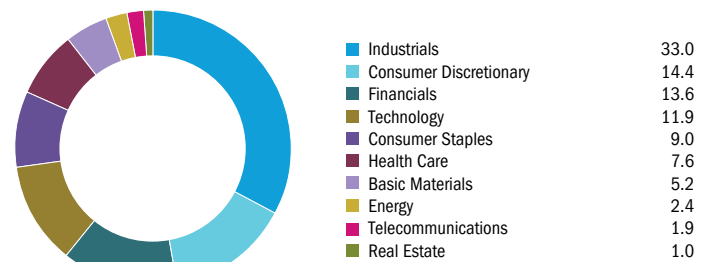
All figures are subject to rounding.

## Geographical breakdown (%)



All figures are subject to rounding.

## Sector breakdown (%)



## Net dividend distributions per share (£)

	2024
January	0.01475
March	0.01475
July	0.01475
October	0.01475
<b>Total</b>	<b>0.05900</b>

The 2023 dividend was paid in four instalments on 31 January, 28 April, 31 July and 31 October. The annual dividend is equivalent to 6% of the net asset value as at 31 December.

## Glossary

<b>Bid price</b>	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
<b>Dividend</b>	Income paid to shareholders by the company they invest in.
<b>Net asset value</b>	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



All data as at 30.04.2024 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. All percentages are based on gross assets. \*With effect from 1 June 2023. Previously EMIX Smaller European Companies (ex UK) Index. \*\*The yield is calculated using the dividends declared for the company's current financial year and the closing share price and exchange rate as at the end of the relevant month. \*Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. \*\*A reduced management fee of 0.60% per annum is charged on funds under management in excess of €400 million. \*\*\*Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) to the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product.

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