

Fund manager  
Mine Tezgul



Morningstar rating†



## Manager Commentary

The company's benchmark index rose by 6.0% in sterling total return terms during May. The company delivered a positive NAV total return of 7.6%, outperforming the index in a month of continued volatility on the international stage caused by negotiations, variations and temporary postponements of President Trump's tariff programme. In the latest twist, there has been a court challenge in the US questioning the legality of the new tariff programme.

The proposed US tariffs had boosted safe-haven assets and there appear to be more victims in the US than elsewhere. Equities recovered their poise in May, even as the ultimate outcome of trade negotiations remained uncertain. The impact of the proposed tariffs varies by region – Europe (via the EU) seems to have fared worse than the UK, but not as badly as China and other Asian countries. News that the US and China had agreed to reduce bilateral tariffs contributed to the rally across equity markets. While government bond yields rose in the US and UK, as investors focused on growing fiscal deficits, Europe was better positioned compared to other regions with more room for interest rate cuts. The May Purchasing Manager's Indices (a widely used economic indicator) for the Eurozone unexpectedly dipped into contractionary territory, sparking jitters that the eurozone economic recovery could be stalling, but this also supported the case for lower interest rates - despite inflation in April remaining the same as the previous month and slightly above the ECB's target.

Within the portfolio, good performance came from RENK and Rheinmetall, German stocks that are benefiting from renewed interest in the defence sector. They are both relatively recent additions to the portfolio and have made a positive contribution to returns so far. RENK's Q1 results and accompanying outlook statement were encouraging, but broker upgrades and share price appreciation had more to do with overall sentiment towards the sector. The same was true of Rheinmetall, which announced plans to increase artillery shell production capacity. Kardex, the Swiss provider of warehouse storage and retrieval systems, also performed well, recovering after earlier weak performance on tariff concerns. The company is expected to benefit from increased European infrastructure expenditure.

In terms of weaker performers, Vidrala, the Spanish wine-bottle maker, drifted following the announcement of quarterly results which were unexciting. Siegfried, the Swiss provider of pharmaceutical ingredients, also turned in pedestrian performance, with some minor broker downgrades and concerns over US tariffs. Elia Systems, which provides equipment for electricity transmission in Germany and Belgium, saw the shares mark time after stronger performance earlier in the year.

## 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 31.05.2025

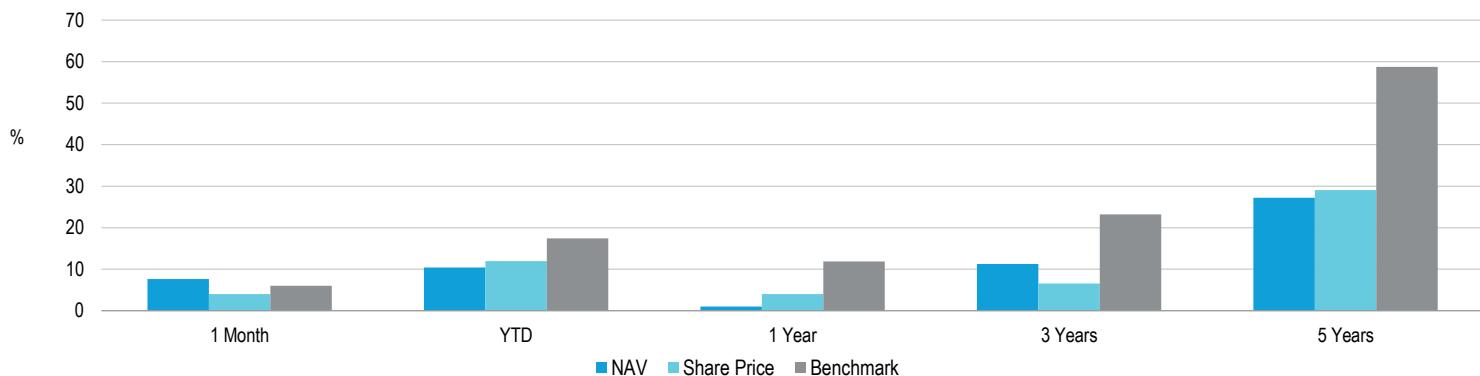
**Trust aims:** To achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends are paid from a mix of income and capital reserves.

**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†
Fund type:	Investment Trust
Launch date:	1972
Total assets:	£383.9 million
Share price:	87.40p
NAV:	98.43p
NAV:	€1.17
Discount/premium(-/+):	-11.21%
Dividend payment dates:	Jan, Apr, Jul, Oct
Yield††:	6.32%
Net gearing/Net cash*:	4.10% / 0.00%
Management fee rate**:	0.75%
Ongoing charges**:	1.01%
Year end:	31 December
Sector:	European Smaller Companies
Currency:	Euros
Website:	<a href="http://www.europeanassets.co.uk">www.europeanassets.co.uk</a>

\*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 31.05.25



Cumulative performance as at 31.05.25 (%)

	1 Month	YTD	1 Year	3 Years	5 Years
NAV	7.62	10.38	0.97	11.28	27.20
Share price	4.05	11.93	4.01	6.55	29.08
Benchmark	5.99	17.40	11.88	23.19	58.76

Discrete annual performance as at 31.05.25 (%)

	2025/24	2024/23	2023/22	2022/21	2021/20
NAV	0.97	13.52	-2.91	-20.60	43.96
Share price	4.01	8.25	-5.36	-20.84	53.05
Benchmark	11.88	15.95	-5.04	-8.71	41.18

**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:	EAT
Sedol:	BD0BSY3

Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
Rheinmetall	5.8	3.4	2.4	Industrials
CTS Eventim	3.4	0.3	3.1	Consumer Discretionary
Elis	3.2	0.2	3.0	Industrials
Ringkjøbing Landbobank	3.1	0.2	2.9	Financials
Cairn Homes	2.9	0.1	2.8	Consumer Discretionary
Nordnet	2.5	0.1	2.4	Financials
FinecoBank	2.4	0.5	1.9	Financials
Bank of ireland	2.3	0.5	1.8	Financials
Konecranes	2.3	0.2	2.1	Industrials
Storebrand	2.2	0.2	2.0	Financials

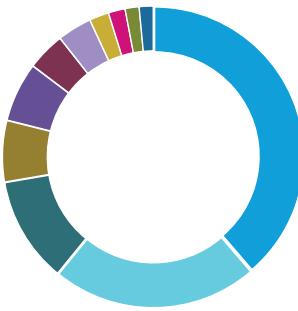
All figures are subject to rounding.

Geographical breakdown (%)



Germany	15.6
France	13.3
Switzerland	11.5
Ireland	10.8
Sweden	10.4
Italy	9.1
Netherlands	7.9
Spain	4.9
Denmark	4.2
Norway	3.3
Austria	2.6
Finland	2.3
Belgium	1.9
Greece	1.1
Lithuania	1.1

Sector breakdown (%)



Industrials	38.7
Financials	22.2
Consumer Discretionary	11.4
Technology	6.6
Consumer Staples	6.4
Basic Materials	4.1
Health Care	3.7
Telecommunications	2.1
Energy	1.8
Utilities	1.5
Real Estate	1.5

All figures are subject to rounding.

Net dividend distributions per share (£)

	2025
January	0.0138
March	0.0138
July	0.0138
October	0.0138
<b>Total</b>	<b>0.0552</b>

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.

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



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 0.55% per annum is charged on funds under management in excess of €300 million. \*\*\*Ongoing charges calculated in accordance with AIC recommendations and as disclosed in the latest annual report. 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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