

# PRESS RELEASE

## European Assets Trust NV

### Interim Management Statement

**For the three month period from 1 July 2014 to 30 September 2014**

#### Investment Objective

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

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

Total return#	Three month period ended 30 September 2014		Nine month period ended 30 September 2014	
	Euro	Sterling	Euro	Sterling
Net asset value per share	0.4%	-2.2%	7.0%	0.3%
Market price per share	-0.2%	-2.8%	7.5%	0.6%
Euromoney European Smaller Companies (ex UK) Index	-4.9%	-7.5%	5.3%	-1.4%

#### Dividends

The Board announced and paid dividends totalling EUR 0.699 (net) per share for the year to 31 December 2014 payable in three instalments in January, May and August.

Capital return	As at 30 Sep 2014 Euro	As at 30 June 2014 Euro	As at 30 Sep 2014 Sterling	As at 30 June 2014 Sterling
Net assets (shareholders' funds)	€247.0m	€246.7m	£192.5m	£197.5m
Net asset value per share – treasury*	€11.72	€11.93	912.8p	955.1p
Market price per share	€11.72†	€11.99†	913.0p	960.2p
Euromoney European Smaller Companies (ex UK) Index	458.71	483.25	357.43	386.94
Premium to treasury net asset value			-	0.5%
Gearing (0% = nil geared position)‡			5%	5%

Sources: F&C Investment Business Limited, Datastream.

\* - In accordance with the AIC calculation method where shares are held in treasury; subject to the Company's resale policy, including limiting dilution to 0.5 per cent of net asset value per annum.

† - London Stock Exchange prices converted into Euros at relevant exchange rate.

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

# - Total return means capital performance with dividends reinvested.

## Review of the period to 30 September 2014

The third quarter was difficult for European equities with mixed economic data and weakening leading indicators helping to drive the market lower. European Asset Trust's Net Asset Value (NAV) however managed to significantly outperform this and deliver a marginally positive performance in absolute terms (when measured in Euros). This was well ahead of our index which fell -4.9%. In Sterling terms our NAV fell -2.2% against a benchmark return of -7.5%.

The currency movements reflected the contrasting development between Europe and the UK. While the Bank of England signalled a move towards monetary tightening on the back of strong economic performance in the UK, the European Central Bank announced further and more specific monetary support in response to weaker data. This had the effect of weakening the Euro and therefore our reported results. However, the measures should through time help economic growth by both encouraging exports and increasing bank lending, particularly to smaller companies.

As demonstrated by a difficult start to the fourth quarter though, scepticism of global growth, let alone a European recovery, is high. We believe, however, that the fairly dramatic movements in indices is more a reassessment of the outlook of the global economy rather than anything more sinister. We had cautioned in our half year report that for indices to move much higher then profit levels need to improve. While on an aggregate level this is proving elusive in Europe, we are pleased that our companies have made good progress through the first half reporting season. European Assets focuses on quality businesses, run by proven managers, at attractive valuations. We are confident that this strategy will deliver good long term performance for our shareholders, and these businesses should trade relatively well through market turmoil.

Over the three months ended 30 September 2014 the Company issued 395,000 Ordinary Shares from treasury for a total consideration of £3.7 million representing 1.9% of the Ordinary Shares in issue at the beginning of the period. During the period the Company also issued 8,212 Ordinary Shares from treasury via scrip dividend.

## Top Ten Holdings as at 30 September 2014

Company	Country	30 September 2014
		percentage of net assets
Glanbia (2)	Ireland	3.4
Azimut (4)	Italy	3.4
Jazztel (12)	Spain	3.2
Ringkjoebing Landobank (3)	Denmark	3.1
Origin Enterprises (1)	Ireland	3.0
Forbo (7)	Switzerland	2.9
Amer Sports (10)	Finland	2.8
Grafton (14)	Ireland	2.8
Mediaset Espana Comunicacion (17)	Spain	2.7
Aareal Bank (9)	Germany	2.7
Total		30.0

(Comparative positions as at 30 June 2014).

As at 30 June 2014 the top ten holdings represented 30.5% of net assets.

## Geographical Analysis

Country	30 Sep 2014 percentage of net assets	30 June 2014 percentage of net assets
Ireland	20.4	19.0
Germany	20.3	22.1
Spain	10.8	9.9
Switzerland	9.9	11.4
Italy	9.8	9.7
Denmark	8.2	7.9
Netherlands	6.9	7.2
Norway	6.5	6.1
Sweden	4.5	4.4
Finland	3.0	2.8
France	2.5	3.0
Portugal	2.4	1.8
Net current liabilities (includes borrowings)	(5.2)	(5.3)
Total	<u>100.0</u>	<u>100.0</u>

## Daily and Key Information

The Boards are not aware of any significant events or transactions which have occurred since 30 September 2014 and the date of publication of this statement which would have a material impact on the financial position of the Company.

Further information regarding the Company, including daily net asset values published since the end of the period and monthly factsheets, can be found at the Company's website [www.europeanassets.eu](http://www.europeanassets.eu), or at [www.fandc.com](http://www.fandc.com).

This interim management statement has been prepared solely to provide information to meet regulatory requirements.

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*European Assets Trust N.V. is a closed-end investment company with variable capital. European Assets Trust N.V. is listed at the stock exchange of Euronext Amsterdam and at the London Stock Exchange.*