European Assets Trust NV

Annual Report and Accounts

2010

F&C Investments

Contents

aic
The Association of Investment Companies

Financial Calendar 2011/12

12 May 2011	General Meeting of Shareholders (Amsterdam)
18 May 2011	Shareholders' and Investors' Briefing (London)
August 2011	Announcement of Interim Results
August 2011	Posting of Interim Report
March 2012	Announcement of Final Results for 2011

Company Summary

The Company

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

Total assets (less current liabilities) at 31 December 2010 were €126.6 million (£110.1 million).

Objective

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

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

Management

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

Capital Structure

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

How to Invest

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

Share Price

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

Trading primarily takes place on the London Stock Exchange.

Website

The Company's internet address is: www.europeanassets.co.uk

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

Investment Institution

European Assets Trust NV is a closed-end investment company and an investment institution within the meaning of the Dutch Act on Financial Supervision ('Wft'). The Company is licenced by Autoriteit Financiële Markten (the Dutch Financial Markets Authority).

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

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

Financial Highlights for the Year

- **Total return* performance over 2010**

	Euro	Sterling
Net asset value per share	25.2%	20.8%
HSBC Smaller Europe (ex UK) Index	21.7%	17.4%

- **Total return* performance since December 1997 (portfolio refocused)**

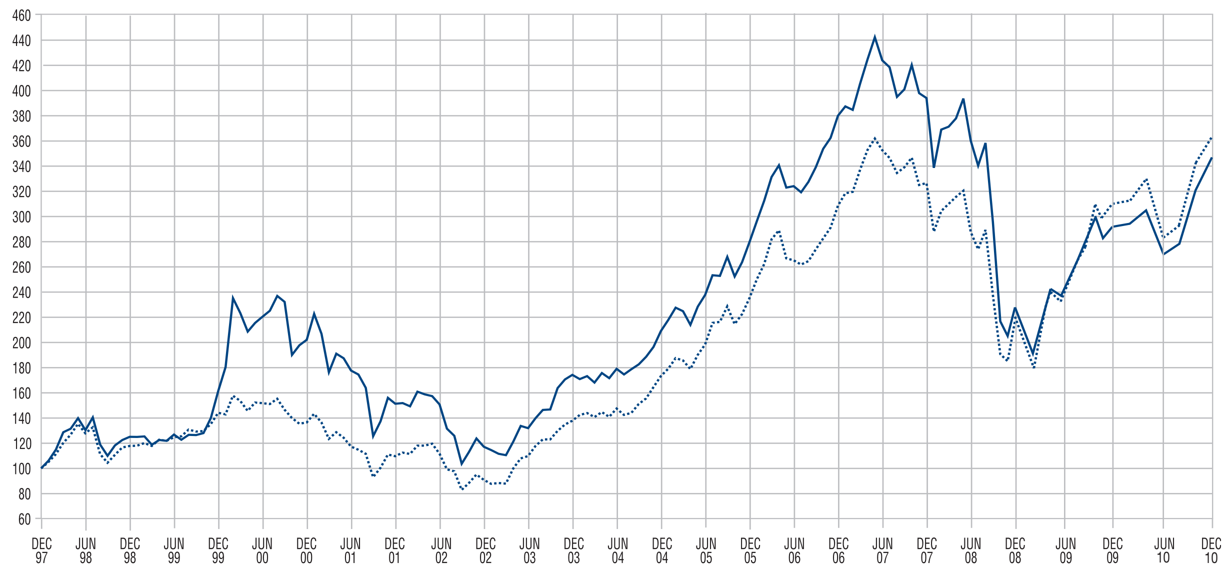
	Euro	Sterling
Net asset value per share	168.8%	246.7%
HSBC Smaller Europe (ex UK) Index	182.6%	262.0%

- **The annual dividend for 2011 is €0.51 per share (2010 €0.432, net) equivalent to 6% of the opening net asset value per share**

	Euro	Sterling
January 2011 dividend paid per share (further dividends payable in May and August)	€0.17	£0.143

Total Return Performance*

European Assets Trust Net Asset Value v HSBC Smaller Europe (ex UK) Index



Sources: Morningstar, HSBC.
The Portfolio was refocused in December 1997.

*Total return wherever used in this document means capital performance with dividends reinvested.

Performance Summary for the Year to 31 December 2010

	Euro 2010	2009	Sterling 2010	2009
Total Return				
Net asset value total return per share*	**25.2%**	42.5%	**20.8%**	31.0%
Market price total return per share	**20.4%**	41.1%	**16.1%**	29.8%
HSBC Smaller Europe (ex UK) Index	**21.7%**	55.2%	**17.4%**	42.5%

	Euro 2010	2009	Sterling 2010	2009	Sterling % change
Capital					
Total assets (less current liabilities)	**€126.6m**	€110.1m	**£108.5m**	£97.8m	**10.9**
Net asset value per share – basic	**€8.49**	€7.23	**727.4p**	642.1p	**13.3**
Net asset value per share – treasury†	**€8.45**	€7.19	**723.8p**	638.9p	**13.3**
Market price per share	**€7.33‡**	€6.55‡	**628.5p**	582.0p	**8.0**
HSBC Smaller Europe (ex UK) Index	**379.58**	318.82	**325.24**	283.26	**14.8**

	Euro 2010	2009	Sterling 2010	2009
Distributions (per share)				
Total distributions paid in cash¶	**€0.4613**	€0.3551	**39.1p**	31.5p
Discount (difference between share price and treasury net asset value)#			**13.2%**	8.9%
Gearing (100=nil geared position)§			**101**	98
Total Expense Ratio				
as percentage of average shareholders' funds			**1.72%**	1.71%
Portfolio Turnover**			**71%**	58%

	High	Low	High	Low
2010 Year's Highs/Lows				
Net asset value per share	**€8.45‡**	**€6.93‡**	**723.8p**	**561.3p**
Market price per share	**€7.33‡**	**€6.21‡**	**628.5p**	**511.5p**

The narrowest discount on the ordinary shares during 2010 was 7.2 per cent and the widest discount was 18.2 per cent in sterling terms.

* Based on net asset value per share – basic.

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

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

§ 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 the ratio of total assets (less fixed interest and cash assets) to shareholders' funds.

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

¶ Gross of Dutch withholding tax.

Sources: Morningstar/Datastream/HSBC

Chairman's Statement

Sir John Ward CBE Chairman

2010 review

I am pleased to report that 2010 was a good year for European Assets Trust. The net asset value per share total return* was 20.8 per cent in Sterling terms (25.2 per cent in Euro terms). This performance was better than our benchmark, the HSBC Smaller Europe (ex UK) Index, which achieved 17.4 per cent (21.7 per cent in Euro terms) over the year. It was gratifying to see that this performance was driven by good stock picking, which reflects well on the new managers of the Company. More of which is discussed later in this report and in the Manager's Report.

Despite entering 2010 with investor appetite towards European equities at low levels, European Small and Mid capitalised equities outperformed many of the developed and emerging markets over the year. Our benchmark produced 17.4 per cent in Sterling total return* terms, which compares with 14.5 per cent for the UK equity market (FTSE All-Share Index), 15.3 per cent for China (Shenzhen Index) and 10.4 per cent for Brazil (BOVESPA Index). While we did see a recovery in investor sentiment in the second half of the year, following measures by policy makers to address debt issues in the peripheral European markets, the most powerful explanation for this performance is that the valuation of European equities at the beginning of the year reflected a fairly bleak scenario both for economic growth and corporate profits, a scenario which proved to be too pessimistic; Germany, the largest European economy, grew by 3.6 per cent during the year and most companies produced financial results above the market's expectations. The Managers believe that investor sentiment towards Europe remains at low levels, while valuations are generally supportive.

*Capital performance with dividends reinvested.

Distribution

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

The Board has already announced that the 6 per cent of net asset value has been maintained for 2011 which results in a total dividend of Euro 0.51 per share (2010: Euro 0.432 per share, net). This dividend increase reflects the rise over the year in the Company's net asset value per share. The 2011 dividend will be paid in three equal instalments of Euro 0.17 per share at the end of January, May and August. The January dividend of Euro 0.17 per share was paid to shareholders on 28 January 2011 and amounted to 14.3p per share in Sterling terms.

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

Gearing

The Company possesses a banking facility to allow the Manager to gear the portfolio within the 20 per cent of assets level permitted under the Articles. The total facility available of Euro 18.5 million is Euro-denominated and flexible, allowing the Manager to draw down amounts for such periods as required. The Manager made some limited use of the facility during 2010 where investment opportunities arose and at the year-end the Company was under one per cent geared.

Liquidity enhancement policy

The Company's share price discount to net asset value was 13.2 per cent as at 31 December 2010 compared with 8.9 per cent at the previous year-end. This widening reflected, in part, investors' general concerns about European economies and markets. On average over the year, the Company's discount to net asset value stood at just under 10 per cent, a level which compared favourably with European smaller company peer funds. During 2010 the Company bought back 335,000 of its own shares at an average discount of 13.2 per cent (2009: 1,160,000 shares at an average discount of 12.7 per cent), thereby enhancing net asset value per share for continuing shareholders. These shares are held in treasury and are available for release back to the market. No shares were sold from treasury during 2010 (2009: nil).

Change in Management Arrangements

The Boards announced on 9 June 2010 that they had been advised by F&C Investment Business Limited (F&C) that the investment management services provided to the Company had been strengthened by the appointment of Paras Anand (head of European Equities at F&C) as lead investment manager to the Company with full responsibility and accountability to the Boards for all investment matters. The Boards fully supported this change in investment manager. The change followed extensive discussion with the senior management of F&C, reflecting the Boards concern that, whilst in recent periods absolute gains had been achieved, there had been lacklustre performance relative to the Index. Since the change, the Boards have been encouraged by the enthusiasm and early results which have been delivered. The Boards have met on various occasions for detailed discussions with Paras and his colleague, Sam Cosh, as well as the rest of the F&C European team, to confirm and review the rigorous approach being applied to the management of the Company's investment portfolio; further details of which are contained in the Manager's Report.

Change in Directorate

It was with enormous sadness that the Board announced that Willem Maris died suddenly on 13 December 2010. Willem Maris had served as a supervisory Director of European Assets Trust since 2001. He was a man of great achievement in his career, and brought this experience and wise counsel to the Board of European Assets Trust. He will be missed by all Board and Executive colleagues.

The Board is proposing that, as part of a programme of Board succession, two new Directors are appointed to the Supervisory Board. I am pleased to be able to put forward the following two individuals.

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

Duco Sickinghe is a Dutch national with significant industrial and commercial experience. He is presently chief executive officer of Telenet NV, the biggest cable operator in Belgium. He has held senior positions in companies in several Continental European countries.

I believe these are high calibre individuals that will make material contributions to the Supervisory Board and their appointments are being put to shareholders for approval at the Company's forthcoming General Meeting.

Outlook

For investors in small and medium-sized companies, periods where corporate activity is at high levels can be a source of further growth in the market. Although we are early into the year, 2011 is already seeing a

Chairman's Statement continued

continuation of this theme; companies with healthy balance sheets can take advantage of low borrowing rates to bolt on businesses that can augment and potentially open up new markets. In addition to this, corporate results continue to be good and economic data is generally encouraging. This is a good basis for investing in European small and medium-sized equities. However, we would caution that concerns remain about sovereign debt in the peripheral European countries and that in some pockets of the market valuations look full. Investors have shown a strong preference for businesses with a geared exposure to strong growth in developing markets and expectations are now very high in these areas. This of course presents opportunities in other areas of the market which have been left behind during 2010 and may provide good opportunities for future returns.

Shareholder meetings

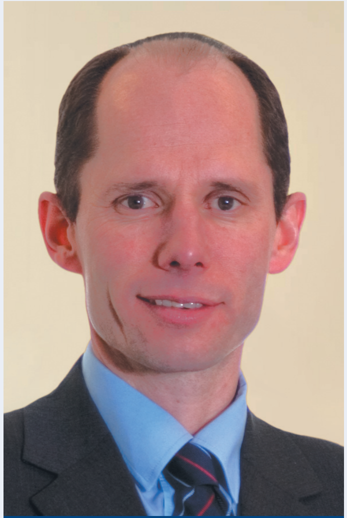
The Company's Annual General Meeting will be held on 12 May 2011 at the Hotel de l'Europe in Amsterdam, Netherlands. In addition, the Company holds a Shareholders' and Investors' Briefing in London each year. The London Briefing this year will take place on 18 May 2011 at 11.30am at Pewterers' Hall, Oat Lane, London EC2V 7DE and will include a presentation from the Investment Manager on the Company and its investment portfolio. A light buffet will be served at the end of the briefing. The Board welcomes a good turnout for this annual event and looks forward to welcoming as many shareholders as are able to attend this year. An invitation is included separately with this Report.

Sir John Ward CBE
Chairman
3 March 2011

Investment Managers and Investment Process

Sam Cosh Fund Manager

Paras Anand Lead Manager



Michael Campbell Company Secretary

Sam Cosh Fund Manager, is a Senior Fund Manager on the European Equities team. He is the alternate Fund Manager on European Assets Trust. Sam joined F&C in 2010 from BNP Investment Partners. He has eleven years' experience in European equities, principally within small and mid cap mandates.

Paras Anand Lead Manager, is Head of European Equities and lead Fund Manager for European Assets Trust. He joined F&C in September 2007. Prior to this, Paras headed up Deutsche Asset Management's European equities team in New York. He has fifteen years' experience of managing large and small/mid cap mandates.

Michael Campbell Company Secretary, a chartered accountant, has provided accounting and company secretarial services to investment companies at F&C Asset Management for over twenty years.

Investment Managers

F&C Investment Business Limited (F&C) is a company within the F&C Asset Management plc group (F&C group). The F&C group is an investment specialist with £105.8 billion of funds under management (as at 31 December 2010). It is a leading asset manager in both the UK and Europe and the shares of the parent company are listed on the London Stock Exchange.

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

Investment Process

The aim of European Assets Trust is to provide shareholders with capital growth and a high distribution policy has been adopted. The Company utilises fully the resources of F&C's European Equities team of some 10 investment analysts. The portfolio is relatively concentrated (40-50 names) and has an emphasis on high quality businesses.

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

Distribution Policy

The Board has announced that, barring unforeseen circumstances, the annual dividend will be equivalent to 6 per cent of the net asset value per share of the Company at the end of the preceding year. Dividends have been paid mainly out of other reserves. There is a scrip dividend option for shareholders who wish to receive their dividends in the form of additional shares.

Manager's Review

Market Review

Summary: The market performed strongly through the year as investors put sovereign risks behind them and focused on the broader recovery driven principally by the growth in developing markets.

Our benchmark, the HSBC Smaller Europe (ex UK) Index, rose 17.4 per cent in Sterling total return terms during 2010. This strong performance masked a more volatile year overall as investors grappled on the one hand with the sovereign risks of the peripheral European countries, and on the other with the more positive aspect of global recovery driven by emerging market economies. Additionally, the combination of stimulative liquidity measures from both Europe and the US drove up the appetite for risk assets.

The first half of the year was dominated by the former issue, with markets selling off in the second quarter in particular as concerns grew that the increasing cost of funding their debt obligations would force some countries to leave the Euro or even lead to the dissolution of the single currency altogether. Escalating borrowing costs required Greece to accept a rescue package from the International Monetary Fund (IMF) and the European Central Bank (ECB) in exchange for a commitment to materially reduce their budget deficit over the coming years. Fears spread to other peripheral countries with high deficits, which led to the ECB announcing a €750bn support fund.

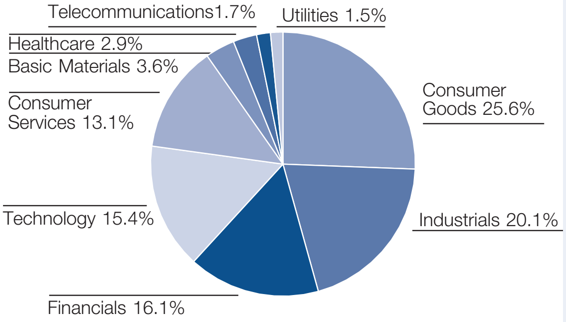
This move helped to allay concerns somewhat, with all countries bar Greece being able to access the debt markets, and the equity markets subsequently moved ahead in the second half of the year. This trend continued with a particularly strong fourth quarter as the US announced another programme of Quantitative Easing and corporate results evidenced the recovery in the global economy. A further positive for equity prices was the re-emergence of Mergers and Acquisitions (M&A) activity, a stimulus that was particularly helpful for small and mid capitalised (cap) stocks.

On the whole it was a strong year for Continental European small cap equities, with our benchmark significantly outperforming its larger cap comparators. It is also important to understand that, relative to larger companies, the make-up of the smaller company index has far larger positions in cyclical stocks such as industrials and smaller positions in utilities and banks which had a tough year in 2010. Unsurprisingly, the best performing sectors in our small and mid cap index were the more cyclical ones – industrial engineering and chemicals, and the commodity related sectors, which have clearly benefited from emerging market growth and loose monetary policy.

Performance

European Assets Trust's Net Asset Value (NAV) per share returned 20.8 per cent in Sterling total return terms during 2010. What is notable is that our exposure to the 'hot' sectors of the market was low and we hope that this augurs well for returns looking forward. On the positive side, select holdings in the Engineering and Food sectors were important contributors to the NAV over the course of the year; indeed they contributed almost half of the total rise in NAV. On the negative side, holdings in pharmaceuticals and biotechnology companies contributed adversely, with an absolute fall during 2010. As part of the restructuring of the Company's portfolio that was undertaken

Portfolio Split by Sector (as at 31/12/10)



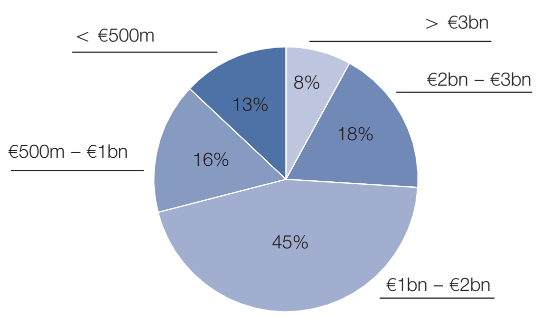
following the change in management arrangements, the majority of holdings in these sectors were sold which in fact protected the portfolio from further losses.

Within the Engineering sector, Andritz delivered the most positive return rising 67 per cent over the year. It is difficult to point to any particular driver for this return, but operational performance was robust and the order book continues to grow, improving future visibility. The company operates in an oligopolistic industry that demonstrates structural growth characteristics. We took some profits in it towards the end of the year although we continue to hold a position.

Within the Food sector, shares in Viscofan performed strongly; the stock rose 58 per cent through the year. The company makes sausage casings and is benefiting, firstly, from price increases following a period of consolidation within the industry and, secondly, from increasing demand for meat within the emerging markets. We continue to believe the prospects for this business are good.

Other notable performers were Ingenico, which is a global leader in payment systems; Rational, the professional oven manufacturer; and Tod's, the Italian luxury goods company. These businesses share the characteristics of having strong market positions and good long- term growth opportunities. Turning to businesses where we no longer own the shares, SEB rose by 92 per cent, benefiting from its exposure to Chinese demand;

Portfolio Split by Market Capitalisation (as at 31/12/10)



and Ipsos rose 65 per cent, benefiting from a recovery in marketing spend. These are not bad businesses but, following the strong performance in 2010, the valuations leave a narrower margin of error given that we are less certain of the strength of their long-term franchises.

In terms of negative performers the healthcare stocks Acino and TiGenix stand out. We were concerned about TiGenix's balance sheet and Acino's competitive positioning, so we sold both stocks. This decision was vindicated as both stocks have continued to fall in absolute terms in a strongly rising market.

Gearing

The Company has agreed facilities to borrow up to 20 per cent of asset value. Since we began the restructuring process, we elected to keep our position as broadly fully invested over the next 12/18 months limiting ourselves to a band of +/– 5 per cent. We approached the upper end of the band towards the middle of the year as we sought to access some attractively priced stocks following the broad market sell-off over the second quarter. The markets recovered strongly through the rest of the year and as individual names approached our intrinsic value we sold down or exited holdings, moving the gearing back towards neutral. At the end of the year the Company's gearing position was just below 1 per cent.

Outlook

We remain of the view that European small cap equities offer good potential for medium-term returns, despite the market performance that we had last year. In addition to this, we are lucky enough to operate in an area of the market which is diverse, sometimes poorly covered, and consequently inefficient. This leads to opportunities that we can take advantage of which other asset classes may not offer. However, we need to put some colour to these broad statements, as not all areas of the market can claim to still be attractive and there are pockets

Manager's Review continued

within the smaller company universe which we believe to be fully valued and offer little margin of safety. We have seen a fairly consistent pattern of leadership over the last six or seven years which has led to some parts of the market being materially re-rated while others have been comprehensively de-rated. The focus of the market has been squarely on businesses that have strong operational gearing towards fast-growing Asian economies, notably industrial and commodity-related businesses. This reflects the broad consensus that is in the market, and because of this, we need to question whether the prospects for these businesses are already provided for in the stock prices.

This returns us to what is a key tenet of our investment process; the belief that the valuation of a stock and the initial price paid can be the key factor in determining the returns over the medium and long-term. We will invest in any area where we believe that valuation does not fairly reflect the prospects for the business; indeed we would prefer a reasonable margin of safety when we invest. The reality is that at the moment there are areas of the market which do not meet these criteria. The small and mid cap universe is broad enough though to present opportunities elsewhere which have been neglected during this recent period. We continue to invest in high quality businesses that can generate above-average returns during the cycle. Pricing power is particularly important at this juncture as we are starting to see the effect of rising input costs, which may be the threat to assumptions of ever-increasing margins that the sell-side analysts are assuming.

The other key topic worth addressing is the prospect of further corporate activity. During 2010 two of our stocks benefited from bid situations. Norkom, an Irish software stock, announced that it had received a number of enquiries pertaining to an offer for the company. Earlier in the year, the company had warned on earnings due to a combination of lengthening sales cycles, the delay in anticipated regulatory changes in some countries together with additional costs that the business took on in anticipation of an upturn in demand. The shares subsequently fell 40 per cent. Our assessment was that the prevailing share price discounted a long term future for the business that was arguably too bleak and this, together with the strong balance sheet, led us to take the long view and keep the shares. The portfolio was rewarded when Norkom agreed a bid from BAE Systems at a price 183 per cent above the lows seen in September. The other stock that received bid interest was Ingenico. We have not seen the outcome of this situation, but the point is, with the current strength of corporate balance sheets, we have already seen the start of M&A and expect it to pick up pace this year, which should underpin equity prices. We do not buy shares in businesses solely on the basis that they may be acquisition targets; however, one could argue if you have successfully identified businesses that are lowly valued relative to their long-term prospects, there is always the chance that industrial buyers, who have synergies unavailable to the institutional investor, will be drawn in. We would hope that in a buoyant market for corporate activity the assets that we hold in your portfolio will meet this criteria; this should aid further progress in the Company's Net Asset Value per share.

Paras Anand
Sam Cosh
Investment Managers
F&C Investment Business Limited

3 March 2011

Investment Portfolio

Company	Valuation Euro 000's	% of Total Assets	Country of Incorporation
Glanbia Glanbia is a vertically integrated dairy products business with operations globally. Its roots are in Irish milk production but it has built up the business either through acquisition or organic investment, principally in cheese manufacturing and specialist products.	5,605	4.4	Ireland
C&C Group C&C Group is a premium cider manufacturer with a presence in UK and Ireland; their brands, Magners and Bulmers, have high market shares. Following the acquisition of Tennents they now also own the largest lager brand in Scotland.	4,486	3.5	Ireland
Viscofan Viscofan is the world's largest artificial sausage casings manufacturer, with 36% of the market and a leading position in skinless casings. In recent years the market has consolidated which has led to strong pricing power in a growing market.	4,253	3.4	Spain
Ansaldo STS Ansaldo is a global market leader in signalling and transport systems to rail and mass transit industries. It is particularly strong in high-speed rail and has significant exposure to the development of rail infrastructure in developing markets.	4,148	3.3	Italy
Norkom Norkom is a provider of financial crime and compliance solutions to the global financial services industry. The company's software enables organisations to detect and combat financial crime from money laundering to all types of fraud, and to address the ever-changing compliance and regulatory requirements.	4,080	3.2	Ireland
Topdanmark Topdanmark is a Danish insurance company with profits derived mainly from non-life. Post the withdrawal of some large international players, it operates in a market that is now relatively well structured.	3,953	3.1	Denmark
EFG International EFG is a Swiss domiciled private bank. The business has grown rapidly both organically through hiring of client relationship personnel and through acquisitions of small regional offices of larger banks.	3,947	3.1	Switzerland
Exact Holdings Exact is a professional (B2B) software solutions provider with a very strong position in the Netherlands, where it derives most of its profits. It sells a suite of Enterprise Resource Planning products to SMEs, which includes accounting systems, working capital management systems and business performance information.	3,715	2.9	Netherlands
Gerresheimer Gerresheimer is a leading supplier of high quality glass, plastic packaging and system solutions for the global pharmaceutical, cosmetic and food industries. It supplies over 30 of the world's leading pharmaceutical and biotech companies.	3,617	2.9	Germany
Ingenico Ingenico designs, manufactures and distributes electronic terminals, systems and related products for electronic payment transactions. Products include mobile GSM terminals and fixed terminals with PIN pads used in retail stores and petrol pumps.	3,425	2.7	France
Ten largest investments	**41,229**	**32.5**	

Investment Portfolio continued

Company	Nature of Business	Valuation Euro 000's	% of Total Assets	Country of Incorporation
Neopost	Mailroom Equipment Manufacturer	3,352	2.6	France
Rational	Cookery Equipment	3,291	2.6	Germany
Azimut	Asset Manager	3,242	2.6	Italy
Davide Campari – Milano	Beverages	3,191	2.5	Italy
D'Ieteran	Auto Distribution and Hire	3,118	2.5	Belgium
Paddy Power	Licensed Betting	3,112	2.5	Ireland
CTS Eventim	Concerts and Ticketing	3,112	2.5	Germany
Ringkjoebing Landbobank	Regional Bank	2,974	2.3	Denmark
Andritz	Capital Goods Machinery Manufacturer	2,931	2.3	Austria
Origin Enterprises	Agricultural Nutrition	2,886	2.3	Ireland
Twenty largest investments		**72,438**	**57.2**	
Bolsas y Mercados Españoles	Regional Stock Exchange	2,851	2.3	Spain
Unit 4	Software Producer	2,848	2.2	Netherlands
Nutreco	Animal Feed	2,835	2.2	Netherlands
Wincor Nixdorf	ATM Manufacturer	2,824	2.2	Germany
ASM International	Semi-conductor Equipment	2,814	2.2	Netherlands
Oriflame Cosmetics	Cosmetics	2,744	2.2	Sweden
Symrise	Speciality Chemicals	2,626	2.1	Germany
ÅF	Technical Consultancy	2,600	2.1	Sweden
Baron de Ley	Wine Producer	2,520	2.0	Spain
Tod's	Branded Leather Goods	2,456	1.9	Italy
Thirty largest investments		**99,556**	**78.6**	
Tomra Systems	Recycling Equipment	2,408	1.9	Norway
Lindt & Sprüngli	Branded Chocolate	2,407	1.9	Switzerland
Gestevision Telecinco	Free To Air Television	2,378	1.9	Spain
Kuka	Industrial Robots Producer	2,273	1.8	Germany
Jazztel	Broadband Telecom	2,119	1.7	Spain
Takkt	Office Equipment	2,104	1.7	Germany
Ipsos	Market Research	2,076	1.6	France
Rubis	Liquid Storage and Distribution	2,074	1.6	France
Lanxess	Speciality Chemicals	1,926	1.6	Germany
Partners Group	Alternative Asset Management	1,867	1.5	Switzerland
Forty largest investments		**121,188**	**95.8**	
Grupo Catalana Occidente	Insurance	1,815	1.4	Spain
SEB	White Consumer Goods	1,557	1.2	France
Aer Lingus	Airline	1,553	1.2	Ireland
Joyou	Sanitary Ware	1,518	1.2	Germany
Total investments		**127,631**	**100.8**	
Net current liabilities		**(991)**	**(0.8)**	
Equity shareholders' funds/total assets (less current liabilities)		**126,640**	**100.0**	

Supervisory Board

Sir John Ward CBE

Chairman

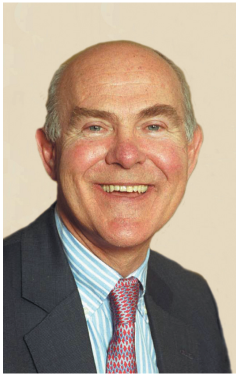
(age 70) was formerly chairman of Scottish Enterprise and has held a wide range of public and private appointments and chairmanships. He is a past chairman of CBI Scotland.

N L A Cook

(age 66) was formerly chairman of ANGLO IRISH BANK SUISSE S.A., a bank in Geneva. He is also a director of various public and private companies.

Professor R A H van der Meer

(age 61) was formerly a member of the management board of Fortis. He currently combines a professorship in finance at the Rijksuniversiteit Groningen with several supervisory board positions at quoted companies (Corio, KAS BANK and OBAM) and with non-quoted companies as well as advisoryships with pension funds and charities.



G W B Warman

Senior Independent Director

(age 63) was until recently employed by Numis Corporation and is a director of Finsbury Growth Trust. He has a wide experience of marketing investment products in the UK and Europe.

Management Board

Mr W van Twuijver
representing the Managing Director

Mr T Koster
representing the Managing Director

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

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

Mr W van Twuijver and Mr T Koster represent FCA Management BV on the Management Board of European Assets Trust NV.

KAS BANK NV acts as custodian and provides administrative services for European Assets Trust NV and has granted a credit facility to the Company.

Report of the Management Board Director

Accounts

We have pleasure in submitting to the Shareholders the Company's Accounts for the year to 31 December 2010 as prepared by us and approved by the Supervisory Board. They have been examined by Ernst & Young Accountants LLP, and their report is included later.

The Revenue Account for the year shows a net profit of €25,714,471. Dividends in cash totalling €0.4613 per share were paid during 2010. A dividend of €0.17 per share was announced and paid in January 2011. Shareholders are offered the option of a scrip dividend. Dividends paid have mainly been funded from other reserves (for tax purposes from the reinvestment reserve) in accordance with the Company's distribution policy.

We recommend that the Financial Statements for the year ended 31 December 2010, together with the notes, be adopted.

Supervisory Board Directors

The Supervisory Directors who held office at 31 December 2010 are shown on the page of this report entitled 'Supervisory Board'.

Sir John Ward, Mr Neville Cook and Mr Giles Warman had a beneficial interest of 5,600 shares, 15,000 shares and 9,280 shares respectively in the Company at 31 December 2010. None of the other Supervisory Directors of the Company or the families of any Director owned any interest in the shares of the Company during the year under review or at any date up to 3 March 2011.

Sir John Ward, Neville Cook and Giles Warman will be proposed for re-appointment as Supervisory Directors at the General Meeting. Laurence Jacquot and Duco Sickinghe will be proposed for appointment as Supervisory Directors at that meeting.

Management Board Director

FCA Management BV provides management and legal compliance services to the Company. These services can be terminated by either party by giving three months' notice of termination. Any termination will take effect as of the end of the calendar year in which the notice is given. FCA Management BV receives a fixed fee paid on a quarterly basis. During the year under review, the regular management and service fee paid by the Company to FCA Management BV was €93,171 (including Dutch VAT).

Investment Managers

F&C Investment Business Limited (F&C) provides investment management services to the Company. These services can be terminated by the Company at any time by giving six months' notice of termination. F&C receives a quarterly fee, payable in advance, equal to 0.2 per cent of the value of funds under management, excluding the value of any funds managed by the F&C group and 50 per cent of the value of funds managed by other managers, based on the value of total assets less current liabilities at the end of the preceding quarter.

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

The Investment Managers, in the absence of explicit instructions from the Board, are empowered to exercise discretion in the use of the Company's voting rights. Only where there are matters of particular concern will the investment manager contact management to explore the issues. The policy of F&C is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach, including socially responsible and environmental factors, to corporate governance. In 2010 there was active use of votes, both for and against where appropriate. The Manager's statement of compliance with the UK Stewardship Code, which was issued in July 2010, can be found on its website at www.fandc.com/ukstewardshipcode.

Management of Assets during the Year

The Company has invested its assets during the year in accordance with its stated investment policy. Investment risk has been spread by investing in a diversified geographical spread of investments across a variety of industrial sectors. At 31 December 2010 there were 44 investments in the portfolio. At each Board meeting, the Board receives detailed information on the Company's investments and the Managers present on the investment portfolio and its performance. The Company can borrow up to a maximum of 20 per cent of assets. At 31 December 2010 net borrowings stood at 0.7 per cent of assets. The Company has a banking facility with KASBANK NV. This credit facility was employed during the year and at 31 December 2010 the Company had borrowed €828,236 (31 December 2009: nil).

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

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

Report of the Management Board Director continued

Share Capital

The Company is aware, having been notified, that the following shareholder owned 5 per cent or more of the issued share capital (excluding treasury shares) of the Company at 3 March 2011:

	Number of Shares Held	Percentage Held
Clients of F&C Asset Management plc	2,071,608	13.9

In addition, F&C Retail Products owned 5,286,249 shares or 35.4 per cent of the issued share capital (excluding treasury shares) of the Company at 3 March 2011. F&C has no discretionary voting rights over these shares.

The Company issued 18,892 shares during the year by way of its scrip dividend option and bought back 335,000 of its own shares to be held in treasury. The total number of treasury shares held by the Company as at 31 December 2010, since the liquidity enhancement policy was put in place, is 3,651,000. The total number of treasury shares held by the Company as at 31 December 2010 is 10,024,628.

The Company entered into a Liquidity Enhancement Agreement with F&C in November 2005. The purpose of this agreement is to enhance the liquidity in the trading of the Company's shares on the London Stock Exchange. The agreement is for a continuous period. F&C has sole discretion, in the name of the Company, to implement share buy backs or sales assuming the parameters and requirements laid down by the Board in the agreement are met. In summary, where there are shareholders wishing to sell and the average share price discount to net asset value measured over a rolling 5 business day period is 5 per cent or more, subject to other relevant requirements, shares may be bought back based upon the share price equivalent to a discount of 5 per cent to the net asset value, adjusted for portfolio realisation costs depending upon market circumstances. The maximum number of shares that can be bought back in any three month period is 10 per cent of issued share capital. The price at which shares are sold from treasury is subject to limitations on asset dilution. The absolute level of dilution through the sale of treasury shares is restricted to 0.5 per cent of net asset value in any one year, and treasury shares which are sold at a discount to net asset value will only be sold where the discount at which the shares are to be sold is lower than the average discount at which the shares have been acquired by the Company measured over preceding financial periods and in addition at a price which is not less than the market bid price at the time of sale.

Administrative organisation and internal controls ('In Control' - Statement)

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

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

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

The Management Board Director

3 March 2011

Corporate Governance (summary)

Corporate Governance

European Assets Trust is incorporated as a Dutch Company. Its shares are listed on the stock exchanges in Amsterdam and in London. Accordingly, the Company adheres to Dutch corporate governance requirements, insofar as they are relevant to externally managed closed-end investment funds, and follows the general principles of UK corporate governance good practice.

In the year under review, European Assets Trust did not comply fully with the provisions of the Dutch Corporate Governance Code (the 'Code'). In fact, it is not possible for externally managed investment institutions to apply the Code in full, as the preamble to the Code acknowledges. Details of the instances of non-compliance are explained in the Corporate Governance (detail) section of this Annual Report.

Corporate Structure

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

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

The Supervisory Board ('the Board') is responsible for supervising the policy of the Management Board and the general course of the Company's affairs and business. The Board currently consists of 4 Directors, all of whom are non-executive. Sir John Ward is Chairman.

Further Details

Further details regarding the Company's corporate governance arrangements are set out in the section entitled 'Corporate Governance (detail)'.

Balance Sheet

after appropriation of the Result

as at 31 December

	Notes	2010 Euro	2009 Euro
Investments			
Securities	1	**127,630,993**	108,277,196
Receivables			
Prepayments and accrued income	3	**223,280**	188,811
Other assets			
Cash and cash equivalents	4	**–**	1,867,216
Total current assets		**223,280**	2,056,027
Current liabilities (due within one year)			
Bank overdraft	5	**(828,236)**	–
Arising from repurchase of own shares	2	**–**	(79,024)
Accrued liabilities	6	**(386,091)**	(193,140)
		(1,214,327)	(272,164)
Total of receivables and other assets less current liabilities		**(991,047)**	1,783,863
Total assets less current liabilities		**126,639,946**	110,061,059
Capital and reserves			
Issued share capital	7	**6,859,820**	7,005,230
Share premium account	8	**17,861,387**	20,002,354
Other reserves	9	**101,918,739**	83,053,475
		126,639,946	110,061,059
Net asset value per ordinary share – basic	10	**8.49**	7.23

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

Revenue Account

for the year ended 31 December

	Notes	2010 Euro	2009 Euro
Income from investments			
Dividends from securities		**2,845,582**	2,348,843
Withholding taxes		**(6,409)**	121,563
	11	**2,839,173**	2,470,406
Movements on investments – realised		**18,494,021**	(40,052,475)
Movements on investments – unrealised		**6,394,399**	71,431,469
		24,888,420	31,378,994
Interest received		**253**	24,770
Total investment gain		**27,727,846**	33,874,170
Withholding tax benefit	12	**–**	1,088,329
Investment management fee	13	**(904,376)**	(746,659)
Administrative expenses	14	**(1,030,445)**	(954,649)
Interest charges	15	**(78,554)**	(87,847)
Total operating expenses		**(2,013,375)**	(1,789,155)
Net profit		**25,714,471**	33,173,344
Earnings per share		**1.70**	2.13

Proposed income allocation

	2010 Euro	2009 Euro
Net profit	**25,714,471**	33,173,344
Dividends	**(7,040,917)**	(5,610,012)
Dividends distributed in shares	**191,710**	149,173
Undistributed income carried forward	**18,865,264**	27,712,505
Earnings per share	**1.70**	2.13
Dividends per share	**0.4613**	0.3551

Earnings per share are based on the net income for the year divided by 15,134,625 (2009: 15,569,650) shares, being the weighted average number of shares in circulation during the year.

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

Statement of Cash Flows

for the year ended 31 December

	Notes	2010 Euro	2009 Euro
Cash flow from investment activities			
Dividends		**2,872,588**	2,383,304
Purchases of securities		**(78,069,054)**	(56,392,879)
Sales of securities		**83,719,045**	60,522,190
Administrative expenses		**(1,045,988)**	(1,189,577)
Investment management fee		**(904,376)**	(746,659)
Withholding tax benefit	12	**–**	1,088,329
Interest received		**257**	65,003
Interest charges		**(53,316)**	(87,847)
		6,519,156	5,641,864
Cash flow from financing activities			
Credit facility		**828,236**	–
Dividends		**(6,849,207)**	(5,460,839)
Repurchase of own shares		**(2,365,401)**	(5,924,417)
		(8,386,372)	(11,385,256)
Cash and cash equivalents			
Net decrease for the year		**(1,867,216)**	(5,743,392)
Balance as at 1 January		**1,867,216**	7,610,608
Balance as at 31 December		**–**	1,867,216

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

Accounting Policies

General

European Assets Trust N.V. (the ''Company''), registered in Amsterdam, the Netherlands, and having its offices in Rotterdam, the Netherlands, is a closed-end investment company with variable capital. The Company was granted a renewed licence pursuant to the Dutch Financial Supervision Act by the Authority for the Financial Markets, the supervisory body in the Netherlands, on 30 June 2006.

The prospectus information prepared for the Company is included in the Company's Annual Report and Accounts each year which can be obtained at the Company's registered office. As required under the Dutch Financial Supervision Act the Company has prepared an AO/IC Manual describing its administrative and internal control procedures.

The Annual Accounts 2010 have been prepared in accordance with the Dutch Financial Supervision Act and have also been prepared in accordance with accounting principles generally accepted in the Netherlands.

The financial year of the Company equals the calendar year. The comparative figures included in these financial statements refer to the financial year 2009.

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

Investments

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

Unquoted investments are valued by the Management Board Director. As at 31 December 2010, the Company did not own any unquoted investments.

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

Own shares held by the Company

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

Share premium account

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

Other assets and liabilities

Other assets and liabilities are shown at face value. Where considered necessary, provisions have been deducted from outstanding receipts.

Income

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

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

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

Accounting Policies continued

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

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

Expenses

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

Taxation

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

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences on investments are accounted for in the Revenue Account. Profits and losses in foreign currencies are converted into euros at the exchange rate on the transaction date.
Rates of exchange as at 31 December (with regard to euro).

	2010	2009
Danish Krone	**0.13419**	0.13439
Norwegian Krone	**0.12824**	0.12048
Pound Sterling	**1.16707**	1.12556
Swedish Krone	**0.11088**	0.09762
Swiss Franc	**0.79968**	0.67422

Statement of cash flows

The Statement of Cash Flows is prepared using the direct method.

Notes to the Accounts

1 Investments

	2010 **Euro**	2009 Euro
Listed investments as at 31 December incorporated in:		
Austria	**2,930,687**	5,082,909
Belgium	**3,117,770**	3,253,196
Denmark	**6,927,630**	5,261,460
Finland	**–**	3,016,850
France	**12,485,001**	13,741,846
Germany	**23,290,651**	13,065,607
Greece	**–**	2,639,000
Ireland	**21,723,672**	15,628,898
Italy	**13,036,044**	12,491,090
Netherlands	**12,211,666**	2,674,806
Norway	**2,407,735**	–
Spain	**15,935,609**	14,222,136
Sweden	**5,344,230**	5,819,822
Switzerland	**8,220,298**	11,379,576
	127,630,993	108,277,196

Investments in Denmark, Norway, Sweden and Switzerland are priced in local currencies and converted to Euros. There were no unquoted investments at 31 December 2010 and 2009.

	2010 **Euro**	2009 Euro
The changes in securities are shown below:		
Market value as at 1 January	**108,277,196**	81,053,605
Purchases during the year	**78,184,422**	56,366,787
Sales during the year	**(83,719,045)**	(60,522,190)
	102,742,573)	76,898,202
Change in value and results on realisation	**24,888,420**	31,378,994
Market value as at 31 December	**127,630,993**	108,277,196

Transaction costs

During the year the Company incurred transaction costs of €355,549 (2009: €250,113) on the purchase and sale of investments.

2 Current receivables/liabilities arising from sale and repurchase of own shares

During 2010 the Company purchased a total of 335,000 of its own shares in various transactions (2009: 1,160,000), and did not sell any shares from treasury (2009: same). The repurchase of treasury shares was in accordance with the stated policy and conditions set by the Company during 2005 for the buy-back and sale of shares.

The repurchase of own shares in 2010 amounted to €2,286,377 equal to an average price of €6.83 per share. There were no unsettled or unpaid transactions as at 31 December 2010.

The repurchase of shares in 2009 amounted to €5,690,956, equal to an average price of €4.91 per share, of which an amount of €79,024 was settled and paid shortly after the end of the financial year 2009.

3 Prepayments and accrued income

Prepayments and accrued income at 31 December 2010 includes €155,392 receivable dividends (31 December 2009: nil) and €61,122 receivable from Dutch and other tax authorities (31 December 2009: €188,807) in connection with refundable foreign dividend withholding taxes.

4 Cash and cash equivalents

Cash and cash equivalents comprises amounts in Euros.

5 Banking Facility

The Company has a banking facility with KASBANK N.V. The total amount of the banking facility available to the Company may vary from time to time depending on the value of the Company's investments, and currently will not exceed €18,500,000. The credit facility arrangement is part of an overall custody agreement between the Company and KASBANK N.V. The agreement is entered into for an indefinite period of time and can be terminated by either party with due observance of a notice period of 60 days. As at 31 December 2010, the Company had drawn down under this facility €828,236 (31 December 2009: nil).

6 Accrued liabilities

This item includes accrued expenses and creditors.

7 Issued share capital

The Company is an investment company with a variable capital.

	2010 Shares	**2010 Euro**	2009 Shares	2009 Euro
Balance as at 1 January	**15,228,760**	**7,005,230**	16,370,208	7,530,296
Stock dividend	**18,892**	**8,690**	18,552	8,534
Shares repurchased (see note 2)	**(335,000)**	**(154,100)**	(1,160,000)	(533,600)
Balance as at 31 December	**14,912,652**	**6,859,820**	15,228,760	7,005,230

	2010 Euro	2009 Euro
30,000,000 authorised shares of €0.46 each (2009: same)	**13,800,000**	13,800,000

The number of shares as at 31 December 2010 amounts to 24,937,280 (31 December 2009: same), of which 10,024,628 (31 December 2009: 9,708,520) shares are held by the Company in treasury.

8 Share premium account

	2010 Euro	2009 Euro
Balance as at 1 January	**20,002,354**	25,168,244
Decrease as a result of stock dividend	**(8,690)**	(8,534)
Decrease as a result of shares repurchased	**(2,132,277)**	(5,157,356)
Balance as at 31 December	**17,861,387**	20,002,354

9 Other reserves

	2010 Euro	2009 Euro
Balance as at 1 January	**83,053,475**	55,340,970
Add: net profit	**25,714,471**	33,173,344
Less: interim dividends paid in cash	**(6,849,207)**	(5,460,839)
Balance as at 31 December	**101,918,739**	83,053,475

10 Net asset value/net income

Comparative figures for development in capital and income:

	2010 Euro	2009 Euro	2008 Euro	2007 Euro	2006 Euro
Net asset value	**126,639,946**	110,061,059	88,039,510	228,920,734	245,543,604
Number of shares	**14,912,652**	15,228,760	16,370,208	17,190,991	16,533,475
Net asset value per share	**8.49**	7.23	5.38	13.32	14.85
Dividend income	**2,839,173**	2,470,406	4,238,375	4,172,601	3,210,784
Movements on investments	**24,888,420**	31,378,994	(119,566,533)	(13,549,954)	67,544,950
Interest/other income	**253**	24,770	249,132	611,114	292,971
Total investment income/(loss)	**27,727,846**	33,874,170	(115,079,026)	(8,766,239)	71,048,705
Administrative expenses	**(1,030,445)**	(954,649)	(1,279,288)	(1,282,557)	(1,072,570)
Investment management fee	**(904,376)**	(746,659)	(1,586,584)	(2,148,077)	(1,740,583)
Costs in connection with marketing and the continuation vote	**–**	–	–	–	109,233
Interest charge	**(78,554)**	(87,847)	(995,237)	(293,963)	(690,611)
Tax benefit	**–**	1,088,329	–	–	–
Net income/(loss)	**25,714,471**	33,173,344	(118,940,135)	(12,490,836)	67,654,174
Dividend and interest income per share*	**0.19**	0.16	0.27	0.27	0.22
Gains/(losses) on investments per share*	**1.64**	2.01	(7.21)	(0.76)	4.22
Expenses per share*	**(0.13)**	(0.11)	(0.24)	(0.21)	(0.21)
Tax benefit per share	**–**	0.07	–	–	–
Net income/(loss) per share*	**1.70**	2.13	(7.18)	(0.70)	4.23
Dividends paid per share	**0.4613**	0.3551	0.8535	0.912	0.7325
Expense ratio	**1.72%**	1.71%	1.77%	1.30%	1.30%

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

Notes to the Accounts continued

11 Income

	2010 Euro	2009 Euro
Interest and dividends from securities, after deduction of irrecoverable taxes, are related to investments in:		
Austria	**110,810**	272,418
Denmark	**–**	90
Finland	**95,652**	330,000
France	**457,698**	308,645
Germany	**177,026**	78,000
Greece	**–**	32,737
Ireland	**286,552**	106,761
Italy	**538,220**	302,388
Netherlands	**155,382**	56,250
Norway	**110,915**	108,366
Spain	**577,258**	401,644
Sweden	**117,025**	162,503
Switzerland	**212,635**	310,604
	2,839,173	2,470,406

12 Withholding tax benefit

During the financial year 2009, the Company received an amount of €1,088,329 in respect of foreign withholding tax for the fiscal years 2002 up to and including 2007, for which the Company had filed a request for reimbursement with the Dutch tax authorities. Previously, the Dutch tax authorities had taken the position that such reimbursement is only granted to the extent the shareholders of the Company are Dutch residents. According to a verdict by the European Court of Justice in May 2008 regarding a reimbursement procedure of foreign withholding tax for Dutch Fiscal Investment Institutions, such restriction is not in accordance with European rules. Following this verdict, the Company had again filed a request for a full reimbursement of foreign withholding taxes 2002-2007 and this was granted and paid by the Dutch tax authorities in 2009.

13 Investment management fee

	2010 Euro	2009 Euro
Remuneration of the Investment Manager	**904,376**	746,659

The remuneration of the Investment Manager consists of a quarterly fee paid in advance equal to 0.2 per cent of the value of funds under management.

14 Administrative expenses

	2010 Euro	2009 Euro
Remuneration of the Supervisory Directors	**135,586**	129,251
Remuneration of the Management Director	**93,171**	92,249
Travel expenses	**38,299**	45,874
Indemnity insurance costs	**25,186**	23,833
Auditor's remuneration	**54,740**	54,840
Fund administration fee	**71,051**	69,649
Broker fees	**37,500**	32,500
Advisory costs	**59,190**	102,105
Marketing, plan administration, advertising and printing costs	**266,704**	278,102
Custody fees	**60,831**	61,285
Bank charges	**46,011**	56,430
Other expenses	**142,176**	8,531
	1,030,445	954,649

Other expenses include mainly Dutch and UK listing, registration and other regulatory fees and miscellaneous costs. The reason that other expenses are lower in 2009 is due to the reversal in 2009 of prior year accruals which had not become payable. The auditor's remuneration for 2010 comprises an amount of €48,590 in respect of the audit of these financial statements.

15 Interest charges

	2010 Euro	2009 Euro
Interest on bank facility	**78,554**	87,847

16 Financial instruments and risk management

General

In the normal course of its business, the Company holds a portfolio of equities and other securities, and manages investment activities with on-balance sheet risk. Equities and other securities are valued at fair value. The Company is subject to the risks described below.

Market risk

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

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

Any changes in market conditions will directly affect the profit or loss reported through the Revenue Account. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2010 would have increased net assets and net profit for the year by €31.9 million (2009: €27.1 million). A decrease of 25 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

Notes to the Accounts continued

16 Financial instruments and risk management (continued)

Credit risk

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

Foreign currency risk management

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. The Company reports its results and financial position in Euros. The Company's main activity is to invest in small and medium-sized companies in Continental Europe whereby a majority of the Company's investments concern companies with listings and activities in the European Monetary Union. The Company will have exposure to Continental European currencies other than the Euro.

Liquidity risk

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

Insight into actual risks

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

Risk management

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

Policy regarding the use of financial instruments

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

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

17 Turnover ratio (Dutch method)

This shows the turnover of the investments (including derivatives) against the average net asset value of the Company and is a measure of the incurred transaction costs resulting from the portfolio policy pursued and the ensuing investment transactions. In the calculation method used, the amount of turnover is determined by the sum of purchases and sales of investments less the sum of sale and repurchase of own shares. The turnover ratio is determined by expressing the amount of turnover as a percentage of the average net asset value of the Company. The Dutch method turnover ratio for 2010 is 141.5 per cent (2009: 115.7 per cent).

18 Expense ratio

The expense ratio which, within the scope of the Dutch Act on Financial Supervision ('Wft'), should be reported by investment institutions in order to provide clear and comparable information on the level of costs, amounts to 1.72 per cent for the financial year (2009: 1.71 per cent). This ratio is calculated as the total costs compared to the weighted average net asset value over the quarters of the financial year (including the beginning of the year). As per the *Nadere regeling gedragstoezicht beleggingsinstellingen 2005* (further regulation supervision investment institutions 2005) 'total costs' is defined as administrative expenses and tax.

19 Remuneration of the Supervisory and Management Board

The remuneration of the Chairman of the Supervisory Board was paid at the annual rate of €34,535 (2009: €34,535) while the other Directors each received €23,909 (2009: €23,909). The remuneration of the Managing Director, FCA Management BV, amounted to €93,171 (2009: €92,249).

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

20 Outsourcing

In January 2002, DNB published the DNB circular 'Outsourcing of main duties', which requires investment funds to provide an overview of main duties outsourced. The Company has drawn up service level agreements for the outsourced duties with the following external parties, which, among others, deal with requirements regarding mutual transfer of information, term of notice, compliance with regulation and fees.

Main duty:	Outsourced to:
Accounting, Custodian and IT	KAS BANK NV
Managing Director	FCA Management BV
Asset management	F&C Investment Business Limited

21 Transactions with related parties

If funds have been placed at, or transactions have been carried out with KAS BANK NV, FCA Management BV or F&C Investment Business Limited, these placements or transactions took place at arm's length. During the year 2010 there were no fund or investment transactions between these related parties and the Company.

22 Employees

The Company does not have any employees.

The Management Board Director

FCA Management BV

The Supervisory Board

Sir John Ward CBE, Chairman

N L A Cook

Professor R A H van der Meer

G W B Warman

Rotterdam

3 March 2011

Other Information

Statutory Income Allocation

According to Article 21 of the Articles of Association the Company's profit shall be at the disposal of the general meeting of Shareholders. Distribution of profit can only be made in so far as the net asset value of the Company shall exceed the aggregate of the amounts paid upon the issued share capital and the reserves of the Company, which are to be maintained by statute. The Management Board may, on a proposal of the Supervisory Board, decide to grant an interim distribution of profit and/or grant a distribution out of reserves. The proposed income allocation is set out on the page entitled 'Revenue Account'.

Major shareholders

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

In the register of major holdings maintained by AFM the following major holdings in the Company are disclosed:

European Assets Trust NV: 40.2%*. This concerns shares held by the Company in treasury, which are currently not in circulation and disregarded both from a financial and a voting right point of view.

F&C Asset Management plc: 8.3%**. This concerns shares held by F&C Asset Management plc only for the benefit of its clients.

*This concerns the percentage as at 3 March 2011. At 31 December 2010 the Company held 40.2% of the total number of shares issued, amounting to 24,937,280 (including all shares held in treasury).

**This concerns the percentage of the total number of shares issued, amounting to 24,937,280 (including all shares held in treasury).

Interests of the Supervisory and Management Board Directors

The Supervisory Board Directors and the Management Board Director collectively had no interests in securities held in the Company's portfolio at 31 December 2010, except for Mr Giles Warman who held 20,000 shares in Origin Enterprises and Mr Neville Cook who held 10,000 shares in EFG International.

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

As at 31 December 2010, Sir John Ward, Mr Neville Cook and Mr Giles Warman, Supervisory Board Directors, held 5,600 shares, 15,000 shares and 9,280 shares respectively in European Assets Trust NV. The other Supervisory Board Director and the Management Board Director did not hold any shares in the Company as at 31 December 2010.

Subsequent event

With regard to the Distribution Policy, the Company announced a dividend of €0.17 per share on 6 January 2011. This dividend was paid from the other reserves on 28 January 2011. During the year 2011, the total distributions are expected to be €0.51 per share, payable in equal instalments in January, May and August.

Independent Auditor's Report

To: the shareholders of European Assets Trust N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of European Assets Trust N.V., Rotterdam, which comprise the balance sheet as at 31 December 2010, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the management board director, both in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Act on Financial Supervision. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of European Assets Trust N.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Act on Financial Supervision.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the management board director, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the management board director, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 3 March 2011

Ernst & Young Accountants LLP

Signed by

J.C.J. Preijde

Corporate Governance (detail)

UK corporate governance

Arrangements in respect of corporate governance have been made by the Supervisory Board, which follow the general principles set out in the UK Corporate Governance Code ('UK Code'), as a matter of good practice. Included in the information below are the significant ways in which the Company's actual corporate governance practices differ from those set out in the UK Code.

All Supervisory Directors are considered by the Board to be independent of the Company's Investment Managers. Sir John Ward, Mr Neville Cook and Mr Giles Warman have all served on the Board for longer than 9 years and will seek re-election from shareholders annually. The Supervisory Board does not consider that a Director's tenure necessarily reduces his 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.

Under the requirements of the Articles of Association, Directors retire by rotation at Shareholder meetings and Directors are appointed for a specified term of no more than 4 years, subject to reappointment by shareholders. The Board has agreed, however, that Directors will seek re-election at the completion of each three years' service and annually after serving on the Board for more than nine years. Full details of the duties of Directors are provided at the time of appointment.

The Supervisory Board has no executive Directors and the Company has no employees. A management contract between the Company and its Investment Managers, F&C Investment Business Limited, sets out the matters over which the Investment Managers have authority and the limits above which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing, and corporate governance procedures, are reserved for the approval of the Management and Supervisory Board of Directors. The Board currently meets at least four times a year and receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Investment Managers, in the absence of explicit instructions from the Board, are empowered to exercise discretion in the use of the Company's voting rights.

Given the size and structure of the Company, the limited number of Supervisory Board Directors and taking account of Dutch corporate governance principles, the Board performs the functions of Audit, Management Engagement and Nomination Committees. The Board performs the duties of an Audit Committee including reviewing the Annual and Interim Accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. The Board, chaired by Sir John Ward, meets twice a year specifically to consider audit matters and this provides a forum through which the auditors may report to the Board of Directors. The Board reviews the terms of the Investment Manager's appointment at least on an annual basis. In considering the appointment of additional Supervisory Directors, the Board takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board.

During the year the performance of the Board was evaluated through an assessment process, led by the Chairman. The performance of the Chairman was evaluated by the other Directors.

The following table sets out the number of Supervisory Board and Shareholder meetings held during the year ended 31 December 2010 and the number of meetings attended by each Director.

	Board meetings of Directors		Shareholder meetings in The Netherlands (formal) and UK (informal)	
	Held	Attended	Held	Attended
Sir John Ward	5	5	2	2
N L A Cook	5	5	2	2
W D Maris (deceased 13 December 2010)	5	5	2	1
Professor R A H van der Meer	5	5	2	1
G W B Warman	5	5	2	2

Supervisory Directors do not have service contracts but new Directors are provided with a letter of appointment. The terms of Directors' appointment provide that Directors are subject to periodic retiral and re-election by shareholders. 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. The Company maintains appropriate Directors' and Officers' liability insurance.

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

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

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

Dutch corporate governance

Corporate Governance policy and framework of European Assets Trust

European Assets Trust is a financial product organised in the form of a listed Dutch law public limited company/ investment company with variable capital/investment institution governed by the provisions of the Wft, the Dutch Act on Financial Supervision. The shares in European Assets Trust are listed in Amsterdam (NYSE Euronext) and London (LSE). European Assets Trust is licensed by Autoriteit Financiële Markten under the Wft.

European Assets Trust does not have its own business organisation.

European Assets Trust subscribes to the advisability of transparency in management and supervision and Directors' accountability for this to investors. Therefore and in addition to the principles of the UK Code, the Company has adopted the principles and best practices of good corporate governance in line with those of the Tabaksblat Code on 9 December 2003 (the 'Code') as part of its guideline, insofar as this is advisable, appropriate and possible in its opinion. The Company believes there are no differences of principle or inconsistencies between the UK Code and the Code. On 10 December 2008, the Code was updated by the Corporate Governance Code Monitoring Committee to take effect as of the financial year 2009.

As the Company is an externally managed investment institution without its own organization, it is not possible to apply the Code in full, as the preamble to the Code also acknowledges explicitly. For instance, many of the provisions of the Code deal with management and remuneration by and of individuals. These cannot be applied in full in the case of European Assets Trust, because its statutory management and investment management have been outsourced to

Corporate Governance (detail) continued

FCA Management B.V. ('FCA Management') and F&C Investment Business Limited, respectively. In addition, the Company's Articles of Association provide indemnification for the Directors by the Company. The provisions of the Code that relate to the appointment and remuneration of management are therefore not fully complied with. The remuneration for these functions is governed by contractual arrangements as described in the Management Board report. For example, such contracts have been entered into for a period in deviation of the maximum of 4 years according to the Code. However, the contract with the Managing Director can be terminated with a notice period of 3 months and can be terminated per the end of a calendar year, whereas the contract with the Investment Manager can be terminated at 6 months' notice. Moreover, the contracts do not provide for a severance payment for individual Directors or managers.

European Assets Trust, like all Dutch regulated and licensed investment institutions, is subject to detailed and clearly described conditions and an associated unambiguous remuneration structure and corporate governance structure. It is covered by the regime of Wft and subject to the supervision of Autoriteit Financiële Markten. The conditions that apply to European Assets Trust offer investors clarity in advance about what they are entitled to expect from an investment in European Assets Trust and place specific demands on management, reporting and information supply, as well as the accountability of the managers of investment institutions to investors. No amendments to the conditions can and may be made without the approval of the Supervisory Board and due observance of the restrictions of the Wft.

Responsibility of Institutional Investors under the Code

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

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

The topic of corporate governance has been part of the agenda for each general meeting of shareholders since 2004.

The corporate governance policy, including the remuneration policy, and the corporate governance framework of European Assets Trust as described in this section have been approved by the shareholders in that year for the first time. In the General Meeting of shareholders held in April 2010, the shareholders have once again approved the current corporate governance framework and, in line with the Company's intention to do so annually, the subject has again been scheduled for discussion at the upcoming General Meeting of shareholders on 12 May 2011.

The Management and Supervisory Board will continue to give the required attention to the subject during the current year. If preferable or required, the prevailing framework and policies and practice will be adjusted and improved. In doing this, the legal requirements which, as of 1 January 2007, have been included to a considerable extent in the Dutch Act on Financial Supervision, as well as the principles and 'best practices' of the Code, in addition to the UK Code, as far as appropriate, will be taken into account.

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

Based on Section 391 of Book 2 of the Dutch Civil Code (Act of 9 July 2004, Stb 370, to amend Book 2, CC) and the Royal Decree of 23 December 2004, limited liability companies, whose shares – to put it briefly – are listed on a stock exchange, must include a statement in their annual reports about their compliance with the principles and best practices of the Code. European Assets Trust assumes that, with the introduction of the Dutch Act on Financial Supervision on 1 January 2007, the Code does not apply to externally managed investment institutions such as European Assets Trust. Nevertheless, European Assets Trust makes the following statement:

In the year under review, European Assets Trust did not comply fully with the provisions of the Code, nor does it intend to comply with these during the current financial year or the next financial year. Its grounds for doing so are explained in the corporate governance policy of European Assets Trust described above.

How to Invest

As well as investing in European Assets Trust NV directly through a stockbroker, there are some additional benefits of investing through one of the savings plans run by F&C Management Limited ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, receive a simple statement every six months and let us automatically reinvest your dividends for you.

F&C Private Investor Plan

A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at anytime from £250.

F&C Investment Trust ISA

Use your ISA allowance to invest up to £10,200 (increasing to £10,680 for the 2011/12 tax year) tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at anytime from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund ('CTF')

F&C is a leading provider of CTFs which can be opened for all children born between 1 September 2002 and 31 December 2010, using the government's CTF voucher. The maximum that can be invested annually is £1,200 and depending on the type of CTF opened, investments can start from as little as £10 a month.

F&C Children's Investment Plan

Aimed at older children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at anytime from £100.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual.

Low charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2 per cent. Government stamp duty of 0.5 percent also applies on purchases (where applicable). There are no initial or exit charges. The only annual management fee is on the ISA, which is £60 + VAT (no matter how many ISAs you take out annually with F&C, or how many ISAs you transfer). The CTF has no initial charges, dealing charges or annual management fee.

How to Invest

You can invest in all our savings plans online, except for the CTF. It's simple to register and invest using your debit card. Alternatively, please contact us for application forms.

New Customers:
Contact our Investor Services Team:

Call:	**0800 136 420**
Email:	**info@fandc.com**
Investing online:	**www.fandc.com**

Existing Plan Holders:
Contact our Investor Services Team:

Call:	**0845 600 3030**
Email:	**investor.enquiries@fandc.com**
By post:	F&C Plan Administration Centre Block C, Western House Lynch Wood Business Park Peterborough, PE2 6BP

Calls may be recorded.

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0845 600 3030.

The above has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority.

Shareholder Information

Introduction and Recent History

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

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

In September 1983 the shares of the Company were listed on the London Stock Exchange and, at the same time, 8,364,500 shares of Dfl 1 each were issued at 97 pence per share. As a result of this issue the issued and fully paid share capital rose to Dfl 24,937,280. 8,409,242 shares were repurchased by tender offer in November 2000. In December 2000, 1,613,000 of these shares were resold leaving a balance outstanding of 18,141,038.

The Company issued 18,892 shares in 2010, 18,552 shares in 2009, 25,217 shares in 2008, 22,516 shares in 2007, 23,297 shares in 2006, 34,225 shares in 2005, 34,886 shares in 2004, 36,011 shares in 2003, 90,189 shares in 2002 and 118,829 shares in 2001 via its scrip dividend option. These shares were issued from the Company's shares held in treasury following the tender offer in 2000. The Company repurchased 2,550,000 of its own shares to be held in treasury in 2005 and sold 605,000 of these shares in 2006. In 2007 the Company sold 1,470,000 of its own shares from treasury and repurchased 835,000 of its own shares to be held in treasury. In 2008 the Company repurchased 846,000 of its own shares to be held in treasury. In 2009 the Company repurchased 1,160,000 of its own shares to be held in treasury. In 2010 the Company repurchased 335,000 of its own shares to be held in treasury. As at 31 December 2010, there were 14,912,652 shares in circulation and 10,024,628 shares held in treasury.

Total Number of Shareholders

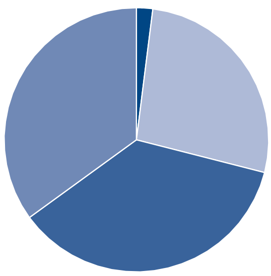
(figures include F&C Asset Management Retail Products)

	2010	2009
Ordinary Shares	**13,522**	12,217

(excluding bearer shares)

Percentage of Ordinary Shares held at 31 December 2010

(figures in brackets relate to 2009)



Bearer Shares 2% (2%)

Institutions 27% (27%)

Private Client Brokers/Individuals 36% (42%)

F&C Asset Management Retail Products 35% (29%)

Shareholder Information continued

Company Structure

Under the Act on the Supervision of Investment Institutions in the Netherlands the Company was granted a licence to act as an investment institution on 19 December 1991. The Company was granted a renewal licence by the Authority for Financial Markets on 30 June 2006.

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

Any request to the supervisory authority in the Netherlands pursuant to section 1:104 paragraph 1 sub a of the Act on Financial Supervision to revoke the authorisation must be announced through an advertisement in a national newspaper in the Netherlands and by communication addressed to registered Shareholders.

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

Current Investment Policy and Recent Performance

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

It is the Company's objective to identify companies which possess particular knowledge in specialist markets providing them with opportunities in the long term to achieve above average growth. The Company does not restrict its investments to any specific industrial sectors and a diversified geographical spread has been maintained.

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

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

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

The performance of the Company since 1999 is shown in the table below.

31 December	Net asset value per share pence	Net asset value per share euro	Dividends/ distributions per share euro	% Annual total return per share euro	% Cumulative total return per share euro
1999	728.17	11.71	0.068		
2000	875.83	14.03	0.606		
2001*	569.12	9.35	1.56	(23.2)	(23.2)
2002	392.13	6.03	0.90	(27.5)	(44.3)
2003	548.19	7.78	0.37	37.1	(23.6)
2004	619.58	8.75	0.465	19.3	(8.9)
2005	782.52	11.39	0.555	37.7	25.5
2006	1,000.61	14.85	0.7325	38.2	73.5
2007	978.02	13.32	0.912	(4.8)	65.1
2008	519.97	5.38	0.8535	(56.4)	(28.0)
2009	642.10	7.23	0.3551	42.5	2.6
2010	**727.44**	**8.49**	**0.4613**	**25.2**	**28.4**

*High distribution policy adopted from 2001.

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

The share price of European Assets Trust is published daily in *Het Financieele Dagblad* as well as in the *Financial Times* and other newspapers.

Dividends are declared in euros and paid in euros (bearer shares) or in sterling (registered shares). Those registered shareholders who wish to receive their dividends in euros should contact the Company's UK Registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH.

Shares and Distribution Policy

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

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

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

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

Scrip Dividend

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

Computershare Investor Services PLC acts as administrator for the purposes of the Company's scrip dividend payments for holders of registered shares. The Administrator's address for correspondence is Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH.

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

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

Shareholder Information continued

Costs of the Investment Fund

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

Company Taxation

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

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

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

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

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

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

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

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

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

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

(d) An individual or legal entity not resident in the Netherlands may not own an interest of 25 per cent or more in the share capital of the Company.

(e) An individual or legal entity resident in the Netherlands may not own an indirect interest of 25 per cent or more in the Company by means of holdings in the shares of non-resident companies.

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

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

Withholding Tax

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

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

Dividend Taxation

Netherlands Taxation

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

Dividend withholding tax

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

Of the dividends paid in 2010, an amount of EUR 2,842,210 has been paid in order to meet the distribution obligations under Dutch tax law in respect of 2009, subject to dividend withholding tax. The remainder of EUR 4,006,997 is charged against the fiscal reinvestment reserve (as a result of which no dividend withholding tax has been withheld on that portion).

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

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

Tax on income and capital gains

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

- such UK resident shareholder is not an individual who has been resident or is deemed to have been resident in the Netherlands during a period of five years preceding an alienation of the shares in the Company;
- such UK resident shareholder does not have a business or an interest in a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which business or part of a business, as the case may be, the shares in the Company are attributable; and
- the shares in the Company owned by such UK resident shareholder do not form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, they form part of the assets of a business.

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

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

will be taxed at a 30 per cent tax rate on a notional return of 4 per cent on the average value of the shares, regardless of the actual income or gains on the shares.

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

Shareholder Information continued

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

- the shares in the Company owned by such shareholder do not form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, they form part of the assets of a business.

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

UK Resident Shareholders

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

Individual Shareholders

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

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

With effect from 6 April 2010 an additional rate taxpayer is liable to UK income tax on dividends received from the Company (to the extent that, taking the dividend as the top slice of his income, it falls above the threshold for the additional rate of income tax (£150,000 for 2010/11)) at the rate of 42.5 per cent of the gross dividend including any Netherlands dividends withholding tax and any notional tax credit which, after offsetting the 10 per cent notional tax credit, equates to a rate of tax of 32.5 per cent of the gross dividend, or an effective rate of 36.11 per cent of the dividend paid.

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

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

Corporate Shareholders

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

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

UK taxation

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

Capital gains tax

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

Shareholders who are individuals will, to the extent that a gain on a disposal of shares, together with other gains less allowable losses in a fiscal year, exceeds the annual exempt amount which, for the fiscal year 2010/11 is £10,100, be liable to capital gains tax at the rate of 18 per cent for disposals before 23 June 2010. Disposals on or after 23 June 2010 by higher rate taxpayers will be liable to capital gains tax at the rate of 28 per cent. Basic rate taxpayers will continue to be taxed at the rate of 18 per cent.

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

Stamp taxes

- Buy back

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

- Resale of shares held in treasury

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

Shareholder Information continued

Netherlands taxation

Netherlands withholding tax

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

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

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

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

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

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

Articles of Association

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

1. Shares and distributions

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

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

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

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

2. Financial year and annual statements of account

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

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

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

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

4. General meetings of shareholders

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

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

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

(b) Adoption of the annual accounts.

(c) Fixing of the appropriation of profit.

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

(e) Filling of existing vacancies.

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

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

5. Voting rights

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

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

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

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

6. Borrowing powers

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

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

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

7. Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. Appropriation of profit

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

9. Dissolution of the Company

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

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

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

Warning to shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FSA before getting involved by visiting **www.fsa.gov.uk/pages/register/**
- Report the matter to the FSA by calling **0845 606 1234**
- If the calls persist, hang up.

More detailed information on this can be found on the CFEB website **www.moneymadeclear.fsa.gov.uk**

Notice of General Meeting

Notice is hereby given that the General Meeting of shareholders of European Assets Trust NV, will be held at the Hotel de l'Europe, Nieuwe Doelenstraat 2-8, Amsterdam, at 12 noon on 12 May 2011.

The agenda to be considered is as follows:

1. Opening.
2. Management Board Director's report for the financial year to 31 December 2010.
3. Adoption of the financial statements for the year ended 31 December 2010.
4. Appropriation of profit for the year ended 31 December 2010.
5. Discharge of the Management Board Director for the management over the last financial year.
6. Discharge of the Supervisory Board Directors for their supervision over the last financial year.
7. Retirement and re-appointment of Sir John Ward to the Supervisory Board.
8. Retirement and re-appointment of Neville Cook to the Supervisory Board.
9. Retirement and re-appointment of Giles Warman to the Supervisory Board.
10. Appointment of Laurence Jacquot to the Supervisory Board.
11. Appointment of Duco Sickinghe to the Supervisory Board.
12. Approval of the corporate governance policy of the Company as set out in this annual report.
13. Any other business.
14. Closing.

An explanation of the agenda, the annual report for 2010 and the data prescribed by mandatory Dutch law with respect to Sir John Ward, Neville Cook, Giles Warman, Laurence Jacquot and Duco Sickinghe are deposited at the offices of FCA Management BV and are available for every shareholder. The appointment of the new Directors, Laurence Jacquot and Duco Sickinghe requires approval of the Authority for Financial Markets in the Netherlands.

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

FCA Management BV
Rotterdam
3 March 2011

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

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

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

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

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

Corporate Information

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

Supervisory Board
Sir John Ward CBE (Chairman)
N L A Cook
Professor R A H van der Meer
G W B Warman

Registered Office
Visiting address
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Chamber of Commerce
Rotterdam. nr. 33039381

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NL-3000 BJ Rotterdam

Investment Managers
F&C Investment Business Limited
80 George Street
Edinburgh EH2 3BU
Tel No. 0131 718 1000

UK Registrars and Transfer Office
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Registrar's Shareholder Helpline
Tel No. 0870 707 1550

Brokers
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in the United Kingdom–
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Accountants LLP
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Lawyers
in The Netherlands–
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1082 MD Amsterdam

in the United Kingdom–
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