European Assets Trust NV

Annual Report and Accounts

2008

F&C Investments

Contents

aic
The Association of Investment Companies

Illustrative Financial Calendar 2009/10

24 April 2009	General Meeting of Shareholders (Amsterdam)
20 May 2009	Shareholders' and Investors' Briefing (London)
July 2009	Announcement of Interim Results
August 2009	Posting of Interim Report
March 2010	Announcement of Final Results for 2009

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 2008 were €88.0 million (£85.1 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 Ltd 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 1 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).

Notes

1. 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 2008**

	Euro	Sterling
Net asset value per share	(56.4%)	(42.1%)
HSBC Smaller Europe (ex UK) Index	(49.5%)	(33.4%)

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

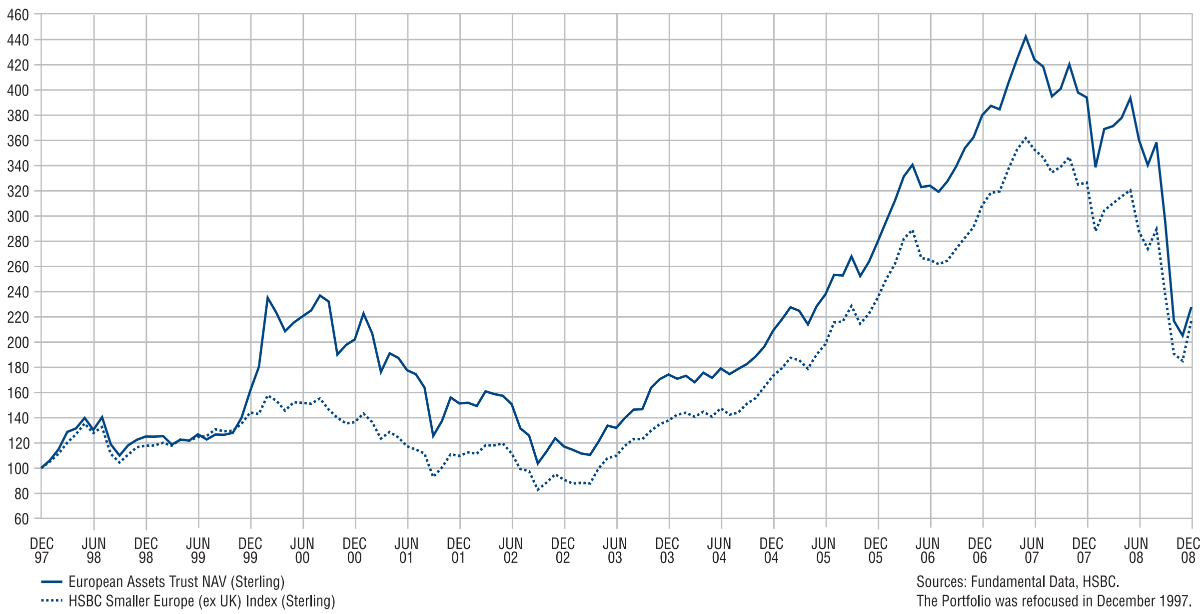
	Euro	Sterling
Net asset value per share	64.6%	127.1%
HSBC Smaller Europe (ex UK) Index	49.6%	116.4%

- **The annual dividend for 2009 is €0.324, equivalent to 6% of the opening net asset value per share**

	Euro	Sterling
January 2009 dividend paid per share (further dividends payable in May and August)	€0.108	£0.101

Total Return Performance*

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



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

Performance Summary for the Year to 31 December 2008

	Euro 2008	2007	Sterling 2008	2007	
Total Return					
Net asset value total return per share*	**(56.4%)**	(4.8%)	**(42.1%)**	3.7%	
Market price total return per share	**(55.7%)**	(10.3%)	**(41.6%)**	(2.2%)	
HSBC Smaller Europe (ex UK) Index	**(49.5%)**	(3.0%)	**(33.4%)**	5.8%	

	Euro 2008	2007	Sterling 2008	2007	Sterling % change
Capital					
Total assets (less current liabilities)	**€88.0m**	€228.9m	**£85.1m**	£168.1m	**(49.4)**
Net asset value per share – basic	**€5.38**	€13.32	**520.0p**	978.0p	**(46.8)**
Net asset value per share – treasury†	**€5.35**	€13.25	**517.4p**	973.1p	**(46.8)**
Market price per share	**€4.95‡**	€12.17‡	**479.0p**	893.5p	**(46.4)**
HSBC Smaller Europe (ex UK) Index	**211.38**	430.44	**204.37**	316.14	**(35.4)**
Distributions (per share)					
Total distributions paid in cash	**€0.8535**	€0.912	**66.4p**	61.4p	**8.1**
Discount (difference between share price and treasury net asset value)#			**7.4%**	8.2%	
Gearing (100=nil geared position)§					
Actual ratio			**92**	102	
Maximum potential ratio			**100**	102	
Total Expense Ratio					
as percentage of average shareholders' funds			**1.77%**	1.30%	
Portfolio Turnover**			**44%**	67%	

2008 Year's Highs/Lows	High	Low	High	Low
Net asset value per share	**€13.32‡**	€5.29‡	**981.1p**	447.7p
Market price per share	**€12.17‡**	€4.64‡	**897.5p**	395.0p

The narrowest discount on the ordinary shares during 2008 was 1.5 per cent and the widest discount was 14.5 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. A figure of 100 means that the Company has a nil geared position.

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

Maximum potential ratio=the ratio of total assets (including fixed interest and cash assets) to shareholders' funds.

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

Sources: Fundamental Data/Datastream/HSBC

Chairman's Statement

Sir John Ward CBE Chairman

2008 review

The year 2008 was a very challenging year for investors with sharp contractions across world economies – in the case of Europe the largest for over half a century – with rapidly falling commodity prices and inflation, triggering record low levels of interest rates and sharply rising levels of government spending and debt. At its core, the dislocation of the banking and regulatory systems followed by the collapse of Lehman Brothers turned what had been a correction in share prices into a very significant downturn. By the end of the year, the HSBC Smaller Europe (ex UK) Index was registering losses of 49.5 per cent in Euro total return terms. The relative weakness of Sterling pared these losses to 33.4 per cent in Sterling total return terms.

The net asset value of European Assets Trust fell by 42.1 per cent in Sterling total return terms in 2008. This performance was disappointing since the Company had ended the first nine months of the year ahead of its benchmark index over one year, three year and five year time periods. The three final months of 2008 following the bankruptcy of Lehman Brothers were particularly volatile and savage. The underperformance in the fourth quarter was primarily attributable to just a few stocks in the oil-based energy sector and exacerbated in certain instances by a lack of trading volume and poor liquidity. The Board has been reviewing economic trends and indicators for performance, and the Investment Manager has undertaken a detailed analysis of the outcome of the final quarter and 2008 as a whole in the light of current difficult market conditions. This exercise is dealt with in more detail in the 'Portfolio Strategy' section of the Manager's Review which follows. Since the start of 2009, the Company's net asset performance has been ahead of that of its benchmark index.

The Board and Investment Manager share the disappointment of shareholders at the severe impact in 2008 on the value of the Company's assets, caused by the adverse economic and trading conditions. Taking a longer term view, since the portfolio was re-focused on the small to mid-sized asset class in December 1997, European Asset Trust's net asset value has appreciated by 127.1 per cent in Sterling total return terms compared with an increase of 116.4 per cent in the benchmark index.

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 2009 which results in a total dividend of Euro 0.324 per share (2008: Euro 0.81). The 2009 dividend will be paid in three equal instalments of Euro 0.108 (2008: Euro 0.27) at the end of January, May and August. The January dividend was paid to shareholders on 30 January 2009 and amounted to 10.1p per share in Sterling terms. The reduction in dividend for 2009, which is less in Sterling terms, contrasts with annual increases in Sterling terms in each of the past five years. Over the period 2004-2008, shareholders have received total dividends of 243.5p per share, representing 44 per cent of the Company's net asset value per share as at 31 December 2003.

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 will 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 bank facility is subject to renewal by end June 2009 and renewal terms may be affected by the difficulties in credit markets. Any borrowings taken up under this facility are Euro denominated and flexible, allowing the Manager to draw down amounts for such periods as required. The Manager deployed gearing early on in the year but scaled back borrowings progressively during the remainder of the period such that the Company ended the year with a net cash position of 8 per cent.

Liquidity enhancement policy

During 2008 the Company bought back 846,000 shares at an average discount of 8.1 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 2008 (2007: 635,000 shares net). The Company's share price discount to net asset value was 7.4 per cent as at 31 December 2008 compared with 8.2 per cent at the previous year end. At times of particular market weakness during 2008, the discount moved wider; the liquidity enhancement policy continued to operate for shareholders wishing to sell.

Outlook

European Assets Trust's net cash position reflects a cautious view of the outlook for markets in general and the smaller European asset class in particular. Central bank governors, treasury officials and politicians together have not yet managed to restore the financial system to health. Economic indicators remain weak with no signs of imminent recovery. With the present global uncertainties, individual company managements in small and mid sized organisations are having difficulty in quantifying future business prospects, and as a result, share valuations may not yet fully reflect companies' vulnerability in the event of an economic depression. Despite this, short term trading rallies may occur and your Investment Manager is focused on the need to remain flexible in the management of cash and stock selection to respond to any opportunities which may arise. The emphasis is on the management of capital and the continued payment of an attractive dividend. The Board believes that this ability to pay a dividend from capital can be a key attraction for investors in European Assets Trust.

Shareholder Meetings

The Company's Annual General Meeting will be held on 24 April 2009 in Amsterdam. In addition, the Company holds a Shareholders' and Investors' Briefing in London each year. The London Briefing will be held on 20 May 2009 at 11.30 am 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 after the briefing concludes. I hope as many shareholders as are able will join us for this Briefing. An invitation is included separately with this Report.

Sir John Ward CBE
Chairman
6 March 2009

Investment Managers and Investment Process

Crispin Longden
Fund Manager

Frank Rushbrook
Fund Manager

Michael Campbell
Company Secretary

Crispin Longden Fund Manager has been Fund Manager of European Assets Trust for nine years. Before joining F&C Asset Management he spent eight years managing European equities at Scottish Life. He is a Member of the UK Society of Investment Professionals and is fluent in German.

Frank Rushbrook Fund Manager has worked alongside Crispin on European Assets for eight years. Before moving to the European small cap team he spent two years working as an Investment Trust analyst. He is a member of the UK Society of Investment Professionals.

Michael Campbell Company Secretary, a chartered accountant, has provided accounting and company secretarial services to investment companies at F&C Asset Management for over eighteen 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 £98.6 billion of funds under management (as at 31 December 2008). 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

European Assets Trust is managed by a team dedicated exclusively to investment in small and medium-sized companies in Continental Europe.

The primary aim of European Assets Trust is to provide a superior long term capital return for shareholders. This is sought by investing in a relatively concentrated portfolio of medium-sized companies.

Considerable emphasis is placed upon a fundamental approach towards selecting companies with both financial strength and quality management which are considered to have good medium to long term growth prospects.

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

Economic Review

Summary: The sharpest fall in economic growth across Europe for over half a century triggers lower inflation and interest rate cuts.

Official releases in the early part of 2008 gave few hints of the extraordinary scale of the deterioration in the economies of the European continent that was to occur during the rest of the year. Based on first estimates from Eurostat, the European Union's statistics office, gross domestic product (GDP) across Europe registered a year-on-year decline of 1.2 per cent in the fourth quarter of 2008 compared to an annual gain of almost double this amount in the first quarter. If confirmed, this would represent the largest contraction in growth on the continent since the Second World War.

The downturn was already apparent in the summer months with a second consecutive modest drop in GDP in the third quarter confirming that Europe had officially entered recession. However, the pace of the fall accelerated after the collapse of the US investment bank, Lehman Brothers. The dent in confidence to the world financial system that this caused led to the total freezing up of the credit markets. Access to credit facilities, even for everyday commercial operations let alone to finance capital spending plans, was denied or available only at a punitive cost. The result was a sharp fall-off in the trade flow of all goods, especially since consumers proved reluctant to spend despite ever more frantic attempts by the monetary and fiscal authorities to pump liquidity into the system. European economies more reliant on world trade growth bore the brunt of the downturn. Export-dependent Germany saw GDP fall by 2.1 per cent in the fourth quarter compared to the previous quarter and by 1.6 per cent compared to the previous year.

Even as recently as last summer, levels of inflation were deemed by the European Central Bank (ECB) to be alarming. High energy and food prices persuaded the ECB of the need to raise interest rates in July to the level of 5.25 per cent. By the end of the year, successive cuts had brought the benchmark rate back down to 3 per cent, a level last seen back in 2003. The Eurozone ended the year with annual inflation of just 1.6 per cent, well within the ECB target of close to but below 2 per cent.

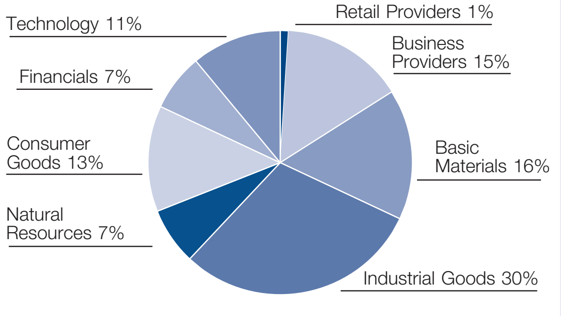
Market Review

Summary: Share price losses accelerate as economic growth collapses. No country escapes a miserable year for holders of European smaller company equities. Investors hide in defensive sectors.

The decision by the US authorities to let Lehman Brothers go bankrupt had an equally dramatic effect on the equity markets. In the month following the date of the announcement in September, the FT/S&P World Index fell by 21 per cent in Sterling total return terms. Over the same period, the HSBC Smaller Europe (ex UK) Index fell by 24 per cent in Sterling total return terms. Even a slight recovery in the remaining weeks of the year was insufficient to prevent the HSBC Smaller Europe (ex UK) Index from recording an annual loss of 33.4 per cent in Sterling total return terms. Measured in Euro total return terms, the magnitude of the fall was 49.5 per cent.

No single country was able to end the year in positive territory. Local currency falls ranged from over 60 per cent for bank crisis-ridden Ireland to 'just' 40 per cent for Switzerland with its more recession resistant economy. In terms of industry

Portfolio Split by Sector (as at 31/12/08)



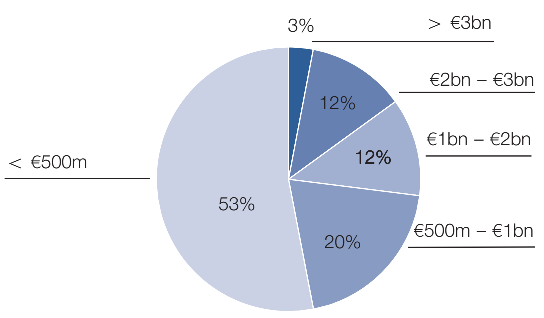
sector, the laggards included financials, automotives and media; industrial goods and energy which had held up relatively well over the first nine months fell away dramatically during the last quarter as customer delays and cancellations became common-place. Healthcare, utilities and consumer staples unsurprisingly headed the leaders' list.

Portfolio Performance and Highlights/Lowlights

Summary: A poor final quarter to the year mars European Assets Trust's performance record. Focused stock portfolio leads to individual disappointments but some notable successes.

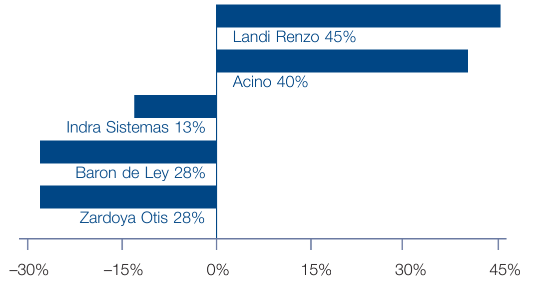
The net asset value of European Assets Trust fell by 42.1 per cent in Sterling total return terms in 2008. This is a disappointing performance, especially so as at the end of September 2008 the Company's net asset value record was ahead of its benchmark index over periods of one year, three years and five years. The fourth quarter of the year, with its attendant collapse in trade volumes, capital spending plans and commodities prices, inflicted a blow on a portfolio with significant exposure to companies in the industrial goods and energy sectors. The portfolio of holdings in European Assets Trust is built around a stock-specific selection of a focused (40-45) list of names; however the number of holdings at the end of 2008 was just 34 as proceeds from investments sold remained in cash. The poor performance of the Company in the final quarter

Portfolio Split by Market Capitalisation (as at 31/12/08)



can be put down to companies linked to developments in the price of crude oil and natural gas (**ODIM, Schoeller Bleckmann, Q-Cells** and **BW Gas**) and to a handful of smaller companies which suffered from a lack of trading volume and narrow liquidity.

Top Five Performers (share price in local currency over one year or from date of acquisition)



There were some notable stock successes in 2008. The above bar chart shows the top five performers during the year. The first two on the list managed to achieve an absolute as well as a relative gain. Italian-based **Landi Renzo**'s franchise of providing developed and developing countries with low energy cost gas systems for cars fuelled a 45 per cent gain. With its defensive business mix of generic slow-release pharmaceuticals and pain patches, the Swiss stock **Acino**, formerly Schweizerhall, achieved a soothing rise of 40 per cent. The three remaining significant relative success stories of 2008 are Spanish; **Indra Sistemas** (held since March 1999), **Zardoya Otis** (held since June 2003), and **Baron de Ley** (held since August 1998) all lived up to their vintage.

Gearing

Flexible credit facilities

The Board allows the Investment Manager discretion in the use of gearing up to the maximum limit. The borrowing facilities can serve as a useful source of funds for new stock purchases.

The Company has committed bank borrowing facilities in total of Euro 45m and these are subject to renewal by end June 2009.

The Manager made use of the borrowing facilities during the early part of the year by adding to existing holdings. At the half year stage with the market falling back again after a short-lived spring rally, total gearing touched 16 per cent of assets; by the beginning of October borrowings had been scaled back to 7 per cent. Further reductions were made as markets continued to fall and the Company ended the year with 8 per cent cash.

Portfolio Strategy

In light of the difficult investment climate, the Board invited European strategists to present their views on the outlook for the economies and markets. Following this, the Investment Manager carried out a detailed analysis of the portfolio investments and decided on the following actions to be taken:

- a reduction in the portfolio weightings in the energy and automotive related sectors in favour of selected stocks in the general retail and media sectors which now look undervalued,
- a sell-out of illiquid holdings for which the business prospects have deteriorated, and the introduction of a minimum daily trading volume hurdle in the screens used for new investment candidates,
- a modest reduction in the weight of the top ten holdings and the introduction of a few more names to spread the stock risk more evenly across the portfolio,
- maintaining a reasonable cash cushion.

Since the start of 2009, the Company's asset performance has been ahead of that of its benchmark index.

Outlook

The cash holding reflects the Manager's current cautious view of the outlook for the European smaller company asset class. After the precipitous fall in economic activity and in share prices in 2008 and, to a lesser extent, in the second half of 2007, it is tempting to look for signs of a possible recovery. With the financial system still not functioning anywhere near normal and countries undecided as to the best way to support their economies and those of their trading partners, any tentative signs of an improvement in world demand look premature. At the level of individual companies, there is little visibility in the outlook for a particular business franchise, the profit and loss account, the balance sheet or the statement of funds' flow. Company management is reluctant to provide guidance and analysts' earnings expectations remain unrealistic.

While the overall outlook may be gloomy, we do firmly believe that the market is ripe for short-term trading rallies and that these could be of a reasonable magnitude and duration. For this reason, it is important to remain fully flexible and nimble in the use of cash/gearing and to position the invested portfolio to benefit from any such recoveries. It is also important to remain ambivalent between growth and value, cyclical and defensive stocks. The Manager's emphasis in the current market environment is to manage shareholders' capital prudently.

Crispin Longden
Investment Manager
F&C Investment Business Limited

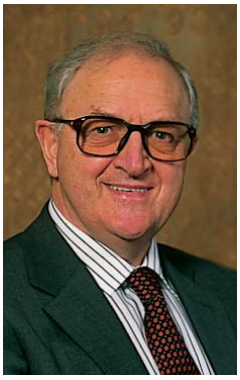
6 March 2009

Investment Portfolio

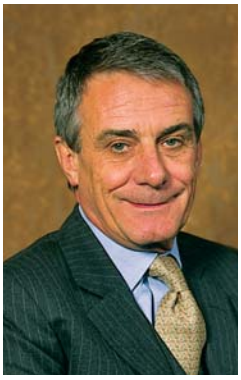
Company	Valuation Euro 000's	% of Total Assets	Country of Incorporation
Acino Acino specialises in the development, registration and manufacture of generic and patent-protected pharmaceuticals. With a focus on solid slow release forms and on therapeutic systems such as patches and implants it supplies the leading generic and pharmaceutical companies throughout Europe.	5,674	6.5	Switzerland
Grafton Grafton is active in building and plumbing merchanting, DIY retailing and mortar manufacture. In the United Kingdom the builders merchanting branches trade principally under the Buildbase and Jackson brands whilst the plumbing branches trade under the Plumbase brand. In Ireland the merchanting business trades under the Chadwicks and Heiton Buckley brands.	3,775	4.3	Ireland
Baron de Ley Based in the Rioja region of Spain the group specialises in the processing, ageing and sale of wines and other alcoholic beverages on both the Spanish and international markets. Their main brands are Baron de Ley, Finca Monasterio, Coto de Imaz, Museum Real and Maximo.	3,641	4.1	Spain
Rheinmetall Rheinmetall is internationally active in two distinct corporate sectors, Automotive and Defence. The automotive sector offers piston systems, actuators, oil, water and coolant pumps, bearings and castings directly to the large car manufacturers and the aftermarket. The Defence division specialises in armoured vehicles, support, command and functional vehicles, propellants and ground and naval air defence systems.	3,408	3.9	Germany
Meda Meda is a Swedish speciality pharmaceutical company engaged in sales, marketing and product development of over the counter brands and specialist preparations. The company concentrates on the therapeutic areas of asthma and allergy, cardiovascular, pain and inflammation, gastroenterology and dermatology.	3,343	3.8	Sweden
Partners Group Partners Group is a global alternative asset management company with CHF24bn in investment programmes in private equity, private real estate, hedge funds, private debt and alternative beta strategies. The group manages a range of funds, structured products and customised portfolios for an international clientele of institutional investors, private banks and distribution partners.	3,275	3.7	Switzerland
Q-Cells Q-Cells is the world's second largest solar cell manufacturer. Exclusively producing solar cells, Q-Cells sits right in the middle of the photovoltaic value chain producing traditional mono- and poly-crystalline cells. Q-Cells also invests in 5 different thin film technology companies.	3,257	3.7	Germany
Andritz Andritz is an engineering conglomerate with strong franchises in a number of niche engineering spheres. It builds, installs and services large-scale plants for the production of pulp and paper, steel, animal feed and sewage treatment.	3,111	3.5	Austria
Lindt & Spruengli A globally active company that develops, produces and sells premium chocolate products. Their brands include Lindt, Ghirardelli, Caffarel, Hofbauer and Kuefferle.	3,055	3.5	Switzerland
Hera Hera is one of Italy's largest municipal utility companies serving the Emilia Romagna region in the prosperous centre-north of Italy. The group is active in the distribution and sale of natural gas, waste management, electricity and water.	2,999	3.4	Italy
Ten largest investments	**35,538**	**40.4**	

Company	Nature of Business	Valuation Euro 000's	% of Total Assets	Country of Incorporation
Trevi Finanziaria	Construction and Engineering	2,947	3.3	Italy
Landi Renzo	Automotive Supplier	2,907	3.3	Italy
Indra Sistemas	IT Services and Defence	2,825	3.2	Spain
Konecranes	Crane Manufacturing and Servicing	2,755	3.1	Finland
Zardoya Otis	Elevators and Escalators	2,728	3.1	Spain
Arcadis	Engineering Consultant	2,558	2.9	Netherlands
TiGenix	Biotechnology	2,255	2.6	Belgium
AF	Technical Consultancy	2,215	2.5	Sweden
Digital Multimedia Technologies	Communications Equipment	2,192	2.5	Italy
Goldbach Media	Media Advertising	2,191	2.5	Switzerland
Twenty largest investments		**61,111**	**69.4**	
Logitech	Computer Peripherals	2,170	2.5	Switzerland
Schoeller Bleckmann	Oilfield Equipment	2,146	2.4	Austria
ODIM	Oilfield Equipment	1,925	2.2	Norway
Ringkjoebing Landbobank	Bank	1,894	2.2	Denmark
Norkom	Financial Crime Protection Software	1,841	2.1	Ireland
Cytos Biotechnology	Biotechnology	1,576	1.8	Switzerland
Frigoglass	Refrigeration Display Units	1,534	1.7	Greece
ElringKlinger	Specialist Auto Components	1,250	1.4	Germany
Kloeckner	Steel Wholesaler	1,246	1.4	Germany
Washtec	Car Wash Equipment	1,235	1.4	Germany
Thirty largest investments		**77,928**	**88.5**	
BW Gas	Gas Transportation	912	1.0	Norway
Topdanmark	Composite Assurance	828	1.0	Denmark
Hanse Yachts	Yacht Manufacturer	698	0.8	Germany
Metris	Co-ordinance Measuring Machinery	688	0.8	Belgium
Total investments		**81,054**	**92.1**	
Net current assets		**6,986**	**7.9**	
Equity shareholders' funds/total assets (less current liabilities)		**88,040**	**100.0**	

Supervisory Board



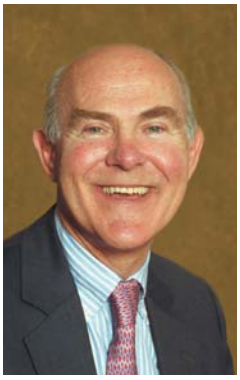
Sir John Ward CBE
Chairman
(age 68) was until recently chairman of Scottish Enterprise and has held a wide range of public and private appointments and chairmanships. He is a past chairman of CBI Scotland.



N L A Cook
(age 64) 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.

W D Maris
(age 69) has extensive experience in the field of technology in Europe and the US, especially semi-conductors, latterly as CEO of ASM Lithography NV.

R A H van der Meer
(age 59) 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 61) is presently 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.

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 2008 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 loss of €118,940,135. Dividends in cash totalling €0.8535 per share were paid during 2008. A dividend of €0.108 per share was announced and paid in January 2009. 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 2008, together with the notes, be adopted.

Supervisory Board Directors

The Supervisory Directors who held office at 31 December 2008 are shown on the page of this report entitled 'Supervisory Board'.
Sir John Ward and Mr Giles Warman had a beneficial interest of 3,400 shares and 9,280 shares respectively in the Company at 31 December 2008. 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 6 March 2009.

Sir John Ward, Mr Neville Cook and Professor Robert van der Meer will be proposed for re-appointment as Supervisory Directors at the General 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 €90,000 (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 either party 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 to corporate governance. In 2008 there was active use of votes, both for and against where appropriate.

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 2008 there were 34 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 and during the year some borrowings were used, however these were reduced as the second half of the year progressed and there were no borrowings outstanding at 31 December 2008; at which date cash balances stood at 8 per cent of assets.

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.

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 6 March 2009:

	Number of Shares Held	Percentage Held
Friends Provident Life and Pensions	1,838,400	11.6

The above holding forms part of the holdings of clients of F&C Asset Management which is disclosed in the 'Other Information' page in this Report. In addition, F&C Retail Products owned 3,885,054 shares or 24.5 per cent of the issued share capital of the Company at 6 March 2009. F&C has no discretionary voting rights over these shares.

The Company issued 25,217 shares during the year by way of its scrip dividend option and bought back 846,000 of its own shares to be held in treasury. The total number of treasury shares held by the Company as at 31 December 2008, since the liquidity enhancement policy was put in place, is 2,156,000. The total number of treasury shares held by the Company as at 31 December 2008 is 8,567,072.

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 the 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

6 March 2009

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 Tabaksblat 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 consists of 5 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

as at 31 December

	Notes	2008 Euro	2007 Euro
Investments			
Securities	1	**81,053,605**	233,131,286
Receivables			
Prepayments and accrued income	3	**141,946**	266,941
Other assets			
Cash and cash equivalents	4	**7,610,608**	–
Total current assets		**7,752,554**	266,941
Current liabilities (due within one year)			
Arising from repurchase of own shares	2	**(312,485)**	(3,522,091)
Other liabilities	5	**–**	(467,006)
Accrued liabilities	6	**(454,164)**	(488,396)
		(766,649)	(4,477,493)
Total of receivables and other assets less current liabilities		**6,985,905**	(4,210,552)
Total assets less current liabilities		**88,039,510**	228,920,734
Capital and reserves			
Issued share capital	7	**7,530,296**	7,907,856
Share premium account	8	**25,168,244**	32,792,713
Other reserves	9	**55,340,970**	188,220,165
		88,039,510	228,920,734
Net asset value per ordinary share – basic	10	**5.38**	13.32

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

Revenue Account

for the year ended 31 December

	Notes	2008 Euro	2007 Euro
Income from investments			
Dividends from securities		**4,359,938**	4,761,895
Irrecoverable withholding taxes		**(121,563)**	(589,294)
	11	**4,238,375**	4,172,601
Movements on investments – realised		**(24,452,929)**	45,334,884
Movements on investments – unrealised		**(95,113,604)**	(58,884,838)
		(119,566,533)	(13,549,954)
Interest received		**158,181**	391,297
Income from securities lending		**90,951**	219,817
		249,132	611,114
Total investment loss		**(115,079,026)**	(8,766,239)
Investment management fee	12	**(1,586,584)**	(2,148,077)
Administrative expenses	13	**(1,279,288)**	(1,282,557)
Interest charges	14	**(995,237)**	(293,963)
Total operating expenses		**(3,861,109)**	(3,724,597)
Net loss		**(118,940,135)**	(12,490,836)
Earnings per share		**(7.18)**	(0.70)

Proposed income allocation

	2008 Euro	2007 Euro
Net loss	**(118,940,135)**	(12,490,836)
Dividends	**(14,231,457)**	(16,079,983)
Dividends distributed in shares	**292,397**	349,366
Undistributed income allocated to other reserves	**(132,879,195)**	(28,221,453)
Earnings per share	**(7.18)**	(0.70)
Dividends per share	**0.8535**	0.912

Earnings per share are based on the net income for the year divided by 16,566,061 (2007: 17,799,758) 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

	2008 Euro	2007 Euro
Cash flow from investment activities		
Dividends	**4,267,923**	4,122,444
Purchases of securities	**(60,194,141)**	(158,590,509)
Sales of securities	**92,705,289**	157,392,419
Administrative expenses	**(1,324,806)**	(1,101,034)
Investment management fee	**(1,586,584)**	(2,148,077)
Surtax	**–**	445,088
Interest received	**180,331**	278,971
Interest charges	**(935,481)**	(264,638)
Income from securities lending	**115,778**	203,573
	33,228,309	338,237
Cash flow from financing activities		
Dividends	**(13,939,060)**	(15,730,617)
Sale of own shares	**–**	27,091,607
Stamp duty paid	**(79,697)**	(33,966)
Repurchase of own shares	**(11,131,938)**	(6,773,092)
Loan facility	**–**	(10,000,000)
	(25,150,695)	(5,446,068)
Cash and cash equivalents		
Net increase/(decrease) for the year	**8,077,614**	(5,107,831)
Balance as at 1 January	**(467,006)**	4,640,825
Balance as at 31 December	**7,610,608**	(467,006)

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

Accounting Policies

General

European Assets Trust N.V. (the ‘‘Company’’), seated 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 taken up 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 2008 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 2007.

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 2008, 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. 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 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.

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

(e) Proceeds from the lending of securities are accounted for as Income from securities lending.

(f) 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 so qualifies 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).

	2008	2007
Danish Krone	**0.13435**	0.13411
Hungarian Forint	**0.00376**	0.00396
Norwegian Krone	**0.10274**	0.12596
Pound Sterling	**1.03429**	1.36156
Swedish Krone	**0.09097**	0.10583
Swiss Franc	**0.67588**	0.60414

Statement of cash flows

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

Notes to the Accounts

1 Investments

	2008	2007
	Euro	Euro
Listed investments as at 31 December incorporated in:		
Austria	**5,256,540**	19,217,057
Belgium	**2,942,608**	8,833,150
Denmark	**2,721,801**	12,573,089
Finland	**2,755,400**	5,541,300
France	**–**	12,652,730
Germany	**11,093,393**	13,097,191
Greece	**1,533,628**	7,502,000
Hungary	**–**	8,821,202
Ireland	**5,616,051**	30,208,190
Italy	**11,045,907**	34,639,919
Netherlands	**2,557,500**	6,190,529
Norway	**2,836,984**	18,749,438
Spain	**9,194,157**	13,838,344
Sweden	**5,558,199**	–
Switzerland	**17,941,437**	41,267,147
	81,053,605	233,131,286

Investments in Denmark, Hungary, Norway, Sweden and Switzerland are priced in local currencies and converted to Euros. There were no unquoted investments at 31 December 2008 and 2007.

	2008	2007
	Euro	Euro
The changes in securities are shown below:		
Market value as at 1 January	**233,131,286**	245,328,182
Purchases during the year	**60,194,141**	158,590,509
Sales during the year	**(92,705,289)**	(157,237,451)
	200,620,138	246,681,240
Change in value and results on realisation	**(119,566,533)**	(13,549,954)
Market value as at 31 December	**81,053,605**	233,131,286

Transaction costs

During the year the Company incurred transaction costs of €310,597 (2007: €821,519) on the purchase and sale of investments.

Securities lending

On 1 July 2008 the Company terminated its stock lending agreement with KAS BANK. Prior to this, the Company had the ability to lend out 100 per cent of its portfolio to KAS BANK NV. In such case, collateral was received to the value of 105 per cent whereby KAS BANK NV guaranteed delivery within three days, equal to the settlement period of a transaction.

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

During 2008 the Company purchased a total of 846,000 of its own shares in various transactions (2007: 835,000), and did not sell any shares from treasury (2007: 1,470,000 shares sold in various transactions). The repurchase and sale of treasury shares were 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 2008 amounted to €8,002,029 equal to an average price of €9.46 per share, of which an amount of €312,485 was settled and paid shortly after the end of the financial year.

The repurchase of shares in 2007 amounted to €10,295,183, equal to an average price of €12.33 per share, of which an amount of €3,522,091 was settled and paid shortly after the end of the financial year. The net proceeds of the sales transactions in 2007 amounted to €21,927,732, equal to an average price of €14.92 per share.

3 Prepayments and accrued income

Prepayments and accrued income at 31 December 2008 included an amount receivable of €83,889 from the Dutch Tax Authorities in connection with refundable foreign dividend withholding taxes.

4 Cash and cash equivalents

Cash and cash equivalents comprises amounts in Euros.

5 Other liabilities

This item consists of:

	2008 Euro	2007 Euro
Bank overdraft	**–**	467,006

The Company has a banking facility with The Royal Bank of Scotland plc. The total banking facility available to the Company amounts to €45,000,000 and it is subject to renewal at 30 June 2009. The Company had no amounts drawn down at 31 December 2008 (31 December 2007: 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.

	2008 Shares	**2008 Euro**	2007 Shares	2007 Euro
Balance as at 1 January	**17,190,991**	**7,907,856**	16,533,475	7,605,399
Stock dividend	**25,217**	**11,600**	22,516	10,357
Treasury shares sold (see note 2)	**–**	**–**	1,470,000	676,200
Shares repurchased (see note 2)	**(846,000)**	**(389,160)**	(835,000)	(384,100)
Balance as at 31 December	**16,370,208**	**7,530,296**	17,190,991	7,907,856

	2008 Euro	2007 Euro
30,000,000 authorised shares of €0.46 each (2007: same)	**13,800,000**	13,800,000

The number of shares as at 31 December 2008 amounts to 24,937,280 (31 December 2007: same), of which 8,567,072 (31 December 2007: 7,746,289) shares are held by the Company in treasury.

Notes to the Accounts continued

8 Share premium account

	2008 Euro	2007 Euro
Balance as at 1 January	**32,792,713**	21,462,621
Decrease as a result of stock dividend	**(11,600)**	(10,357)
Decrease as a result of shares repurchased	**(7,612,869)**	(9,911,083)
Increase as a result of treasury shares sold	**–**	21,251,532
Balance as at 31 December	**25,168,244**	32,792,713

9 Other reserves

	2008 Euro	2007 Euro
Balance as at 1 January	**188,220,165**	216,475,584
Add: net loss	**(118,940,135)**	(12,490,836)
Less: interim dividends paid in cash	**(13,939,060)**	(15,730,617)
Less: stamp duty paid on shares repurchased in prior year	**–**	(33,966)
Balance as at 31 December	**55,340,970**	188,220,165

10 Net asset value/net income

Comparative figures for development in capital and income:

	2008 Euro	2007 Euro	2006 Euro	2005 Euro	2004 Euro
Net asset value	**88,039,510**	228,920,734	245,543,604	181,140,198	161,191,775
Number of shares	**16,370,208**	17,190,991	16,533,475	15,905,178	18,420,953
Net asset value per share	**5.38**	13.32	14.85	11.39	8.75
Dividend income	**4,238,375**	4,172,601	3,210,784	2,909,057	2,274,166
Movements on investments	**(119,566,533)**	(13,549,954)	67,544,950	56,299,928	26,491,530
Interest/other income	**249,132**	611,114	292,971	371,237	272,300
Total investment (loss)/income	**(115,079,026)**	(8,766,239)	71,048,705	59,580,222	29,037,996
Administrative expenses	**(1,279,288)**	(1,282,557)	(1,072,570)	(954,148)	(867,300)
Investment management fee	**(1,586,584)**	(2,148,077)	(1,740,583)	(1,564,906)	(1,170,264)
Costs in connection with marketing and the continuation vote	**–**	–	109,233	(589,112)	–
Interest charge	**(995,237)**	(293,963)	(690,611)	(452,043)	(233,994)
Corporation tax benefit/(surcharge)	**–**	–	–	1,736	(311,000)
Net (loss)/income	**(118,940,135)**	(12,490,836)	67,654,174	56,021,749	26,455,438
Dividend and interest income per share*	**0.27**	0.27	0.22	0.18	0.14
(Losses)/gains on investments per share*	**(7.21)**	(0.76)	4.22	3.12	1.44
Expenses per share*	**(0.24)**	(0.21)	(0.21)	(0.20)	(0.14)
Net (loss)/income per share*	**(7.18)**	(0.70)	4.23	3.10	1.44
Dividends paid per share	**0.8535**	0.912	0.7325	0.555	0.465
Expense ratio	**1.77%**	1.30%	1.30%	1.69%	1.59%

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

11 Income

	2008 Euro	2007 Euro
Interest and dividends from securities, after deduction of irrecoverable taxes, are related to investments in:		
Austria	**306,694**	296,310
Denmark	**157,988**	136,806
Finland	**318,750**	414,885
France	**6,664**	1,081,879
Germany	**113,400**	256,171
Greece	**699,024**	92,800
Hungary	**756,553**	–
Ireland	**494,893**	405,436
Italy	**442,726**	261,077
Netherlands	**169,800**	150,000
Norway	**–**	603,020
Spain	**296,510**	361,504
Switzerland	**475,373**	84,304
Turkey	**–**	28,409
	4,238,375	4,172,601

12 Investment management fee

	2008 Euro	2007 Euro
Remuneration of the Investment Manager	**1,586,584**	2,148,077

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.

13 Administrative expenses

	2008 Euro	2007 Euro
Remuneration of the Supervisory Directors	**146,745**	122,812
Remuneration of the Management Director	**90,000**	78,124
Auditor's remuneration	**54,865**	54,853
Fund administration fee	**89,995**	133,225
Broker and distribution fees	**40,000**	197,397
Advisory costs	**107,446**	36,504
Other expenses	**750,237**	659,642
	1,279,288	1,282,557

Other expenses include mainly Dutch and UK listing, registration and other regulatory fees, publications and marketing costs, custodian and printing charges and retail plan administration costs.

14 Interest charges

	2008 Euro	2007 Euro
Interest on bank facility	**976,285**	290,568
Interest paid on tax returns and other interest paid	**18,952**	3,395
	995,237	293,963

15 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 being subject to the risks described below.

Price risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates. 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.

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

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

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 exposure to (Continental) European currencies other than the Euro is considered limited relative to the size of the total investments by the Company.

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 tradable 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.

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 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.

15 Financial instruments and risk management (continued)

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 total assets level as permitted under the Articles and under the Company's tax status as a Fiscal Investment Institution.

16 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 2008 is 88.1% (2007: 107.4%).

17 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 1.77 per cent for the financial year (2007: 1.30 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.

18 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 (2007: €32,890) while the other Directors each received €23,909 (2007: €22,770). The remuneration of the Managing Director, FCA Management BV, amounted to €90,000 (2007: €78,124).

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.

19 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 + IT	KAS BANK NV
Managing Director	FCA Management BV
Asset management	F&C Investment Business Limited

Notes to the Accounts continued

20 Contingent assets

The Company has filed a request for reimbursement of foreign withholding tax with the Dutch tax authorities for the fiscal years 2002 up to and including 2007. Previously, the Dutch tax authorities have 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 by another Dutch smallcap investment fund, such restriction is not in accordance with European rules. Following this verdict, the Company has again filed a request for a full reimbursement of foreign withholding taxes 2002–2007 up to an amount of approximately €1 million. As the reimbursement could still be subject to certain restrictions and conditions, the reimbursement is not recognised in the balance sheet per 31 December 2008.

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 2008 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
W D Maris
Professor R A H van der Meer
G W B Warman

Rotterdam
6 March 2009

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: 36.4%*. 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: 23.8%**. This concerns shares held by F&C Asset Management plc only for the benefit of its clients. The Company is advised that the financial and voting rights for 8.2%** are exercised by F&C Asset Management and 15.6%** only at and in accordance with the instructions of these clients and strictly for their benefit. This holding includes shares held by Friends Provident Life and Pensions Limited as disclosed in the Report of the Management Board Director.

*This concerns the percentage as at 6 March 2009. At 31 December 2008 the Company held 34.4% 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 2008.

Professor van der Meer is a director of KAS BANK NV which acts as custodian and provides administrative services for 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 2008, Sir John Ward and Mr Giles Warman, Supervisory Board Directors, held 3,400 shares and 9,280 shares respectively in European Assets Trust NV. The other Supervisory Board Directors and the Management Board Director did not hold any shares in the Company as at 31 December 2008.

Subsequent event

With regard to the Distribution Policy, the Company announced a dividend of €0.108 per share on 8 January 2009. This dividend was paid from the other reserves on 30 January 2009. During the year 2009, the total distributions are expected to be €0.324 per share, payable in equal instalments in January, May and August.

Auditor's Report

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

Report on the annual accounts

We have audited the annual accounts 2008 of European Assets Trust N.V., Amsterdam. The annual accounts comprise the balance sheet as at 31 December 2008, the revenue account, the statement of cash flow and the notes thereto.

Management's responsibility

Management of the company is responsible for the preparation and fair presentation of the annual accounts in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Act on Financial Supervision, and for the preparation of the Report of the Management Board Director in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, 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 annual accounts 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 annual accounts.

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

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of European Assets Trust N.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Act on Financial Supervision.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Management Board Director is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 6 March 2009

Ernst & Young Accountants LLP

Signed by

M. Hagers

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 Combined Code on Corporate Governance ('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 and Mr Neville Cook have served on the Board for longer than 9 years and will both 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.

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 2008 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	4	4	2	2
N L A Cook	4	4	2	2
W D Maris	4	3	2	1
Professor R A H van der Meer	4	4	2	1
G W B Warman	4	4	2	1

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 public limited company/investment company with variable capital/investment institution governed by the provisions of the Wft, the Dutch Act on Financial Supervision. European Assets Trust does not have its own business organisation. On 10 December 2008, the Code was updated by the Corporate Governance Code Monitoring Committee. The Company envisages implementing the updated Code to the extent applicable and appropriate effective during the financial year 2009.

European Assets Trust subscribes to the advisability of transparency in management and supervision and management's accountability for this to investors. The Company has therefore 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 and possible in its opinion.

As the Company is an externally managed investment institution without its own organisation, 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. These cannot be applied in the case of European Assets Trust, because its statutory management and investment management have been outsourced to FCA Management B.V. ('FCA Management') and F&C Investment Business Limited, respectively. The remuneration for these functions is governed by contractual arrangements as described in the Management Board report. 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 complied with.

European Assets Trust, like all Dutch regulated 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.

European Assets Trust is licensed under 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 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 to corporate governance.

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 have been approved by the shareholders in that year for the first time. In the General Meeting of shareholders held in April 2008, 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 24 April 2009.

Management and Supervisory Board will give the required attention to the subject during the current year. If preferable or required, the valid 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, 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 Tabaksblat Code on 9 December 2003 (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 directly through a stockbroker, you can enjoy some additional benefits by 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 a tax-efficient ISA wrapper, receive a simple statement every six months and automatically reinvest your dividends.

- **Private Investor Plan**
  A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month.

- **Investment Trust ISA**
  Invest up to £7,200 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also transfer any existing ISAs.

- **Child Trust Fund ('CTF')**
  F&C is a leading provider of children's investment plans and is currently one of the few providers to offer an investment trust based CTF. Suitable for children born after 1 September 2002.

- **Children's Investment Plan**
  Suitable for 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.

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 original investor.

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%. Government stamp duty of 0.5% also applies on purchases. There are no initial or exit charges. The only annual management fee is on the ISA, which is £60+VAT (no matter how many tax years' ISAs you take out with F&C, or how many ISAs you transfer).

The F&C Child Trust Fund has no initial charges, dealing charges or annual management fee.

How to invest

For more information on any of these products, please contact F&C's Investor Services Team:

Call us on **0800 136 420**

email at **info@fandc.com**

invest online at **www.fandc.com**

Existing plan holders' enquiry line
0845 600 3030

Calls may be recorded.

Existing plan holders email us at
investors.enquiries@fandc.com

The information on this page 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 ('FSA').

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 re-issued leaving a balance outstanding of 18,141,038.

The Company issued 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. As at 31 December 2008, there were 16,370,208 shares in circulation and 8,567,072 shares held in treasury.

Total Number of Shareholders

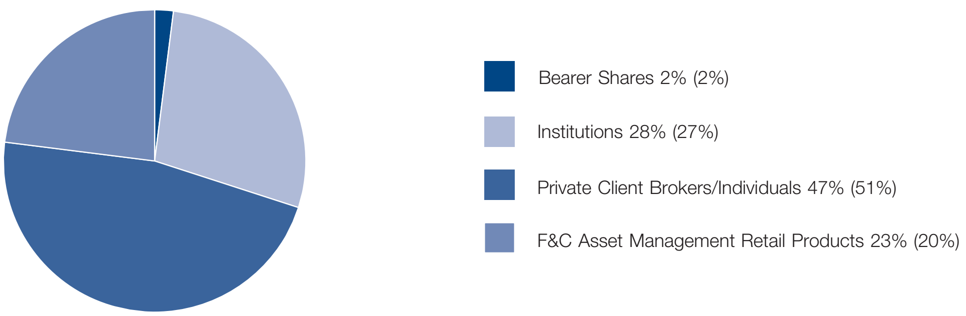
(figures include F&C Asset Management Retail Products)

	2008	2007
Ordinary Shares	**11,853**	11,537

(excluding bearer shares)

Percentage of Ordinary Shares held at 31 December 2008

(figures in brackets relate to 2007)



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 had entered into a securities lending agreement with KAS BANK NV on 19 December 1997 with the purpose of lending securities out of the portfolio to third parties. This agreement was terminated at the Company’s request in July 2008. 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 1997 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
1997	459.41	6.97	0.073		
1998	568.82	8.06	0.068		
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)**

*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 his holding, his 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.

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.

(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

From 1 January 2007, the Dutch dividend withholding tax rate has been reduced, therefore where withholding tax is applicable to dividends paid by the Company the normal rate is now 15 per cent. The double taxation agreement between the Netherlands and the United Kingdom currently allows a general dividend withholding tax of 15 per cent. Therefore, the procedure for claiming back a proportion of the tax withheld which previously needed to be followed to reduce, where applicable, the effective rate of withholding tax on revenue for United Kingdom resident shareholders of the Company from 25 per cent to 15 per cent, is no longer necessary.

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 2008, an amount of EUR 4,523,872 has been paid in order to meet the distribution obligations under Dutch tax law in respect of 2007, subject to dividend withholding tax. The remainder of EUR 9,707,585 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:

- 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 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.

The UK Government has announced proposals to introduce, with effect from 6 April 2011, a new tax rate of 45 per cent for taxable non-savings and savings income above £150,000. From the date on which the new rate takes effect, if and to the extent that the gross dividend received by a UK resident individual falls above the threshold for income tax at the new 45 per cent rate, that individual will be subject to tax on the gross dividend at the rate of 37.5 per cent If the new rate of tax is applied in the same way as the existing rates, that individual would be able to set the notional tax credit off against part of this liability and the effect of that set-off of the tax credit would be that such an individual would have to account for additional tax equal to 27.5 per cent of the gross dividend (including any Netherlands withholding tax incurred), to the extent that the gross dividend fell above the threshold for the new 45 per cent rate of income tax. To the extent that it does not exceed the rate specified in the Netherlands/UK double taxation treaty, Netherlands dividend withholding tax will continue to be eligible to set off against the UK income tax liability arising on dividends received from the Company.

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

UK resident corporate shareholders will be liable to UK corporation tax on dividends received but may be entitled to a tax credit for Dutch withholding tax incurred. As a result of its Review of the Taxation of Foreign Profits, the UK Government has released draft legislation which, if enacted in its current form, will generally provide an exemption from UK corporation tax for foreign dividends received.

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.

From 6 April 2008, taper relief is no longer available. For Shareholders who are individuals 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 2008/2009 is £9,600, individuals will be taxable at a flat 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.

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 five months after closing of the preceding financial year, unless an extension of time, not exceeding 6 months, is allowed by the general meeting due to special circumstances, the Management Board shall draw up the balance sheet and revenue account with separate notes thereon. Although not included in the Articles of Association the annual accounts will be available within four months after closing of the financial year and 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 not later than the fifteenth day before that of the meeting.

Note: A general meeting of shareholders is announced to holders of bearer shares in the Official Pricelist of Euronext Amsterdam NV and in a daily newspaper with nationwide distribution in the Netherlands. Holders of registered shares will be informed by letter to their registered address.

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.

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 24 April 2009.

The agenda to be considered is as follows:

1. Opening.
2. Management Board Director's report for the financial year to 31 December 2008.
3. Adoption of the financial statements for the year ended 31 December 2008.
4. Appropriation of profit for the year ended 31 December 2008.
5. Discharge of the Management Board Director for the management over the last financial year and of the Supervisory Board Directors for their supervision thereof.
6. Retirement and re-appointment of Sir John Ward to the Supervisory Board.
7. Retirement and re-appointment of Neville Cook to the Supervisory Board.
8. Retirement and re-appointment of Professor Robert van der Meer to the Supervisory Board.
9. Amendment of the Articles of Association of European Assets Trust N.V. It is proposed to amend the Articles of Association in accordance with the proposal referred to below.
10. Approval of the corporate governance policy of the Company as set out in this annual report.
11. Any other business.
12. Closing.

An explanation of the agenda, the annual report for 2008 and the data prescribed by mandatory Dutch law with respect to Sir John Ward, Neville Cook and Professor Robert van der Meer is deposited at the offices of FCA Management BV and is available for every shareholder. The proposed amendment of the Articles of Association is inspired by and aimed at implementing relevant recent new legislation in the Netherlands and will in particular facilitate the implementation in due course of electronic communication between the Company and the shareholders. For a further explanation of the proposed amendment, reference is made to the draft deed of amendment dated 6 March 2009 available on the Company's website *(www.europeanassets.co.uk)* and in hard copy on request.

To be passed, resolutions numbers 3 to 8 and 10 require a simple majority of votes cast while resolution number 9 requires a majority of at least three-fourths of votes cast.

FCA Management BV
Rotterdam
6 March 2009

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
W D Maris
Professor R A H van der Meer
G W B Warman

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Registrar's Shareholder Helpline
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