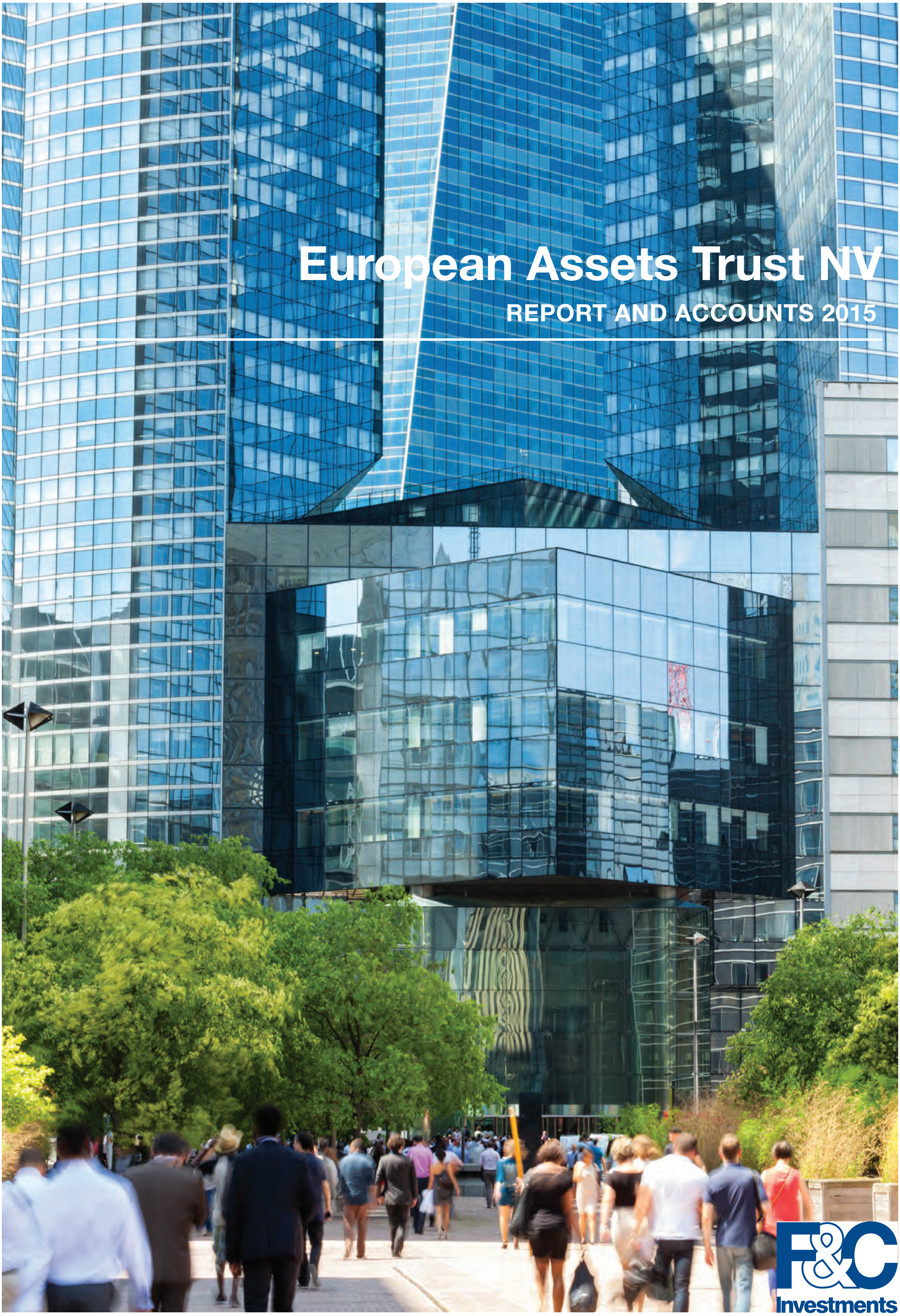
European Assets Trust NV

REPORT AND ACCOUNTS 2015



F&C Investments

Contents

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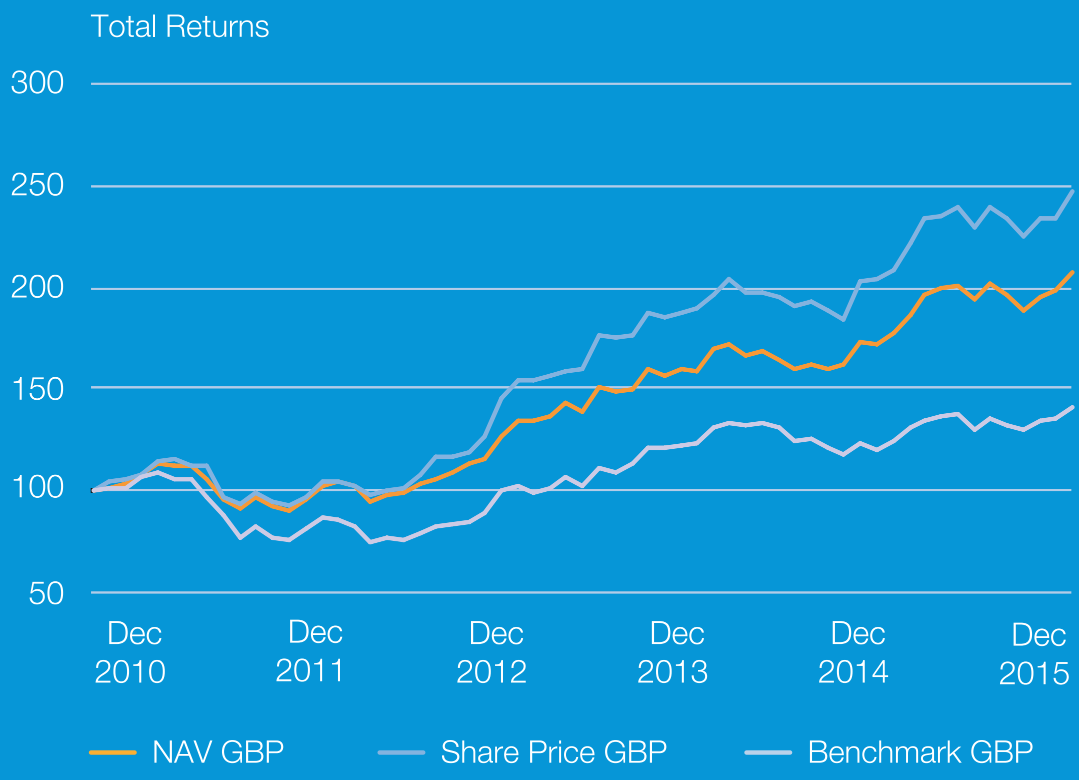


Source: F&C

Impressive performance

Company overview

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 2015 were €483.9 million (31 December 2014: €273.1 million).

The investment objective of the Company is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends have been paid mainly out of current year net profits and other reserves.

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.

20.3%

TOTAL DIVIDENDS FOR 2016 UP 20.3% TO €0.912 PER SHARE

6th

CONSECUTIVE YEAR OF NAV TOTAL RETURN OUTPERFORMANCE AGAINST STERLING BENCHMARK

£11.20

STERLING NET ASSET VALUE PER SHARE UP TO £11.20 AT 31 DECEMBER 2015

Financial highlights

Investing in European small and medium sized companies to deliver attractive returns

€0.912

Dividend increased

The Board has declared a total dividend for 2016 of Euro 0.912 per share. This represents an increase of 20.3% compared with the previous year.

20.5%

Strong performance

The company achieved a Sterling NAV total return of 20.5% in comparison to its benchmark which rose 17.2%. The Company has outperformed its benchmark for six consecutive years.

10.2 million

Shares issued

During the year ended 31 December 2015 the company sold 10,197,057 shares raising £109.5 million. These shares were issued at a small average premium to net asset value, improved stock liquidity and contributed to a reduction in the company's expense ratio. There were no share buybacks during the year.

1.1%

Lower ongoing charges rate

The ongoing charges rate of the Company has fallen from 1.7% for the year ended 31 December 2012 to 1.1% for year ended 31 December 2015.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Summary of performance

Investing in European small and medium sized companies to deliver attractive returns

Total Return for the year	Euro		Sterling	
	2015	2014	**2015**	2014
Net asset value total return per share*	**26.9%**	15.3%	**20.5%**	7.7%
Market price total return per share	**26.8%**	16.6%	**20.4%**	8.8%
Euromoney Smaller European Companies (ex UK) Index	**23.4%**	5.2%	**17.2%**	-1.9%

Capital at year end	Euro		Sterling	
	2015	2014	**2015**	2014
Total assets (less current liabilities) – millions	**€483.9**	€273.1	**£356.6**	£212.0
Net asset value per share – basic	**€15.20**	€12.63	**1,120.1p**	980.5p
Net asset value per share – treasury†	**€15.20**	€12.63	**1,120.1p**	980.5p
Market price per share‡	**€15.29**	€12.72	**1,127.0p**	987.0p
Euromoney Smaller European Companies (ex UK) Index	**553.88**	457.55	**408.24**	355.08

Distributions per share				
Total distributions paid in cash¶ (for 2016 the annual dividend is €0.912 per share)	**€0.7743**	€0.7221	**56.6p**	58.5p

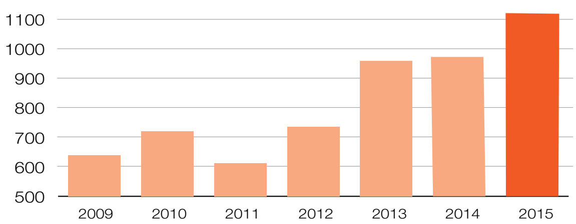
* Based on net asset value per share – basic. A definition of net asset value is included in the Glossary on page 65.

† 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.

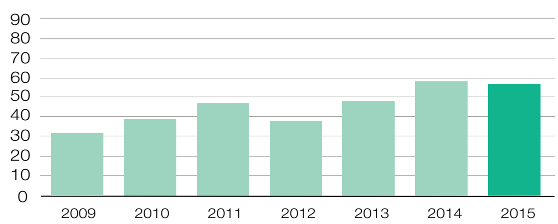
‡ London Stock Exchange prices converted into Euros at relevant exchange rate at the year end.

¶ Gross of Dutch withholding tax.

NET ASSET VALUE PER SHARE AT 31 DECEMBER - PENCE



DIVIDENDS PAID PER SHARE - PENCE



Source: F&C Management Limited

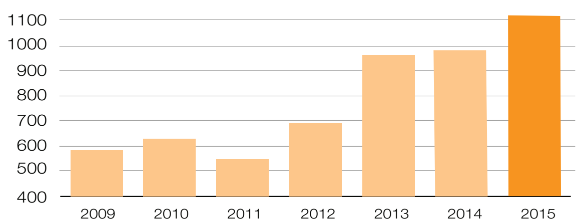
	Sterling 2015	2014
Premium at Year End (difference between share price and treasury net asset value)#	**0.6%**	0.7%
Net Cash/Gearing at Year End (less than 100% represents net cash, more than 100% represents net gearing)§	**98%**	106%
Ongoing Charges∞ (note 19)	**1.10%**	1.33%
Portfolio Turnover** (UK method – note 18)	**26%**	24%
Active Share Ratio •	**94%**	93%

2015 Year's Highs/Lows	High	Low
Net asset value per share	**£11.48**	£9.65
Market price per share	**£11.55**	£9.70

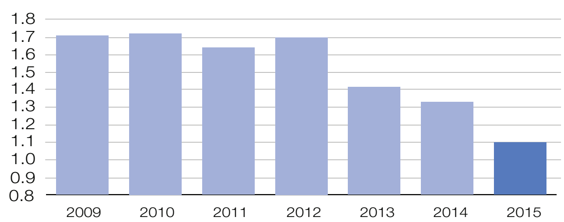
\# The widest discount on the ordinary shares during 2015 was 1.0 per cent and the widest premium was 3.0 per cent in sterling terms.
§ This percentage indicates the extra amount by which shareholders' funds would rise or fall if total assets were to rise or fall and is total assets (less cash and cash equivalents) divided by shareholders' funds expressed as a percentage.
∞ Calculated with reference to the basis recommended by the AIC.
** Portfolio turnover=((purchases+sales)÷2)÷average assets. Calculated in Euros.
• The active share ratio is a measure of the percentage of stock holdings in the portfolio that differ from the benchmark index. The greater the difference between the asset composition of the portfolio and its benchmark, the greater the active share percentage. Calculated in Euros.

Sources: Morningstar/Datastream/Euromoney

MID-MARKET PRICE PER SHARE AT 31 DECEMBER - PENCE



ONGOING CHARGES∞ - %



Source: F&C Management Limited

Chairman's statement

Jack Perry CBE, Chairman

European Assets recorded a Sterling net asset value total return for the year of +20.5% (2014: +7.7%), a Sterling share price return of +20.4% (2013: +8.8%), and a Euro dividend increase of +20.3% (2014: 8.5%). This performance was not only very strong in absolute terms but on a relative basis was ahead of our benchmark, and most other global indices.

Fellow Shareholders,

Performance

I am pleased to report that European Assets Trust ('the Company') recorded a Sterling net asset value ('NAV') total return for the year of +20.5% (2014: +7.7%), a Sterling share price return of +20.4% (2014: +8.8%), and a Euro dividend increase of +20.3% (2014: 8.5%). This performance was not only very strong in absolute terms but on a relative basis was ahead of our benchmark, and most other global indices.

The slow recovery that took hold in Europe in 2015 was in contrast to signs of deterioration in the US and a marked slowdown in emerging markets. This encouraged flows into Europe with smaller companies benefitting disproportionately compared to their larger counterparts. The particular attractions of smaller companies in the present market cycle is that they are more focused on domestic Europe, which had a more favourable outlook relative to the US or emerging markets, and in these circumstances tend to generate higher growth.

The Fund Manager's Review discusses the Company's performance in more detail on page 17 of this report.

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 from a combination of current year net profits and other reserves.

The Board has already announced that in applying the above distribution policy, a total dividend for 2016 of Euro 0.912 per share (2015: Euro 0.7581 per share, net) will be paid. This represents a 20.3% increase in the 2016 dividend compared with the previous year. The 2016 dividend will be paid in three equal instalments of Euro 0.304 per share on 29 January, 31 May and 31 August. The January dividend of Euro 0.304 per share was paid to shareholders on 29 January 2016 and amounted to £0.234 per share in Sterling terms.

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

Gearing

The Company has a banking facility to allow the Manager to gear the portfolio within the 20 per cent of assets level permitted under the Articles. To reflect the larger size of the Company the facility was increased during the year from Euro 25.0 million to Euro 45.0 million. The facility is Euro-denominated and flexible, allowing the Manager to draw down amounts for such periods as required and the Manager made use of the facility during the year where investment opportunities arose.

Liquidity enhancement policy

During 2015 the Company issued the remaining 3,319,736 of its own shares held in treasury. 3,312,057 of these shares were sold through its liquidity enhancement policy raising £34.8 million. The sale of these treasury shares occurred at an average premium of 0.3% to the estimated net asset value at time of issue. The remaining 7,679 treasury shares were issued as scrip dividend.

In addition, in April 2015 the Company received approval from the London Stock Exchange to issue up to 2,491,234 new shares, representing 9.99% of the issued share capital at that date and to meet continuing demand, a significant corporate task undertaken during the year was the publication, in July 2015, of a prospectus. Approved by the Dutch financial regulator, the Autoriteit Financiele Markten, this allows for the issuance of up to nine million new shares within 12 months of the date of publication.

During the year 6,885,000 new shares have been issued at a price of at least net asset value and a premium to cover the commissions of issuance. 15,180 shares were issued as scrip.

Since the year end until 3 March 2016 the Company has sold a further 750,000 new shares raising £7.96 million. 9,178 shares were issued as scrip. As at 3 March 2016, the Company had the ability to issue a further 3,831,876 new shares arising from the authority granted by the prospectus. The Board will monitor demand closely and will seek regulatory approval for a further increase in issued share capital should circumstances warrant it.

Ongoing charges

The Company's increased capital base together with a continuous focus on controlling costs has led to a reduction in the Company's ongoing charges rate to 1.1%. This rate has improved by 35% since 2012 when it stood at 1.7%.

Change in Directorate

My appointment as Chairman of the Company in April 2015 was part of a process of succession planning undertaken by the Supervisory Board which has resulted, progressively, in a number of changes to its membership.

In October, my predecessor as Chairman of the Company Sir John Ward CBE retired from the Supervisory Board. Sir John had served as Chairman from June 1995 and his contribution to the long term success of the Company throughout his tenure has been invaluable. On behalf of all shareholders I extend our thanks to him for such outstanding leadership.

In addition, during December, Neville Cook retired from the Supervisory Board. Neville had served as a Supervisory Director since his appointment in 1982 and his knowledge and insight of the investment business helped guide the Company through several economic cycles.

In preparation for the retirement of Neville Cook a search company was commissioned to find a new director. Following a rigorous selection process, it is therefore proposed that shareholders appoint Martin Breuer to the Supervisory Board at the forthcoming General Meeting.

Martin Breuer, a German national, has a depth of experience gained in European businesses similar to those in which European Assets Trust invests. He is presently Chief Financial Officer and CEO of Asia Pacific of Italian cosmetic manufacturer Intercos Group. The directors consider that Mr Breuer will make a valuable contribution to the work of the Supervisory Board.

Outlook

Equity indices around the world have declined since the start of the year as concerns build over weakening global growth. While European leading indicators are still pointing in the right direction, we must not be complacent about this as economic activity is notoriously difficult to predict. The European equity markets do not look either obviously expensive or obviously cheap and we would expect development of corporate profits to be the most important indicator of stock performance from here.

There is plenty of potential within Europe and the smaller companies sector in particular. However, it is during these periods of volatility that we must maintain our discipline in following our philosophy of selecting quality assets, run by good managers and invest in these at attractive prices. We believe this is the best way to grow our asset value. We have a very large universe of potential opportunities and we trust our process to select the right stocks for our shareholders.

Shareholder meetings

The Company's General Meeting will be held at 10.00am on 10 May 2016 at the Company's Office, Weena 210-212, Rotterdam, the Netherlands. In addition, the Company holds a Shareholders' and Investors' Briefing in London each year.

The London Briefing this year will take place on 11 May 2016 at 11.30am at Pewterers' Hall, Oat Lane, London EC2V 7DE and will include a presentation from the Investment Manager on the Company and its investment portfolio. A light buffet will be served at the end of the briefing. The Supervisory Board look forward to welcoming as many shareholders as are able to attend.

Jack Perry CBE
Chairman
3 March 2016

Forward-looking statements
This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Supervisory Board's ('the Board's') current view and on information known to it at the date of this document. Nothing should be construed as a profit forecast.

STRATEGIC REPORT

Your company in today's world

The Company
European Assets Trust NV is a closed-end investment company and an investment institution within the meaning of the Dutch Act on Financial Supervision. The Company has a single class of Ordinary Shares. These shares are listed on the London Stock Exchange and the Euronext Amsterdam Stock Market.

Objective
To aim to secure long-term growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom.

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

Dividends
Through its past commitment to pay shareholders a dividend of 6% based on the net asset value on 31 December each year the Company has offered an attractive level of yield – both in absolute terms and relative to other asset classes. Investors seeking long-term capital appreciation meanwhile can choose to reinvest dividends in order to enhance their growth potential.

Share Price
The ordinary shares are quoted on the London Stock Exchange (www.londonstockexchange.com) (Reuterscode: EAT.L) and Euronext Amsterdam Stock Market (www.euronext.com) (Reuterscode: EURT.AS) and their price is published daily in Het Financieele Dagblad as well as The Financial Times and other newspapers. The share price is also available from the website noted below. Trading primarily takes place on the London Stock Exchange.

Cost effective
With an Ongoing Charges ratio of 1.1%† the company compares favourably with open-ended investment companies and many other investment trusts. The cumulative benefits of low costs are very significant for long-term investors.

Stability and liquidity
The Board seeks to manage liquidity in the Company's shares through its Liquidity Enhancement Agreement which provides the ability to issue or buyback shares dependant on the extent of any share premium or discount. This policy is designed to minimise the volatility of the Company's share price relative to its Net Asset Value.

Suitability for retail distribution
The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments as the Company's portfolio is wholly or predominantly made up of shares, debentures or government and public securities which are not themselves issued by other investment funds. The Company conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the UK Financial Conduct Authority's ('FCA') rules relating to non-mainstream investment products and intends to continue to do so.

† Calculated with reference to the basis recommended by the AIC.

Visit our website at www.europeanassets.eu

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Business model and strategy

Investment objective and distribution policy

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

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

Strategy

The investment policy adopted in 1980 has been refined by seeking investments in small and medium-sized companies in Europe, excluding the United Kingdom, defined as those with a market capitalisation below that of the largest company in the Euromoney Smaller European Companies (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.

The Company does not restrict its investments to any specific industrial sector and a diversified geographical spread has been maintained.

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

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

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

Implementing the strategy

The investment management contract is with F&C Investment Business Limited ('F&C') which is a company within the F&C Asset Management plc group ('F&C Group'). Following the implementation of the Alternative Investment Fund Managers Directive ('AIFMD') which became fully effective on 22 July 2014, F&C has been appointed as Alternative Investment Fund Manager ('AIF Manager'). F&C is a wholly owned subsidiary of Bank of Montreal ('BMO') and is part of BMO Global Asset Management. F&C provides investment management and other services to a range of investment companies.

Sam Cosh is the lead manager appointed by F&C to the Company. He is assisted by David Moss and Lucy Morris. Biographies of Sam Cosh, David Moss and Lucy Morris who are members of the European Equities team at F&C are provided on page 16.

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

The fee that F&C receives for its services is based on the value of assets under management of the Company, thus aligning its interests with those of the shareholders. It is also appointed as the AIF Manager in accordance with the provisions of the AIFMD for which there is no additional fee. The ancillary functions of secretarial and marketing services are also carried out by F&C. Details of the management fee payable to F&C are provided on page 45.

Board Structure

The Company, which is incorporated in the Netherlands has a two-tier structure comprising the Supervisory Board ('the Board') and Management Board. The biographies of the Supervisory Board Directors are detailed on page 26.

FCA Management BV is the Management Board Director and provides management and legal compliance services to the Company. Further details of the Management Board are provided on page 27.

As noted above the Company has an investment management contract with F&C ('the Investment Managers'). This contract sets out the matters over which the Investment Managers have authority and the limits above which approval of the Board must be sought.

All other matters, including strategy, investment and dividend policies, gearing and corporate governance procedures are reserved for the Board. It is the responsibility of the Board to provide the Management Board with general instruction and guidance with regard to these matters. It is the responsibility of the Management Board to act, and manage and represent the Company in accordance with these directives and to report to the Board on outcomes.

Responsible Ownership

The Board's primary responsibility is to ensure that the Company's portfolio is properly invested and managed in accordance with the investment objective. The Board supports F&C in its belief that good governance creates value. F&C takes a particular interest in corporate governance and sustainable business practices, which includes the integration of environmental, social and governance issues into its investment decisions. Information on the Company's voting policy can be found on page 30.

Gearing strategy

Over many years the Company has used borrowings to enhance its returns. The Company has the ability to borrow up to an amount of 20 per cent of the value of its securities portfolio.

Liquidity enhancement agreement

The Company has entered into a liquidity enhancement agreement with F&C. The purpose of the agreement is to enhance the liquidity in the trading of the Company's shares. During the year the Company sold 10.2 million shares. The current effect of the agreement is to moderate any excessive premium. Further details of this agreement are provided on page 30.

Marketing strategy

F&C continues to promote investment in the Company's shares, which are suitable for retail distribution in the UK as well as professionally advised private clients and institutional investors.

Promotion has traditionally been made through the F&C Savings Plans, which remain a cost effective and flexible way to invest in the Company.

The Company is well positioned as a beneficiary of the Retail Distribution Review and changes to pensions legislation in the UK and continues to see a notable increase in the number of shares held through investment platforms. The Board hopes to see access to the Company's shares on as many platforms as possible as more investors look to make their own investment decisions.

Regulatory Framework and Tax Status

The Company is governed by the provisions of the Wft, the Dutch Act on Financial Supervision, including the provisions on Alternative Investment Funds ('AIF'). The Company has appointed F&C Investment Business Limited as its AIF Manager and KAS Trust & Depositary Services BV as its depositary and custodian.

Any change to the Articles of Association of the Company and any other changes of the conditions which causes a reduction in shareholders' rights or security or imposes costs upon shareholders will not become effective until one month after publication of such change.

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. To qualify, investment may be funded by borrowings up to a maximum of 20 per cent of the book value of the company. Under its articles the Company has the power to borrow up to 20 per cent of the book value of the securities portfolio of the Company and its subsidiaries, if any, without the prior approval of the general meeting of the Company.

Organisational Structure

EUROPEAN ASSETS TRUST NV
'The Company'

SUPERVISORY BOARD
'The Board'

Chairman
Jack Perry CBE

Vice Chairman
Professor Robert van der Meer

Senior Independent Director
Julia Bond
Laurence Jacquot
Martin Breuer†

MANAGEMENT BOARD
FCA Management BV
'The Management Board Director'

Represented by:
Wilbert van Twuijver
Tim Koster

F&C Investment Business
'The Investment Manager'

KAS Trust & Depositary Services NV
Depositary & Custodian

† Subject to approval by Shareholders at forthcoming General Meeting

Viability assessment and statement

The 2014 UK Corporate Governance Code requires a board to assess the future prospects for the Company, and report on the assessment within the annual report.

The Supervisory Board ('the Board') considered that a number of characteristics of the Company's business model and strategy were relevant to this assessment:

- The Company looks to long-term outperformance rather than short-term opportunities.
- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that the Company is invested in realisable, listed securities and that the level of borrowings is restricted.
- The Company's business model and strategy is not time limited.

Also relevant were a number of aspects of the Company's operational arrangements:

- The Company retains title to all assets held by the Custodian under the terms of a formal agreement with the Custodian and Depositary.
- The borrowing facility has been entered into for an indefinite period of time.
- The annual dividend declared by the Company is determined in accordance with the year-end net asset value.
- Revenue and expenditure forecasts of the Company are reviewed by the Directors at each Board Meeting.
- Cash is held with the Company's banker.

In addition, the Board carried out a robust assessment of the principal risks which could threaten the Company's objective, strategy, future performance, liquidity and solvency. These risks, mitigating actions and the processes for monitoring risks are set out on page 24, and in Note 17 on the accounts.

The principal risks identified as relevant to the viability assessment were those relating to investment portfolio under-performance, failure to operate effectively the liquidity enhancement policy and threats to security over the Company's assets.

In undertaking this assessment the Board took into account the following factors:

- the liquidity of the Company's portfolio;
- the existence of the borrowing facility;
- the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings;
- maintain dividend payments and retain investors; and
- the potential need for more share issuance capacity in the event of the continued market demand.

These matters were assessed over a three year period to March 2019. The Board will continue to assess viability over three year rolling periods, taking account of foreseeable severe but plausible scenarios. A rolling three year period represents the horizon over which the Board believes it can form a reasonable expectation of the Company's prospects, balancing the Company's financial flexibility and scope with the current uncertain outlook for longer-term economic conditions affecting the Company and its shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to March 2019. For this reason, the Board also considers it appropriate to continue adopting the going concern basis in preparing the Report and Accounts.

Fund Managers

Sam Cosh

Lead Manager

is a Director, European Equities at F&C. Sam joined F&C in 2010 from BNP Investment Partners and was appointed Lead Manager for European Assets Trust during 2011. Sam is also the lead manager of F&C European Small Cap Fund and manages the European investments of F&C Global Smaller Investment Trust plc. Sam also manages the European Small Cap funds at BMO. He has sixteen years' experience in European equities, principally within small and mid cap mandates.

David Moss

Fund Manager

is the Head of European Equities and manages European and Pan European portfolios. From 1998-1999, he focused on UK Equity and prior to that he worked as a Fixed Interest Analyst focusing on the UK Gilt and Non-Gilt Markets. He joined F&C in 1996. David began his career in 1987 at Barclays Bank, where he worked as an Analyst on the Corporate Lending Team, working primarily with recovery situations for small to medium-sized enterprises.

Lucy Morris

Fund Manager

is a Fund Manager in the European Equities team, dedicated to smaller companies. Lucy joined F&C in 2007 and joined the European Equities team in 2011.

Fund Manager's Review

Sam Cosh, Fund Manager

A strong year for investors in European smaller companies which delivered some of the best returns globally. In Sterling terms they outperformed not only their larger company counterparts, but also the US, the UK and emerging markets

Market Review

2015 was a strong year for investors in European smaller companies which delivered some of the best returns globally. In Sterling terms they outperformed not only their larger company counterparts, but also the US, the UK and emerging markets, which again provided the most disappointing performance for equity investors.

The year was characterised by the shift in market leadership away from the theme of global growth to the benefit of domestic recovery in Europe. Though this has as much to do with recovery in Europe as it has to do with disappointment elsewhere. Certainly Europe's economic recovery that looked so encouraging in the early months of 2015 failed to accelerate much after a promising start. Nevertheless, a slow, anaemic recovery was enough for investors who had very little options elsewhere. China's transition from a global producer to a consumer is proving painful, and the US is challenged with cost pressure from a lack of available productive capacity following a strong period of economic growth. This is compounded by the withdrawal of monetary stimulus. Europe in contrast has the benefit of an accommodative central bank, a more competitive currency and slowly improving growth with a lower cost base in the form of cheaper energy prices.

European smaller companies did so well, in comparison to their larger counterparts because they are naturally more orientated to domestic Europe whereas the larger companies in Europe are more likely to be exporting to the US and China. Smaller companies also tend to lead profit growth when economies are recovering. Having said this, improving profit expectations have been in short supply this year. While leading indicators are still pointing in the right direction, it is difficult to anticipate further market increases without better earnings growth.

Performance Review

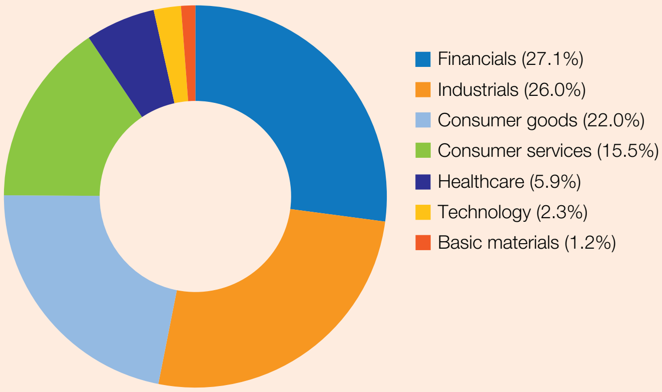
Quality assets led the way last year as investors sought exposure to Europe. Scepticism over a strong economic recovery led to a preference towards certainty of profit delivery at the expense of valuation. Given our quality bias, we benefitted from this theme, though the decision to balance the portfolio with some exposure to cheaper areas of the market, or as we believe unrecognised quality, probably held us back somewhat. Nonetheless it is satisfying to deliver another strong return for our shareholders in terms of both capital and income.

Our biggest contributor to performance was one of our largest holdings, **Irish Continental Group**, the ferry operator, which rose +62.3%. 2015 was another year of excellent operational performance as they took advantage of a rapidly improving Irish economy and lower fuel costs. In combination with very little capital expenditure requirements this delivers excellent levels of cash generation. We continue to hold a good position in the company.

Our gambling stocks **Paddy Power** and **Betsson** both performed well, rising +71.9% and +72.5% respectively, having the twin benefits of high structural growth in the online betting space and corporate activity. Paddy Power reacted well to the news that it was merging with Betfair to create potentially the strongest operator in the sector. Betsson on the other hand is using their strong cashflow to buy smaller operators and improve their market position. The outlook for both companies is still good.

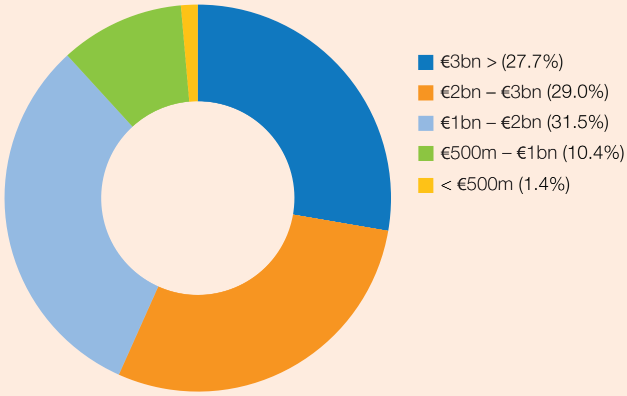
Another one of our largest holdings **Amer Sports** had a particularly strong year rising +63.1%. We have held stock in this company since a new management team arrived with the remit to achieve the sort of growth and levels of profitability the brands deserve. They own the skiing brands Atomic and Salomon, the latter also being a strong player in outdoor activities such as trail running, Wilson tennis, Mavic cycling, and mountaineering brand Arc'teryx. These brands should achieve good levels of profits, and 2015 saw further evidence that they were moving closer to this.

Portfolio Split by Sector at 31 December 2015



Source: F&C

Portfolio Split by Market Capitalisation as at 31 December 2015



Source: F&C

A particularly pleasing contributor to performance was **Gerresheimer**, the German listed pharmaceutical packaging business. This is a long standing holding that we added to during unwarranted weakness during the previous year. At that point the valuation reflected nothing more than short term concerns over profit margins, while our detailed analysis suggested that this was a well-positioned business, run by a proven management team that should prosper over the long run. 2015 demonstrated this as they showed operational improvements whilst selling a poorer quality division and re-invest the proceeds in a value creative acquisition. This was rewarded with a return of +54.8% over the year.

If we look at the poorer performers, **Origin Enterprises**, another one of our largest positions, was the largest negative contributor, falling -12.6%. The company faced two main problems last year, firstly their end markets started going through a difficult period. Origin advises farmers on how to utilise their land efficiently in the UK and Eastern Europe. Because of record corn and wheat crops globally, prices are under pressure, reducing farmers' incomes and restricting their ability to invest. Secondly, the majority owner Aryzta, reduced their 70% stake entirely to shore up their balance sheet following an acquisition. So the market had to absorb a lot of stock while the operational environment deteriorated. The shares are however trading at exceptionally attractive levels and have much better liquidity following the placement. We will continue to hold a decent position as the long term potential is excellent, though we do not anticipate the first half of 2016 to be much better for them operationally.

Within financials two of our bank holdings had poor years; **Sparebank** the regional Norwegian bank fell -30.5% and **Aareal** the German property lender fell -14.1%. Both stocks appear to us very attractively valued, though Sparebank's perceived exposure to a falling oil price, and concern over Aareal's competitive position meant that this value was not appreciated. Part of our portfolio strategy has been to identify areas of the market that had quality characteristics which were not well understood by the market which meant an attractive combination of quality and value. This is why we continue to hold these financials. We are however now scrutinising all our holdings in the sector.

In percentage terms, our worst performer was the German supplier to the car industry **SHW** which fell -38.6%. Our original thesis was that because car companies need to reduce their emissions they need to buy more of SHW's products, which help them in this regard. The company would therefore benefit from above market growth, disproportional profit expansion and cash generation. While they produced better than expected revenues this translated into worse levels of profits due to a historic lack of investment in manufacturing which hindered them in delivering against this demand. This rendered the initial investment case invalid and we sold the position.

Investment Outlook

It has clearly been a difficult start to 2016 with a dramatic fall in the oil and commodity prices representative of a decline in global trade that is symptomatic of emerging market economic deterioration and a significant fall in the valuation of financial sector stocks. This has put pressure on global economic growth, which in turn has put stress on equities across the globe. Europe has not been immune from this, with investors questioning whether the European economy can continue its slow recovery in the face of this. The currency has however fared well relatively and the strength of the Euro against

Sterling so far this year has helped soften some of the weakness in the portfolio.

We do not believe it makes much sense to make any economic predictions in the knowledge that they will almost certainly be wrong, but focus on stocks. We aim to buy quality assets, run by proven managers, at attractive prices. Towards the end of 2015, while our stock research managed to identify a number of businesses that met our quality hurdles, because of high valuations we were not able to find enough of a margin of safety to invest. Indeed the market was highly polarised in terms of valuation between obvious quality assets and everything else. This sell-off at the start of the year has, however, given us the opportunity to invest in some of these businesses, which are now more attractively valued. During this time of uncertainty, we are also scrutinising our existing positions to ensure that they meet the quality characteristics we look for in our investments.

Sam Cosh

Lead Investment Manager
F&C Investment Business Limited

3 March 2016

Key Performance Indicators

The Board recognises that it is longer term share price performance that is most important to the Company's investors. Underlying share price performance is driven by the performance of the net asset value. The overriding priority is to continue to strive for the consistent achievement of relative outperformance; adding value for shareholders through net asset value and share price total return; the operation of the liquidity enhancement policy; dividend yield; low and competitive ongoing charges; and effective marketing. The Board assesses its performance in meeting the Company's objective against the following key performance indicators ("KPIs"):

1. Net asset value per share total return
2. Share price total return
3. Dividend yield
4. Premium / (discount) to net asset value
5. Ongoing charges ratio
6. Shares issued / (bought back)

Information in relation to these KPIs is set out in the tables below. Commentary can be found in the Chairman's Statement and the Fund Manager's Review.

Net asset value per Share sterling total return performance - 31 December 2015

	1 Year %	3 Years %	5 Years %
European Assets Trust net asset value†	20.5	78.7	106.4
Euromoney Smaller European (ex. UK) Companies Index†	17.2	58.1	40.9
AIC Sector peer group size weighted average†	26.4	75.8	60.5

†Total return. Source: F&C, Euromoney and AIC.

Share price sterling total return performance – 31 December 2015

	1 Year %	3 Years %	5 Years %
European Assets Trust share price†	20.4	93.2	144.7
Euromoney Smaller European (ex. UK) Companies Index†	17.2	58.1	40.9

†Total return. Source: F&C and Euromoney.

Dividend Yield % – 31 December

	2015 %	2014 %
European Assets Trust	6.0	6.0
Yield FTSE All-Share	3.7	3.4
UK Average bank savings rate	0.9	1.1

Source: F&C, London Stock Exchange and Bank of England

Ongoing charges ratio – 31 December*

	%
2015	1.10
2014	1.33
2013	1.41
2012	1.70
2011	1.64

*Calculated with reference to the basis recommended by the AIC

Source: F&C

Premium/(discount)

31 December	%
2015	0.6
2014	0.7
2013	(0.5)
2012	(6.4)
2011	(11.1)

Source: F&C

Shares issued/(bought back)

2015	10,219,916
2014	3,658,542
2013	3,198,128
2012	(120,494)
2011	(45,684)

Source: F&C

Investment portfolio

There are approximately 2,000 quoted European (ex UK) small and mid-cap companies. Using internal team analysis as well as meetings with company management, a relatively concentrated portfolio of around fifty stocks has been created. Key attributes for portfolio companies are strong balance sheets, healthy cashflows and high and sustainable returns on capital.

Holdings are assigned to one of four broad categories: Durable franchise, Wide moat growth, Transformation/recovery and Deep value.

Durable franchise

The core of the portfolio. This represents companies with at least modest growth potential, have disciplined management and robust business models. Typically represents 40-50% of the portfolio; 42% at 31 December 2015.

Wide moat growth

These are faster-growing companies with strong brands, a unique product or a high market share in a competitive industry. Typically represent 25-30% of the portfolio; 34% at 31 December 2015.

Transformation / recovery

These are stocks that may be undervalued but have a catalyst for change, such as new management. Typically represent 15-20% of the portfolio; 17% at 31 December 2015.

Deep value

These are out-of-favour companies where there is a belief that recovery or growth potential is underappreciated. Typically represent 10-15% of the portfolio; 7% at 31 December 2015.

STRATEGIC REPORT

Investment Portfolio

1. Irish Continental (13)
Ireland
Shipping
4.0% Total investments
€18,754,985 value
www.icg.ie

2. Plastic Omnium (4)
France
Automotive Body Modules and Fuel Systems
3.8% Total investments
€18,076,584 value
www.plasticomnium.com

3. Origin Enterprises (3)
Ireland
Agricultural Nutrition
3.6% Total investments
€17,537,633 value
www.originenterprises.com

4. Gerresheimer (14)
Germany
Glass and Plastic Containers
3.6% Total investments
€17,197,276 value
www.gerresheimer.com

5. Amer Sports (12)
Finland
Sporting Goods
3.5% Total investments
€16,535,532 value
www.amersports.com

6. Cerved Information Solutions
Italy
Credit Information Provider
3.5% Total investments
€16,394,278 value
www.cerved.com

7. Forbo (9)
Switzerland
Flooring, Adhesives and Conveyor Belts
3.1% Total investments
€14,872,286 value
www.forbo.com

8. CTT Correios de Portugal (7)
Portugal
Postal Services
3.1% Total investments
€14,801,669 value
www.ctt.pt

9. Grafton (10)
Ireland
Building Supply, Manufacturer and Retailer
3.1% Total investments
€14,540,988 value
www.graftonplc.com

10. Glanbia (1)
Ireland
Agricultural Nutrition
3.0% Total investments
€13,915,297 value
www.glanbia.com

11. Ringkjoebing Landbobank (5)
Denmark
Regional Banking
2.9% Total investments
€13,794,973 value
www.landbobanken.dk

12. Leonteq
Switzerland
Asset Manager and Structured Solutions
2.8% Total investments
€13,333,308 value
www-en.leonteq.com

13. Bettson
Sweden
Licensed Betting
2.8% Total investments
€13,214,428 value
www.betssonab.com

14. Interpump
Italy
Industrial Manufacturer of Pumps and Power Take-offs
2.6% Total investments
€12,397,583 value
www.interpumpgroup.it

15. CTS Eventim (17)
German
Concert and Ticketing
2.6% Total investments
€12,241,566 value
www.eventim.de

16. Azimut (8)
Italy
Asset Management
2.4% Total investments
€11,399,780 value
www.azimut.it

17. Paddy Power
Ireland
Licensed Betting
2.4% Total investments
€11,158,789 value
www.paddypowerplc.com

18. Christian Hansen
Denmark
Bacteria Culture Producer
2.3% Total investments
€11,013,269 value
www.chr-hansen.com

19. Banca Generali
Italy
Asset Manager
2.3% Total investments
€10,938,736 value
www.bancagenerali.it

20. Takkt
Germany
Office Equipment
2.3% Total investments
€10,871,024 value
www.takkt.de

21. ASM International (6)
Netherlands
Semi-conductor Equipment
2.3% Total investments
€10,770,375 value
www.asminternational.org

22. Permanent TSB
Ireland
Banking
2.3% Total investments
€10,695,708 value
www.permanenttsbgroup.ie

23. Bolas y Mercadoes Espanoles
Spain
Regional Stock Exchange
2.2% Total investments
€10,587,329 value
www.originenterprises.com

24. Rational
Germany
Specialist in Hot Food Preparation for Professionals
2.2% Total investments
€10,368,155 value
www.rational-online.com

Investment Portfolio

25. NORMA (20)
Germany

Plastic and Metal Based Components

2.2% Total investments

€10,312,176 value

www.normagroup.com

26. Indutrade
Sweden

High-tech Products and Solutions

2.2% Total investments

€10,218,537 value

www.indutrade.se

27. Mediaset Espana Comunicacion (11)
Spain

Free to Air Television

2.0% Total investments

€9,695,429 value

www.mediaset.es

28. Topdanmark (16)
Denmark

Insurance

2.0% Total investments

€9,670,366 value

www.topdanmark.com

29. Atresmedia
Spain

Free to Air Television

2.0% Total investments

€9,365,599 value

www.atresmedia.com

30. Viscofan
Spain

Artificial Casings for Meat Products

2.0% Total investments

€9,343,347 value

www.viscofan.com

31. C&C
Ireland

Manufacturer, Marketer and Distributor of Branded Cider, Beer, Wine and Soft Drinks

2.0% Total investments

€9,269,118 value

www.candcgroupplc.com

32. SAF Holland
Germany

Commercial Vehicle Equipment

2.0% Total investments

€9,243,486 value

www.safholland.co.uk

33. Tomra Systems
Norway

Recycling Equipment

1.9% Total investments

€9,186,186 value

www.tomra.com

34. Aareal Bank (18)
Germany

Property Financing

1.9% Total investments

€9,047,723 value

www.aareal-bank.com

35. EFG International
Switzerland

Private Banking

1.8% Total investments

€8,712,834 value

www.efginternational.com

36. Credito Emiliano
Italy

Regional Banking Group

1.8% Total investments

€8,557,947 value

www.credem.it

37. Inwido
Sweden

Supplier of Windows and Doors

1.8% Total investments

€8,516,657 value

www.inwido.com

38. Storeband
Norway

Long-term Savings and Insurance

1.8% Total investments

€8,460,904 value

www.storebrand.no

39. IFG
Ireland

Financial Services

1.5% Total investments

€7,186,322 value

www.ifggroup.com

40. Sparebank
Norway

Banking

1.2% Total investments

€5,898,660 value

www.sparebank1.no

41. Symrise
Germany

Global Supplier of Fragrances, Flavourings and Cosmetic Active Ingredients

1.2% Total investments

€5,704,446 value

www.symrise.com

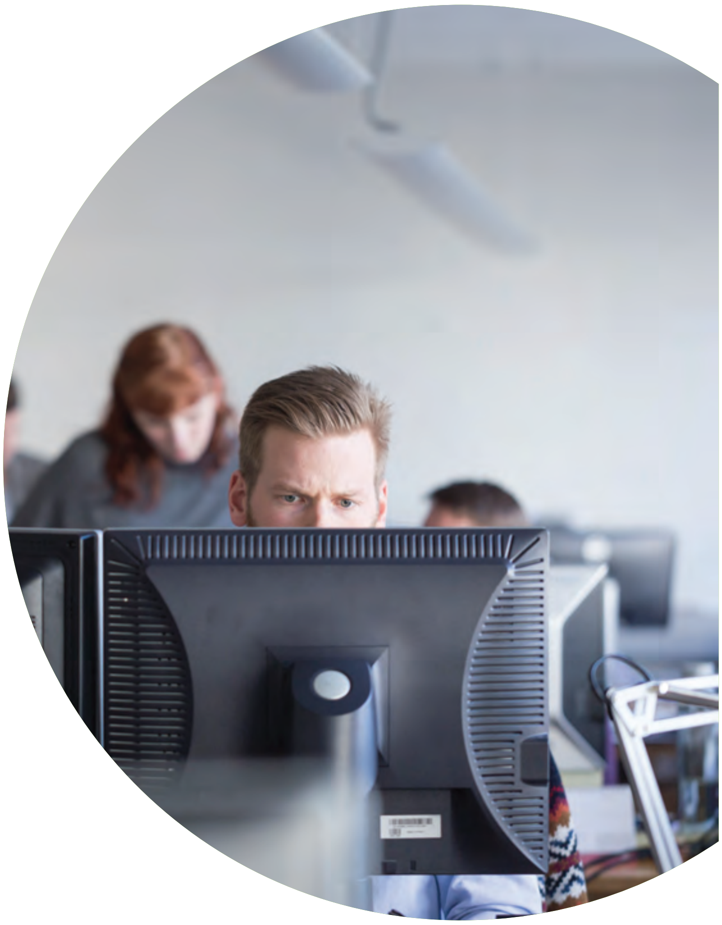
The value of the twenty largest holdings represents 59.7% (2014: 58.3%) of the portfolio.

The figures in brackets denote the position within the top 20 of the previous year.

Principal Risks and Changes in the Year

Most of the Company's principal risks are market-related and no different to those of other investment trusts investing in listed markets. The principal ongoing risks and uncertainties currently faced by the Company, and the controls and actions to mitigate those risks, are described below. In addition a detailed review of the risks of the Company's investment portfolio including market, credit, foreign currency and liquidity is provided in note 17 beginning on page 46. Details of actions taken to reduce the potential impact of these risks is also provided.

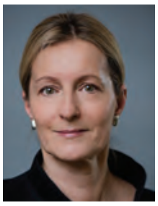
Principal Risks	Mitigation
Objective and strategy are inappropriate in relation to investor demands, adversely affecting control over share price discount/premium. **No change in overall risk in year**	At each Supervisory Board Meeting the Directors monitor performance against benchmark and peer group. Market intelligence is maintained via the Company's broker, Cenkos and the provision of shareholder analyses. The Supervisory Board meets shareholders on an annual basis at the General Meeting in Rotterdam and the Shareholders' and Investors' Briefing in London. A Liquidity Enhancement Agreement is in place with F&C to allow the issuance and repurchase of shares within parameters laid down by the Supervisory Board.
Failure to maintain tax exempt fiscal investment institution status ('fiscal beleggingginstelling') in the Netherlands. **No change in overall risk in year**	During the year the Company has complied with all applicable legislation regarding its Dutch tax status. No new Dutch tax legislation has been issued during the year which would have an impact on the Company's tax status. The Board reviews this compliance and retains Ernst & Young Accountants LLP to provide tax advice in the Netherlands and calculate the annual distributable profit.
Stock selection, asset allocation and the use of gearing is inappropriate. **No change in overall risk in year**	Investment policy and performance are reviewed by the Supervisory Board at each meeting. Cash, borrowing and gearing limits are set and monitored regularly.
Failure of Investment Manager or loss of senior staff could cause reputational damage and/or place the business in jeopardy. **No change in overall risk in year**	The Supervisory Board meets regularly with the management of F&C and receives an annual Audit Assurance Faculty Report on its procedures. The Manager's appointment can be terminated at six months' notice. Key man risk is limited by the team approach adopted by the European Equities team at F&C.
Error, fraud or control failures at service providers or loss of data through cyber-attack or business continuity failure could damage reputation or result in loss of assets. **No change in overall risk in year**	The Supervisory Board receives regular reports from the Managing Director and the Investment Manager on oversight of third party service providers, together with annual internal audit reports on controls. The Depositary oversees custody of investments and cash in accordance with the requirements of the AIFMD.



	Actions taken in the year
	During the year the Company has issued 10,197,057 shares raising £109.5 million through the procedures of the Liquidity Enhancement Agreement. To allow this continued share issuance, on 8 April 2015 the Company received approval from the London Stock Exchange to issue up to 2,491,234 new shares (representing 9.99% of the issued ordinary share capital of the Company on that date) and in July 2015 a prospectus allowing future issuance of a further nine million new shares was approved by the Dutch financial regulator.
	The Company paid its mandatory distribution in respect of the year ended 31 December 2014 with the August 2015 dividend.
	The borrowing facility from KASBANK NV was increased during the year from €25 million to €45 million. At the year end the facility was undrawn. 40 or more listed securities were held in the portfolio throughout the year.
	The Manager now benefits from the long-term financial strength and policies of its owner, the BMO Group, and through its stated commitment to the future of F&C's investment trust management business. There were no changes during the year in the investment manager's senior staff.
	The Manager continues to strengthen and develop its Risk, Compliance and Internal Control functions as part of the integration of its operations following the acquisition of F&C by BMO and continues to invest in IT security. Supervision of F&C's third party service providers, including State Street and IFDS, has been maintained by F&C and includes assurances regarding IT security and cyber-attack prevention. The Depositary oversees custody of investments and cash and reports to the Company in accordance with the AIFMD.

Supervisory Board

Jack Perry CBE
Chairman
was Managing Partner, Glasgow and Regional Industry Leader (Technology, Communications and Entertainment and Consumer Products) for Scotland and Northern Ireland for Ernst and Young. He was also Chief Executive of Scottish Enterprise. He is currently Chairman of ICG Longbow Senior Secured UK Property Debt Investments Limited. He has served on the Boards of FTSE 250 and other public and private companies and is a member of the Institute of Chartered Accountants of Scotland. He is a past Chairman of CBI Scotland.



Julia Bond
Senior Independent Director
has 28 years' experience of capital markets in the financial sector and held senior positions within Credit Suisse including Head of One Bank Delivery. She is currently a non executive director and trustee of several governmental bodies and charities including the Supervisory and Management Board of the British Foreign and Commonwealth Office and a non executive advisor to the CEO of the Association of Certified Chartered Accountants.

Professor Robert van der Meer
Vice Chairman and Chair of Audit
Professor van der Meer has formerly held positions on the management boards of Fortis and AEGON. He is emeritus professor of finance at the Rijksuniversiteit Groningen with supervisory board positions at Klépierre Nederland, KASBANK and Contest Yachts as well as advisoryships with a number of pension funds and charities. He is a member of the Dutch Accountants Institute (NBA) and serves as Deputy Justice with the High Court Amsterdam (Ondernerningskamer).

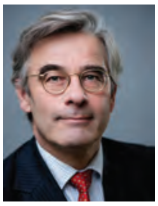
Laurence Jacquot
has extensive experience of financial markets and asset management in Continental Europe, having worked at COB, the French financial services authority regulator, and SCOR, the leading French reinsurance company. Latterly, she has been an investment consultant involving asset allocation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

Martin Breuer (appointment subject to approval of shareholders at forthcoming general meeting)
has been Chief Financial Officer of Italian cosmetic manufacturer Intercos Group since 2011 and has recently been appointed as CEO of Asia Pacific. He was previously an executive with Siemens and a board member and Chief Financial Officer of SEVES.

Management Board and Secretary

Management Board

Wilbert van Twuijver
representing the Managing Director



Tim 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.

Wilbert van Twuijver and Tim Koster represent FCA Management BV on the Management Board of European Assets Trust NV.

Company Secretary

Scott McEllen
Company Secretary

In addition to investment management, the F&C group provides other services to the Company, including company secretarial, financial and marketing.

Scott McEllen acts as Company Secretary to the Company. A chartered accountant, he has provided accounting and company secretarial services to investment companies for over fifteen years.

Management and Advisers

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

Supervisory Board
Jack Perry CBE (Chairman)
Professor Robert van der Meer
(Vice Chairman)
Julia Bond (Senior Independent Director)
Laurence Jacquot
Martin Breuer†
Sir John Ward CBE (retired 8 October 2015)
Neville Cook (retired 31 December 2015)

Registered Office
Visiting address
Weena 210-212
NL-3012 NJ Rotterdam
Tel No. +(31 10) 201 3600
Chamber of Commerce
Rotterdam. nr. 33039381
Postal address
PO Box 1370
NL-3000 BJ Rotterdam

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

UK Registrars and Transfer Office
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Registrar's Shareholder Helpline
Tel No. 0870 707 1550

Brokers
in The Netherlands-
SNS Securities BV
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam

in the United Kingdom-
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Depositary and Custodian
KAS Trust & Depositary Services BV
Nieuwezijds Voorburgwal 225
1012 SJ Amsterdam

Auditors
PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350
3065 WB Rotterdam

Lawyers
in The Netherlands-
De Brauw Blackstone Westbroek
Claude Debussylaan 80
1082 MD Amsterdam

in the United Kingdom-
Shepherd and Wedderburn
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Website
www.europeanassets.eu

† Appointment subject to approval by shareholders at forthcoming general meeting.

Report of the Management Board Director

We have pleasure in submitting to Shareholders the Company's Annual Report and Accounts for the year to 31 December 2015 as prepared by us and approved by the Supervisory Board. We consider the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance and strategy. They have been examined by PricewaterhouseCoopers Accountants NV, and their report is included later.

The Revenue Account for the year shows a net profit of €79,525,928. Dividends in cash totalling €0.7743 per share were paid during 2015. A dividend of €0.304 per share was announced and paid in January 2016. Shareholders are offered the option of a scrip dividend. Dividends paid have mainly been funded from current year net profits and 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 2015, together with the notes, be adopted.

Supervisory Board

The Supervisory Directors who held office at 31 December 2015 are shown on the page of this report entitled 'Supervisory Board'.

Mr Jack Perry and Ms Julia Bond had a beneficial interest of 4,063 and 2,325 shares respectively in the Company at 3 March 2016. None of the other Supervisory Directors of the Company or the families of any Director owned any interest in the shares of the Company during the year under review or at any date up to 3 March 2016. Professor Robert van der Meer will be proposed for re-appointment as a Supervisory Director at the General Meeting. Martin Breuer will be proposed for appointment as a Supervisory Director at that meeting.

With reference to article 166 of Book 2 of the Dutch Civil Code, upon appointment of Martin Breuer as a Supervisory Director, the Company does not comply with a balanced split between male and female directors within the Supervisory Board ('the Board'): the Board will then include two female directors out of a total of five. The Company and the Board are committed to diversity in its composition in general and to the fair representation of women in particular, but strives primarily to appoint the most suitable Director regardless of gender.

Management Board Director

FCA Management BV provides management and legal compliance services to the Company and represents the Company in and out of court. 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 €103,975 (including Dutch VAT). In connection with the preparation of the prospectus, a one-off additional fee amounting to €30,250 (including Dutch VAT) was paid during 2015 to FCA Management BV for services rendered.

Investment Managers

F&C Investment Business Limited (F&C) provides investment management and other services to the Company. These services can be terminated by the Company at any time by giving six months notice of termination. Following the implementation of the AIFMD which became fully effective on 22 July 2014, F&C has been appointed as AIF Manager ('the Investment Managers'). Details of the remuneration of F&C are provided on note 12 to the Accounts on page 45.

During March 2016, the Board reviewed the appropriateness of the Investment Managers' continuing appointment. In carrying out the review, consideration was given to past investment performance and the ability of the Investment Managers 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 Investment Managers were also reviewed. Following this review, it is the Board's opinion that the continuing appointment of the Investment Managers 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, is empowered to exercise discretion in the use of the Company's voting rights. Only where there are matters of particular concern will the Investment Managers contact management to explore the issues. The policy of F&C is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach, including socially responsible and environmental factors, to corporate governance. In 2015 there was active use of votes. Details of F&C responsible investment activities is provided below:

F&C and responsible investment

For F&C, responsible investment remains a part of what defines us as a company, and a core area of our business:

- Last year we engaged with more than 700 companies in 54 countries. The key themes included the risks associated with fossil fuel investment, the alignment of pay with business strategy and risk, and emerging market labour standards in supply chains.
- Our voting programme covered over 6,000 company meetings. We ensured that if we disagreed with management recommendations, we would contact the company to explain our reasons.
- We are working to systematically incorporate environmental, social and governance ("ESG") factors across our investment product range, based on our view that companies with strong ESG management have the potential to reduce the risks facing their business and deliver sustainable performance over the longer-term.

  F&C is a signatory to the UK Stewardship Code published by the Financial Reporting Council.

Depositary and Custodian

As of 22 July 2014, the date on which the AIFMD became fully effective, KAS Trust & Depository Services BV, a subsidiary of KAS BANK NV, was appointed as depository and custodian for the Company. The depositary and custody services can be terminated by either party by giving six months notice of termination. Prior to 22 July 2014, custody services were provided by KAS BANK NV. No depositary services were required. KAS BANK NV, has granted a credit facility to the Company.

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 2015 there were 41 investments in the portfolio. At each Board meeting, the Board receives detailed information on the Company's investments and the Investment Managers present on the investment portfolio and its performance. The Company can borrow up to a maximum of 20 per cent of investments. The Company has a banking facility with KAS BANK NV. This credit facility was employed during the year. However as at 31 December 2015 the Company was not utilising this facility (31 December 2014: €17,485,254 drawn).

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

Share Capital

As at 3 March 2016 the Company has not been notified by shareholders of a holding of 5 per cent or more of its issued share capital (excluding treasury shares).

F&C Retail Products owned 8,778,271 shares or 27.5 per cent of the issued share capital (excluding treasury shares) of the Company at 31 December 2015. F&C has no discretionary voting rights over these shares.

The Company issued 22,859 shares during the year by way of its scrip dividend option and sold 3,312,057 of its own shares from treasury. In addition 6,885,000 newly issued shares were sold. The total number of treasury shares held by the Company as at 31 December 2015 is nil (2014: 3,319,736). Since the year end the Company has sold 750,000 newly issued shares at average premium to net asset value of 1.0%. In addition 9,178 shares were issued as scrip.

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 Company 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 five business day period is five per cent or more, subject to other relevant requirements, shares may be bought back based upon the share price equivalent to a discount of five 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 ten 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.

During the year the liquidity enhancement policy was amended to allow the issuance of new shares. On 8 April 2015 the agreement was extended to allow the issuance of up to 2,491,234 new shares (representing 9.99% of the issued ordinary share capital of the Company at that date). In July following the publication of a prospectus the agreement was extended to allow the further issuance of up to 9 million new shares. The issue price of these shares will be at least net asset value and a premium to cover the commissions of issuance.

Going Concern and Internal Controls

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Board and the Management Board Director 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.

The Company's system of internal control is supported by robust procedures designed to manage rather than eliminate risk. 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 additional internal audit function for the Company is unnecessary.

Administrative Organisation and Internal Controls ('In Control' – Statement)

Statement (by the Management Board Director) referred to in section 121, sub 1 Decree on the Supervision of the conduct of Financial Enterprises under the Dutch Act on Financial Supervision.

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

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

The Management Board Director
3 March 2016

Corporate Governance

Summary

European Assets Trust NV ('the Company') is incorporated as a Dutch company. It is organised in the form of a listed public investment company with variable capital governed by the provisions of the Wft, the Dutch Act on Financial Supervision including the provisions on Alternative Investment Funds. The Company is subject to the supervision of Autoriteit Financiele Markten, while F&C as the AIF Manager is supervised by the Financial Conduct Authority in the UK. The Company's shares are listed on the stock exchanges in Amsterdam and London. 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 function performed by KAS BANK NV, the custody and depositary function performed by KAS Trust & Depositary Services BV and investment management and other 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 Director, is entrusted with the corporate management of the Company and is obliged to act and represent the Company in accordance with the general directives of the Supervisory Board concerning the financial and investment policy of the Company. A contract with the Management Board Director sets out its responsibilities.

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

Jack Perry was appointed Chairman following the conclusion of the General Meeting held on 25 April 2015. Prior to that date Sir John Ward was Chairman. In addition, following the 2015 General Meeting Professor Robert van der Meer was appointed Vice Chairman and Julia Bond became Senior Independent Director.

Corporate Governance framework

The Company is committed to high standards of corporate governance and accordingly, adheres to Dutch corporate governance requirements as determined by the prevailing Dutch Corporate Governance Code ('the Dutch Code'), insofar as they are relevant to externally managed closed-end investment funds, and the UK Corporate Governance Code ('the UK Code') of the UK Financial Reporting Council updated in September 2014. The UK Association of Investment Companies issued its own code of Corporate Governance in February 2015 (the 'AIC Code') which can be found at www.theaic.co.uk.

The Company believes there are no differences of principle or inconsistencies between the Dutch Code and the UK Code.

The Company monitors developments in corporate governance codes and legislation. The Company believes its current articles of association, rules and regulations and practices are consistent with these developments.

As a matter of good practice, the Company has adopted corporate governance arrangements which follow the general principles of the UK Code and the AIC Code. Significant differences in actual practice from the UK Code and the AIC Code are detailed below.

The Dutch Code

As the Company is an externally-managed investment institution without its own organisation, it is not possible to apply the Dutch Code in full. The preamble to the Dutch Code acknowledges this.

For example, many of the provisions of the Dutch Code deal with management and remuneration by and of individuals. These cannot be applied in full in the case of the Company, because its corporate and investment management have been outsourced to FCA Management and F&C respectively. In addition, the Company's Articles of Association provide indemnification for the directors by the Company. The provisions of the Dutch Code that relate to the appointment and remuneration of management are therefore not fully complied with. The remuneration for these functions is governed by contractual arrangements as described in the Report of the Management Board Director.

The contract with the Management Board Director can be terminated with a notice period of three months. Any termination will take effect as of the end of the calendar year in which notice is given. The contract with the Investment Manager can be terminated at six months' notice. In addition, these contracts do not provide for severance payments to individual Directors or Managers.

The Supervisory Board

The Supervisory Board ('the Board') is the Company's non-executive supervisory body. Its members are referred to as 'Supervisory Directors'. The Company has no employees.

A management contract between the Company and its Investment Manager, F&C Investment Business Limited ('the Investment Managers'), 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 Board and Management Board Director. With regard to these matters it is the responsibility of the Supervisory Board to provide the Management Board Director with general instruction and guidance. It is the responsibility of the Management Board Director to act and manage the Company in accordance with these general directives and to report to the Supervisory Board upon their corporate management. A contract with the Management Board Director sets out its responsibilities.

The Board currently meets at least four times a year. In order to enable them to discharge their responsibilities, all Supervisory Directors have full and timely access to relevant information. At each meeting the Board reviews the Company's management information, which includes reports on investment performance and strategic matters and financial analyses. The Management Board Director and key representatives of the Investment Managers attend each meeting. Board meetings are also held on an ad-hoc basis to consider particular issues when they arise.

The following table sets out the number of Board, Committee and Shareholder meetings held during the year ended 31 December 2015 and the number of meetings attended by each Director.

	Board meetings of Directors		Committee meeting of Directors		Shareholder meetings in The Netherlands (formal) and UK (informal)	
	Held	Attended	Held	Attended	Held	Attended
Jack Perry CBE	7	7	1	1	2	1
Professor Robert van der Meer	7	7	1	1	2	2
Julia Bond	7	7	1	1	2	1
Laurence Jacquot	7	6	–	–	2	1
Neville Cook (retired 31 December 2015)	7	7	–	–	2	1
Sir John Ward CBE (retired 8 October 2015)	7	7	–	–	2	1

Supervisory Directors do not have service contracts but new Supervisory Directors are provided with a letter of appointment.

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. No such professional advice was taken by Directors during the year under review. The Board has direct access to the company secretarial advice and services provided by F&C. The proceedings at all Board meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes. The Board through the Management Board Director has the power to appoint or remove and replace the company secretary. The Company maintains appropriate Directors' and Officers' liability insurance in addition to indemnity provisions in the Company's articles of association.

Appointments and succession planning

Under the requirements of the Articles of Association, Supervisory Directors retire by rotation at shareholder meetings and Supervisory Directors are appointed for a specified term of no more than four years, subject to reappointment by shareholders. The Board has agreed, however, that Supervisory 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.

Professor Robert van der Meer will be proposed for re-appointment as a Director at the General Meeting on 28 April 2016. Martin Breuer will be proposed for appointment as a Supervisory Director. Following the evaluation process set out on page 34, the Board confirms that the performance of Professor Robert van der Meer continues to be effective and demonstrates commitment to the role. The Board therefore believes that it is in the interest of shareholders that he be re-elected. The Board believes that Mr Breuer will make a significant contribution to its work.

Appointments of all new Supervisory Directors are made on a formal basis using professional search consultants, with the Board agreeing the selection criteria and the method of selection, recruitment and appointment. A Supervisory Board Director role specification is prepared to assist with this process.

In considering the appointment of additional Supervisory Directors, the Board takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Supervisory Board. The Board favours diversity and welcomes appointments that contribute to it, but its first objective is to select Supervisory Directors on merit with relevant and complementary skills.

Full details of the duties of a Supervisory Director are provided at the time of appointment. An induction process takes place for new appointees, who meet the Fund Manager, Managing Director, company secretary and other key employees of the Investment Managers and are given briefings on the workings and processes of the Company.

The Supervisory Directors are encouraged to attend relevant training courses and seminars and receive regular updates on the industry and changes to regulation from the Management Board Director and the company secretary.

Independence of Supervisory Directors

All Supervisory Directors are considered by the Supervisory Board to be independent of the Company's Investment Managers and the Management Board Director. Professor Robert van der Meer has served on the Board for longer than nine years and seeks re-election from shareholders annually. The Supervisory Board does not consider that a Supervisory Director's tenure necessarily reduces his or her ability to act independently and, following performance evaluations, believes that each Supervisory Director is independent in character and judgement and that continuity and experience add to the strength of the Board.

Board committees

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 Remuneration Committees. Information on Supervisory Director's remuneration is provided on page 35.

The Board performs the duties of an Audit Committee including reviewing the Annual and Interim Accounts, the system of internal controls and risk management, 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, meets twice a year specifically to consider audit matters and this provides a forum through which the auditors may report to the Board. Professor Robert van der Meer chairs the part of the meeting of Supervisory Directors that considers audit matters.

In addition, in order to review the effectiveness of the Supervisory Board and the individual Supervisory Directors, the Supervisory Board carries out a process of formal annual self-appraisal. This is facilitated by the completion of a questionnaire and led by the Chairman. The performance of the Chairman is evaluated by the other Supervisory Directors. The Board considers that the appraisal process is a constructive means of evaluating the contribution of Supervisory Directors and to identify ways to improve the functioning and performance of the Board. The Board does not consider that the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process that has been adopted, but the option of doing so will be kept under review.

The Board reviews on an annual basis the performance and the terms of appointment of the Management Board Director, Investment Manager and other key service provider appointments.

The Company is committed to high standards of corporate governance.

It adheres, where relevant, to:

- The Dutch Corporate Governance Code
- The UK Corporate Governance Code
- The UK Association of Investment Companies Code of Corporate Governance.

Remuneration Report

Supervisory Directors' Remuneration

The Board's policy is to set Supervisory Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Chair of Audit, Senior Independent Director and Directors are taken into account. The policy aims to be fair and reasonable in relation to comparable investment trusts and other similar sized financial companies.

At the Company's last general meeting, held on 23 April 2015, shareholders approved the changes to Directors' remuneration. The approval of shareholders at a general meeting is required for any changes to the remuneration of Supervisory Board Directors.

The Board considers the level of Directors' fees at least annually. As previously reported, the Board has experienced a period of change as long serving Directors have retired and new members joined. In light of these changes and in recognition of the increasing regulatory responsibilities borne by Directors, the Board engaged an external consultancy, Trust Associates Limited, to undertake an extensive independent benchmarking review of the fees paid to Directors.

Trust Associates Limited based their review on an analysis of the relative workload of the directors in comparison to other similar investment companies and by comparison with their database of fees and other data covering 239 investment companies. Trust Associates Limited took into account a number of factors, including the levels of fees that are the norm for investment company directors generally, their responsibilities, their relationship with the Company's suppliers, the complexity of the Company and the fact that the Trust has more than doubled in size over the last three years.

The Directors have reviewed the recommendations made by the consultants and have agreed that the proposed fees, set out in the table below, be put to shareholders at the annual general meeting. The Board believe that the proposals more accurately reflect the role and responsibilities of Supervisory Board members and will bring their fees more in line with those of the Company's peers.

As detailed in the table below, the aggregate remuneration of the Supervisory Board for 2016, if approved, will result in the total fees paid to the Board returning to the level of fees paid in 2014, before the changes to the balance and composition of the Board took place. The Board can also confirm that, following these proposed increases to Supervisory Board fees, no significant changes are envisaged for the foreseeable future.

Based on the proposed levels of fees, Directors' remuneration for the year ending 31 December 2016 would be as follows:

Annual fees for Board responsibilities – 2016/15

	2016 (proposed†) €	2015 €	2014 €
Jack Perry CBE [1]	48,000	33,054	25,409
Professor Robert van der Meer	38,500	28,909	27,409
Julia Bond	37,500	26,409	25,409
Laurence Jacquot	32,500	26,409	25,409
Martin Breuer [2]	32,500	–	–
Sir John Ward [3]	–	23,239	34,535
Neville Cook [4]	–	26,409	25,409
Duco Sickinghe [5]	–	–	25,409
Total	189,000	164,429	188,989

(1) Appointed Chairman on 23 April 2015.
(2) Appointment subject to shareholder approval at General Meeting.
(3) Stepped down as Chairman on 23 April 2015.
Retired from Supervisory Board on 8 October 2015.
(4) Retired from Supervisory Board on 31 December 2015.
(5) Retired from Supervisory Board on 31 December 2014.
† Subject to shareholder approval at General Meeting.

Relative importance of spending on pay

The table below shows the actual expenditure during the year in relation to Supervisory Board remuneration, other expenses, shareholder distributions and year end net asst value:

	2015 €'000s	2014 €'000s
Aggregate Board remuneration	164	189
Management and other expenses	4,929	3,301
Dividends paid to Shareholders	19,647	14,284
Year end net asset value	483,854	273,127

Relations with shareholders

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 the Netherlands 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 Supervisory and Management Board Director and Investment Manager of the Company.

Julia Bond has been appointed Senior Independent Director. The Senior Independent Director is available to shareholders if they have concerns which initial contact through the Chairman or company secretary has failed to resolve or for which such contact is inappropriate.

Shareholders wishing to communicate with the Chairman or other members of the Board may do so by writing to European Assets Trust NV, 80 George Street, Edinburgh, EH2 3BU.

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* and the Royal Decree of 23 December 2004, limited liability companies, whose shares, 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 Dutch Code. European Assets Trust assumes that, with the introduction of the Dutch Act on Financial Supervision on 1 January 2007, the Dutch Code does not apply in full 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.*

**Act of 9 July 2004, Stb 370, to amend Book 2, CL*

Responsibility of Institutional Investors under the Code

The principles and provisions with regard to the responsibility of institutional investors as laid down in the Dutch Code do apply to all institutional investors including European Assets Trust. The Investment Managers, in the absence of explicit instructions from the Supervisory Board in a specific case, are empowered to exercise discretion in the use of the Company's voting rights. Only when there are matters of particular concern will the Investment Managers contact the Management Board Director to explore issues. The policy of the Investment Managers 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. The Company seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken by the Investment Managers on behalf of the Company. The Company's Investment Managers consider socially responsible investment and actively engages with portfolio companies.

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

Corporate governance has been an agenda item for each general meeting of the Company's shareholders since 2004. Each year, the corporate governance policy, including the remuneration policy, and the corporate governance as described in this section have been approved by the shareholders. At the General Meeting held in April 2015, shareholders once again approved the current corporate governance framework. In line with the Company's intention to do so annually, the subject is scheduled for discussion at the General Meeting of shareholders on 10 May 2016.

The Management Board Director and Board will continue to give the required attention to the subject during the current year. If preferable or required, the prevailing framework and policies and practice will be adjusted and improved. In doing this, the legal requirements of Dutch Law, as well as the principles and 'best practices' of the Dutch Code, in addition to the UK Code, as far as appropriate, will be taken into account.

Profit and Loss account

Note	For the year ended 31 December	2015 Euro	2014 Euro
	Income from Investments		
	Dividends from securities	7,573,538	5,099,147
	Irrecoverable source taxes	(6,270)	(7,026)
11		7,567,268	5,092,121
	Movements on investments – realised	20,922,144	16,706,124
	Movements on investments – unrealised	56,129,603	16,483,480
		77,051,747	33,189,604
	Total investment gain	84,619,015	38,281,725
12	Investment management fee	(2,983,273)	(2,003,329)
13	Depositary and custody fees	(190,619)	(107,993)
14	Share issuance and prospectus costs	(593,246)	–
15	Other expenses	(1,166,173)	(1,110,662)
16	Interest charges	(159,776)	(268,973)
	Total operating expenses	(5,093,087)	(3,490,957)
	Net profit	79,525,928	34,790,768
10	**Earnings per share**	2.94	1.72

Balance sheet

Capital Notes	For the year ended 31 December	2015 Euro	2014 Euro
1	**Investments**		
	Securities	473,801,288	290,695,109
	Receivables		
2	Other receivables	805,038	168,518
	Other assets		
3	Cash and cash equivalents	9,332,512	–
	Total current assets	10,137,550	168,518
	Current liabilities (due within one year)		
4	Banking facility	–	(17,485,254)
5	Accrued liabilities	(84,807)	(251,607)
	Total current liabilities	(84,807)	(17,736,861)
	Total of receivables and other assets less current liabilities	10,052,743	(17,568,343)
	Total assets less current liabilities	483,854,031	273,126,766
	Capital and reserves		
6	Issued share capital	14,645,232	9,944,070
7	Share premium account	235,176,727	89,360,641
9	Other reserves	234,032,072	173,822,055
		483,854,031	273,126,766
10	**Net asset value per Ordinary Share – Basic**	15.20	12.63

Statement of Cash Flows

Capital Notes	For the year ended 31 December	2015 Euro	2014 Euro
	Cash flow from investment activities		
	Dividends	7,235,707	4,995,001
	Purchase of securities	(158,377,831)	(74,378,548)
1	Sales of securities	52,256,804	39,905,816
	Share issuance and prospectus costs	(593,246)	–
	Depositary fees, custody fees and other expenses	(1,363,329)	(1,215,134)
	Investment management fee	(2,983,273)	(2,003,329)
	Interest charges	(204,943)	(271,870)
		(104,030,111)	(32,968,064)
	Cash flow from financing activities		
	Credit facility	(17,485,254)	3,660,140
9	Dividends	(19,315,911)	(14,027,654)
	Sale of own shares	150,163,788	43,335,578
		113,362,623	32,968,064
	Cash and cash equivalents		
	Net movement for the year	9,332,512	–
	Balance as at 1 January	–	–
	Balance as at 31 December	9,332,512	–

FINANCIAL REPORT

Accounting Policies

General

European Assets Trust N.V. (the 'Company'), registered in Amsterdam, the Netherlands, and having its offices in Rotterdam, the Netherlands, is a closed-end investment company with variable capital. Until 22 July 2014, the Company operated under a licence pursuant to the Dutch Financial Supervision Act granted by the Autoriteit Financiele Markten, the supervisory body in the Netherlands. As of 22 July 2014, the date on which the Alternative Investment Fund Management Directive ('the AIFMD') became fully effective, F&C Investment Business Limited was appointed as AIF Manager and KAS Trust & Depositary Services BV as depositary. For a general description of the agreements with the AIF Manager, the depositary and the Company's managing director (FCA Management B.V.) reference is made to Note 12, Note 13 and Note 20, respectively. On 6 July 2015, the Company published a prospectus, approved by the Dutch financial regulator, the Autoriteit Financële Markten in respect of issuance of up to nine million new shares.

The Company has prepared an AO/IC Manual describing its administrative and internal control procedures. The Annual Accounts 2015 are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards Board as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving").

The financial year of the Company equals the calendar year. The comparative figures included in these financial statements refer to the financial year 2014.

The valuation principles and method of determining the Company's results are the same as those used in the previous year.

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

Investments

Listed investments are valued at the closing bid price on the valuation date on the relevant stock markets.
Unquoted investments are valued by the Management Board Director. As at 31 December 2015, 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 Profit and Loss Account.

Own shares held by the Company

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

Share premium account

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

Cash and cash equivalents and bank overdraft

Cash and cash equivalents represent bank balances and deposits with terms of less than twelve months. The bank overdraft is recognised as part of the banking facility under current liabilities. Cash at bank is valued at nominal value.

Other assets and liabilities

Receivables are valued initially at the fair value of the consideration to be received. Where considered necessary, provisions for bad debts are deducted from the carrying amount of the receivable. On initial recognition current liabilities are recognised at fair value.
After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

Determination of results - general

The results on transactions are recognised in the year in which they are realised. In the determination of results, the unrealised movements in value of the investments are also taken into account.

Income

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

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

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

(d) Other interest includes interest on credit bank balances and interest received from tax authorities.
(e) Movements on investments include all movements in the value of the investments during the financial year as well as profits and losses on realisation.

Expenses

Expenses are dealt with on an accruals basis. Transaction costs in respect of purchases and sales of investments are included in movements on investments. All other expenses are charged to the profit and loss account.

Financial income and expenses

Interest income and expenses are recognised on an accruals basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the availability commission for the undrawn part of the banking facility is taken into consideration.

Taxation

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

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 Profit and Loss Account. Transactions 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).

	2015	2014
Danish Krone	**0.13400**	0.13429
Norwegian Krone	**0.10400**	0.11022
Pound Sterling	**1.35676**	1.28858
Swedish Krona	**0.10919**	0.10557
Swiss Franc	**0.91962**	0.83170

Statement of Cash Flows

The Statement of Cash Flows is prepared using the direct method. Cash and cash equivalents include cash held at banks. Receipts and payments in respect of received dividends, interest charges, sales and purchases of securities and expenses are included under "Cash flows from investment activities". Receipts and payments in respect of amounts drawn down from or redeemed to the credit facility, dividends distributed to shareholders and sale and repurchase of own shares are included under "Cash flows from financing activities".

Related parties

A related party is any entity or person which has control or significant influence over the Company, or any entity over which the Company has control or significant influence. The Management and Supervisory Board Directors, the AIF manager, and key employees of the AIF manager involved with the investment management of the Company and their close relatives are also considered related parties. Transactions with related parties are disclosed to the extent that these have not been entered into at arm's length basis. Such disclosure will contain the nature and size of the transaction and other relevant information.

Estimates

In applying the principles and policies for drawing up the Annual Accounts, estimates and judgments are made that may impact the amounts disclosed in the Annual Accounts. If and when necessary for providing the transparency as required under section 362, sub 1, Book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant item in the Annual Accounts.

Notes to the Accounts

1. Investments

	Euro 2015	Euro 2014
Listed investments as at 31 December incorporated in:		
Denmark	**34,478,608**	21,861,510
Finland	**16,535,532**	7,642,577
France	**18,076,584**	8,490,960
Germany	**84,985,852**	53,402,498
Ireland	**103,058,840**	58,208,110
Italy	**59,688,324**	28,289,354
Netherlands	**10,770,375**	20,726,137
Norway	**23,545,750**	18,055,969
Portugal	**14,801,669**	8,378,421
Spain	**38,991,704**	25,632,041
Sweden	**31,949,622**	11,969,593
Switzerland	**36,918,428**	28,037,939
	473,801,288	290,695,109

Investments in Denmark, Norway, Sweden and Switzerland are priced in local currencies and converted to Euros. There were no unquoted investments at 31 December 2015 and 2014. All investments as at 31 December 2015 are at the free disposal of the company.

	Euro 2015	Euro 2014
The changes in securities are shown below:		
Market value as at 1 January	**290,695,109**	222,966,178
Purchases during the year	**158,311,236**	74,445,143
Sales during the year	**(52,256,804)**	(39,905,816)
	396,749,541	257,505,505
Currency exchange gains/(loss)	**1,377,413**	(1,334,632)
Change in value and results on realisation	**75,674,334**	34,524,236
Market value as at 31 December	**473,801,288**	290,695,109

Transaction costs

During the year the Company incurred transaction costs of €479,176 (2014: €190,915) on the purchase and sale of investments.

2. Other receivables

Other receivables at 31 December 2015 relate to the issue of 20,000 new shares with net proceeds of €304,959 received and settled shortly after the end of the financial year and to amounts receivable from Dutch and other tax authorities totalling €500,079.

Other receivables at 31 December 2014 amounting to €168,518 related entirely to amounts receivable from Dutch and other tax authorities. Other receivables all have a remaining term to maturity of less than one year.

3. Cash and cash equivalents

Cash and cash equivalents comprise amounts in Euros.

4. Banking facility

The Company has a banking facility with KAS BANK NV. The total amount of the banking facility available to the Company may vary from time to time depending on the value of the Company's investments, and currently will not exceed €45,000,000 (31 December 2014: €25,000,000). The credit facility arrangement is part of an overall custody agreement between the Company and KAS BANK NV. The agreement is entered into for an indefinite period of time and can be terminated by either party with due observance of a notice period of 60 days. For amounts drawn under the facility, an interest rate equal to the one month Euribor plus 1.53% per annum applies; for the undrawn part of the facility an availability commission of 0.18% per annum is paid. As at 31 December 2015, the facility is completely undrawn (31 December 2014: €17,485,254 drawn). As part of the custody agreement, the Company has granted to KAS BANK NV a first right of pledge over its investments as a continuing security for due payments of all liabilities to KAS BANK NV including the amounts drawn under the banking facility.

5. Accrued liabilities

This item includes accrued expenses and creditors, all due within 12 months.

6. Issued share capital

The Company is an investment company with a variable capital. The number of authorised ordinary shares of €0.46 each as at 31 December 2015 amounts to 50,000,000 (31 December 2014: 30,000,000). The extraordinary general meeting of shareholders held on 3 July 2015 approved an amendment to the Company's articles of association whereby the authorised share capital of the Company was increased from 30,000,000 ordinary shares to 50,000,000 ordinary shares.

	2015 Shares	**2015 Euro**	2014 Shares	2014 Euro
Balance as at 1 January	**21,617,544**	**9,944,070**	17,959,002	8,261,141
Stock dividend	**22,859**	**10,515**	23,542	10,829
Treasury shares sold (see Note 8)	**3,312,057**	**1,523,547**	3,635,000	1,672,100
Shares newly issued (see Note 8)	**6,885,000**	**3,167,100**	–	–
Balance as at 31 December	**31,837,460**	**14,645,232**	21,617,544	9,944,070

The number of shares issued and outstanding as at 31 December 2015 amounts to 31,837,460 (31 December 2014: 24,937,280), of which no shares (31 December 2014: 3,319,736) shares are held by the Company in treasury.

7. Share premium account

	2015 Euro	2014 Euro
Balance as at 1 January	**89,360,641**	47,756,492
Decrease as a result of stock dividend	**(10,515)**	(10,829)
Increase as a result of shares sold (see note 6)	**145,826,601**	41,614,978
Balance as at 31 December	**235,176,727**	89,360,641

The share premium account is freely distributable to shareholders.

8. Sale and repurchase of own shares

During 2015, the Company sold in total 3,312,057 of its own shares held in treasury (2014: 3,635,000 shares), issued a further 6,885,000 new ordinary shares (2014: no new shares issued) and did not purchase any shares (2014: none). The sale of own shares held in treasury was in accordance with the Company's liquidity enhancement agreement determined by the Company during 2005 for the buy-back and sale of shares to and from treasury. During 2015, the Company amended this agreement to extend these conditions to the sale and issuance of new ordinary shares.

Notes to the Accounts

The total net proceeds from the sale of treasury and newly issued shares in 2015, net of brokerage commissions, amounted to €150,517,248 equal to €14.76 per share (2014: €43,287,078 equal to €11.91 per share). As at 31 December 2015 an unsettled transaction for the issuance of 20,000 shares with transaction value of €304,959 remained outstanding. This amount was settled and received shortly after the end of the financial year.

The total amount in respect of brokerage commissions paid to the Company's independent broker in 2015 was €839,576. This amount has been charged to the Share premium account.

9. Other reserves

	2015 Euro	2014 Euro
Balance as at 1 January	**173,822,055**	153,058,941
Add: net profit	**79,525,928**	34,790,768
Less: interim dividends paid in cash	**(19,315,911)**	(14,027,654)
Balance as at 31 December	**234,032,072**	173,822,055

Other reserves are freely distributable to shareholders.

10. Net asset value/net income

Comparative figures for movement in capital and income:

	2015 Euro	2014 Euro	2013 Euro	2012 Euro	2011 Euro
Net asset value	**483,854,031**	273,126,766	209,076,574	135,286,356	109,523,924
Number of shares	**31,837,460**	21,617,544	17,959,002	14,760,874	14,881,368
Net asset value per share	**15.20**	12.63	11.64	9.17	7.36
Dividend income	**7,567,268**	5,092,121	3,753,738	3,306,636	3,382,688
Movements on investments	**77,051,747**	33,189,604	48,866,558	32,407,627	(10,161,945)
Interest/other income	**–**	–	–	–	2,357
Total investment gain/(loss)	**84,619,815**	38,281,725	52,620,296	35,714,263	(6,776,900)
Depositary fees, custody fees and other expenses	**(1,356,792)**	(1,218,655)	(1,039,221)	(1,065,257)	(955,034)
Investment management fee	**(2,983,273)**	(2,003,329)	(1,364,563)	(1,017,335)	(1,033,096)
Share issuance and prospectus costs	**(593,246)**	–	–	–	–
Interest charges	**(159,776)**	(268,973)	(198,366)	(163,132)	(198,239)
Net profit/(loss)	**79,525,928**	34,790,768	50,018,146	33,468,539	(8,963,269)
Dividend and interest income per share*	**0.28**	0.25	0.23	0.22	0.23
Gains/(losses) on investments per share*	**2.85**	1.64	3.00	2.19	(0.68)
Expenses per share**	**(0.19)**	(0.17)	(0.16)	(0.14)	(0.15)
Net profit/(loss) per share*	**2.94**	1.72	3.07	2.27	(0.60)
Dividends paid per share	**0.7743**	0.7221	0.5757	0.4698	0.5337
Ongoing charges*** (UK method)	**1.10%**	1.33%	1.41%	1.70%	1.64%
Ongoing charges*** (Dutch method)	**1.25%**	1.33%	1.41%	1.70%	1.64%

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

** Expenses per share: Total of investment management fee, share issuance and prospectus costs, depositary fee, custody fee and other expenses and interest charges divided by weighted average number of shares in circulation during the year.

*** For the definition of ongoing charges reference is made to Note 19.

11. Income	2015 Euro	2014 Euro
Interest and dividends from securities, after deduction of irrecoverable taxes, are related to investments in:		
Denmark	**493,677**	251,710
Finland	**237,222**	175,500
France	**159,836**	232,893
Germany	**1,371,884**	991,228
Ireland	**1,808,332**	1,086,501
Italy	**1,086,002**	818,950
Netherlands	**163,898**	530,563
Norway	**455,359**	225,955
Portugal	**574,006**	–
Spain	**1,061,534**	478,610
Sweden	**161,788**	127,296
Switzerland	**–**	179,941
Less: irrecoverable source taxes	**(6,270)**	(7,026)
	7,567,268	5,092,121

12. Investment management fee	2015 Euro	2014 Euro
Remuneration of the Investment Manager	**2,983,273**	2,003,329

F&C Investment Business Limited (F&C) provides investment management and other services to the Company. F&C has provided these services during 2015 and 2014 (as of 22 July 2014 in their capacity of AIF Manager for the Company). These services can be terminated by the Company at any time by giving six months notice of termination. F&C receives a quarterly fee, payable in advance, equal to 0.2 per cent of the value of funds under management, excluding the value of any funds managed by the F&C group and 50 per cent of the value of funds managed by other managers, based on the value of total assets less current liabilities (excluding borrowings from current liabilities) at the end of the preceding quarter.

Detailed regulatory disclosures including those on the the AIF Manager's remuneration policy and costs are available on the Company's website or from F&C on request.

13. Depositary and custody fees	2015 Euro	2014 Euro
Custody fees	**140,779**	88,776
Depositary fee	**49,840**	19,217
	190,619	107,993

As of 22 July 2014, the date on which the AIFMD became fully effective, KAS Trust & Depositary Services BV, a subsidiary of KAS BANK NV, was appointed as depositary and custodian for the Company. The depositary and custody services can be terminated by either party by giving six months notice of termination. Prior to 22 July 2014 custody services were delivered by KAS BANK NV. No depositary services were required.

The fee for depositary services, payable on a monthly basis, is equal to 0.013 per cent of the value of funds under management less the amount used under the credit facility at the end of the preceding month, divided by twelve, plus VAT. The fee for custody services, payable on a monthly basis, is equal to the sum of 0.0325 per cent of the value under custody up to €100 million plus 0.03 per cent of the value under custody from €100 million up to €150 million plus 0.0275 per cent of the value under custody above €150 million, divided by twelve. No VAT is applicable to custody services. The value under custody is determined at the end of the preceding month.

Notes to the accounts

14. Share issuance and prospectus costs

Non recurring or share issuance and prospectus costs during the year ended 31 December 2015 amounting to €593,246 comprise advisory and other costs in connection with the preparation and publication of a new prospectus for the Company, issuance and supervision fees paid to the London Stock Exchange and to regulatory authorities, and remuneration of €30,250 (€25,000 excluding VAT), paid to the Company's Management Board director, FCA Management BV, for services rendered in connection with the prospectus (see Note 20).

15. Other expenses	2015 Euro	2014 Euro
Remuneration of the Supervisory Directors	171,056	169,606
Annual remuneration of the Management Director	103,975	102,947
Remuneration of the Management Director (in connection with the implementation of AIFMD)	–	24,200
Travel expenses	36,208	49,894
Indemnity insurance costs	10,574	10,000
Auditor's remuneration	36,300	36,500
Fund administration fee	167,002	108,151
Broker fees	42,853	40,204
Advisory costs	128,002	220,188
Marketing, plan administration, advertising and printing costs	160,861	110,748
Bank administration charges	83,001	68,450
Other expenses	226,341	169,774
	1,166,173	1,110,662

Other expenses include mainly Dutch and UK listing, registration and other regulatory fees and miscellaneous costs. The independent auditor's remuneration for 2015 comprises an amount of €36,300, including VAT, in respect of the audit of these financial statements. The auditor did not provide any other service to the company other than a review of prospectus information for which the auditor received remuneration of €11,495 (including VAT), which costs are included in share issuance and prospectus costs (see note 14).

16. Interest charges	2015 Euro	2014 Euro
Interest and charges on bank facility	159,776	268,973

17. Financial instruments

In the normal course of its business, the Company holds a portfolio of equities, and manages investment activities with on-balance sheet risk. Equities are valued at fair value. A description of the basis of valuation of investments is included within Accounting Polices. These financial instruments are subject to the risks described below.

Market risk

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

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

17. Financial instruments (continued)

Market risk (continued)

Any changes in market conditions will directly affect the profit or loss reported through the Revenue Account. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2015 would have increased net assets and net profit for the year by €118.5 million (2014: €72.7 million). A decrease of 25 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

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 risks to which it is subject.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. The Company reports its results and financial position in Euros. The Company will have exposure to European currencies other than the Euro (see Note 1). The Company does not employ any derivatives to hedge its exposure to other currencies.

Liquidity risk

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

Insight into actual risks

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

Risk management of financial instruments

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

Policy regarding the use of financial instruments

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

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

18. Turnover ratio

Dutch method

This shows the turnover of the investments against the average net assets value of the Company. The turnover ratio ('Portefeuille Omloop factor') is determined by expressing the amount of turnover as a percentage of the average net asset value of the Company. 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 (Dutch method) for 2015 is 14.8% (2014: 29.3%).

UK method

The turnover ratio (UK method) for the year ended 31 December 2015 was 26% (2014: 29%). This is expressed as ((purchases + sales) ÷ 2) as a percentage of the average net asset value of the Company.

Notes to the accounts

19. Ongoing charges

UK method

The Ongoing Charges figure (UK method) for the year ended 31 December 2015 was 1.10% (2014: 1.33%) and is calculated based on the methodology for the calculation of an Ongoing Charges figure as recommended by the Association of Investment Companies (AIC), which defines the Ongoing Charges figures as the ratio of total ongoing costs to the average net asset value. Share issuance and prospectus costs, interest on borrowing and transaction costs are not considered as ongoing charges and are excluded from the calculation of the Ongoing Charges figure (UK method).

Dutch method

The Ongoing Charges figure (Dutch method) which, within the scope of the Dutch Act on Financial Supervision ('Wft'), should be reported by investment institutions in the Netherlands in order to provide clear and comparable information on the level of costs, amounts to 1.25% for the financial year (2014: 1.33%). In the Nadere regeling gedragstoezicht beleggingsinstellingen Wft (further regulation supervision investment institutions) for the definition of the Ongoing Charges figure (Dutch method) reference is made to the EU Directive 2009/65/EC. The Ongoing Charges figure (Dutch method) is defined as the ratio of total ongoing charges, i.e. total ongoing costs, to the average net asset value. Performance related fees, interest on borrowing and transaction costs are not considered as ongoing charges and should be excluded from the calculation of the Ongoing Charges figure (Dutch method), whereas share issuance and prospectus costs are included.

20. Remuneration of the Supervisory and Management Board

The annual remuneration of the members of the Supervisory Board comprises fixed amounts as determined by the General Meeting of shareholders. The remuneration of the Chairman of the Supervisory Board amounted to €36,035 (2014: €34,535) and the remuneration of the Supervisory Director who is also Vice Chairman and Chair of the Audit amounted to €28,909 (2014: €27,409), whereas the other members of the Supervisory Board each received €26,409 (2014: €25,409). The remuneration of the Managing Director, FCA Management BV, is also fixed on annual basis and amounted to €103,975, including VAT (2014: €102,947). In addition, a one-off additional remuneration amounting to €30,250, including VAT, was paid during 2015 to FCA Management BV for services rendered in connection with the preparation and publication of the Company's prospectus (see note 14).

The policy on Supervisory Director's 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 to other comparable investment companies. A full discussion of the proposed increases in Supervisory Directors' fees for 2016 is included in the Governance Report on page 35 of this Report. An increase in fee levels requires approval of Shareholders at a general meeting.

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.

21. Outsourcing

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, terms of notice, compliance with regulation and fees.

Main duty:	Outsourced to:
Accounting and Reporting	KAS BANK NV
Management Board Director	FCA Management BV
AIF Manager (including investment management)	F&C Investment Business Limited
Custodian and Depositary	KAS Trust & Depositary Services B.V.

The liability of the Investment Managers (F&C Investment Business Limited) towards the Company is stipulated in the investment management agreement and can be summarised as follows. The Investment Managers will act in good faith, with due skill, care and diligence in the best interests of the Company and in accordance with the standard of care that could be reasonably expected of a professional manager of an investment trust with a similar investment policy to the Company's investment guidelines in the performance of its services. The Investment Managers will be liable for losses only to the extent that such losses arise under the law of agreement and where such losses are directly caused by the negligence, fraud, wilful default, intent or material breach of the terms of the investment management agreement committed by the Investment Managers or any associates or delegates of the Investment Managers and its or their employees, directors and officers. The Investment Managers shall not be liable for any direct or consequential loss, claim, damage, expense or liability suffered by the

Company or for any failure or delay in performing any of its obligations which has been caused by force majeure. The Investment Managers will not be liable for any direct or indirect, special or consequential loss, claim, damage, expense or liability suffered by the Company and caused by any investment decision made in accordance with the provisions of the investment management agreement, or any depreciation in the value of the Company's portfolio or any income arising therefrom.

The liability of the custodian and depositary (KAS Trust & Depositary Services BV) towards the Company is stipulated in the custodian and depositary agreement and can be summarised as follows. The custodian and depositary ('the depositary') shall be liable to the Company for any loss suffered as a result of the depositary's unjustifiable failure to perform its obligations or its improper performance of them. Any claims the shareholders of the Company and the Company may have towards the depositary can only be initiated by the Company and not by the Company's shareholders directly to the depositary. In no circumstances shall the depositary be liable to the Company for any loss resulting from force majeure.

22. 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 2015 there were no fund or investment transactions between these related parties and the Company. During the year, the Company did not invest in any funds managed by the F&C Group.

23. Employees

The Company does not have any employees.

24. Subsequent event

With regard to the distribution policy, the Company announced a dividend of €0.304 per share on 7 January 2016. This dividend was paid from the other reserves on 29 January 2016. During the year 2016, the total distributions are expected to be €0.912 per share, payable in equal instalments in January, May and August.

Subsequent to the end of the financial year 2015 until the date of these annual accounts (3 March 2016), the Company sold in total 750,000 of its own shares. In addition 9,178 shares were issued as scrip.

The Management Board Director
FCA Management BV

The Supervisory Board
Jack Perry CBE, Chairman

Professor Robert van der Meer, Vice Chairman

Julia Bond, Senior Independent Director

Laurence Jacquot

Martin Breuer†

Rotterdam
3 March 2016

† Appointment subject to Shareholder approval at forthcoming General Meeting.

Additional 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. In view of the interim dividends already distributed amounting to €0.7743 per share, the final dividend for 2015 is proposed to be nil. It is further proposed to allocate the remaining amount as undistributed income to other reserves.

Proposed income allocation	**2015 Euro**	2014 Euro
Net profit	**79,525,928**	34,790,768
Dividends	**(19,647,471)**	(14,284,129)
Dividends distributed in shares	**331,560**	256,475
Undistributed income carried forward	**60,210,017**	20,763,114
Earnings per share	**2.94**	1.72
Dividends per share	**0.7743**	0.7221

Earnings per share are based on the net profit for the year divided by 27,013,907 (2014: 20,281,352) shares, being the weighted average number of shares in circulation during the year.

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 Autoriteit Financiele Markten the following major holdings in the Company are disclosed: European Assets Trust NV: 2.98%*. This concerns shares held by the Company in treasury, which are not in circulation and disregarded both from a financial and a voting right point of view.

* This concerns the percentage registered as at 25 March 2015 following a sale of own shares whereby the threshold value of 3.0% was passed. At 31 December 2015 the Company held none of its own shares 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 2015.

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

As at 31 December 2015, Mr Jack Perry and Ms Julia Bond had a beneficial interest of 4,063 shares and 2,325 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 2015.

Alternative Investment Fund Managers Directive

In accordance with the Alternative Investment Fund Managers Directive ('the AIFMD'), information in relation to the Company's leverage and the remuneration of its AIF manager, F&C Investment Business Limited, is required to be made available to investors.

The Company qualifies as a Dutch fiscal investment institution ('fiscale beleggingingstelling'). Investments can therefore be funded by borrowings up to a maximum of 20 per cent of the book value of the securities portfolio of the Company. A similar restriction is also included within the Company's Articles of Association which state that the Company can only exceed this level of borrowing with the prior approval of shareholders at a general meeting.

Therefore, the maximum gross leverage, calculated in accordance with the requirements of the AIFMD, is 125% under the Gross Method and 125% under the Commitment Method (equivalent to 20% of the book value of the Company securities portfolio).

The Company's maximum and average actual leverage levels at 31 December 2015 are shown below:

Leverage exposure as at 31 December 2015	Gross Method	Commitment method
Maximum limit	125%	125%
Actual	98%	100%

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Company's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Detailed regulatory disclosures including those on the the AIF Manager's remuneration policy and costs are available on the Company's website or from F&C on request.

An Investor Disclosure Document for the Company is available on the Company's website www.europeanassets.eu.

Independent Auditors' Report

To: the general meeting and Supervisory Board of European Assets Trust N.V.

Report on the financial statements 2015

Our opinion

In our opinion the financial statements give a true and fair view of the financial position of European Assets Trust N.V. as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2015 of European Assets Trust N.V., Rotterdam ('the company'). The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of European Assets Trust N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

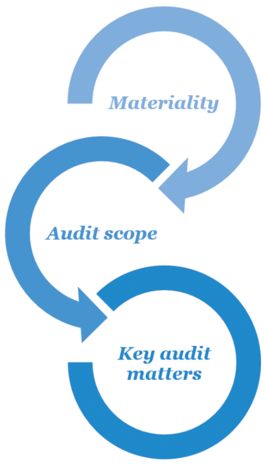
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview and context

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the management board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management board that may represent a risk of material misstatement due to fraud.

We ensured that the audit teams included the appropriate skills and competences which are needed for the audit of an investment company. We therefore included valuation specialists in our team



Materiality

- Overall materiality: €4,800,000 which represents 1.0% of net assets.

Audit scope

- The company is a standalone Company and engages F&C Investment Business Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements at KAS BANK NV (the 'Administrator') to whom the Management Board has delegated the provision of certain administrative functions.
- We place reliance on the Administrator's service provider report on the operating effectiveness of internal controls on outsourced processes since it covers IT general controls and operational processes that are relevant to our audit of the financial statements.
- We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.

Key audit matters

- Existence and valuation of investments
- Completeness and accuracy of direct and indirect income from investments

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€4,800,000 (2014: €1,233,500).
How we determined it	1% of net asset.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that net asset value is an important metric for the financial performance of the company.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €240,000 (2014: €67,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the company, the involvement of F&C Investment Business Limited (the 'Manager') and KAS BANK N.V. (the 'Administrator'), the accounting processes and controls, and the industry in which the company operates.

The company's accounting is delegated to the Administrator who maintain their own accounting records and controls and report to the management board.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and reading the relevant control reports issued by the independent auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. We then identified those key controls at the Administrator on which we could place reliance to provide audit evidence. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements, including whether we needed to perform additional testing in respect of those key controls to support our substantive work. For the purposes of our audit, we determined that additional testing of controls in place at the Administrator was not required.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

Key audit matter	How our audit addressed the matter
Existence and valuation of investments	
The investment portfolio at year-end comprised European listed equity investments valued at €473,801,000 as mentioned on page 42 of the financial statements. We focussed on the existence and valuation of investments because investments represent the principal element of the net asset value as disclosed on the balance sheet of the financial statements.	We tested the existence of the investment portfolio by agreeing the holdings for investments to the independent custodian confirmation from KAS Trust & Depositary Services BV. We tested the valuation of listed equity investments by agreeing the prices used in the valuation per 31 December 2015 to independent third party sources. In testing the valuation of the listed investments we used our valuation specialists. In addition, we tested whether the disclosures related to the investments, as included in the financial statements, are adequate and sufficient and provide accurate information on the nature, financial results and risks of the investments in line with applicable laws and regulations.

Key audit matter	How our audit addressed the matter
Completeness and accuracy of direct and indirect income from investments The Dutch Standards on Auditing presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve capital growth in line with the objective of the company. We focussed on the completeness and accuracy of the direct and indirect income from investments and its presentation in the profit and loss account as set out in the applicable requirements of the financial reporting framework. This is because incomplete or inaccurate revenue could have a material impact on the company's net asset value. The income from investments and (un)realised movements on investments of the company are recorded in the profit and loss account based on the accounting principles as set out on pages 40 and 41 of the financial statements.	We obtained the ISAE 3402 Type II report, certified by an independent auditor, on the suitability and operating effectiveness of the key controls of the Administrator for the period from 1 January to 31 December 2015. We reviewed this report and assessed that the internal controls related to the revenue recognition are suitably designed and operated effectively during the period of the audit. In addition, we tested dividend receipts by agreeing the dividend rates from a sample of investments to independent third party sources. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared by a sample of investment holdings in the portfolio. The (un)realised movements on investments held at fair value comprise realised and unrealised gains/losses: • for unrealised gains/losses, we obtained an understanding of, and then tested the valuation process and the valuation as per 31 December 2015 to ascertain whether these gains/losses were appropriately calculated; and • for realised gains/losses, we tested disposal proceeds by agreeing the proceeds to bank statements and sale agreements and we re-performed the calculation of a sample of realised gains/losses.

Responsibilities of the management board and the supervisory board

The management board is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines necessary to enable the preparation of the financial statements being free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going-concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the management board report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and the other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of European Assets Trust N.V. on 24 April 2014 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 24 April 2014 and has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of two years.

Rotterdam, 3 March 2016

PricewaterhouseCoopers Accountants N.V.

F.J. van Groenestein RA

Appendix to our auditor's report on the financial statements 2015 of European Assets Trust N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Notice of General Meeting

Notice is hereby given that the General Meeting of shareholders of European Assets Trust NV, will be held at the Company's Office, Weena 210-212, Rotterdam, at 10.00 am on 10 May 2016.

The agenda to be considered is as follows:

1 Opening.
2. Management Board Director's report for the financial year to 31 December 2015.
3. Adoption of the financial statements for the year ended 31 December 2015.
4. Appropriation of profit for the year ended 31 December 2015.
5. To approve the 2016 dividend of €0.912 per share to be paid in three equal instalments of €0.304 per share.
6. Discharge of the Management Board Director for the management over the last financial year.
7. Discharge of the Supervisory Board Directors for their supervision over the last financial year.
8. To re-appoint PricewaterhouseCoopers Accountants NV as auditors to the Company.
9. Re-appointment of Professor Robert van der Meer to the Supervisory Board.
10. Appointment of Martin Breuer to the Supervisory Board.
11. Approval of the corporate governance policy of the Company as set out in this annual report.
12. Increase the remuneration of the Chairman from €36,035 to €48,000, the Director who is also Chair of Audit from €28,909 to €38,500, the Director who is also the Senior Independent Director from €26,409 to €37,500 and all other Directors from €26,409 to €32,500 with effect from 1 January 2016.†
13. Any other business.
14. Closing.

An explanation of the agenda, the annual report for 2015 and the data prescribed by mandatory Dutch law with respect to Professor Robert van der Meer and Martin Breuer are deposited at the offices of FCA Management BV and are available to all shareholders.
To be passed, resolutions numbers 3 to 12 require a simple majority of votes cast.

† A full discussion of the proposed increases in Supervisory Director's fees is included in the Governance Report on page 35.

FCA Management BV

Rotterdam

3 March 2016

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.

Shareholder Information

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.

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, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Distributions on bearer shares are announced in the Official Price List of Euronext Amsterdam NV. 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, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

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

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

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 is a tax resident of the Netherlands and qualifies as a fiscal investment institution ('fiscale beleggingsinstelling').

Companies with fiscal 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 fiscal investment institution status under Dutch tax law are summarised below:

Shareholder Information (continued)

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

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

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

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

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

(c) Distributable profit must be distributed within 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 fiscal 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) One quarter or more than one quarter of the interest in the entity is not held by one individual.

(e) Both the total number of shares or participation certificates or of the shares or participation certificates that share in the reserves of the entity on its dissolution 45 percent or more are not held by one entity – not being a fiscal investment institution or an undertaking for collective investments as meant in article 4, paragraph 4 of the Dutch General Tax Act – that is subject to any form of income tax or whose profits are subject to such tax at the level of the beneficiaries of the assets or profits of the entity, or else of two or more such entities that are affiliated with each other, also taking into account the shares or participation certificates on which basis the aforementioned entities, whether or not pursuant to an agreement with others, can exercise their right to vote in the general shareholders' meeting.

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

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

Withholding Tax

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

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

Dividend Taxation

Netherlands Taxation

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

Dividend withholding tax

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

Of the dividends paid in 2015, an amount of €3,044,852 has been paid in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. The remainder of €16,271,059 is charged against the fiscal reinvestment reserve. 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, whom is an individual, do not form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company.
- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

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

Shareholder Information (continued)

- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

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

UK Resident Shareholders

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

Individual Shareholders

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

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

With effect from 6 April 2013 an additional rate taxpayer is liable to UK income tax on dividends received from the Company (to the extent that, taking the dividend as the top slice of his income, it falls above the threshold for the additional rate of income tax of £150,000) at the rate of 37.5 per cent of the gross dividend including any Netherlands dividends withholding tax and any notional tax credit which, after offsetting the 10 per cent notional tax credit, equates to a tax rate of 27.5 per cent of the gross dividend, or an effective rate of 30.56 per cent of the dividend paid.

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

Subject to the enacting of the UK Finance Bill 2016, draft clauses in the Bill will, with effect from 6 April 2016 abolish the notional tax credit and an annual tax free allowance of £5,000 is introduced. Basic rate taxpayers will have to pay 7.5% tax on dividend income in excess of the annual tax free amount. Higher rate taxpayers will have to pay 22.5% tax and additional rate taxpayers 38.1% tax. Dividends received in ISAs and pension funds will cotinue to be tax free.

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.

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 Netherlands dividend withholding tax.

On 17 September 2015, the European Court of Justice ruled in the joined cases Miljoen, X, and Société Générale (C-10/14, C-14/14 and C-17/14) that the Dutch withholding tax incurred by a non-Dutch resident individual shareholders on Dutch portfolio shares could lead to a discrimination of EU law. Both Dutch and non-Dutch resident shareholders are subject to Dutch withholding tax, meaning that the withholding in itself is in accordance with EU law. However, where Dutch resident shareholders can benefit from a credit or refund in their Dutch personal income tax return, the withholding tax is a final Dutch levy for non-resident shareholders. The European Court of Justice ruled that non-resident individual shareholders may however in principle not be subject to a higher effective Dutch tax burden for their Dutch dividends than the tax burden incurred by Dutch resident individuals for that same dividend. If Dutch withholding tax incurred in a calendar year by a non-Dutch resident individual shareholder on its Dutch portfolio shareholdings results in a higher effective burden than that of a Dutch resident individual shareholder in the same situation, and the withholding tax incurred cannot be fully credited in the country of residence based on an applicable Double Tax Treaty, a refund claim of that withholding tax could be filed by the shareholder with the Dutch tax authorities based on a breach of EU law. In case you cannot fully credit the withholding tax incurred on your shareholding in the Company, you should consult with your own professional advisor on the steps that can be taken. For corporate shareholders, opportunities based on this ruling are limited. For a full analysis of your withholding tax position and EU law possibilities you should consult with your own professional advisor.

Corporate Shareholders

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

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

UK taxation

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

Capital gains tax

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

Shareholders who are individuals will, to the extent that a gain on a disposal of shares, together with other gains less allowable losses in a fiscal year, exceeds the annual exempt amount which, for the fiscal year 2015/16 is £11,100 (2014/15: £11,000), be liable to capital gains tax. Disposals by higher rate taxpayers will be liable to capital gains tax at the rate of 28 per cent. Basic rate taxpayers will be taxed at the rate of 18 per cent.

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

Stamp taxes

- Buy back

  Where the shares are bought back into treasury a charge to stamp duty will arise if the document of transfer is executed in the UK or there is a matter 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.

Shareholder Information (continued)

- 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 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 fiscal reinvestment 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 fiscal reinvestment reserve (as defined under Dutch law).

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from **www.fca.org.uk** to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('FCA') on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at **www.fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

How to Invest

One of the most convenient ways to invest in European Assets Trust NV is through one of the savings plans run by F&C Investments.

F&C Investment Trust ISA

Use your ISA allowance to make an annual tax-efficient investment of up to £15,240 for 2015/16 tax year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Junior ISA (JISA)

This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £4,080 for 2015/16 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both. Since 6 April 2015, CTF holders can choose to transfer an existing CTF to a Junior ISA.

F&C Child Trust Fund (CTF)

CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Since 6 April 2015, the Registered Contact on a CTF can choose to transfer an existing CTF to a Junior ISA. Additional contributions can be made to the shares account version of the CTF from as little as £25 per month or £100 lump sum – up to a maximum of £4,080 for 2015/16 tax year.

F&C Private Investor Plan (PIP)

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

F&C Children's Investment Plan (CIP)

A flexible way to save for a child. With no maximum contributions, the plan can easily be set-up under bare trust (where the child is noted as the beneficial owner) to help reduce inheritance tax liability or kept in your name if you wish to retain control over the investment. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child's name. Money cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

Annual account charge

ISA: £60+VAT
PIP: £40+VAT
JISA/CIP/CTF: £25+VAT
You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits)

Dealing charge per holding

ISA: 0.2%
PIP/CIP/JISA: postal instructions £12, online instruction £8

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends for the PIP/CIP/JISA or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

How to Invest

You can invest in all our savings plans online.

New Customers

Contact our Investor Services Team

Call: **0800 136 420** (8:30am – 5:30pm, weekdays, calls may be recorded for training and quality purposes)

Email: **info@fandc.com**
Investing online: **www.fandc.com/apply**

Existing Plan Holders

Contact our Investor Services Team

Call: **0345 600 3030** (*9:00am – 5:00pm, weekdays, calls may be recorded for training and quality purposes)

Email: **investor.enquiries@fandc.com**
By post: F&C Plan Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

Historical Record

The performance of the Company since 2001 is shown in the table below.

						Euro		Sterling	
31 December	Market price per share Pence	Market price per share Euro	Net asset value per share Pence	Net asset value per share Euro	Dividends/ distributions per share Euro	% Annual total return net asset value per share	% Annual total return benchmark	% Annual total return net asset value per share	% Annual total return benchmark
2001*	531	8.25	569.12	9.35	1.56	(23.2)	(17.3)	(25.1)	(19.5)
2002	304	4.67	392.13	6.03	0.90	(27.5)	(22.1)	(22.5)	(17.0)
2003	482	6.85	548.19	7.78	0.37	37.1	40.0	48.5	51.2
2004	553	7.80	619.58	8.75	0.465	19.3	25.0	19.9	25.6
2005	721	10.49	782.52	11.39	0.555	37.7	39.6	33.7	35.5
2006	970	14.40	1,000.61	14.85	0.7325	38.2	33.8	35.9	31.2
2007	893	12.17	978.02	13.32	0.912	(4.8)	(3.0)	3.7	5.8
2008	479	4.95	519.97	5.38	0.8535	(56.4)	(49.5)	(42.1)	(33.4)
2009	582	6.55	642.10	7.23	0.3551	42.5	55.2	31.0	42.5
2010	628	7.33	727.44	8.49	0.4613	25.2	21.7	20.8	17.4
2011	544	6.51	614.78	7.36	0.5337	(7.6)	(21.8)	(9.9)	(23.8)
2012	692	8.54	743.39	9.17	0.4698	32.0	20.4	28.2	17.0
2013	964	11.59	968.61	11.64	0.5757	34.4	34.0	37.8	37.5
2014	987	12.72	980.50	12.63	0.7221	15.3	5.2	7.7	(1.9)
2015	1,127	15.29	1,120	15.20	0.7743	26.9	23.4	20.5	17.2

*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.

Glossary of Terms

AIC – Association of Investment Companies, is the UK trade body for closed-end investment companies (www.theaic.co.uk).

AIFMD – Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that all investment vehicles (AIF – Alternative Investment Fund) in the European Union must have appointed a Depositary and an Alternative Investment Fund manager on or before 22 July 2014. The Directors of the Company nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIF manager – The AIF manager, F&C Investment Business Limited, is responsible for the provision of investment management services to the Company.

Benchmark – This is a measure against which the Company's performance is compared. The Company's benchmark is the Euromoney Smaller European Companies (ex UK) Index.

Custodian – A specialised financial institution responsible for safeguarding worldwide the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services. The Company's custodian is KAS Trust & Depositary Services BV.

Depositary – Under AIFMD rules applying from July 2014, the Company must appoint a depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under AIFMD regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties. The depositary's oversight duties include, but are not limited to dividend payments and adherence to investment limits. The Company's depositary is KAS Trust & Depositary Services BV.

Discount (or Premium) – If the share price of the Company is less than its Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.

Dividend – The income from an investment. The Company currently pays dividends to shareholders three times per year in January, May and August. The rate of the dividend is announced in January each year and is set at an annual yield of six per cent to the net asset value at the end of the preceding year. A scrip alternative is available.

Gearing – The Company has the ability to borrow to invest within pre-determined limits. This term is used to describe the level of borrowings that the Company has undertaken, and is stated as a percentage of total assets less current liabilities. The higher the level of borrowings, the higher the gearing ratio.

Leverage – As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to Gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Management Board – The Management Board in the Netherlands, FCA Management, is entrusted with the corporate 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.

Market Capitalisation – The stock market value of a company is determined by multiplying the number of shares in issue, excluding those shares held in treasury, by the market price of the shares.

Net Assets (or Shareholders' Funds) – This is calculated as the value of the investments and other assets of the Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of the Company at a point in time.

Net Asset Value ('NAV') per Ordinary Share – This is calculated as the net assets of the Company divided by the number of shares in issue, excluding those shares held in treasury.

Ongoing Charges – This is a measure of the level of expenses incurred by the Company during a reporting period. It is calculated as the sum of the investment management fee and other expenses divided by the average net assets during the period.

Ordinary Shares – Shareholders are entitled to their share of both income, in the form of dividends paid by the Company and any capital growth. The Company has only Ordinary Shares in issue.

Scrip Dividend – Shareholders can 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 but UK capital gains tax rules should apply.

Share Price – The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Amsterdam and London stock exchanges

Supervisory Board – The Supervisory Board is responsible for supervising the policy of the Management Board and the general course of the Company's affairs and business. The Board currently consists of four Directors, all of whom are non-executive.

Total Return – The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

Important dates

Investing in European small and medium sized companies to deliver attractive returns

First Dividend Paid	29 January 2016
Announcement of Annual Results	16 March 2016
General meeting of Shareholders (Rotterdam)	10 May 2016
Shareholders and Investors' Briefing (London)	11 May 2016
Second Dividend Paid	31 May 2016
Announcement of Interim Results	August 2016
Third Dividend Paid	31 August 2016

European Assets Trust NV

REPORT AND ACCOUNTS 2015

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