Rotterdam, 9 March 2016

Press Release
European Assets Trust NV

Statement of Results for the year ended 31 December 2016

- **Total return* performance for the year ended 31 December 2016**

	Sterling	Euro
Net asset value per share	7.4%	(7.3)%
Euromoney Smaller European Companies (ex UK) Index	23.3%	6.4%

- **Total return* performance for the five year period ended 31 December 2016**

	Sterling	Euro
Net asset value per share	146.1%	140.8%
Euromoney Smaller European Companies (ex UK) Index	127.9%	132.4%

- **Distributions‡ for the year ended 31 December 2016 totalled 75.8p or 94.29c per share (2015: 56.6p or 77.43c)**

- **The annual dividend for 2017 is 78.84c per share equivalent to 6% of the opening net asset value per share**

	Sterling	Euro
January 2017 dividend paid per share	22.79p	26.28c

Further dividends payable in May and August. The actual amounts to be received by UK shareholders will be determined by the rates of exchange ruling at the dates when these dividends are paid.

* Capital performance with dividends reinvested
‡ Gross of Dutch withholding tax

Chairman's Statement
Fellow shareholders,

2016 Review

European Assets Trust ('the Company') recorded a Sterling net asset value ('NAV') total return for the year ended 31 December 2016 of +7.4% (2015: +20.5%) and a Sterling share price return of -2.7% (2015: +20.4%). This compares to the total return of its benchmark the Euromoney Smaller European Companies (ex UK) Index which rose 23.3% (2015: 17.2%) during the same period. Our performance is clearly disappointing and significantly below the returns we expect to deliver to you as shareholders. It is however a consequence of the risk of active investing on the basis of the high conviction philosophy and process followed by the investment managers. Historically, this philosophy and these processes have delivered good long term returns ahead of the market.

2016 was a volatile year dominated by political events which superseded fundamentals for most of the period. The uncertainty over both economic growth and political outcomes meant that the search for security pushed valuations of defensive assets to record relative valuations. The investment managers' valuation discipline, impacted by some uncharacteristically poor stock picking, meant that for the first half of the year our portfolio lagged this market.

While valuation gained more importance towards the year end, the market dislocation following the outcome of the British referendum on membership of the European Union had a severe detrimental effect on the portfolio. Despite some uplift to Euro and other European currency denominated holdings from the devaluation of Sterling post the Brexit vote, this was largely offset by the poor performance from our Irish listed holdings. These suffered from the perception that both their indirect and direct exposure to the United Kingdom would hurt their profits. However, since we initiated positions in these Irish companies, they have delivered handsomely, and we continue to maintain holdings in the majority of these companies, with the belief that they adopt quality business models, run by proven managers, and trade at attractive prices. Ultimately we believe that these fundamentals will prevail.

The Manager's Review which follows discusses the Company's performance in more detail.

Following the implementation of the Alternative Investment Fund Manager's Directive in 2014, the Company appointed F&C Investment Business Limited as its AIF Manager and KAS Trust & Depositary Services BV as its depositary. Although financial regulatory supervision switched to the British Financial Conduct Authority the Company remains Dutch registered. The Board and its advisors will therefore monitor closely financial and regulatory developments in both the United Kingdom and the Netherlands arising from the outcome of the British referendum on EU membership.

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 2017 of Euro 0.7884 per share (2016: Euro 0.912 per share, net of Dutch withholding tax) will be paid. This represents a 13.6% decrease in the 2017 Euro denominated dividend compared with the previous year. The 2017 dividend will be paid in three equal instalments of Euro 0.2628 per share on 31 January, 31 May and 31 August. The January dividend of Euro 0.2628 per share was paid to shareholders on 31 January 2017 and amounted to 22.8 pence per share in Sterling terms compared to 23.4 pence paid in January 2016 – a reduction of 2.6%. The total dividend for 2017 in Sterling will be determined by the exchange rates ruling on the dates of payment.

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. The facility available throughout the year was Euro 45.0 million. The facility is Euro-denominated and flexible, allowing the Manager to draw down amounts for such periods as required. The Manager made use of the facility during the year when investment opportunities arose.

Liquidity enhancement policy

To satisfy continuing demand for the Company's shares a prospectus was published in July 2015. Approved by the Dutch financial regulator, the Autoriteit Financiele Markten, this allowed for the issuance of up to nine million new shares within 12 months of the date of its publication at a price of at least net asset value and a premium to cover the commissions of issuance. During the subsequent 12 month period 6,240,000 shares were issued and sold. Of this amount 1,320,000 were issued and sold in the current year.

In July 2016 the Company received the necessary approval from the London Stock Exchange to allow the issuance, within a twelve month period, of a further 3,317,671 shares representing less than ten per cent of the issued share capital at that date. To facilitate the issuance of these shares at a price of at least net asset value and a premium to cover the commissions of issuance, the existing liquidity enhancement agreement with F&C Asset Management was amended.

However, following the outcome of the British referendum, the share price of the Company which had traded very close to NAV for a number of years declined into a discount. An initial recovery to par in September was short lived and at the year end the discount was -8.9% (2015: premium of 0.6%). The average discount of its European peer group at 31 December 2016 was -13.7%. The Board receives regular updates from its advisers with regard to movements in demand for the Company's shares and as at 6 March 2017 the discount had narrowed to -7.0%.

Outlook

2016 has been chastening for pollsters and economists alike and I will refrain from predictions here, but it feels reasonable to say that 2017 looks likely to be another challenging year. The potential hurdles in Europe loom large in the form of political elections in Germany, France, the Netherlands and of course the 'Brexit' negotiations. However recent precedents would suggest that even perceived negative outcomes do not necessarily mean that share prices will decline. 2016 ended so positively because the fundamentals for the global economy and Europe in particular have improved with economic statistics, including inflation being surprisingly positive.

This is encouraging for investors as it has brought fundamentals back to the fore. Prior to the fourth quarter a combination of central bank action and fear had driven investors to seek out assets perceived as safe. For bonds this has driven yields to irrational levels and for equities 'bond proxies' led the way. Valuation seemed to have been forgotten. The fourth quarter however saw market leadership transfer back to assets which have value support. This market sentiment is certainly more aligned with our Managers' investment strategy.

The Board continues to focus on strategy and performance. We will therefore not get carried away with improving economic fundamentals but instead invest based on solid individual company business models, management and results. After all, predicting economic growth is probably more difficult than predicting election results. While it has been a challenging year in terms of performance we believe the philosophy and process that the investment team has in place remains the right strategy to deliver good long term returns for our shareholders.

Shareholder meetings

The Company's General Meeting will be held at 12 noon on 21 April 2017 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 10 May 2017 at 10.00am at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY and will include a presentation from the Fund Manager, Sam Cosh, on the Company and its investment portfolio. This is a good opportunity for shareholders to meet the investment manager and the Board and we look forward to welcoming as many shareholders as are able to attend. In addition, for the first time and to reach a wider audience of shareholders, the presentation will be recorded and will be available to view on the Company's website shortly thereafter.

Jack Perry CBE
Chairman

Manager's review

Market Review

2016 was another volatile year for European equity markets. Though ultimately they ended the year in positive territory in Euro terms, it turned out to be much higher in Sterling terms due to the depreciation of the Pound following the referendum.

Politics dominated news flow firstly with the British decision to leave the European Union and then Trump's election to the Presidency of the United States driving market direction, though perhaps not as many would have predicted. The outcome of the Italian referendum, potentially a market changing event in normal circumstances, whilst not the result many investors had wanted, proved to have little impact on a strong final quarter. We are all living in interesting times. The upcoming elections in the Netherlands, France and Germany will ensure that this will continue; 2017 looks likely to be another challenging year politically.

It is perhaps surprising given these challenges that European markets made progress this year at all. The reason for this is that, for the first time since 2011, we are entering a year with positive and rising surprises for economic activity and inflation for the global economy. Due to years of disappointment, expectations for a recovery in Europe have been low, but economic data and leading indicators in the region continue to be supportive of a recovering economy, and earnings expectations are also finally improving.

That consensus estimates for both growth and inflation have been too low has helped drive a change in market leadership through the year. As has been the case during most of the last five years, quality assets, secure growth, or 'bond proxies' as they have been increasingly known, led the market for the first three quarters of the year due to a combination of scepticism on economic growth and the perception that interest rates would never rise again. As we entered the fourth quarter and bond yields began to increase on the back of better economic data, market leadership changed towards value and cyclical assets that tend to do better in the face of rising bond yields and improving economic environment.

What is additionally supportive, is that because of a rise in polarisation in the markets between quality assets and value that has emerged in recent years, value assets were and continue to be at exceptionally low valuations relative to the market. We enter this year with the prospect of improving economics and rising bond yields, and in this environment we would expect equities with value support to continue to drive the market forward.

Portfolio Review

Performance was disappointing in 2016 as we contrived to give up a significant proportion of some of our hard earned gains in recent years. We can however take some comfort in the fact that our gains since the current investment policy was in place are still well ahead of the benchmark, and that while we lagged a rising market, we delivered absolute gains in Sterling terms. Nonetheless it has clearly been a disappointing year against our benchmark. Below we explain the three contributing factors, but it is important to point out the role momentum has played in stock market returns this year. Wild swings in investor sentiment have meant that momentum dominated large periods during the year. This has dislocated stocks from fundamentals and made stock picking on the basis of fundamentals extremely challenging.

Portfolio Construction

During 2015 we had shifted our holdings to reflect a more balanced portfolio, where our core of quality assets within our 'Wide Moat Growth' and 'Durable Franchise' segments were augmented with higher weights in 'Transformation/Recovery' and 'Deep Value' in particular. We had done this because we felt, for a number of reasons, though principally low bond yields, that the quality areas of the market were looking increasingly expensive.

Remember, our philosophy is to buy quality assets run by good managers at attractive prices and we continue to follow this process with rigour. However it is this discipline, with particular regard to valuation that pushed us further away from the structural growth stocks or ‘bond proxies’, because the valuations were excessive. This proved to be a challenge particularly during the first part of the year as this dispersion between quality and everything else only increased.

We do not however believe that the reasoning behind our portfolio construction was wrong as long term returns will always be dictated by the price that you buy assets and the cash flows that they deliver. However, it is clear that we were too early in this portfolio construction strategy. More recently as bond yields have risen on the back of both economic and inflation surprises, value assets have started to perform better, and we have participated in this particularly with our financial holdings. Indeed our top contributors to performance for the year were all financials; the Norwegian Bank Sparebank, the Norwegian life insurer Storebrand, and the German bank Aareal Bank.

Brexit

Our portfolio was not positioned for the United Kingdom vote to leave the European Union, but neither was it positioned for the UK to remain. It is constructed from a bottom up perspective to deliver long term returns for our investors, and political considerations do not play a large role in this process. Over the long term this has proved to be a sensible approach, in this case however the effect on portfolio returns of this particular political event has proved severe. This was principally due to our Irish holdings, which suffered from the fact that a number of them have significant operations in the UK. There was therefore exposure to both a declining currency in Sterling but also the perception that the UK economy would weaken. If we look at the stocks affected, the worst performers were as follows:

Origin Enterprises: the Irish listed agronomist which advises UK farmers (~70% of profits) on improving their crop yields.

Irish Continental Group: the Irish listed freight and ferry company which operates in a duopoly on the routes between the UK and Ireland. They also operate container terminals in the ports of Dublin and Belfast.

Grafton: the UK listed (previously Irish listed) builders’ merchant that derives approximately 70% of its profits from the UK and 25% from Ireland.

IFG Group: the Irish listed financial holding company which owns the high end UK pension administrator James Hay and the UK wealth manager Saunderson House.

All these holdings had poor years and made a substantial negative contribution to our performance. However, we believe that the impact on their share prices from ‘Brexit’, has been excessive and we do not believe that their business models are impaired. Each company listed above has good market positions, are run by managers we trust, have strong balance sheets, and are now in fact more attractively priced. They should therefore deliver good shareholder returns over the long term and so in this sense we believe that the impact of this particular political event should be temporary. We have added selectively to these positions.

Stock Selection

Part of the strength of our long term track record has been built on avoiding significant stock selection mistakes. Unfortunately this year we struggled in this regard; three stocks delivered negative relative returns worse than 40%, these were Leonteq, Permanent TSB and Betsson. This is a disappointing aspect of performance this year. These stocks have now all been sold out of the portfolio in recognition that the initial investment cases proved weaker than originally determined.

Portfolio Changes

In terms of new purchases and sales, our process has delivered; our additions in particular have contributed positively to performance. We discussed a number of these in our half year report, but we have added a number of holdings since. Of note has been the addition of Lectra, the French provider of fabric cutting technology and software to the fashion, furniture and automobile industry. It is part of a global duopoly operating in niche areas which enables consistent delivery of high levels of returns and cash generation on a largely recurring revenue base. Recently they have been investing to improve sales, marketing and distribution to increase future sales growth.

Other portfolio additions have been Swiss industrials Metall Zug and Komax. Metall Zug is a small family controlled business that makes high-end kitchen and laundry appliances, principally for their home market. They are also the second largest operator in the global wire processing industry. Komax, one of our other additions, is the market leader. The main applications for wire processing are found in the car industry where the volume of wire cabling within vehicles is gradually increasing, whilst the processing is done manually. Both companies should grow from greater automation of wire processing and the move towards greater electrification of vehicles.

The most recent purchase was Dometic, the global market leader in the manufacture of appliances for recreational vehicles, mainly caravans. The recreational vehicle market is recovering from the financial crisis, while there is an increasing trend to a more outdoor lifestyle. Additionally, ageing populations support long term demand for their products.

Outlook

Valuations in aggregate do not look particularly attractive to us. For markets to rise from here they must be driven by profit recovery. On this front, in contrast to last year, the signs are encouraging. While European profits have made little progress since the financial crisis, for the first time in recent years, earnings expectations are rising. Economic progress appears to be sustained. Within this environment the areas of the market which have lagged since the financial crisis now appear healthier. In a cycle of recovering profitability it feels reasonable to expect this improvement to continue.

Our bottom up stock selection which has valuation as a core discipline has resulted in a portfolio balanced between value and quality. The portfolio is composed of good quality businesses, run by strong managers, where we can find a sensible return potential in terms of value. We believe that this is the best strategy to deliver good returns over the long term. Occasionally stock prices dislocate from fundamentals, over the long term they do not. We are confident that the fundamentals of the portfolio will deliver better returns for us in the long term.

Sam Cosh

Lead Investment Manager
F&C Investment Business Limited

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

PROFIT AND LOSS ACCOUNT

For the year ended	Note	**31 December 2016 €000**	**31 December 2015 €000**
Income from investments			
Dividends from securities		10,847	7,573
Irrecoverable source taxes		-	(6)
		10,847	7,567
Movements on investments - realised		(300)	20,922
Movements on investments - unrealised		(40,600)	56,130
		(40,900)	77,052
Total investment (loss)/gain		**(30,053)**	**84,619**
Investment management fee		(3,550)	(2,983)
Depositary and custody fees		(211)	(191)
Share issuance and prospectus costs		(81)	(593)
Other expenses		(1,132)	(1,166)
Interest charges		(154)	(160)
Total operating expenses		**(5,128)**	**(5,093)**
Net (loss)/profit		**(35,181)**	**79,526**
Earnings per share		€(1.07)	€2.94
Dividends per share	1	€0.9429	€0.7743

BALANCE SHEET	Note	As at 31 December 2016 €000	As at 31 December 2015 €000
Investments			
Securities	2	418,784	473,801
Receivables			
Other receivables		761	805
Other assets			
Cash and cash equivalents		16,832	9,333
Total current assets		17,593	10,138
Current liabilities (due within one year)			
Banking facility		-	-
Accrued liabilities		(157)	(85)
Total current liabilities		(157)	(85)
Total of receivables and other assets less current liabilities		17,436	10,053
Total assets less current liabilities		436,220	483,854
Capital and reserves			
Issued share capital		15,267	14,645
Share premium account		252,567	235,177
Other reserves		168,386	234,032
		436,220	483,854
Net asset value per ordinary share	3	€13.14	€15.20
Expressed in sterling - basic		£11.22	£11.20

STATEMENT OF CASH FLOWS

For the year ended	31 December 2016 €000	31 December 2015 €000
Cash flow from investment activities		
Dividends	10,585	7,236
Purchase of securities	(95,424)	(158,378)
Sales of securities	109,542	52,257
Share issuance and prospectus costs	(81)	(593)
Depositary fees, custody fees and other expenses	(1,291)	(1,363)
Investment management fee	(3,550)	(2,983)
Interest charges	(134)	(206)
	19,647	**(104,030)**
Cash flows from financing activities		
Credit facility	-	(17,485)
Dividends	(30,465)	(19,316)
Sale of own shares	18,317	150,164
	(12,148)	**113,363**
Cash and cash equivalents		
Net movement for the year	7,499	9,333
Balance as at 1 January	9,333	-
Balance as at 31 December	**16,832**	**9,333**

ACCOUNTING POLICIES

The Company is a closed-end investment company with variable capital incorporated in the Netherlands. The annual accounts have been drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving").

Notes

1. Dividends per share are stated gross of applicable Dutch withholding tax. A dividend of €0.2628 was announced on 5 January 2017 and paid on 31 January 2017. This dividend was paid from other reserves. During 2017, a total distribution of €0.7884 per share is payable in equal instalments in January, May and August.

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

3. Based on 33,188,899 shares in issue (2015: 31,837,460). During the year the Company issued 31,439 shares through its scrip dividend option and sold 1,320,000 newly issued shares.

4. 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, as described above. 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.

  Any changes in market conditions will directly affect the profit or loss reported through the Profit and Loss Account. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2016 would have increased net assets and net profit for the year by €104.7 million (2015: €118.5 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 transaction 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. 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 exposes the investor to market risks. The Company does not currently invest through derivative products to increase or decrease market risks.

  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.

5. These are not the full accounts. The full accounts for the year to 31 December 2016 will be sent to shareholders and will be available for inspection at the Company's registered office Weena 210-212, NL-3012 NJ Rotterdam and from the investment managers at F&C Investment Business, 80 George Street, Edinburgh, EH2 3BU. The Company's website address is www.europeanassets.eu where the accounts can also be found once available.

6. A General Meeting to adopt the 2016 Report & Accounts and other resolutions will be held at 12 noon on 21 April 2017 at the Company's offices in Rotterdam and a Shareholders' and Investors' Briefing will be held at 10.00am on 10 May 2017 at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY.

For further information, please contact:

Sam Cosh	
F&C Investment Business Ltd, Fund Manager	**0207 628 8000**
Scott McEllen,	
F&C Investment Business Ltd, Company Secretary	**0207 628 8000**
Wilbert van Twuijver, Managing Director	
FCA Management BV, Rotterdam	**+31 (0)10 201 36 25**