

## European Assets Trust NV

### Interim Management Statement

**For the three month period from 1 July 2017 to 30 September 2017**

#### Investment Objective

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

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

Total return <sup>#</sup>	Three month period ended 30 September 2017		Nine month period ended 30 September 2017	
	Euro	Sterling	Euro	Sterling
Net asset value per share	2.5%	2.9%	16.9%	20.6%
Market price per share	2.3%	2.6%	29.6%	33.7%
Euromoney European Smaller Companies (ex UK) Index	4.2%	4.6%	17.6%	21.4%

#### Dividends

The Board announced and paid dividends totalling EUR 0.7884 (net) per share for the year to 31 December 2017 payable in three instalments in January, May and August.

	As at 30 Sep 2017 Euro	As at 30 June 2017 Euro	As at 31 December 2016 Euro
<b>Capital return - Euro</b>			
Net assets (shareholders' funds)	€494.9m	€482.1m	€436.2m
Net asset value per share	€14.50	€14.44	€13.14
Euromoney European Smaller Companies (ex UK) Index	664.35	638.85	576.09
	As at 30 Sep 2017 Sterling	As at 30 June 2017 Sterling	As at 31 December 2016 Sterling
<b>Capital return - Sterling</b>			
Net assets (shareholders' funds)	£436.1m	£423.2m	£372.2m
Net asset value per share	£12.77	£12.67	£11.22
Market price per share	£12.88	£12.81	£10.22
Euromoney European Smaller Companies (ex UK) Index	585.39	560.94	491.75
Premium/(Discount) to net asset value	0.8%	1.1%	(8.9)%
Gearing (100% = nil geared position) <sup>‡</sup>	98%	100%	96%

Sources: F&C Investment Business Limited, Datastream.

<sup>‡</sup> - Gearing: The gearing ratio is total assets (less cash and cash equivalents) divided by shareholders' funds expressed as a percentage.

<sup>#</sup> - Total return means capital performance with dividends reinvested.

## Review of the period to 30 September 2017

The European smaller companies markets continued their relentless march forward in the third quarter delivering another strong return. Economic data continues to encourage confidence in the breadth of the recovery whilst the region managed to pass its latest political hurdle, the Germany election, unscathed. Even the more recent ructions in the Spanish region of Catalonia appear to have done little to dampen investor enthusiasm. Of course, investor sentiment is not necessarily the best indicator of good future returns, but the fundamentals do look supportive for now.

While we are content with the performance thus far this year, over the last quarter our NAV performance lagged the benchmark. This needs to be looked at in the context of our strategy however. We aim to capture a good proportion of the strong markets, but be well prepared to conserve capital when the market turns, as at some point it will inevitably do. Looking at the reasons for this recent underperformance though, no stock performed particularly poorly over the period, rather, a few of our larger positions struggled to make progress in these buoyant markets. Following rigorous review, these positions look increasingly attractively priced against a market where valuations are not generally appealing.

Over the three month period ended 30 September 2017, the Company issued 750,000 new Ordinary Shares for a total consideration of £9.7 million. In addition, the Company issued 9,248 Ordinary Shares via scrip dividend. Of our current blocklisting facility as at 30 September 2017 2.3 million remain available for issuance.

## Top Ten Holdings

Company	Country	30 September 2017
		percentage of net assets
Cerved Information Solutions	Italy	4.5
Forbo	Switzerland	3.6
Storebrand	Norway	3.5
Irish Continental	Ireland	3.5
Sparebank	Norway	3.5
Origin Enterprises	Ireland	3.4
Gerresheimer	Germany	3.4
CTS Eventim	Germany	3.4
Norma	Germany	3.0
Amer Sports	Finland	3.0
Total		<hr/> 34.8 <hr/>

## Geographical Analysis

Country	30 Sep 2017 percentage of net assets	30 June 2017 percentage of net assets
Germany	20.2	19.7
Sweden	11.5	11.1
Ireland	10.8	13.3
Spain	10.6	8.9
Italy	9.6	9.8
Norway	8.9	7.4
Switzerland	7.3	7.7
Netherlands	5.3	5.8
Denmark	4.9	4.7
France	4.4	4.0
Finland	3.0	3.0
Austria	2.2	2.0
Portugal	0.7	2.3
Net assets/(current liabilities includes borrowings)	0.6	0.3
Total	100.0	100.0

## Daily and Key Information

Since 1 October 2017 the Company has issued a further 335,000 Ordinary Shares for a total consideration of £4.3 million. Of the current blocklisting 2.0 million remain available for issuance.

The Boards are not aware of any significant events or transactions which have occurred since 30 September 2017 and the date of publication of this statement which would have a material impact on the financial position of the Company.

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

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This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

*European Assets Trust N.V. is een closed-end beleggingsmaatschappij met veranderlijk kapitaal. European Assets Trust N.V. heeft een officiële notering aan de effectenbeurs van Euronext Amsterdam en aan de London Stock Exchange in Londen, Groot-Brittannië.*

**Voor een beschrijving van de door European Assets Trust N.V. gehanteerde waarderings-systeematiek en berekening van de netto vermogenswaarde wordt verwezen naar het jaarverslag 2016.**