

To: RNS

From: European Assets Trust NV

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Dividend announcement

- Total dividends declared for 2018 will be Euro 0.88 per share (2017: Euro 0.7884) – an increase of 11.6%
- Sterling net asset value total return of 22.6 per cent over the year
- Continued policy of 6 per cent dividend on year-end net asset value per share for annual distribution to shareholders.
- Dividend to be paid in four equal instalments in January, April, July and October. Previously the Company paid its dividends in three equal instalments. This change to the distribution policy is effective immediately.

The net asset value per share increased over the year which resulted in an increase in total dividends for the Company for 2018 to Euro 0.88 per share (2017: Euro 0.7884 per share, net of withholding tax).

The Board is pleased to confirm that the Company's stated distribution policy that the annual dividend will be equivalent to 6 per cent of the net asset value per share at the end of the preceding year will be continued.

The 2018 dividends will be paid in four equal instalments of Euro 0.22 per share on 31 January, 30 April, 31 July and 31 October 2018. Taking into account shareholders' views, and in line with the broader listed investment fund sector, the Board has amended this policy from three equal instalments.

Dividends are declared in Euros and paid in Sterling (registered shares) or in Euros (bearer shares). The Euro to Sterling exchange rate that will be applied will be selected for a date as close as practicably possible to each of the four payment dates. For illustrative purposes only, applying the exchange rate as at 31 December 2017 would result in the payment of total 2018 dividends of £0.7811 per share (2017: actual payment of £0.6914 per share, net of withholding tax).

The January dividend payment of Euro 0.22 will be paid to shareholders on the register on 19 January 2018, having an ex-dividend date of 18 January 2018.

Scrip dividend option

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

Investment Performance and Review

The Company's net asset value total return (capital performance with dividends reinvested) per share was 22.6 per cent in Sterling (18.0 per cent in Euros) for the year to 31 December 2017 (unaudited). This compares with the benchmark, the EMIX Smaller European Companies (ex UK) Index*, which produced a total return of 23.3 per cent in Sterling (18.6 per cent in Euros).

2017 was another strong year for equity markets with European Smaller Companies amongst the strongest performers. The European economies delivered substantial improvements in fundamentals and an increasingly confident outlook that allowed investors to look past the now familiar periods of political instability. Importantly this led to better company earnings growth, which has so far been lacking from the market recovery thus far. The scope for further earnings recovery from a region where profits on aggregate, in contrast to the US for instance, have not recovered from the previous crisis, is one of the reasons why we still believe markets remain supportive. European Smaller Companies, with their inevitable high exposure to this domestic recovery, will likely benefit disproportionately.

We would however be remiss not to sound a note of caution. The substantial support from central banks across the globe is now diminishing, which puts us all into fairly uncharted territory. We would also point to some areas of potential exuberance within capital markets, with some assets reaching prices, which do not necessarily make sense to us. This is why we stay disciplined with a focus on quality assets, but with valuation support. We believe this is the best way to manage shareholders' capital over the long term.

*Previously known as Euromoney Smaller European Companies (ex UK) Index

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