

Manager Commentary
Sam Cosh



February was a dramatic month for equities with the coronavirus outbreak the main focus of markets. Concerns over the effect on Chinese and then global growth sent indices across the world sharply lower. Whether this is justifiable reaction will of course depend on the duration and scope of the outbreak. It was however enough for the US Federal Reserve to announce a surprise rate cut. It is debatable whether, absent of a very short-term boost in confidence, this can have any meaningful affect as surely it is very difficult to mitigate the particular nature of this crisis through monetary policy. What might be more effective is a more constructive approach to expansionist fiscal policy. Indeed, Germany has announced that it would loosen its constitutional spending limits, albeit temporarily. With monetary policy, seemingly exhausted, a shift in focus to fiscal policy would be welcome. Though it is of course uncertain whether this is sufficient to prolong the market cycle.

While our NAV suffered over the month, we are in the fortunate position not to be leveraged. We have remained prudent holding a small balance of cash as we were awaiting better opportunities to buy some quality companies that had thus far proved to be too expensive. Were these companies to become more attractively valued, we would take advantage of this opportunity to build some new positions.

Key facts as at 29.02.2020

Trust aims: 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 are paid from a mix of income and capital reserves.

Trust highlights: Diversified portfolio of small to mid-cap growth businesses across Continental Europe. This area of the market is less well researched, allowing value to be added from stock selection.

Benchmark: EMIX Smaller European Companies (ex UK) Index†

Fund type: Investment Trust

Launch date: 1972

Total assets: £374.7 million

Share price: 92.60p

NAV: 104.09p

NAV €: 1.21

Discount/premium(-/+): -11.04%

Dividend payment dates: Jan, Apr, Jul, Oct

Yield††: 6.52%

Net gearing/Net cash*: 0.00%/2.50%

Management fee rate:** 0.80%

Ongoing charges*:** 1.11%

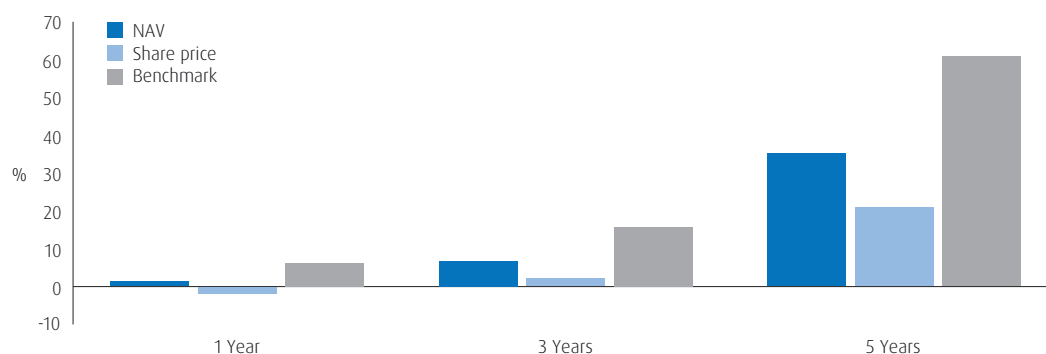
Year end: 31 December

Sector: European Smaller Companies

Currency: Euros

Website: www.europeanassets.co.uk

Fund performance as at 29.02.2020



Cumulative performance (%) as at 29.02.2020

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-6.79	-9.07	1.19	6.67	35.07
Share price	-10.96	-14.48	-1.69	2.10	20.75
Benchmark	-5.04	-7.15	6.17	15.68	60.63

Discrete performance (%) as at 29.02.2020

	2020/2019	2019/2018	2018/2017	2017/2016	2016/2015
NAV	1.19	-9.42	16.37	19.74	5.75
Share price	-1.69	-17.04	25.19	13.27	4.42
Benchmark	6.17	-7.89	18.29	32.77	4.58

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance. Where investments are made in smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment.

Past performance is not a guide to future performance.

Source: Lipper and BMO. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

***Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.



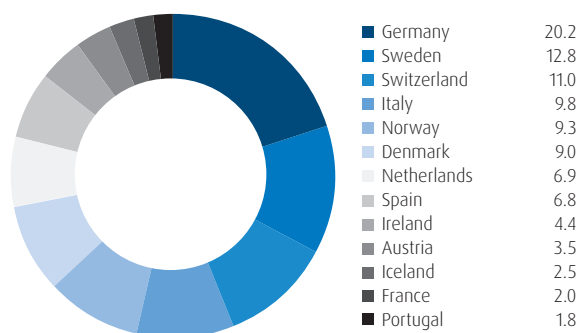


Trust codes	
Stock exchange code	Sedol
EAT	BD0BSY3

Top 10 holdings (%)				
	Portfolio Weight	Benchmark Weight	Difference	Sector
Vidrala	4.2	0.2	4.0	Industrials
Gerresheimer	4.0	0.1	3.9	Health Care
Tecan Group	3.7	0.2	3.5	Health Care
Coor Service Management Holding	3.6	0.1	3.5	Industrials
Diasorin	3.4	--	3.4	Health Care
Ringkjøbing Landbobank	3.4	0.1	3.3	Financials
Wizz Air Holdings	3.4	--	3.4	Consumer Services
CTS Eventim	3.0	0.3	2.7	Consumer Services
SimCorp	2.8	0.2	2.6	Technology
Scout24	2.8	0.4	2.4	Technology

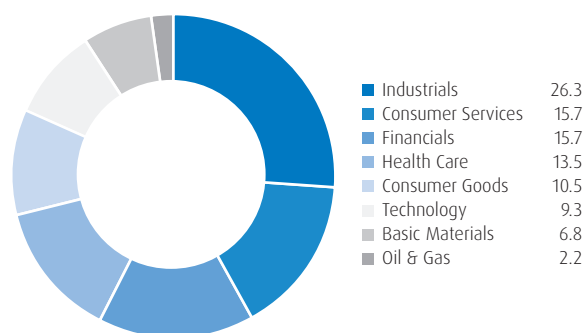
All figures are subject to rounding.

Geographical breakdown (%)



All figures are subject to rounding.

Sector breakdown (%)



Net dividend distributions per share

	2020
January £	0.01755
April £	0.01755
July £	0.01755
October £	0.01755
Total £	0.07020

The 2020 dividend will be paid in four instalments on 31 January, 30 April, 31 July and 30 October. The annual dividend is equivalent to 6% of the net asset value as at 31 December each year.

Glossary

Bid price	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
Dividend	Income paid to shareholders by the company they invest in.
Net asset value	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

All data as at 29.02.2020 in sterling (£) unless otherwise stated. All information is sourced from BMO, unless otherwise stated. All percentages are based on gross assets. † Formally known as Euromoney Smaller European Companies (ex UK) Index . † † The yield is calculated using the dividends declared for the company's current financial year and the closing share price and exchange rate as at the end of the relevant month. * Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. *** A reduced management fee of 0.65% per annum is charged on funds under management in excess of €500 million. **** Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) to the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. (03/20)