To: RNS

From: European Assets Trust PLC ("the Company")

LEI: 213800N61H8P3Z4I8726

Date: 7 January 2021

Dividend announcement

Highlights

- Total dividends declared for 2021 will be 8.00 pence per share. This represents an increase of 14.0 per cent from the 2019 dividend of 7.02 pence.

- Continued policy of six per cent dividend on year-end net asset value per share for annual distribution to shareholders.

- Dividend to be paid in four equal instalments of 2.00 pence per share in January, April, July and October 2021.

Dividend for 2021

The Board is pleased to confirm that the Company's stated distribution policy of declaring, barring unforeseen circumstances, an annual dividend equivalent to six per cent of the net asset value per share at the end of the preceding year will be continued in 2021.

The net asset value per share increased over the year which will result in an increase in total dividends payable by the Company for 2021 to 8.00 per share. This represents an increase of 14.0 per cent from the 2020 dividend of 7.02 pence per share.

The 2021 dividend will be paid in four equal instalments of 2.00 pence per share on 29 January, 30 April, 30 July and 29 October 2021.

The January dividend payment of 2.00 pence per share will be paid to shareholders on 29 January 2021, having an ex-dividend date of 14 January 2021 and a record date of 15 January 2021.

Investment Performance and Review

The Company's net asset value total return (capital performance with dividends reinvested) per share was 21.9 per cent in Sterling (15.4 per cent in Euros) (unaudited) for the year ended 31 December 2020. Sterling share price total return for the year was 17.3 per cent (11.1 per cent in Euros). This compares with the benchmark, the EMIX Smaller European Companies (ex UK) Index, which produced a total return of 18.9 per cent in Sterling (12.6 per cent in Euros).

We are pleased to announce an increase in dividend and a strong NAV total return ahead of the Company's benchmark in what was a year of extreme volatility. It is remarkable that our markets have made good positive progress when the economies have seen unprecedented dislocation caused by the COVID-19 related lockdowns.

While this has of course been an unsettling year from a stock picking point of view this volatility has provided rare opportunities. In recent years we had been frustrated at the premium valuations in the area of the market that we preferred to invest. The market sell-off in March, however, gave us the opportunity to add some more quality growth companies to the portfolio. These were companies that we had followed closely and had researched yet looked relatively expensive. As these valuations fell to attractive levels at the outset of the crisis, we executed our purchases quickly and added a number of new names. In aggregate they have contributed well to performance this year.

In recent months the market has been bolstered by the vaccine news that has allowed investors to have more confidence in a return to normality. In fact, this precipitated record returns for European investors in November. While we had not anticipated this move, we had already started making changes to the portfolio following its strong performance through the summer. Firstly, we had added to gearing and took this further as the vaccine news broke. We had also been looking more critically at some of the more richly valued areas of the portfolio, particularly those stocks which had seen a temporary boost from the impact of the pandemic. Examples can be found in the healthcare sector, where we reduced some holdings. We have, however, continued to back those stocks whose business models have been accelerated by this year's environment, such as those operating in the technology sector where we continue to add. We had also been adding to areas of the portfolio which were good quality but had lagged the market because they were selling into areas that had been hit particularly hard by the virus. All this work accelerated with the announcement of the successful vaccines.

Currently a new variant of COVID-19 is taking hold in the UK and Europe. This is of course worrying; however, we believe the portfolio is well positioned. We are exposed to good quality stocks, well positioned for growth and for which we have paid reasonable prices. European smaller companies may also benefit from the deployment in 2021 and beyond of the European Recovery Fund. Any further market volatility will also provide opportunities, so we look forward with confidence.

For further information contact:

Sam Cosh (Investment Manager) Tel +44 (0)207 628 8000
Scott McEllen (Company Secretary) Tel +44 (0)207 628 8000
BMO Investment Business Limited