Rotterdam, 7 March 2018

Press Release
European Assets Trust NV

Statement of Results for the year ended 31 December 2017

- **Total return* performance for the year ended 31 December 2017**

	Sterling	Euro
Market price per share	35.8%	30.6%
Net asset value per share	22.6%	18.0%
EMIX Smaller European Companies (ex UK) Index§	23.3%	18.6%

- **Distributions‡ for the year ended 31 December 2017 totalled 72.2p or 82.2c per share (2016: 75.8p or 94.29c)**

- **The annual dividend for 2018 is 88.0c per share equivalent to 6% of the opening net asset value per share**

	Sterling	Euro
January 2018 dividend paid per share∞	19.12p	22.00c

- **A stock split - subject to shareholder approval, with effect from 3 May 2018 each shareholder will receive ten shares for every one share held**

* Capital performance with dividends reinvested
‡ Gross of Dutch withholding tax
§ Formally known as the Euromoney Smaller European Companies (ex UK) Index
∞The 2018 dividend will be paid in four equal instalments with further dividends payable in April, July and October. 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.

Chairman's Statement

Fellow shareholders,

European Assets Trust ('the Company') recorded a Sterling share price return of +35.8% (2016: -2.7%) and a Sterling net asset value ('NAV') total return for the year ended 31 December 2017 of +22.6% (2016: +7.4%). This compares to the total return of its benchmark the EMIX Smaller European Companies (ex UK) Index which rose +23.3% (2016: +23.3%) during the same period.

2017 was a good year for European smaller companies and for the Company. Although the NAV return was marginally behind a strong benchmark, the share price return was well ahead as the discount, which had widened during 2016, closed. This resulted in the share price returning to a small premium this year.

European smaller companies harnessed the widespread improvement in the European economy to deliver a good level of earnings growth throughout the year, again comfortably outperforming their larger counterparts and indeed most global indices. What is particularly encouraging is that while last year showed the first real signs of profit recovery in the region, profits on aggregate are still well behind previous peaks, and therefore the potential for further profit growth is significant.

In relative terms, a strong first half for the Company gave way to a weaker second half, as market leadership transitioned towards more value and cyclical areas. Our investment process focuses predominantly on quality business at attractive valuations, so the components of last year's performance was in line with expectations.

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

Distribution

The level of dividend paid by the Company each year is determined in accordance with the Company's distribution policy. The Company 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 Company has already announced that in applying the above distribution policy, a total dividend for 2018 of €0.88 per share (2017: €0.7884 per share, net of Dutch withholding tax) will be paid. This represents an 11.6% increase in the 2018 Euro denominated dividend compared with the prior year. The 2018 dividend will be paid in four equal instalments of €0.22 per share on 31 January, 30 April, 31 July and 31 October. Taking into account shareholders' views and in line with the broader investment fund sector, the Company amended this policy from three equal instalments. The January dividend of €0.22 per share was paid to shareholders on 31 January 2018 and amounted to 19.1 pence per share in Sterling terms. The total dividend for 2018 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.

Liquidity enhancement policy

During the year ended 31 December 2017 the Company issued and sold 1,530,000 new shares raising £19.8 million. These shares, which were sold according to the provisions of the Liquidity Enhancement Agreement, were issued at a small average premium to net asset value. The benefits of this issuance include improved stock liquidity, a reduction in the Company's expense ratio (Ongoing Charges figure) and a marginal uplift to the net asset value of existing shares resulting from issuance at a small premium.

This increase in demand for the Company's shares was also reflected in the elimination of the share price discount. As at 31 December 2017, the Company's shares traded at a small premium of 0.7% to net asset value in comparison to a discount at 31 December 2016 of 8.9%.

The Company did not buyback any shares during the year.

Investment management fee amendment

Following a sustained period of growth in the Company's net assets, an amendment to the basis of calculation of the investment management fee payable to the Investment Manager, F&C Investment Business Limited was negotiated.

Previously, the Investment Manager received a fee equal to 0.8 per cent per annum of an adjusted value of funds under management. Following this amendment, announced in November 2017 and with immediate effect, a tiered management fee was introduced. In cases where the adjusted value of funds under management exceeds €500 million, the applicable rate over such excess value will be reduced from 0.8 per cent per annum to 0.65 per cent per annum. This fee is calculated quarterly and payable in advance.

The Board will continue to monitor the investment management fee.

Stock split

In response to shareholder comment and to improve marketability, the Company will seek approval at the forthcoming General Meeting to undertake a stock split. If approved, with effect from 3 May 2018 each shareholder will receive ten shares for every one share held. The quarterly dividends payable on 31 July and 31 October 2018 would be adjusted commensurately from €0.22 to €0.022 per share.

Each share will have a nominal value of €0.10 in comparison to the current nominal value of €0.46 with the resulting obligation to increase share capital by €0.54 for every ten shares met by an accounting adjustment to the share premium reserve of the Company.

The Company will seek further shareholder approval to increase, with effect from 3 May 2018 the authorised share capital of the Company from 50,000,000 shares at €0.46 per share to 600,000,000 shares at €0.10 per share. This is proposed in the anticipation of continued share issuance by the Company through the provisions of the Liquidity Enhancement Agreement.

Brexit

The Board continues to monitor the developing situation regarding the future regulation of the Company following Brexit. Since the implementation of the Alternative Investment Fund Manager's Directive in 2014 oversight of the Company has been undertaken by the UK Financial Conduct Authority through its regulation of its manager. The Company has relied on the Manager's passporting rights under the Directive to maintain its ability to market its shares in the Netherlands. With uncertainty regarding the availability of passporting rights following the exit of the UK from the EU in March 2019, an option being considered is that of transferring the management of the Company from the existing manager to its Dutch regulated affiliate with aspects of the management and financial promotion continuing to be based in UK. It is anticipated in this scenario that the key investment professionals would continue in their present roles. The timing of this transfer will be determined by the outcome of the current political negotiations with regard to a transition period post Britain's departure from the European Union. Should this be unavailable as an option, the Company has also explored an alternative proposal which would allow the existing Manager arrangements to continue.

Markets in Financial Instruments Directive ('MiFID') II

A significant regulatory task during the last year for the investment management industry has been the implementation of the requirements of the revised European Union Markets in Financial Instruments Directive, better known as MiFID II. A responsibility of the investment manager has been the preparation of a Key Information Document for the Company. This document, which is available on the Company's website has been prepared according to prescriptive guidelines and rules laid down by the FCA to ensure comparability. However, across the investment trust sector, concerns have been raised, which your Board shares that the performance scenarios disclosed in the document which applies a methodology based upon past performance may provide results for future returns which are too optimistic. Shareholders are reminded that past performance does not guarantee future results.

Outlook

The fundamentals for European smaller companies look encouraging. The European economy is showing a broad based recovery and companies are reaping the benefits of this, delivering better than expected profit growth. For European smaller companies, with their greater exposure to both the domestic economy and more cyclically sensitive areas, this is potentially a particularly powerful point in the market cycle. Valuations in aggregate do not look unreasonable either.

It would however be sensible to note some areas of caution. Global asset prices have obviously recovered strongly since the economic crisis. While we do not know the extent of the benefit that these assets have had from coordinated central bank actions, it is inevitable that this has played a significant role. We are now at the start of the withdrawal of this liquidity, which must entail some risk. Together with fears of greater inflationary pressure, markets have recently experienced heightened levels of volatility. Additionally there are areas of the market where valuations do not make sense to us and some assets appear to be driven by speculation rather than improvements in fundamental qualities. It is therefore essential to maintain our disciplined approach in order to deliver the best returns for our shareholders through the market cycle.

Shareholder meetings

The Company's General Meeting will be held at 12 noon on 18 April 2018 at the Company's Office at 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 9 May 2018 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 Investment 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, 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

Investment Manager's Review

Market Review

European smaller companies delivered another strong year as the region finally emerged from its decade long earnings slump. The strong economic tail winds that are sweeping through the region are delivering earnings growth that for the first time since the crisis did not disappoint analyst expectations.

The year began with the usual concerns over European politics. However, the lesson from recent history has been that such concerns have provided buying opportunities, and so it proved in 2017. Investors welcomed the outcome of the Dutch and French elections, whilst a more uncertain outcome from German elections and ensuing coalition talks, only prompted a temporary hiatus in the relentless upward trajectory of the market. We still have to consider Italian elections in 2018 and the unresolved Catalonian independence question, though it would be a mistake for this to distract from corporate fundamentals, which appear to be sound and improving.

Within this encouraging environment, European smaller companies again outperformed their larger counterparts. While the long term characteristics of smaller companies are reasonably well known, in that they tend to outgrow larger companies and are the beneficiaries of corporate activity, the recent performance has more to do with cyclical characteristics. European smaller companies are naturally more exposed to the domestic European economy, which is of course recovering markedly. They are also more economically sensitive, containing for example, more industrial businesses. European smaller companies are therefore well positioned in the current environment.

Performance

The Company's total return on net assets last year was strong in absolute terms, though marginally behind our benchmark index. Market leadership, particularly during the second half of the year, transitioned towards more value and cyclical sectors, areas where our investment approach is not naturally predisposed. This change goes some way to explain how the portfolio performed through the year, with a better relative return in the first half diminishing in the second.

The best performing sector was also the largest sector, industrials, where the total return of the Company's holdings comfortably outperformed the benchmark. Of note was Italian industrial company Interpump, who are the market leader in high-pressure water pumps and power converters for trucks. The company delivered well operationally through the year, but this investment also benefitted from some quasi-passive buying following the introduction of tax efficient Italian savings schemes which mandated holding smaller company stocks. This also helped a number of the Company's other Italian holdings including IMA, another Italian industrial. The strong performance of these shares has however taken them to valuations where we no longer feel comfortable, so we have sold both positions.

Financials was the other sector, which performed particularly well. As with industrials, the Company has a substantial weight in this sector and its holdings comfortably outperformed the benchmark. We have believed that for some time this sector has been unfairly maligned. This has however given us the opportunity to invest in some quality businesses with valuations significantly below their intrinsic value. With the headwinds of regulation receding and the tail winds of rising bond yields and economic growth emerging, other investors are beginning to see the potential in this sector. Our best performers were the Norwegian bank Sparebank and life insurer Storebrand. Both shares benefitted from improving operational performance and strong capital generation. We do not think that the re-rating for these two shares, or indeed the sector, is complete yet.

Other performers worthy of comment were long standing holding Christian Hansen, and a new position Vidrala. Christian Hansen is a Danish manufacturer of cultures and enzymes, which has an exceptional track record of high organic growth and margin expansion. 2017 was no different in this regard. We have however sold the position. Whilst the quality of the operational performance has been sensational, this has not gone unnoticed and the valuation has reached very high levels.

Vidrala, a manufacturer of glass bottles, which was purchased at the beginning of the year, has delivered handsomely. They are a low cost producer with few competitors. They have historically been very good at buying assets and consolidating their position to improve returns in a market which itself is consolidating. Their performance last year was in part due to another excellent deal they concluded with a local competitor in Portugal.

Turning to negative performers, the main detractors in an otherwise successful year came principally from stock specifics. The worst performer was a new holding, the Austrian chemicals company, Lenzing. They are the world's leading provider of wood-based cellulose fibres used in the textile industry. The Company holds this investment because it is transitioning to become a speciality chemical business where it has market dominance. However, it continues to be valued as a commodity chemicals business. The shares performed poorly following concerns that increasing capacity in the viscose industry would put pressure on company profits. We believe that Lenzing's operations will be more resilient to these concerns than is perceived so have used this weakness to add to the position.

CTT, the Portuguese post office also performed poorly as deteriorating mail volume overshadowed any progress on growth in parcel delivery or financial services. The position was sold early in the second half of the year, ahead of a material profit warning.

Other poor performers of note were the Swedish businesses Inwido, the leading Nordic window supplier, and Nordic Water Proofing, supplier of water proofing roofing material. While both companies produced good sales figures, their margins were impacted by an inability to immediately pass on increasing raw material costs. Sentiment towards these shares was also dampened by concerns over the Swedish housing market. The Company continues to hold these positions but we are monitoring closely their ability to pass on rising costs. Whilst a delay is understandable, an inability to do so indicates a lack of pricing power and quality.

Outlook

European equity markets started the New Year strongly reflecting optimism among investors that earnings growth is accelerating. Certainly, the economic outlook is supportive and we would expect European smaller companies to be able to harvest growth better than anyone else. Valuations also look reasonable to us. This optimism has however more recently given way to volatility which appeared to be catalysed by a strong US jobs report that has helped push bond yields higher. Whether this is indicative of a more challenging year for investors is yet to be seen, and, as stock pickers it is not in our DNA to make bold predictions. Some volatility should not really be a great surprise though. We are entering the tenth year since the financial crisis and asset classes across the globe have yielded handsome returns. Some of these returns have been supported by co-ordinated central bank actions. We are now at the point where this support will start diminishing, and this inevitably brings uncertainty.

As stock pickers we embrace volatility as uncertainty provides opportunities, particularly for quality companies to differentiate themselves. It also reinforces the need for discipline to assess future prospects soberly. For example, we would caution against extrapolating current cyclical momentum in certain sectors, where valuations to us seem unsupportable, and investors are chasing the next earnings upgrade irrespective of longer term fundamentals. Investing where quality characteristics are supported by attractive valuations is, we believe the best way to manage our capital through the market cycle. We will do just that in the coming year irrespective of market conditions.

Sam Cosh

Lead Investment Manager
F&C Investment Business Limited

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

INCOME STATEMENT

For the year ended	Note	**31 December 2017 €000**	**31 December 2016 €000**
Income from investments			
Dividends from securities		12,009	10,847
		12,009	10,847
Movements on investments - realised		31,453	(300)
Movements on investments - unrealised		38,613	(40,600)
		70,066	(40,900)
Total investment gain/(loss)		**82,075**	**(30,053)**
Investment management fee		(3,761)	(3,550)
Depositary and custody fees		(265)	(211)
Share issuance and prospectus costs		-	(81)
Other expenses		(1,040)	(1,132)
Interest charges		(107)	(154)
Total operating expenses		**(5,173)**	**(5,128)**
Net profit/(loss)		**76,902**	**(35,181)**
Earnings per share		€2.28	€(1.07)
Dividends per share	1	€0.822	€0.9429

BALANCE SHEET

	Note	As at 31 December 2017 €000	As at 31 December 2016 €000
Investments			
Securities	2	509,879	418,784
Receivables			
Other receivables		1,251	761
Other assets			
Cash and cash equivalents		-	16,832
Total current assets		1,251	17,593
Current liabilities (due within one year)			
Banking facility		(2,748)	-
Accrued liabilities		(231)	(157)
Total current liabilities		(2,979)	(157)
Net current (liabilities)/assets		(1,728)	17,436
Total assets less current liabilities		508,151	436,220
Capital and reserves			
Issued share capital		15,982	15,267
Share premium account		273,936	252,567
Other reserves		218,233	168,386
		508,151	436,220
Net asset value per ordinary share	3	€14.63	€13.14
Expressed in sterling - basic		£13.14	£11.22

STATEMENT OF CASH FLOWS

For the year ended	31 December 2017 €000	31 December 2016 €000
Cash flow from investment activities		
Dividends received	11,518	10,585
Purchase of securities	(125,843)	(95,424)
Sales of securities	104,814	109,542
Share issuance and prospectus costs	-	(81)
Depositary fees, custody fees and other expenses	(1,276)	(1,291)
Investment management fee	(3,761)	(3,550)
Interest charges	(127)	(134)
	(14,675)	**19,647**
Cash flows from financing activities		
Credit facility	2,748	-
Dividends paid	(27,055)	(30,465)
Sale of own shares	22,150	18,317
	(2,157)	**(12,148)**
Cash and cash equivalents		
Net movement for the year	(16,832)	7,499
Balance as at 1 January	16,832	9,333
Balance as at 31 December	-	**16,832**

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 €0.22 was announced on 5 January 2018 and paid on 31 January 2018. This dividend was paid from other reserves. During 2018, a total distribution of €0.88 per share is payable in four equal instalments in January, April, July and October.

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

3. Based on 34,744,244 shares in issue (2016: 33,188,899). During the year the Company issued 25,345 shares through its scrip dividend option and sold 1,530,000 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 and interest rate 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 Income Statement. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2017 would have increased net assets and net profit for the year by €127.5 million (2016: €104.7 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.

  Any changes to foreign exchange rates against the Euro will directly affect the profit or loss reported through the Income Statement. A 5 per cent increase, for example, in the value of the Euro against those currencies which investments are denominated would reduce net assets and net profits for the year by €8.9 million (2016: €5.9 million). A decrease of 5 per cent would increase net assets and net profits for the year by €8.1 million (2016: €5.3 million).

  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. Subject to shareholder approval at the General Meeting of the Company with effect from 3 May 2018 shareholders will receive ten shares for every one share currently held. Each share will have a nominal value of €0.10 in comparison to the current nominal value of €0.46 with resulting obligation to increase share capital by €0.54 for every ten shares met by an accounting adjustment to the share premium reserve of the Company. The quarterly dividends payable on 31 July and 31 October 2018 will be adjusted commensurately from €0.22 to €0.022 per share.

6. These are not the full accounts. The full accounts for the year to 31 December 2017 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, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG. The Company's website address is www.europeanassets.eu where the accounts can also be found once available.

7. A General Meeting to adopt the 2017 Report & Accounts and other resolutions will be held at 12 noon on 18 April 2018 at the Company's offices in Rotterdam and a Shareholders' and Investors' Briefing will be held at 10.00am on 9 May 2018 at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY.

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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, Londen, Groot-Brittannië.

Voor een beschrijving van de door European Assets Trust N.V. gehanteerde waarderingssystematiek en berekening van de netto vermogenswaarde wordt verwezen naar het jaarverslag 2017.