

Rotterdam, 26 April 2018

European Assets Trust NV

Interim Management Statement

For the three-month period from 31 December 2017 to 31 March 2018

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 current year net profits and other reserves.

Total return#	Three month period ended 31 March 2018		Year ended 31 December 2017	
	Euro	Sterling	Euro	Sterling
Net asset value per share	-2.5%	-3.7%	18.0%	22.6%
Market price per share	-2.2%	-3.4%	30.6%	35.8%
EMIX European Smaller Companies (ex UK) Index	-2.3%	-3.4%	18.6%	23.3%

Dividends

The Board has announced dividends of Euro 0.88 per share for the year to 31 December 2018 payable in four instalments in January, April, July and October. The January dividend was paid on 31 January 2018 and amounted to Euro 0.22 per share. The April dividend will be paid on 30 April 2018 and will amount to Euro 0.238 per share (Euro 0.22 per share, net). The April gross dividend is increased to offset the element of Dutch withholding tax applicable.

	As at 31 Mar 2018 Euro	As at 31 Dec 2017 Euro	As at 31 Mar 2018 Sterling	As at 31 Dec 2017 Sterling
Capital return				
Net assets (shareholders' funds)	€501.1m	€508.2m	£439.3m	£451.2m
Net asset value per share	€14.06	€14.63	£12.32	£12.99
Market price per share			£12.45	£13.08
EMIX European Smaller Companies (ex UK) Index	652.74	668.8	572.26	593.73
Premium to net asset value			1.0%	0.7%
Gearing (0% = nil geared position)			0%	1%

Sources: F&C Investment Business Limited, Datastream.

- Total return means capital performance with dividends reinvested.

Review of the period to 31 March 2018

The first quarter of 2018 has heralded a return of volatility to the market which was absent for most of a buoyant 2017. At the end of the quarter our NAV is marginally behind a declining market in sterling terms with the trust returning -3.7% versus the index of -3.4%.

The year started off in much the same manner as 2017 with equity market optimism driven by synchronised global growth statistics. What appeared to be strong wage growth released in January in the US, though, triggered a sell-off amid fears that interest rates would need to rise more quickly than expected. This volatility continued through the rest of the quarter due to concerns that the global industrial cycle had peaked, that corporate costs were rising, and that President Trump risked initiating a global trade war. Following a long period of low volatility, it is perhaps healthy for investors to be reminded that stock markets do not necessarily always correlate with economic growth, which nonetheless continues to be healthy.

The trust performed well through both January and in particular February, though struggled in March due to some stock specific disappointments as a number of our holdings delivered marginally disappointing full year results. We do however believe that the portfolio is well constructed to navigate a more uncertain environment as in aggregate we hold good businesses that are not burdened by either expensive valuations or excessive leverage.

The outlook for European smaller companies remains encouraging though. The profit recovery, set in the context of the last decade, has only really just begun, and valuations on aggregate do not look excessive. We would however caution that more risks have emerged that put pressure on profit growth, whether it be a higher cost of funding, through the withdrawal of monetary stimulus, wage pressure, or higher global trade barriers. We will however continue to invest as we have always done by maintaining an equal focus on capital growth and capital preservation.

Over the three-month period ended 31 March 2018 the Company issued 895,000 new Ordinary Shares for a total consideration of £11.7 million. In addition, the Company issued 5,668 Ordinary Shares via scrip dividend. Of its current blocklisting facility as at 31 March 2018, 849,474 shares remain available for issuance.

Top Ten Holdings

Company	Country	31 March 2018 percentage of net assets
Gerresheimer	Germany	3.8
CTS Eventim	Germany	3.7
Sparebank	Norway	3.6
Cerved Information Solutions	Italy	3.6
Vidrala	Spain	3.6
Storebrand	Norway	3.4
Norma	Germany	3.4
Forbo	Switzerland	3.3
Viscofan	Spain	3.0
Ringkjøbing Landbobank	Denmark	3.0
Total		<hr/> 34.4 <hr/>

Geographical Analysis

Country	31 Mar 2018 percentage of net assets	31 Dec 2017 percentage of net assets
Germany	22.1	21.0
Sweden	13.7	11.1
Spain	10.4	13.3
Ireland	9.7	11.4
Norway	9.6	8.6
Switzerland	9.4	8.5
Netherlands	7.1	5.4
Italy	6.8	6.4
France	4.5	4.0
Denmark	3.0	5.0
Austria	2.7	2.1
Finland	0.0	3.0
Net assets	1.0	0.2
Total	<u>100.0</u>	<u>100.0</u>

Stock Split

At the General Meeting held on 18 April 2018 shareholders approved a resolution to allow the Company to undertake a stock split. Each shareholder will receive ten shares with nominal value of €0.10 each ("New Shares") for every one share held currently. The record date for the stock split is after the close of trading on 2 May 2018. It is expected that CREST and Euroclear accounts will be credited with New Shares with effect from 3 May 2018. New share certificates are expected to be dispatched in the week commencing 7 May 2018.

The New Shares will have the following new security codes:

Listing:	Euronext	London Stock Exchange
ISIN:	NL0012838973	NL0012838817
SEDOL:	-	BD0BSY3

The net quarterly dividends payable on 31 July and 31 October 2018 will be adjusted commensurately from €0.22 to €0.022 per share.

Daily and Key Information

The Board is not aware of any other significant events or transactions which have occurred since 31 March 2018 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, or at www.fandc.com.

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LEI: 2138009W3JWS72F86M94

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-systematiek en berekening van de netto vermogenswaarde wordt verwezen naar het jaarverslag 2017.