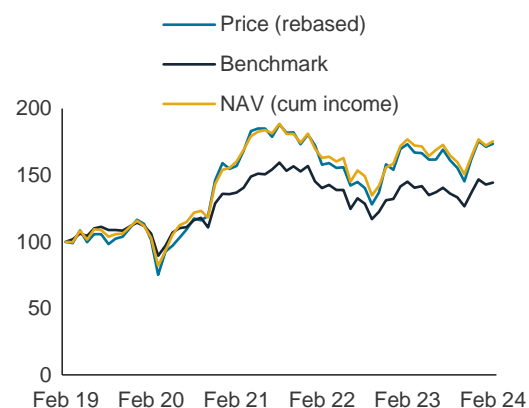
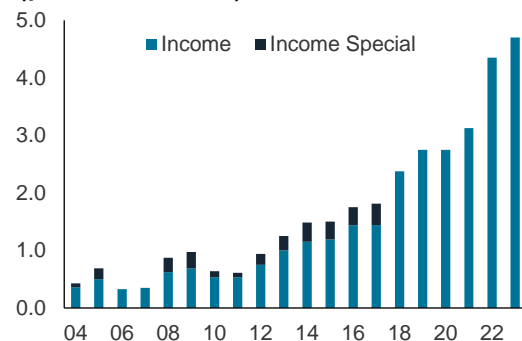


Share price performance (total return)



Dividend history (pence/share)



Please note that this chart could include dividends that have been declared but not yet paid.

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	7.6	0.1	10.6	73.5	173.6
NAV (Total return)	6.4	-0.8	9.5	75.4	176.8
Benchmark (Total return)	6.1	-0.4	5.5	44.4	117.5
Relative NAV (Total return)	0.3	-0.4	4.0	31.0	59.3

Discrete year performance (%) (total return) NAV (total return)

31/12/2022 to 31/12/2023	14.0	11.6
31/12/2021 to 31/12/2022	-14.7	-12.5
31/12/2020 to 31/12/2021	13.4	17.6
31/12/2019 to 31/12/2020	36.4	33.2
31/12/2018 to 31/12/2019	28.2	25.3

All performance, cumulative growth and annual growth data is sourced from Morningstar.

Source: at 29/02/24. © 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not predict future returns.**

Commentary at a glance

Performance

In the month under review the Company's NAV total return was 1.8% and the MSCI Europe ex UK Small Cap Index total return was 1.0%.

Contributors/detractors

Positive contributions came from Van Lanschot Kempen, following good results and Criteo, demonstrating success from their strategy to cross-sell services, while detractors included ams OSRAM and Grenergy.

Outlook

Inflation appears to be under control, with interest rates expected to fall this year, suggesting a likely economic 'soft landing' (versus a recession).

See full commentary on page 3.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Company overview

Objective

The Company seeks capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

Highlights

Providing unique access to Europe's growing small- and medium-sized companies with the sole aim of increasing shareholder capital.

Company information

NAV (cum income)	187.7p
NAV (ex income)	186.4p
Share price	161.5p
Discount(-)/premium(+)	-14.0%
Yield	2.9%
Net gearing	14%
Net cash	-
Total assets	£865m
Net assets	£751m
Market capitalisation	£647m
Total voting rights	400,321,188
Total number of holdings	131
Ongoing charges (year end 30 Jun 2023)	0.65%
Benchmark	MSCI Europe ex UK Small Cap Index

Overall Morningstar Rating™ ★★★★★

As of 29/02/2024

Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

Please note that the total voting rights in the Company do not include shares held in Treasury.

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. Please refer to the glossary for the definition of share price total return.

How to invest

Go to www.janushenderson.com/howtoinvest

Find out more

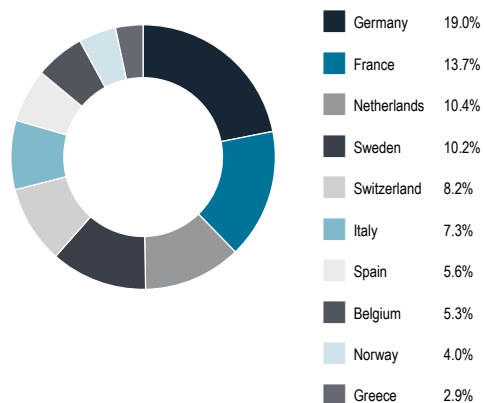
Go to www.europeansmallercompaniestrust.com

Top 10 holdings (%)

Van Lanschot Kempen	3.3
TKH Group	2.8
Fugro	1.9
SUESS MicroTec	1.8
KSB	1.8
IPSOS	1.8
Nordnet AB publ	1.8
DFDS	1.7
u-blox	1.6
Nexans	1.6

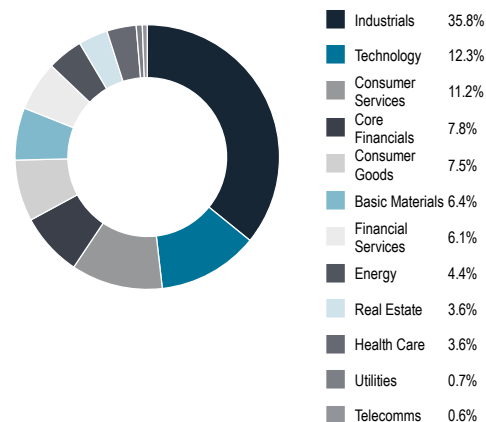
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Geographical focus (%)



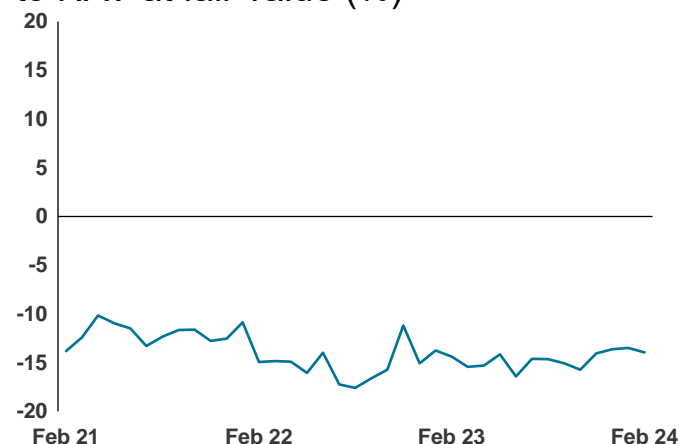
The above geographical breakdown may not add up to 100% as this only shows the top 10.

Sector breakdown (%)

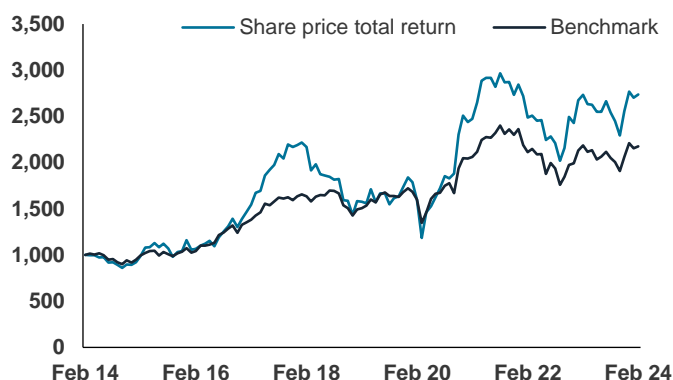


The above sector breakdown may not add up to 100% due to rounding.

Premium/(discount) of share price to NAV at fair value (%)



10 year total return of £1,000



All performance, cumulative growth and annual growth data is sourced from Morningstar. Share price total return is calculated using mid-market share price with dividends reinvested.

Key information

Stock code	ESCT
AIC sector	AIC European Smaller Companies
Benchmark	MSCI Europe ex UK Small Cap Index
Company type	Conventional (Ords)
Launch date	1990
Financial year	30-Jun
Dividend payment	April, November
Risk rating (Source: Numis)	Above average
Management fee	0.55% pa on first £800m of net assets and 0.45% pa in excess thereof.
Performance fee	Yes
(See Annual Report & Key Information Document for more information)	
Regional focus	Europe
Fund manager appointment	Ollie Beckett 2011 Rory Stokes 2014 Julia Scheufler 2024



Ollie Beckett
Portfolio Manager



Rory Stokes, CFA
Deputy Portfolio Manager



Julia Scheufler, CFA
Deputy Portfolio Manager

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. Please refer to the glossary for the definition of share price total return.

How to invest

Go to www.janushenderson.com/howtoinvest

Customer services

0800 832 832

Factsheet - at 29 February 2024

Marketing Communication

Fund Manager commentary

Investment environment

As large-cap equity markets reached unprecedented levels, driven predominantly by the surge in investments in artificial intelligence (AI) and sales of obesity medications, companies with smaller market capitalisations underperformed. Additionally, US data showed the world's largest economy is still going strong, contributing to investor optimism.

Despite these positive results, persistent inflation remains an underlying concern. With the easing of supply-chain disruptions, rising labour costs have continued to be a factor sustaining inflation. Small-cap companies, which tend to be more labour-intensive, are particularly affected by wage inflation.

Inflationary pressure has pushed back market expectations of the first interest rate cut by the European Central Bank (ECB) and its counterparts, potentially postponing any cuts until after the summer. This situation has led to small-cap stocks trading at significant discounts compared to large-cap stocks, and the discrepancy in performance and valuation between small- and large-cap stocks is now at near-record levels.

Portfolio review

We seek to capitalise on market trends by purchasing stocks before their earnings forecasts improve. One such example is in the offshore wind energy sector, where we

increased the overall position size due to weakness during the fourth quarter. While higher interest rates and the potential of adverse policies should Donald Trump win the US election are an overhang, we think the potential is long. For the second consecutive year, the UK continued to be the leading country outside of China for offshore wind capacity installations and there is a similar picture elsewhere in Europe. Several companies we hold in the portfolio are reaping the benefits of this trend and made positive contributions to performance over the past month. These include Nexans, which specialises in high-voltage cables essential for wind farms, Deme, a company that transports cargo necessary for the installation of offshore wind turbines, and Fugro, which focuses on collecting seabed data critical for setting up these installations. Notably, Fugro is experiencing expansion not only in Europe but also in new markets such as the US - where it is involved in increasing capacity in New York - and the Asia-Pacific region.

The biggest positive performer in February was Van Lanschot Kempen, a Dutch wealth management firm. Due to its good results and excess capital, the company plans to return capital to shareholders through share buybacks. Currently, its dividend yield is nearly 12%, reflecting its strong balance sheet. Given this, we remain positive on the stock.

Another key positive contributor to Company performance was Criteo, a French advertising and e-marketing platform. Despite facing challenges due to the

industry-wide shift away from cookie-based tracking in online advertising, Criteo has begun to see positive outcomes from its strategy to cross-sell services. Looking forward, we are keeping a close eye on the potential effects of Google Chrome's upcoming deprecation of third-party cookies. We are encouraged, nevertheless, by Criteo's adjustments to its business model in response to evolving privacy standards and regulations in the digital advertising space.

The largest detractor was the holding in ams Osram, an Austrian company specialising in screen technology. During the month, ams Osram's share price suffered a large fall when a well-known US-based phone handset manufacturer abruptly cancelled a critical micro-LED project. The market moved quickly to discount cash flows related to the project as well as those linked to the technology more broadly. While the company remains confident in its product, there will likely be a long period where it is proving its commercial viability. We decided to sell our shares and move on.

Another detractor was Grenergy, a Spanish company that produces renewable energy. Recently, Grenergy suffered due to declining power prices. Investors have also expressed concerns about the company's capability to secure power purchase agreements (PPAs). PPAs are crucial long-term contracts (ranging from five to 20 years) that lock in the sale of electricity at predetermined prices and guarantees renewable energy for certain companies. Falling energy prices have made these agreements more difficult. Despite these challenges, Grenergy has some

promising growth opportunities. The company is actively expanding, with new solar projects underway. It is also winning storage contracts (especially in Chile). This pipeline reinforces our positive outlook on the stock and our decision to maintain our investment.

Regarding our recent activities, we took part in the initial public offering (IPO) of Renk, a German company specialising in defence manufacturing. We found the pricing of Renk's shares during the IPO to be appealing. The company's portfolio includes a variety of products such as gearboxes, transmissions and power-packs, catering to both defence and civilian customers. In recent years private equity firms have often brought companies to the public market at aggressive valuations that resulted in a poor market debut and further weak returns. We are hopeful that the Renk IPO is the start of a more sensible pricing approach, one that sees better performing IPOs and public markets remaining a willing exit strategy for private equity firms.

Additionally, we have recently taken a small position in R&S Group, a company based in Switzerland that specialises in power distribution. R&S Group focuses on manufacturing transformers essential for electrical grid infrastructure. This move comes at a time when the market for electrical grid infrastructure is experiencing a resurgence, driven by the shift towards renewable energy. After years of limited growth, the energy transition is revitalising the demand for advanced and efficient transformers.

In terms of disposals, we sold the position in Amadeus FiRe, a German staffing agency, allowing us to realise profits from our investment. We also sold the position in Plastic Omnium, an auto parts manufacturer. Our decision was based on the fact that there are more opportunities elsewhere in the electric vehicles sector.

Manager outlook

Inflation appears to be significantly under control (albeit persistent), and we expect interest rates to decrease throughout the year. Considering the current state of the market, we predict that an economic 'soft landing' (versus recession) is the most likely scenario as destocking eventually comes to an end. From here, we think the market will likely broaden. In this context, small-cap stocks have become exceptionally undervalued in our view. Since the end of last year, the market has continued to show a narrow focus. However, we believe that a shift in the market is on the horizon, likely triggered by upward revisions in earnings forecasts. As investor confidence starts to rebound, our priority is to identify and invest in the most promising opportunities. Fortunately for us, they are currently available at what we consider to be remarkably low prices.

Glossary

Discount/Premium

The amount by which the price per share of an investment company is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

Gearing

The effect of borrowing money for investment purposes (financial gearing). The amount a company can “gear” is the amount it can borrow in order to invest. Gearing is used in the expectation that the returns on the investments bought will exceed the costs of the borrowings that funded the purchase. This Company can also use synthetic gearing through derivatives and foreign exchange hedging and/or other non-fully funded instruments or techniques.

Leverage

The Company's leverage is the sum of financial gearing and synthetic gearing. Details of the Company's leverage limits can be found in both the Key Information Document and Annual Report. Where a company utilises leverage, the profits and losses incurred by the company can be greater than those of a company that does not use leverage.

Market capitalisation

Share price multiplied by the number of shares in issue, excluding treasury shares, at month end. Shares typically priced mid-market at month-end closing.

Net Asset Value (NAV)

The total value of a Company's assets less its liabilities.

NAV (Cum Income)

The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV (Ex Income)

The value of investments and cash, excluding current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV total return

The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Net assets

Total assets minus any liabilities such as bank loans or creditors.

Net cash

A company's net exposure to cash/cash equivalents expressed as a percentage of shareholders' funds, after any offset against its gearing. This is only shown for companies that have gearing in place.

Net gearing

A company's total assets (less cash/cash equivalents) divided by shareholders' funds expressed as a percentage.

Ongoing charges

The total expenses for the financial year (excluding performance fee), divided by the average daily net assets, multiplied by 100.

Risk rating

The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the Company over 1 and 3 years. In this instance volatility measures how much a company's NAV fluctuates over time in relation to the UK Equity market. The higher a volatility figure, the more the NAV has fluctuated (both up and down) over time. Please note that risk categorisations are indicative and based principally on historic data and should not be solely relied upon when making investment decisions.

Share price

Closing mid-market share price at month end.

Share price total return

The theoretical total return to the investor assuming that all dividends received were reinvested in the shares of the company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Total assets

Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

Yield

Calculated by dividing the current financial year's dividends per share (this will include prospective dividends) by the current price per share, then multiplying by 100 to arrive at a percentage figure.

For a full list of terms please visit:

<https://www.janushenderson.com/en-gb/investor/glossary/>

Source for fund ratings/awards

Overall Morningstar Rating™ is a measure of a fund's risk-adjusted return, relative to similar funds. Fund share classes are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving a single star.

Overall Morningstar Rating™ is shown for an investment company achieving a rating of 4 or 5.

Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to www.global.morningstar.com/managerdisclosures.

Company specific risks

- This Company is suitable to be used as one component of several within a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested in this Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or negative for performance at other times.
- The Company could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the Company.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- The return on your investment is directly related to the prevailing market price of the Company's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the Company. As a result, losses (or gains) may be higher or lower than those of the Company's assets.
- If a Company's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio that is diversified across more countries.
- Most of the investments in this portfolio are in smaller companies shares. They may be more difficult to buy and sell, and their share prices may fluctuate more than those of larger companies.
- Using derivatives exposes the Company to risks different from - and potentially greater than - the risks associated with investing directly in securities. It may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
- Where the Company invests in assets that are denominated in currencies other than the base currency, the currency exchange rate movements may cause the value of investments to fall as well as rise.
- If the Company seeks to minimise risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or negative for performance.
- The Company may use gearing (borrowing to invest) as part of its investment strategy. If the Company utilises its ability to gear, the profits and losses incurred by the Company can be greater than those of a Company that does not use gearing.

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