

Fund manager
Mine Tezgul



Manager Commentary

Markets posted gains over the month but better performance was achieved by large caps than small.

Macroeconomics and geopolitics were again turbulent. In the throes of a bitter election battle in the US, the Federal Reserve cut interest rates by 50 basis points; the European Central Bank delivered half that, and the Bank of England delayed, hinting at later cuts further down the line. French politics remain in turmoil and the Austrians have favoured the extreme right-wing in their recent elections (though a coalition may shut out the largest party). Moreover, the Middle Eastern crisis is deepening, prompting volatile energy prices.

The Trust portfolio underperformed the index in net asset value terms after several more positive months. Gerresheimer, the German manufacturer of syringes for administering prescription drugs, warned that inventory problems would depress profitability, and this caused a fall in the share price. Elis fell as management said the company is proposing to enter the US market by buying Vestis. The latter is a recent spin-off from Aramark, which has debt and is a weak player in a lower margin market where the leader, Cinta, is very powerful. Since the end of the month, Elis has withdrawn from the proposed takeover and the shares have partially recovered the ground they lost in September. Nordic Semiconductor, a strong performer earlier in the year, held a capital markets day for investors that disappointed. The new CEO admitted delays in profits coming through, so analysts are downgrading forecasts for this year and 2025.

On the positive side, CTS Eventim announced another good quarter of results, following a strong first quarter and prompting analyst upgrades. This is the first set of figures consolidating See Tickets, a successful new acquisition. The company is integrating two wholly-owned events businesses (Peter Rieger Konzertagentur and Dreamhaus), improving efficiency – both of these news items have been taken well. Carel announced second-quarter results that were mixed, but some analysts maintain the bottom has been reached. The worst news about heat-pumps is not well-known (encouraging German regulation forcing their introduction has been relaxed) and their involvement with data centres gives good opportunities for future growth. Fluidra bucked expected trends in the second quarter and the CEO is confident. One of its main US competitors had fuelled fears about poor growth in that market, but Fluidra has allayed these – its results show that trading is particularly good in the US.

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.

The mention of any specific shares or bonds should not be taken as a recommendation to deal. Past performance does not predict future returns.

Key facts as at 30.09.24

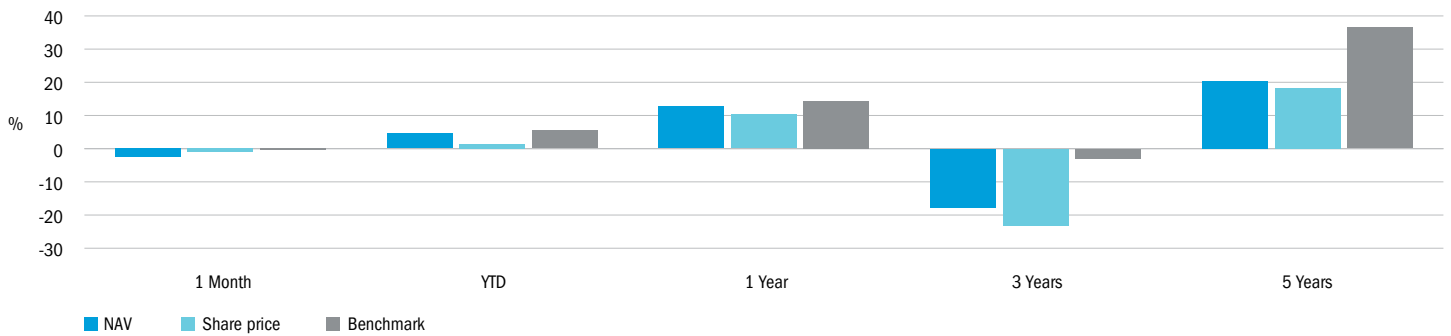
Trust aims: To achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends are paid from a mix of income and capital reserves.

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

Benchmark:	MSCI Europe ex UK SMID Cap Index [†]
Fund type:	Investment Trust
Launch date:	1972
Total assets:	£382.4 million
Share price:	86.40p
NAV:	98.11p
NAV:	€1.18
Discount/premium(-/+):	-11.94%
Dividend payment dates:	Jan, Apr, Jul, Oct
Yield^{††}:	6.83%
Net gearing/Net cash[†]:	6.10%/0.00%
Management fee rate^{**}:	0.75%
Ongoing charges^{***}:	1.04%
Year end:	31 December
Sector:	European Smaller Companies
Currency:	Euros
Website:	www.europeanassets.co.uk

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

Fund performance as at 30.09.24



Cumulative performance as at 30.09.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-2.63	4.40	12.61	-17.74	20.25
Share price	-0.92	1.36	10.18	-23.09	18.23
Benchmark	-0.41	5.32	14.20	-2.74	36.46

Discrete annual performance as at 30.09.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	12.61	12.97	-35.34	32.11	10.66
Share price	10.18	11.67	-37.49	42.87	7.60
Benchmark	14.20	13.56	-25.00	29.49	8.35

Past performance is not a guide to future performance. Source: Columbia Threadneedle Investments and LIPPER. 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.

Trust codes

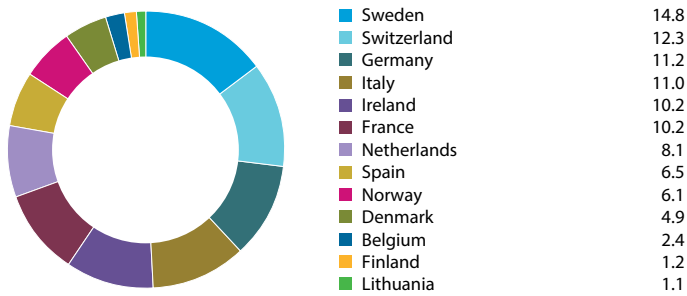
Stock exchange code	Sedol
EAT	BDOBSY3

Top 10 holdings (%)

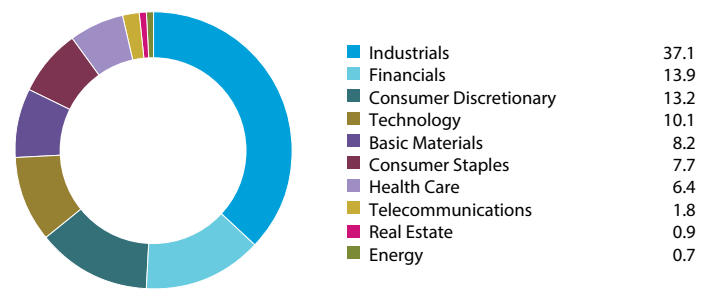
	Portfolio Weight	Benchmark Weight	Difference	Sector
CTS Eventim	3.1	0.3	2.8	Consumer Discretionary
Cairn Homes	2.9	0.1	2.8	Consumer Discretionary
Smurfit Westrock	2.7	0.0	2.7	Basic Materials
Rational	2.7	0.2	2.5	Industrials
Siegfried	2.6	0.2	2.4	Health Care
Vidrala	2.6	0.1	2.5	Industrials
Royal Unibrew	2.5	0.2	2.3	Consumer Staples
Accelleron Industries	2.4	0.2	2.2	Industrials
Interpump	2.4	0.1	2.3	Industrials
Ringkjoebing Landbobank	2.3	0.2	2.1	Financials

All figures are subject to rounding.

Geographical breakdown (%)



Sector breakdown (%)



All figures are subject to rounding.

Net dividend distributions per share (£)

	2024
January	0.01475
March	0.01475
July	0.01475
October	0.01475
Total	0.05900

The Company has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the Net Asset Value at the end of the preceding 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.

To find out more visit columbiathreadneedle.com



All data as at 30.09.2024 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. All percentages are based on gross assets. [†]With effect from 1 June 2023. Previously EMIX 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 0.55% per annum is charged on funds under management in excess of €300 million. ^{***}Ongoing charges calculated in accordance with AIC recommendations and as disclosed in the latest annual report. With effect from 1 January 2024 a revised management fee has been introduced. It is estimated that this will result in lower ongoing charges for 2024 in comparison to the figure reported for 2023. 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.

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English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6A. Email: inv.trusts@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

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