

Fund manager
Sam Cosh

Manager Commentary

Markets had a strong February as economic resilience and a good start to full-year earnings announcements boosted investor confidence. In Europe, although still in contraction territory, the Purchasing Managers' Index (a good leading indicator for economic activity) continued to recover from the October lows, potentially showing that the region's growth weakness is over. Our portfolio had a good month, outperforming our benchmark index.

The main driver of returns were stock-specifics, which were generally dictated by annual results announcements and their corresponding outlook statements. For example, one of our largest positions, CTS Eventim, the German-listed, market-leading online ticketing business, announced results that exceeded high expectations, demonstrating that the boom in live entertainment continues unabated. The shares were also helped by an announcement that the company had won the ticketing contract for the 2028 Olympic Games. We also saw a good reaction to results from Gerresheimer, the German-listed pharmaceutical packaging company. Investors were particularly pleased with the strong guidance that vindicated management's efforts to refocus the business on more value-added areas, the latest being exposed to GLP-1 pharmaceuticals. Karnov, the Swedish-listed provider of legal information, also had an encouraging update. The shares are trading at a low valuation, reflecting the market's scepticism over execution of a large acquisition announced at the end of 2022 and the high debt burden that came with it. The results came with an announcement of higher synergies from the deal and a faster-than-expected reduction in debt. Other holdings that performed well on the back of full-year results were new holding Smurfit Kappa, the Irish-listed paper business, Fluidra, the Spanish swimming pool equipment company, and BE Semiconductor.

On a more disappointing note, Nordic Semiconductor, the leading Bluetooth semiconductor designer, had a disappointing update as its sales continued to suffer from high inventories at customers. The recovery has been pushed out to later in the year. Surgical Science, the robotic surgery simulation company, also had weak fourth-quarter results as demand from the education sector disappointed. Finally, Atea, the Scandinavian IT reseller, fell after weaker results due to slowing demand as clients absorbed the high levels of buying that they had executed during the COVID-19 pandemic.

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 29.02.24

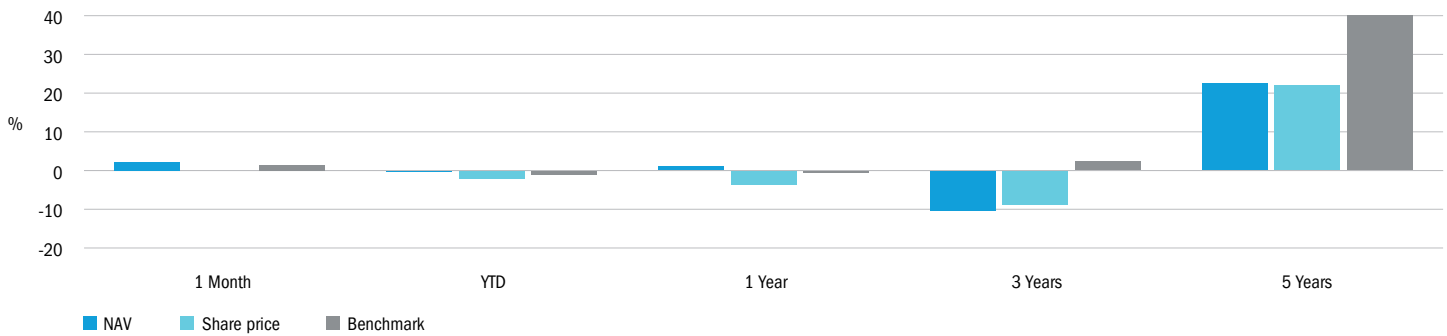
Trust aims: To achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends are paid from a mix of income and capital reserves.

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:	£377.9 million
Share price:	86.40p
NAV:	96.64p
NAV:	€1.13
Discount/premium(-/+):	-10.60%
Dividend payment dates:	Jan, Apr, Jul, Oct
Yield^{††}:	6.83%
Net gearing/Net cash[†]:	5.70%/0.00%
Management fee rate^{††}:	0.75%
Ongoing charges^{***}:	1.03%
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 29.02.24



Cumulative performance as at 29.02.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	2.07	-0.19	0.92	-10.32	22.35
Share price	0.00	-2.01	-3.52	-8.62	21.85
Benchmark	1.33	-0.83	-0.47	2.17	39.92

Discrete annual performance as at 29.02.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	0.92	-7.48	3.96	34.84	1.19
Share price	-3.52	-7.76	2.68	35.63	-1.69
Benchmark	-0.47	0.58	2.05	28.99	6.17

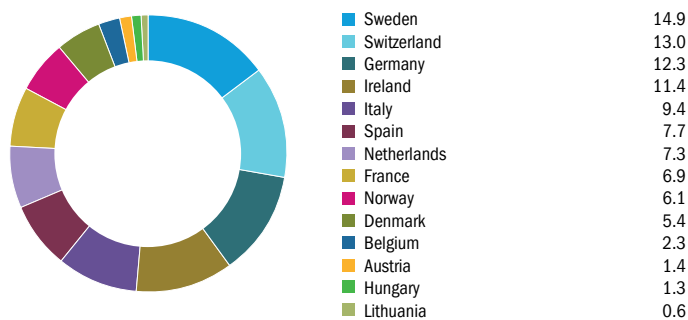
Past performance is not a guide to future performance. Source: Columbia Threadneedle Investments and LIPPER. Basis: Percentage growth, total return, bid to bid price with net income reinvested in Sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

Trust codes	
Stock exchange code	Sedol
EAT	BD0BSY3

Top 10 holdings (%)				
	Portfolio Weight	Benchmark Weight	Difference	Sector
Ringkjøbing Landbobank	3.2	0.2	3.0	Financials
CTS Eventim	3.1	0.2	2.9	Consumer Discretionary
Cairn Homes	3.0	0.0	3.0	Consumer Discretionary
Interpump	3.0	0.2	2.8	Industrials
Tecan	2.8	0.2	2.6	Health Care
Gerresheimer	2.8	0.2	2.6	Health Care
Siegfried	2.7	0.2	2.5	Health Care
Vidrala	2.5	0.1	2.4	Industrials
Smurfit Kappa	2.5	0.5	2.0	Industrials
Azimut	2.4	0.1	2.3	Financials

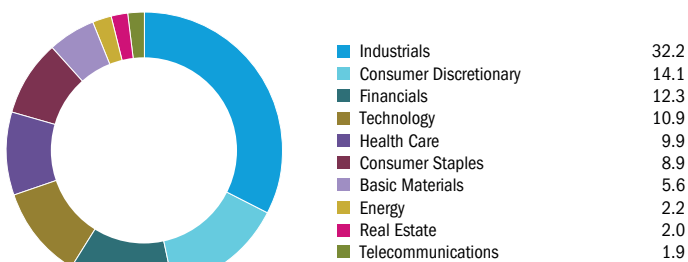
All figures are subject to rounding.

Geographical breakdown (%)



All figures are subject to rounding.

Sector breakdown (%)



Net dividend distributions per share (£)

	2024
January	0.01475
March	0.01475
July	0.01475
October	0.01475
Total	0.05900

The 2023 dividend was paid in four instalments on 31 January, 28 April, 31 July and 31 October. The annual dividend is equivalent to 6% of the net asset value as at 31 December each 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 29.02.2024 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 0.60% per annum is charged on funds under management in excess of €400 million. ***Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured. 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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