European Assets Trust PLC

Report and Accounts 31 December 2019

Financial Calendar	
First interim dividend for 2020	31 January 2020
Announcement of annual results	March 2020
Second interim dividend for 2020	30 April 2020
Annual General Meeting	14 May 2020
Third interim dividend for 2020	31 July 2020
Interim results for 2020 announced	August 2020
Fourth interim dividend for 2020	30 October 2020

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Board's current view and on information known to it at the date of this document. Nothing should be construed as a profit forecast.

Contents

Company Overview

On 16 March 2019 European Assets Trusts NV ("EAT NV") migrated under the European Cross-Border Merger Regulations its legal seat and structure from the Netherlands to the United Kingdom by means of a cross border merger. All assets and liabilities transferred to its wholly owned subsidiary European Assets Trust PLC ("the Company"). Shareholders received one Ordinary Share in the Company for each share held in EAT NV. EAT NV was then effectively dissolved without liquidation.

The Company was incorporated in England and Wales on 12 November 2018. This report and accounts is for the period from 12 November 2018 to 31 December 2019. In accordance with the provisions of the prospectus for the Company published on 27 November 2018, the accounting effective date of the migration was 1 January 2019. During the period from 12 November 2018 until migration, the only activity of the Company was the issuance of share capital to be held by its parent, EAT NV. All performance information is therefore for the period from 1 January 2019 to 31 December 2019. All comparative information in this annual report and accounts is in relation to EAT NV and has been presented for ease of reference for shareholders. It is not covered by the Independent Auditor's Report beginning on page 64.

- The Company's objective is to achieve long-term 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 with dividends paid out of current year net profits and the Distributable Reserve.
- Through its aim to pay shareholders a dividend of 6% based on the net asset value on 31 December each year the Company has offered an attractive level of yield – both in absolute terms and relative to other asset classes. Investors seeking long-term capital appreciation meanwhile can choose to reinvest dividends in order to enhance their growth potential.
- The Board seeks to manage liquidity in the Company's shares through its ability to issue or buyback shares dependant on the extent of any share premium or discount. This is designed to reduce the volatility of the Company's share price relative to its Net Asset Value.
- With an Ongoing Charges ratio of 1.1%† the Company compares favourably with open-ended investment companies and many other investment trusts. The cumulative benefits of low costs are very significant for long-term investors.

Visit our website at **www.europeanassets.co.uk**

Registered in England and Wales with company registration number 11672363. Legal Entity Identifier 213800N61H8P3Z4I8726

† Year ended 31 December 2019 – calculated with reference to the basis recommended by the Association of Investment Companies.

Financial Highlights

25.7%[*]

Share price performance

The Company recorded a Sterling Share Price total return[∞] of 25.7% for the year ended 31 December 2019 in comparison to the Company's benchmark which rose 20.6%.

19.8%[*]

NAV performance

The NAV Sterling total return[∞] was 19.8% for the year ended 31 December 2019. Further analysis of this performance is provided in the Chairman's Statement and Investment Manager's Review.

7.02p[*] ↑17.2%

Dividend

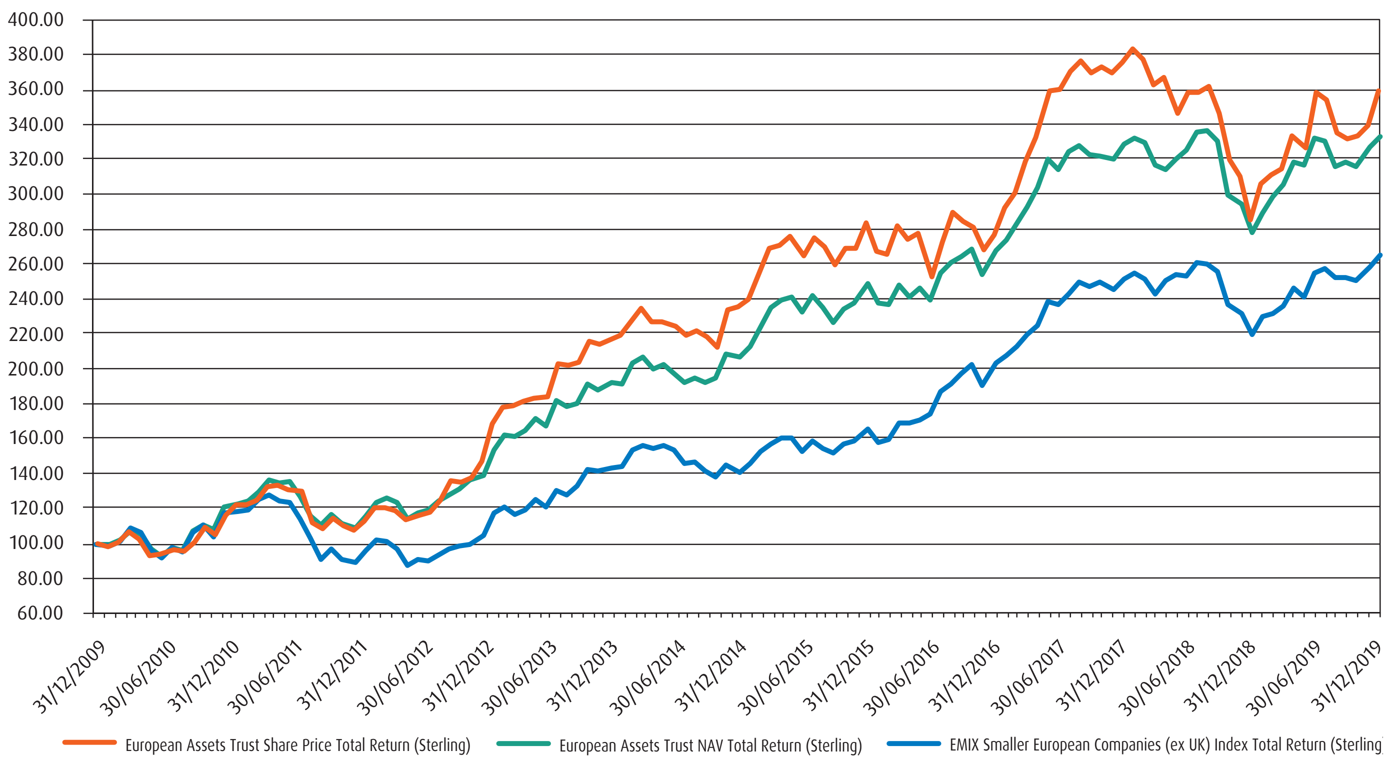
The Board has declared a total dividend for 2020 of 7.02 pence per share in accordance with its aim of paying at a rate of six per cent of the closing NAV of the preceding year. This is an increase of 17.2% from the 2019 dividend of 5.99 pence.

1.1%[*]

Ongoing charges[∞]

The ongoing charges of the Company has been reduced from 1.7% for the year ended 31 December 2012 to 1.1% for year ended 31 December 2019.

The Longer Rewards[*]



[*] EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

[∞] Refer to Alternative Performance measures on page 78.

Calculated in accordance with the basis recommended by the AIC.

Summary of Performance

Investing in European small and medium sized quality companies to deliver attractive returns

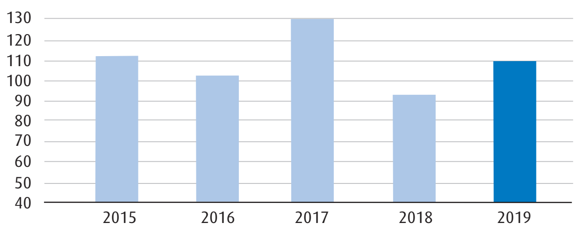
Total Return for the year ended 31 December*	European Assets Trust PLC		European Assets Trust NV	
	Sterling	Euro	Sterling	Euro
	2019	2019	2018	2018
Net asset value total return per share∞	**19.8%**	**26.9%**	(15.4)%	(16.3)%
Share price total return	**25.7%**	**33.3%**	(23.9)%	(24.7)%
EMIX Smaller European Companies (ex UK) Index	**20.6%**	**27.8%**	(12.7)%	(13.6)%

Capital at 31 December end*	European Assets Trust PLC		European Assets Trust NV	
	Sterling	Euro	Sterling	Euro
	2019	2019	2018	2018
Total assets (less current liabilities) – millions	**£418.4**	**€493.5**	£369.4	€411.6
Net asset value per share∞	**£1.16**	**€1.37**	£1.03	€1.14
Share price per share‡	**£1.10**	**€1.30**	£0.93	€1.04
EMIX Smaller European Companies (ex UK) Index	**595.21**	**702.44**	506.06	563.82

Distributions per share for the year ended*	European Assets Trust PLC		European Assets Trust NV	
	Sterling	Euro	Sterling	Euro
	2019	2019	2018	2018
Total distributions paid in cash¶	**5.99p**	**€0.0684**	7.72p	€0.088

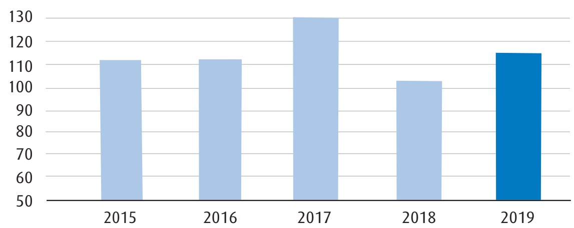
* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
‡ London Stock Exchange prices converted into Euros at relevant exchange rate at the year end.
¶ Net of Dutch withholding tax for 2018 and the pre-migration period for 2019. Reflects the reduction in net asset value per share during 2018.
∞ See Alternative Performance Measures on page 78 for explanation.

Mid-market price per share at 31 December - pence†



Source: London Stock Exchange

Net asset value per share at 31 December - pence†



Source: BMO Investment Business Limited

† EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

	European Assets Trust PLC	European Assets Trust NV
	2019*	2018*
(Discount)/Premium at 31 December#	(5.2)%	(9.5)%
Net Cash/Gearing at 31 December (less than 100% represents net cash, more than 100% represents net gearing)§	97%	101%
Ongoing Charges∞	1.11%	1.11%

2019 Year's Highs/Lows	High	Low
Net asset value per share*	121.50p	102.46p
Share price*	115.00p	93.25p

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

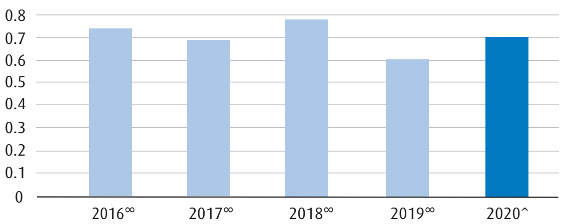
\# The widest discount on the ordinary shares during 2019 was 11.9 per cent and the narrowest discount was 3.6 per cent in sterling terms. Refer to Alternative Performance Measures on page 78.

§ This percentage indicates the amount by which shareholders' funds would rise or fall if total assets were to rise or fall and is total assets (less cash and cash equivalents) divided by shareholders' funds expressed as a percentage.

∞ Calculated in accordance with the basis recommended by the AIC. Refer to Alternative Performance Measures on page 78.

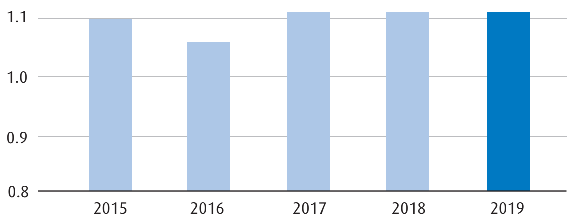
Sources: Morningstar/Datastream/Euromoney

Net dividends paid/declared^ per share - sterling†



Source: BMO Investment Business Limited

Ongoing chargesv† - %



Source: BMO Investment Business Limited

^ 2020 Sterling dividends declared.

† EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

∞ Net of Dutch withholding tax.

v Refer to Alternative Performance Measures on page 78.

Chairman's Statement

Jack Perry CBE, Chairman

Fellow Shareholders,

European Assets Trust PLC ('the Company') recorded a Sterling share price total return for the year ended 31 December 2019 of 25.7% (European Assets Trust NV 2018: -23.9%). The Sterling Net Asset Value ("NAV") total return for the year was 19.8% (European Assets Trust NV 2018: -15.4%). This compares to the total return of its benchmark the EMIX Smaller European Companies (ex UK) Index which rose 20.6% (European Assets Trust NV 2018: -12.7%) during the same period. The share price total return benefited from a narrowing of the discount from 9.5% as at 31 December 2018 to 5.2% at the year-end.

2019 was a good year for European Smaller Companies and your Company, allowing us to announce an attractive increase in dividend. Depressed sentiment leading into the year helped provide the platform for a strong first quarter as the markets yet again took their lead from Central Banks with both the US and European authorities signalling that monetary support would continue. While this market cycle has been driven by low interest rates more than economic growth, it was a threat to the latter that dampened optimism heading into the second and third quarter. Macroeconomic indicators deteriorated as the US and China continued their trade negotiations. However, the final months of the year were strong as a stage one deal between the two countries was announced and economic data began to look more promising. The outcome of the UK general election also provided further political relief though the ensuing rally of Sterling did dampen our Euro denominated returns when translated back to our reporting currency.

The Investment Manager's Review, which follows on page 12, discusses the Company's performance in more detail.

Migration

As previously reported, on 16 March 2019, the Company migrated its legal seat and structure from the Netherlands to the United Kingdom by means of a cross border merger (the "migration"). The migration resulted in the entire portfolio of investments of its predecessor, European Assets Trust NV ("EAT NV"), transferring to the Company, with shareholders entitled to receive one ordinary share in the Company in exchange for each share held in EAT NV. EAT NV then effectively dissolved without liquidation.

EAT NV was a Dutch company. The migration to the United Kingdom has resulted in an English registered, London market premium listed, UK investment trust, which the Board believes provides a long-term stable structure for the Company.

Following the migration to the United Kingdom, the Company has ensured that it will have continuity of investment management services, governance and regulatory oversight. The Board continues to monitor the potential impact of Brexit and believes that while the ultimate impact of Brexit on financial and currency markets both in the United Kingdom and the European Union cannot be assessed, any volatility would be managed as part of our normal investment processes.

Financial reporting

The Company was incorporated on 12 November 2018 and presents its first set of accounts for the period ended 31 December 2019.

As disclosed within the prospectus of the Company issued on 27 November 2018, the Company has accounted for the migration as if it had occurred on 1 January 2019 notwithstanding the effective date of 16 March 2019. This treatment is consistent with the Board's goal, throughout the merger process, of minimising the impact of the migration on the day to day operations and reporting to shareholders of the Company. The Board has also announced that with effect from the reporting period beginning on 1 January 2020, the reporting currency of the Company will change to Sterling from Euro and that all future financial statements will be presented in Sterling.

Dividend

The level of dividend paid 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 six per cent of its NAV at the end of the preceding year.

In January, the Company announced that dividends would be declared in Sterling, a change from the previous practice of declaring in Euros. This change will provide greater certainty of income for the overwhelming majority of the Company's shareholders who choose to receive their dividends in Sterling rather than Euros.

The 2020 dividend of £0.07020 per share, which represents an increase of 17.2% from the 2019 dividend of £0.0599* per share will be paid in four equal instalments of £0.01755 on 31 January, 30 April, 31 July and 30 October 2020. Following approval by the UK High Court dividends will be funded by a combination of current year profits and the Distributable Reserve.

Directorate Change

As part of an orderly succession process, Professor Robert van der Meer will retire from the Board following the conclusion of the Company's forthcoming Annual General Meeting. Robert has served on the Board of this Company and its predecessor, EAT NV, since 27 April 2007. As Deputy Chairman and Chairman of the Audit and Risk Committee, Robert has played a key oversight role. His knowledge and understanding of Dutch corporate governance and accounting and his insight into investment management portfolio risk has been invaluable. On behalf of the Board and stakeholders of the Company, I thank Robert for his commitment and wise counsel throughout the last 13 years.

As reported in my statement for the report and accounts for the six-month period ended 30 June 2019, following a rigorous selection process which was facilitated by an external search company, Stuart Paterson was appointed to the Board with effect from 22 July 2019. Upon the retirement of Robert, and following a period of valuable overlap, I am pleased to confirm that Stuart will be appointed as Chairman of the Audit and Risk Committee.

Outlook

Given the unprecedented nature of the current Coronavirus epidemic, it is unwise to provide any specific outlook. What we know is that the longer the epidemic endures, the more damaging it will be on the global economy and on stock markets. This is likely to be met with responses by both central banks and governments, with the latter more likely to be constructive with expansionist fiscal policies. This may potentially lead us into a market cycle different from the liquidity driven cycle we have seen thus far.

In investment terms, we can take comfort that the portfolio entered this period without any leverage. Indeed, the manager has been clear that we needed financial capacity to take advantage of any opportunities to add some good quality assets were they to fall towards more attractive valuation levels. We would therefore expect to be deploying more capital over the coming months, taking advantage of any further volatility for the benefit of long-term returns.

Annual General Meeting

The Annual General Meeting will take place on 14 May 2020 at 3.00pm at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY and will include a presentation from the Lead Investment Manager, Sam Cosh, on the Company and its investment portfolio. This is a good opportunity for shareholders to meet the investment management team 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
12 March 2020

*The Sterling equivalent of the dividend paid to shareholders of €0.0684 net of Dutch withholding tax.

The Migration

During the year-ended 31 December 2019, European Assets Trust PLC ("the Company") migrated its investment enterprise from the Netherlands to the United Kingdom. This migration was achieved by the absorption of the assets and liabilities of European Assets Trust NV ("EAT NV") by the Company, which was, at that time, a wholly owned subsidiary of EAT NV.

The merger was approved by the shareholders of EAT NV during an extraordinary shareholders' general meeting held on 9 January 2019. On 12 February 2019, the Dutch notary issued the merger compliance certificate confirming compliance with the Dutch Cross-Border Merger Regulations and, at a hearing held on 20 February 2019, the UK High Court approved the completion of the migration.

The migration occurred on 16 March 2019 by means of a cross-border merger under the European Cross-Border Merger Regulations of the Company with EAT NV. Following the merger, the Company continued the investment activities of EAT NV and EAT NV was dissolved and ceased to exist without going into liquidation. Upon merger, shareholders received one share in the Company for each share held in EAT NV.

EAT NV shares delisted from Euronext Amsterdam on 14 March 2019. The Board of EAT NV applied to the Financial Conduct Authority for the cancellation of the standard listing of European Assets Trust NV on the Official List, and to the London Stock Exchange to cancel the admission to trading of its shares on the Main Market, effective on 18 March 2019.

Application was made for the Company's shares to be admitted to the premium segment of the Official List and trading on the premium segment of the Main Market of the London Stock Exchange began at 8.00 a.m. on 18 March 2019.

Following the merger, the Company became a publicly traded investment trust with a premium listing on the London Stock Exchange.

The Company was incorporated in England and Wales on 12 November 2018. This report and accounts is for the period from 12 November 2018 to 31 December 2019.

As disclosed within the prospectus of the Company issued on 27 November 2018, pursuant to the Cross-Border Merger Regulations, the accounting effective date of the migration was 1 January 2019. During the period from 12 November 2018 until migration the only activity of the Company was the issuance of share capital to be held by its parent, EAT NV. All performance information is therefore for the period from 1 January 2019 to 31 December 2019.

Strategic Report

Investment objective and distribution policy

The investment objective of the Company is to achieve long-term 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 with dividends paid out of current year net profits and the Distributable Reserve.

Strategy and principal guidelines

The investment policy adopted by EAT NV in 1980 has been refined by seeking investments in small and medium-sized companies in Europe, excluding the United Kingdom, defined as those with a market capitalisation below that of the largest company in the EMIX Smaller European Companies (ex UK) Index.

The Company will not invest more than 20 per cent of its total assets in any one company and does not take legal or management control of any company in which it invests.

As part of an active investment strategy the Company does not restrict its investments to any specific industrial or geographical sector; a diversified geographical spread is maintained.

The Company does not seek to create a portfolio to take advantage of anticipated currency fluctuations.

The Company has the ability to undertake stock lending activities but does not anticipate doing so and would need to enter into a new agreement with its custodian before commencing.

The Company has the powers under its Articles to borrow an amount up to 20 per cent of its securities portfolio.

It is the intention of the Company barring unforeseen circumstances, to pay an annual dividend equivalent to six per cent of the NAV of the Company at the end of the preceding year.

Business model

The Directors have a duty to promote the success of the Company. As an investment company with no employees, the Board believes that the optimum basis for doing this and achieving the Company's investment objective is a strong working relationship with the Company's appointed manager, BMO Investment Business Limited (the "**Manager**"). Within policies set and overseen by the Board, the Manager has been given overall responsibility for the management of the Company's assets, asset allocation, gearing, stock selection and risk.

As an Investment Trust the Company is not constrained by asset sales to meet redemptions and is well suited to investors seeking longer term returns. The share capital structure provides the flexibility to take a long-term view and stay invested while taking advantage of illiquidity throughout normal and volatile market conditions. All the Company's investments are listed. Having the ability to borrow to invest is a significant advantage over a number of other investment fund structures.

The Board remains responsible for decisions over corporate strategy; corporate governance; risk and control assessment; setting policies as detailed on pages 21 and 22; setting limits on gearing and asset allocation; monitoring investment performance; and monitoring marketing performance.

Implementing the strategy

The investment management contract is with BMO Investment Business Limited ('the Manager') which is a company within the BMO Asset Management (Holdings) PLC Group ('BMO Group'). The Manager has been appointed as Alternative Investment Fund Manager ('AIF Manager'). BMO Group is a wholly owned subsidiary of Bank of Montreal and is part of BMO Global Asset Management ('BMO GAM'). BMO GAM provides investment management and other services to a range of investment companies.

Sam Cosh is the lead portfolio manager appointed by the Manager to the Company. He is assisted by Lucy Morris. Biographies of Sam Cosh and Lucy Morris who are members of the Global Smaller team at BMO are provided on page 11.

The Global Smaller team at the Manager focuses on detailed fundamental analysis with particular scrutiny on balance sheets and cashflows with an aim to invest in businesses with a long term time horizon. A key tenet of the approach is the belief that the most important factors that influence stock returns are both the value creation of the business and the initial price paid to own the equity. Consequently a significant emphasis is placed on valuation. Further details of the Manager's approach are provided on page 15.

The fee that the Manager receives for its services is based on the value of assets under management of the Company, thus aligning its interests with those of the shareholders. The ancillary functions of secretarial and marketing services are also provided by the Manager. Following the migration, the Manager is also responsible for the provision of administration to the Company. A separate administration fee is charged. Details of the management and administration fees payable to the Manager are provided on page 54.

Environmental, Social and Governance ('ESG') Impact

Our ESG policies are set out on pages 24 and 25. The direct impact of our activities is minimal as the Company has no employees, premises, physical assets or operations either as a producer or a provider of goods or services. Its indirect impact occurs through the investments that it makes and this is mitigated through BMO GAM's Responsible Investment Approach as explained on pages 24 and 25.

Manager evaluation

Investment performance and responsible ownership are fundamental to delivering sustainable long-term growth in capital for the Company's shareholders and therefore an important responsibility of the Board is exercising a robust annual evaluation of the Manager's performance. This is conducted by the Management Engagement Committee of the Board. This is an essential part of the strong governance that is carried out by the Board, all the members of which are independent and non-executive. The process for the evaluation for the period under review and the basis on which the decision to reappoint the Manager for another year are set out on page 42. As noted above, the management fee is based on the net asset value of the Company, thus fully aligning the Manager's interests with those of Shareholders.

Gearing strategy

The Company has the ability to borrow up to an amount of 20 per cent of the value of its securities portfolio.

At 31 December 2019 the Company's borrowing facility was unutilised. Cash balances were €13.6 million. Gearing was 97%†.

Liquidity management

The Company has share issuance and buy back authorities which are designed to minimise the volatility of its share price relative to its Net Asset Value ("NAV").

Communication and marketing with stakeholders

The Company fosters good working relationships with its key stakeholders; the Manager, as described above, Shareholders, suppliers and contractors. As an investment trust the Company has no employees. With approximately 79% of the shares held by retail investors, and savings or execution-only platforms representing an increasingly significant and growing element of the Shareholder base, the Company remains focused with its Manager on promoting its success. All appropriate channels are used including the internet and social media as well as the BMO savings plans.

The Company's activities and performance are reported through the publication of its financial statements but the majority of Shareholders and savings plan investors prefer not to receive such detailed information. To avoid losing this essential line of communication, the Company issues a short notification with the key highlights of its half-yearly and annual results. The Company also issues a monthly factsheet. All stakeholders can locate the full information on the Company's website, www.europeanassets.co.uk, if they so wish. Through the Manager, the Company also ensures that savings plan investors are encouraged to attend and vote at annual general meetings in addition to those who hold their shares on the main shareholder register. Details of the proxy voting results on each resolution are published on the Company's website where there is also a link to the daily publication of the Company's NAV and its monthly factsheet.

The Manager also has in place a programme of visits designed to foster good relations with wealth managers in promoting the Company's investment proposition. These visits are reported regularly to the Board. Any contact with the Company's institutional Shareholders is also reported. The Chairman and Senior Independent Director are available to meet with major shareholders.

† Defined on page 78.

Managing risks and opportunities

Like all businesses, investment opportunities do not come without risks and uncertainties and so the performance of the Manager is monitored at each board meeting. In addition to managing the Company's investments, the ancillary functions of administration, secretarial, accounting and marketing services are all carried out by the Manager. The Board receives reports on the investment portfolios; the wider portfolio structure; risks; income and expense forecasts; internal control procedures; marketing; shareholder and other stakeholder issues, including the Company's share price premium or discount to NAV; and accounting and regulatory updates.

Shareholders can assess the financial performance of the Company from the Key Performance Indicators that are set out on page •. The Board has undertaken a robust assessment of the principal and emerging risks facing the Company. The Principal Risks that the Board considers the Company faces are detailed on page 26.

The risk of not achieving the Company's objective, or of consistently underperforming the benchmark or peer group, may arise from any or all of inappropriate asset allocation, poor market conditions, ineffective or expensive gearing, poor cost control, loss of assets and service provider governance issues. In addition to regularly monitoring the Manager's performance, their commitment and available resources and their systems and controls, the Directors also review the quality and value of services provided by other principal suppliers. These include the custodian and depositary in their duties towards the safeguarding of the assets.

The principal policies that support the Company's investment and business strategy are set out on page 21, whilst the Investment Manager's review of activity in the year can be found on page 12. Given the Company's strategy, investment processes and control environment (relating to both the oversight of the Company's service providers and the effectiveness of the risk mitigation activities), the Board has set out on page 27 its reasonable expectation that the Company will continue in operation and meet its liabilities over the coming five years.

Investment Managers

Sam Cosh, Lead Manager is a Director, European Equities at BMO. Sam joined BMO in 2010 from BNP Investment Partners and was appointed Lead Manager for European Assets Trust during 2011. Sam also manages the European investments of BMO Global Smaller Companies PLC. He has nineteen years' experience in European equities, principally within small and mid cap mandates.

Lucy Morris, Investment Manager is a Fund Manager in the Global Smaller team, dedicated to smaller companies. Lucy joined BMO in 2007. Lucy has nine years' experience in European equities, principally within small and mid cap mandates.

Investment Manager's Review

Sam Cosh, Lead Manager

Market Backdrop

2019 was a strong year for equity markets helping us to deliver an attractive NAV and share price return, which, following a narrowing of our discount, outperformed the benchmark.

The year under review started strongly, with the markets rebounding from the weak final quarter of 2018 as Central Banks signalled that they would provide yet more monetary stimulus in response to lacklustre economic data. Following a decade long investment cycle that has principally been driven by monetary policy, this was all the fuel that investors needed to drive markets higher.

The second and third quarter saw the return of some volatility as the trade negotiations between the US and China continued and macroeconomic data deteriorated. This, however, preceded a rally in the final quarter that sealed a strong year for global equities.

Several factors helped to propel equities and bond yields higher towards the end of 2019. Economic data turned out to be more reassuring with the US and Eurozone manufacturing businesses surveys picking up slightly from September, although they did still point to a challenging environment. Employment data, however, pointed to more resilience, while service sector surveys also supported a more optimistic picture. Concerns over an imminent recession were therefore side lined.

The year end rally also saw two significant political risks avoided. The trade negotiations between the US and China took a more optimistic turn as the scheduled tariff increases were delayed as the two parties agreed a phase one trade deal. Europe specifically was buoyed by the decision by the US not to impose tariffs on European Union auto exports. While the current truce may prove temporary, the fact that a severe trade war was averted was obviously welcomed.

The large majority for the Conservative Party in the UK election in December helped remove another significant political risk. While this boosted UK listed stocks, which are beyond our investment remit, it also provoked a rally in Sterling relative to the Euro which did dampen some of our returns when translated to our reporting currency.

Portfolio Performance

Our performance in 2019 was characterised by good stock picking which was partially offset by our sector allocation. Our top performer was ASM International, the Dutch listed semiconductor equipment supplier, which rose +168.5% in Sterling terms. Operationally the company's performance was outstanding with the release of consistently strong results, which were particularly impressive when set alongside a sector that struggled. The shares have also been supported by share buy backs as the company returned some of their strong balance sheet back to shareholders.

The other holding that delivered outstanding returns was the Italian asset manager, Azimut, that rose +130.3%. The shares had performed poorly last year precipitating a review of our investment thesis. Our decision to maintain the holding was vindicated as the company continued to demonstrate attractive inflows but also, more significantly, announced a change in their fee structure, reducing their reliance on performance fees. Another holding in the financial sector, Ringkjoebing Landbobank, also produced excellent returns. The Danish listed regional bank rose +45.9% as it upgraded its expected profits for the year due to strong loan growth.

CTS Eventim, another one of our largest positions, was also a significant contributor rising +64.2%. CTS is a German listed and European market leader in online ticketing. This is a high-quality company with a robust balance sheet, high margins, and is cash generative. Growth has been driven by the transition from paper ticketing to online, rising ticket prices and acquisitions. The company delivered strong results, but perhaps more importantly announced an acquisition of the leading French online ticketing provider, which appears to be significantly value accretive.

Other good performance came from the healthcare stocks operating in the invitro diagnostics space, Tecan and Diasorin, which rose +40.9% and +56.0% respectively, and the Eastern European low-cost airline, Wizz Air, which grew +39.0%.

Turning to our poorer performing stocks, our main disappointment was in our holdings of Consumer Staples where our positions underperformed a sector which also lagged the market. Sligro Food, the Dutch food service business, was the main detractor falling -33.1%. They struggled to integrate a large contract with Heineken, which led to extra costs and problems with delivery. While we believe the deal will ultimately leave them in a strong position, we think that the integration will continue to be challenging, so have sold the position. We have also sold one of our long-standing holdings, Viscofan, the Spanish listed synthetic sausage skin producer. The shares underperformed last year, though since purchase it has added a lot of value to the portfolio. The decision to sell was taken because we felt the growth outlook had deteriorated and therefore left the valuation looking vulnerable. The other significant negative contributor was Origin Enterprises, the Irish listed agronomist, who fell -36.6% following a profit warning blamed on the poor winter weather in the UK. We have some sympathy with this and believe that the valuation is at absurdly cheap levels, leading to our decision to keep holding the position.

In terms of sector allocation, the largest detractor was real estate where we currently have no exposure. While this may have been a mistake, we believe the fundamental reasons for being cautious towards the sector is understandable. We believe that European real estate companies, where leverage, or use of debt, is integral to their business models, have been the principal beneficiaries of the low interest rate environment. Ultimately, we have not been able to find stocks in this sector with a sufficient margin of safety which would produce a sufficient long-term return at an acceptable level of risk.

Portfolio Activity

While most of the year was quiet in terms of trading, the final quarter saw some increased activity, though overall portfolio turnover remains in satisfactory territory. In aggregate, our trades improved the quality characteristics of the portfolio and reduced the economic sensitivity. Below we highlight some of our new holdings purchased during the year:

Scout24

Scout24 is listed in Germany and, following the announced sale of its auto dealer online platform, has the dominant property portal which derives its revenues mainly from real estate agents. As we have seen in other geographies such as the UK and Australia, these portals demonstrate strong pricing power and have significant potential to grow. Scout24 has perhaps more attractive prospects as it is operating in a market where the transition from offline to online is not yet complete and where average revenues per user have significant potential, when benchmarked against international comparators. There are also plenty of other attractive revenue opportunities to harness.

Copyright: Amorin

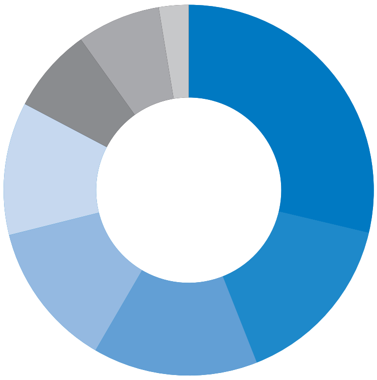
Corticeira Amorim

Amorim is a family run business that is the clear global market leader in cork stoppers. While growth is not expected to be spectacular the consumption of premium wine is increasing whilst cork is establishing its market position again against aluminium and plastic due to environmental considerations and the quality characteristics that cork infers. We believe that margins and cash flow are set to improve after a tricky period, as the cork harvest improves, and their flooring division, which has been loss making, starts contributing positively.

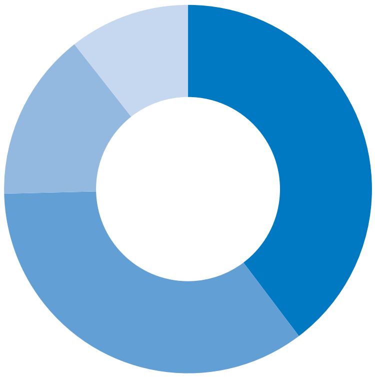
SimCorp

SimCorp is a Danish software company that sells to the asset management industry. They are embedded with their clients, so have highly predictable revenue streams, are gaining new clients, and are capital light, so cash generation is superb. Their growth is driven by the replacement of archaic internal developed systems that can no longer

Portfolio Split by Sector at 31 December 2019



Portfolio Split by Category at 31 December 2019



(Figures in brackets – European Assets Trust NV as at 31 December 2018)
Source: BMO Investment Business Limited

cope with a rapidly changing market that is characterised by high levels of compliance and reporting requirements. All of which leads to rapidly compounding cash generation and value creation.

Karnov

Karnov is the dominant provider of case information to the legal profession in Sweden and Denmark. This information is integral to their clients' workflow yet is relatively low cost. This leads to high satisfaction and renewal rates amongst a customer group that is growing as the incidence of legislation increases. Earnings should grow disproportionally as they fully integrate their recent Swedish acquisition, which gives them a dominant position and therefore pricing power. This should lead to margin expansion as they begin to move prices up to those they achieve in their Danish market.

Outlook

2019 ended with optimism that cyclical indicators had stabilised and that 2020 was likely to be a year of economic recovery. The consensus also assumed that Central Banks would protect against any disappointment in growth through further action.

The outbreak of the Coronavirus has, however, superseded these expectations, driving severe volatility in our markets. The direction of equity markets from here will likely depend on whether the impact of the virus turns out to be a relatively short-lived event or more sustained. The longer the epidemic takes to contain, the more likely the global economy will suffer. Many Central Banks have already recognised this danger by cutting interest rates, yet it seems difficult to understand, absent of a short boost of liquidity and confidence, how this will cushion any economic impact. What this episode could, however, encourage is a more active approach of governments towards more constructive fiscal policies, not least because monetary policy is all but exhausted. We are seeing tentative signs of this already, with the UK government being more expansive, and the German government loosening their fiscal restrictions, albeit temporarily. This could herald the next phase of the market cycle which is likely to be very different from what we have seen since the great financial crisis.

Turning to the portfolio we are in the fortunate position not to be leveraged heading into this market volatility. This allows us to look at this period constructively. Whilst we will not do anything rash, we will use equity market falls to slowly add some quality companies to the portfolio. These are companies that we have looked at in detail previously but have not been sufficiently attractively priced for an investment. Over the long term, whilst unwelcome, this challenging period should therefore be an opportunity to build towards attractive long-term returns.

Sam Cosh
Lead Investment Manager
BMO Investment Business Limited
12 March 2020

Investment Manager's Investment Philosophy and Process

There are approximately 2,000 quoted European (ex UK) small and mid-cap companies. With the Company having a relatively concentrated portfolio, stock-picking is the focus of the manager's investment process.

A key element of the process is visiting companies and meeting management. The Manager seeks well-managed, quality companies with sustainable, competitive advantages. These advantages may be derived from a company's;

- scale;
- brand recognition;
- intellectual property; or
- the strength of its business relationships.

Valuation discipline is important, and the Manager seeks companies that trade at a substantial discount to their intrinsic value, have strong balance sheets, healthy cashflows and high and sustainable returns on capital.

The Manager produces detailed, proprietary research for each candidate stock, which includes valuation target, and specific triggers for its eventual sale. The Manager will also consider the candidate stocks ESG score sourced from MSCI ESG research. The ratings for the top 10 investments are detailed on page 16. An explanation of these ratings can be found at www.msci.com/esg-ratings. Companies that meet the Manager's investment criteria, but are not attractively valued, are added to a list of stocks, awaiting a better price entry point.

Holdings are assigned to one of four broad categories: Durable franchise, Wide moat growth, Transformation/recovery and Deep value.

Durable franchise

The core of the portfolio. This represents companies with at least modest growth potential, have disciplined management and robust business models. Typically represents 40-50% of the portfolio; 37.4% at 31 December 2019.

Wide moat growth

These are faster-growing companies with strong brands, a unique product or a high market share in a competitive industry. Typically represent 25-30% of the portfolio; 35.4% at 31 December 2019.

Transformation / recovery

These are stocks that may be undervalued but have a catalyst for change, such as new management. Typically represent 15-20% of the portfolio; 17.0% at 31 December 2019.

Deep value

These are out-of-favour companies where there is a belief that recovery or growth potential is underappreciated. Typically represent 10-15% of the portfolio; 10.2% at 31 December 2019.

Investment Portfolio as at 31 December 2019

1. Vidrala (7)

Spain

Spanish glass bottle manufacturer supplying products across Iberia and the UK to beverage, food and cosmetic companies. They have large market shares in both regions allowing them to benefit from economies of scale and make industry leading margins and returns. The high capital requirement of building a new furnace and the inefficiency of transporting glass large distances make the entrance of new competition unlikely and the industry is slowly consolidating. Their end markets demonstrate steady and stable growth whilst premiumisation trends and environmental concerns boost demand for glass.

3.9% Total investments **€18,508,867 value**

www.vidrala.com/en **NOT RATED BY MSCI ESG.**

2. Coor (6)

Sweden

Provider of facilities and integrated facilities management across the Nordic regions. These services include cleaning, catering, security and property services, usual bundled into central contracts. Their scale and expertise in the region provides a meaningful differentiation versus smaller competitors, whilst these services are increasingly outsourced, providing strong growth that is relatively immune to the economic cycle. The combination of low capital intensity and negative working capital results in a highly cash generative business model.

3.7% Total investments **€17,688,806 value**

www.coor.com **MSCI ESG Rating : AA**

3. Forbo Holding (5)

Switzerland

Producer of floor coverings, adhesives and conveyor belts. They are the clear market leader in linoleum flooring which is growing as a result of its anti-bacterial and anti-allergenic properties as well as its recyclability. Recent innovations have allowed vastly increased design variety that have resulted in increased demand. Their conveyor belts business is a hidden gem also. The company has a strong balance sheet and management have consistently demonstrated sensible capital allocation.

3.7% Total investments **€17,602,286 value**

www.forbo.com **MSCI ESG Rating : A**

4. Tecan Group (12)

Switzerland

Tecan is a leading global provider of automated laboratory instruments and solutions. Their systems and components improve the efficiency of people working in clinical diagnostics, basic and translational research and drug discovery. Specifically, they develop, produce, market and support automated workflow solutions that empower laboratories to improve their productivity.

3.6% Total investments **€17,141,189 value**

www.tecan.com **MSCI ESG Rating : A**

5. Gerresheimer (2)

Germany

Leading global packaging supplier for medication and drug delivery. The business has a defendable strong market position as packaging forms part of the drug approval process so changing suppliers is highly usual. Their broad product range allows their customers to rationalise their supplier lists. The industry has high structural growth prospects due to ageing and increasingly wealthy population and margins should improve as we shift towards more complex personalised medicines.

3.6% Total investments **€17,059,858 value**

www.gerresheimer.com **MSCI ESG Rating : AA**

6. Cerved Information Solutions (10)

Italy

Listed in Italy, Cerved is the leading credit information provider and one of the major credit rating agencies. They offer the most extensive and complete range of information products and services for financial institutions, corporations, and insurance companies. Their database is unique in Italy in terms of quality, completeness and historical depth and their solutions help customers protect themselves against credit risk.

3.5% Total investments **€16,621,920 value**

https://company.cerved.com **MSCI ESG Rating : BB**

7. Ringkjoebing Landbobank (4)

Denmark

High quality regional Danish bank with a long track record of sticky customers, low loan losses and good returns on equity. They have a dominant position in their local region, Jutland with over 50% market share and have been growing outside this as they take advantage of ill-disciplined competitors who have not lent prudently. They are well capitalised and run by a prudent management team who historically have returned capital to shareholders via both dividends and share buy backs.

3.4% Total investments **€16,466,368 value**

http://alm.landbobanken.dk/ **MSCI ESG Rating : BBB**

8. CTS Eventim (1)

Germany

CTS Eventim is one of the leading international providers of ticketing and live entertainment. They have a particularly strong position in Europe, being the clear market leader, and operate in the crucial part of the live entertainment value chain where the artists, managers, promotors and venue operators rely on the essential link to the end customers in the form of ticketing. The company also benefits from the structure shift of ticketing from paper to online**.**

3.4% Total investments **€16,351,256 value**

www.eventim.de **MSCI ESG Rating : BBB**

9. Wizz Air Holdings (8)

Switzerland

Differentiated low cost carrier with substantial advantages over legacy airlines. They operate the youngest fleet in Europe leading to significantly lower costs and benefit from structural growth via an increasing propensity to travel in its core market, Central and Eastern Europe. Their strong management team is also well aligned with shareholders as the CEO is a significant owner and was one of the founders of the business.

3.4% Total investments **€16,281,216 value**

www.wizzair.com **MSCI ESG Rating : AA**

10. DiaSorin (18)

Italy

Diasorin is a leading European diagnostics company specialising in routine and niche immunoassay and molecular diagnostic tests. They have a business model that is predictable and cash generative through the high proportion of consumable sales to an installed base that has grown rapidly through recent years. The pipeline of new launches in specialist categories should drive attractive levels of growth and diminish their exposure to more routine tests.

3.4% Total investments **€16,158,026 value**

www.diasorin.com **MSCI ESG Rating : A**

11. Storeband (11)
Norway
Long-term Savings and Insurance
2.9% Total investments
€13,750,764 value
www.storebrand.no

12. IMCD (3)
Netherlands
Speciality Chemical Distributor
2.7% Total investments
€12,857,311 value
www.imcdgroup.com

13. TGS Nopec Geophysical (33)
Norway
Geophysical Consulting and Contracting Services
2.5% Total investments
€12,132,249 value
www.tgs.com

14. Sparebank (9)
Norway
Banking
2.5% Total investments
€11,846,196 value
www.sparebank1.no/sr-bank

15. Marel
Iceland
Solutions for Poultry, Fish and Meat Processing Industries
2.5% Total investments
€11,745,009 value
https://marel.com/

16. Lectra (22)
France
Provider to the Fashion, Automotive and Furniture Industries
2.3% Total investments
€11,187,706 value
www.lectra.com/en

17. Symrise (37)
Germany
Speciality Chemicals
2.3% Total investments
€11,100,607 value
www.symrise.com

18. Marr (21)
Italy
Food Service Provider
2.3% Total investments
€10,821,071 value
www.marr.it/en

19. Lenzing (16)
Austria
Manufacturer of Textile Fibres and Pulp Raw Materials
2.3% Total investments
€10,775,592 value
www.lenzing.com

20. Elekta
Sweden
Provider of Precision Radiation Medicine Solutions
2.2% Total investments
€10,686,636 value
www.elekta.com

21. Irish Continental (24)
Ireland
Shipping
2.2% Total investments
€10,649,373 value
www.icg.ie

22. Takeaway.com (30)
Netherlands
Online Food Delivery Marketplace
2.2% Total investments
€10,573,059 value
www.takeaway.com

23. Fluidra (25)
Spain
Swimming Pool Equipment and Maintenance
2.2% Total investments
€10,552,228 value
www.fluidra.com/en

24. Rocket Internet (36)
Germany
Invest in Internet and Technology Companies Globally
2.1% Total investments
€10,252,281 value
www.rocket-internet.com

25. NORMA (19)
Germany
Plastic and Metal Based Components
2.1% Total investments
€10,139,236 value
www.normagroup.com

26. Cairn Homes (29)
Ireland
House Builder
2.0% Total investments
€9,626,042 value
www.cairnhomes.com

27. Rational (26)
Germany
Combi-Steamer Oven Manufacturer
2.0% Total investments
€9,576,022 value
www.rational-online.com

28. Scout24
Sweden
Operator of digital marketplace for Real Estate and Automobiles
1.8% Total investments
€8,806,291 value
www.scout24.com

29. Tomra Systems (38)
Norway
Recycling Equipment
1.8% Total investments
€8,414,342 value
www.tomra.com

30. Karnov
Sweden
Information Provider to Legal Industry
1.8% Total investments
€8,361,291 value
www.karnovgroup.com

31. Aareal Bank (20)
Germany
Property Financing
1.8% Total investments
€8,322,557 value
www.aareal-bank.com

32. Royal Unibrew
Denmark
Beverages Producer and Distributor
1.7% Total investments
€8,315,778 value
www.royalunibrew.com

33. Azimut (39)
Italy
Asset Management
1.7% Total investments
€8,139,613 value
www.azimut.it/web/-/home

34. ASM International (32)
Netherlands
Semi-conductor Equipment
1.7% Total investments
€7,760,723 value
www.asminternational.org

35. Indutrade (15)
Sweden

Niche Industrial Conglomerate

1.6% Total investments
€7,595,084 value
www.indutrade.se

36. Dometic (31)
Sweden

Supplier to the Recreational Vehicle Market

1.6% Total investments
€7,384,215 value
www.dometic.com/en/se

37. Simcorp
Denmark

Producer of Software for Investment Management Industry

1.5% Total investments
€7,350,208 value
www.simcorp.com

38. Corticeira Amorim
Portugal

Cork Products Manufacturer

1.5% Total investments
€7,280,104 value
www.amorim.com

39. Alimak Group (23)
Sweden

Solutions for Industry and Construction Markets

1.5% Total investments
€7,180,680 value
www.alimakgroup.com/en/

40. Origin Enterprises (17)
Ireland

Agricultural Nutrition

1.5% Total investments
€6,858,632 value
www.originenterprises.com

41. Takkt (27)
Germany

Office Equipment

1.3% Total investments
€6,325,517 value
www.takkt.de

42. Metall Zug (35)
Switzerland

Appliances and Wire Processing Equipment

1.2% Total investments
€5,907,261 value
www.metallzug.ch/en/home

43. Komax (34)
Switzerland

Wire Processing Equipment

1.1% Total investments
€5,335,337 value
www.komaxgroup.com

The value of the twenty largest holdings represents 60.1% (2018: 64.2%) of the portfolio.
The figures in brackets denote the position within portfolio last year.

Key Performance Indicators

The Board recognises that it is longer term share price performance that is most important to the Company's investors. Underlying share price performance is driven by the performance of the net asset value. The overriding priority is to continue to strive for the consistent achievement of relative outperformance; adding value for shareholders through net asset value and share price total return; the management of the Company's share price premium/discount; dividend yield; low and competitive ongoing charges; and effective marketing. The Board assesses its performance in meeting the Company's objective against the following key performance indicators ("KPIs"):

1. Net asset value per share total return
2. Share price total return
3. Dividend yield
4. Premium / (discount) to net asset value
5. Ongoing charges
6. Shares issued / (bought back)

Information in relation to these KPIs is set out in the tables below. Commentary can be found in the Chairman's Statement and the Investment Manager's Review.

Net asset value per share sterling total return performance - 31 December 2019*

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust net asset value†	19.8	24.2	60.8	232.7
EMIX Smaller European (ex. UK) Companies Index†	20.6	29.9	87.7	164.9
AIC Sector peer group size weighted average†	21.6	30.9	93.7	203.5

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
† Total return. Source: BMO, EMIX and AIC.

Share price sterling total return performance – 31 December 2019*

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust share price†	25.7	29.9	52.3	259.3
EMIX Smaller European (ex. UK) Companies Index†	20.6	29.9	87.7	164.9
AIC Sector peer group size weighted average†	25.0	39.5	97.8	227.8

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
† Total return. Source: BMO, EMIX and AIC.

Dividend Yield % – 31 December*

	2019 %	2018 %
European Assets Trust	6.0	6.0

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
Source: BMO

Ongoing charges – 31 December*§

	%
2019	1.11
2018	1.11
2017	1.06
2016	1.12
2015	1.10

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
§ See Alternative performance measures on page 78. for explanation.
Source: BMO

Average (Discount)/premium*

As at 31 December	%
2019	(5.2)
2018	(9.5)
2017	0.7
2016	(8.9)
2015	0.6

* EAT NV prior to the migration effective 16 March 2019. Refer to note 1 on page 50.
Source: BMO

Shares issued/(bought back)* during the year ended 31 December

2019∞	179,383
2018	12,312,883
2017	15,553,450
2016	13,514,390
2015	102,199,160

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.
∞ Excludes issuance related to the migration on 16 March 2019.
Source: BMO

Principal Policies

Investment

The Company is required to have a publicly available investment policy from which shareholders, prospective investors and stakeholders can understand the scope of its investment remit and constraints. Any material changes to this policy can only be made with the approval of Shareholders and the Financial Conduct Authority.

Details of the investment policy are provided on page 9.

In the event of a breach of the Company's investment policy, the Manager shall promptly inform the Company and if the Company considers the breach to be material, notification will be made by a regulatory information service to the London Stock Exchange.

Dividends

The level of dividend paid by the Company each year is determined by the Board in accordance with the Company's distribution policy. It is the intention of the Company, barring unforeseen circumstances, to pay an annual dividend equivalent to six per cent of the NAV of the Company at the end of the preceding year. The Company expects to pay the dividend in four equal instalments in January, April, July and October each year. With effect from 1 January 2020 dividends will be declared in Sterling rather than Euro.

The Company will pay dividends on the shares only to the extent that it has distributable reserves available for that purpose. Following the completion of the capital reduction process earlier this year dividends will be funded from current year net profits and the Distributable Reserve.

Borrowings

The Company's borrowings shall not (without the sanction of a general meeting of the Company) exceed an amount equal to the aggregate of 20% of the book value of its securities portfolio and its subsidiaries (if any).

Currency hedging

Due to its investment focus on investing in companies in Europe, the Company's investments can be denominated and quoted in currencies other than Euro. The Company does not seek to create a portfolio to take advantage of anticipated currency fluctuations and has no current intention of seeking to hedge any currency exposure which may arise from investing in non Euro denominated investments.

In January 2020 the Board announced that the Company would now declare dividends in Sterling, a change from the previous practice of declaring in Euro. This change provides greater certainty of income for the overwhelming majority of the Company's shareholders who choose to receive their dividends in Sterling rather than Euros. To attempt to manage any Sterling/Euro exchange rate exposure which may arise from this change in the currency of the dividend, the Company has entered into forward currency hedging contracts to cover this specific exposure.

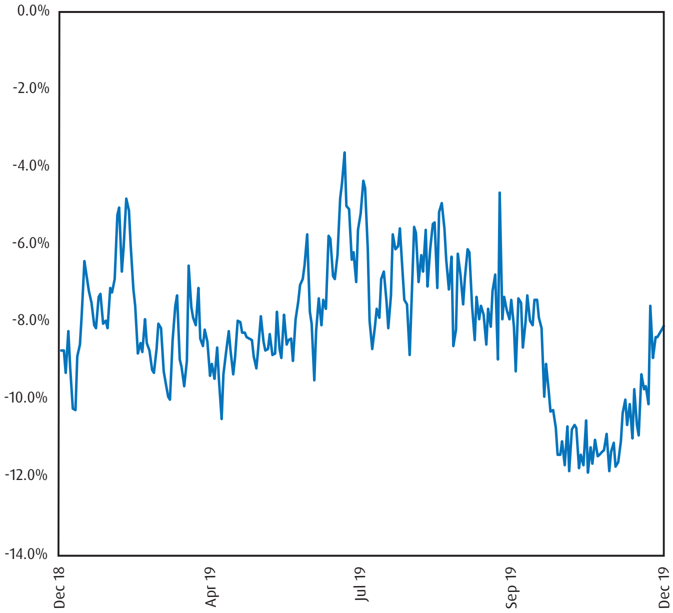
Taxation

The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. It is essential that the Company always retains its investment trust tax status by complying with Section 1158 of the Corporation Tax Act 2010 ("Section 1158") such that it does not suffer UK Corporation Tax on capital gains. The Company has received approval from HMRC as an investment trust under Section 1158 and has since continued to comply with the eligibility conditions. The Manager also ensures that the Company submits correct taxation returns annually to HMRC; settles promptly any taxation due; and claims back, where possible, all taxes suffered in excess of taxation treaty rates on non-UK dividend receipts.

Liquidity

The Board recognises the need to address any sustained and significant imbalance of buyers and sellers which might otherwise lead to shares trading at a material discount or premium to NAV per share. While it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to purchase shares or issue further shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate in such a way as to mitigate the effects of any such imbalance. In considering whether buyback or issuance might be appropriate in any particular set of circumstances, the Board will take into account: the prevailing market conditions; the degree of NAV accretion that will result from the buyback or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; and the working capital requirements of the Company.

Share price discount to Net Asset Value since 31 December 2018*



*See Alternative Performance Measures on page 78.

Source: BMO Investment Business Limited.

Board diversity

The Board's policy towards the appointment of non-executive directors is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender. The policy is always to appoint the best person for the role and, by way of this policy statement, it is confirmed that there will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring the delivery of the Company's objective. In achieving gender diversity, the Board composition of four male and two female Directors met the target of 33% of women on FTSE 350 company boards by 2020 set under The Hampton-Alexander Review.

Integrity and business ethics

The Company applies a strict anti-bribery and anti-corruption policy insofar as it applies to any directors or employee of the Manager or of any other organisation with which we conduct business. The Board also ensures that adequate procedures are in place and followed in respect of third-party appointments, acceptance of gifts and hospitality and similar matters.

Prevention of the facilitation of tax evasion

The Company is committed to compliance with the UK's Criminal Finances Act 2017, designed to prevent tax evasion in the jurisdictions in which it operates. The policy is based on a risk assessment undertaken by the Board and professional advice is sought as and when deemed necessary.

Modern Slavery Act 2015

The Company is an investment company with no employees or customers and does not provide goods or services in the normal course of business. We have appointed the Manager to manage the investments, engage on ESG issues and to carry out administrative and secretarial services.

The Company's own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. The Board therefore believes that the potential for acts of modern slavery or human trafficking in the Company's own environment is extremely low.

On behalf of the Board

Jack Perry CBE
Chairman
12 March 2020

Promoting the Success and Sustainability of the Company

Under s172 (1) of the Companies Act 2006 ("the Act"), Directors have a duty to promote the success of the Company for the benefit of its members as a whole. This will include the likely consequences of Directors' decisions for the longer term and how the Board has taken wider stakeholders' needs into consideration.

The Directors value engagement with stakeholders. The key stakeholders of the Company are its Shareholders, the Manager, suppliers and contractors. The Company does not have any employees.

The Company's website www.europeanassets.co.uk is available to all stakeholders and key decisions are announced to the London Stock Exchange through a Regulatory News Service.

Following the migration, the Company held its first London based Annual General Meeting. All Shareholders were invited to attend, and this provided an open forum for Shareholders to discuss issues and matters of concern with the Board and representatives of the Manager and the Company's advisors. The Investment Manager presentation which follows the Annual General Meeting is also available to be viewed by all stakeholders on the Company's website. The Managers have also engaged during the period with the Company's largest Shareholders and the outcome of these discussions are reported to the Board at the following Board Meeting. Stakeholders are invited to communicate with the Board through the Chairman or company secretary. Alternatively issues can be discussed with the Company's Senior Independent Director.

The Board takes a responsible approach to Environmental, Social and Governance ("ESG") Issues. The Board has appointed a manager that applies the highest standards of ESG practice. We have therefore included on pages 24 to 25 additional information on the Manager's approach towards responsible investment which focuses on engagement with investee companies on ESG issues and how this link with the United Nations Sustainable Development Goals.

Decision/Action	Rationale	Engagement	Outcome
On 16 March 2019, the Company migrated its seat and legal structure from the Netherlands to the United Kingdom by means of a cross border merger ("the migration").	The Board believed that the benefits associated with the migration were: - A simplified corporate structure. The Company is now a United Kingdom resident investment trust. An investment vehicle that is widely accepted and understood in the UK intermediated and retail market place. - A single jurisdiction for current and future regulation - the United Kingdom - A reduction in the ongoing charges rate; and - A premium listing on the London Stock Exchange and with effect from 24 June 2019 inclusion in the FTSE UK All Share and Small Cap Indices.	On 27 November 2018 the Company announced the proposed migration. At an EGM of EAT NV held on 9 January 2019 Shareholders overwhelmingly approved the proposal. To inform stakeholders of progress throughout the migration process, a webpage was created and regularly updated on the Company's website. The migration allowed the continuation of most supplier agreements. However due to regulatory issues certain suppliers were unable to continue to provide the services that they had provided to EAT NV. In all cases suppliers were informed of the progress of the migration process and contractual notice periods respected. The Board were aware of representations from Shareholders requesting this change.	The migration process was sucessfully effected on 16 March 2019.
On 7 January 2020 the Company announced its intention to declare dividends in Sterling rather than Euro, the previous practice.	The board believed that this change would provide greater certainty of income for the overwhelming majority of Shareholders who choose to receive their dividends in Sterling rather than Euros.	The Company had sought the opinion of its broker at a strategy meeting of the Board held in October 2019 on this matter. Investigations regarding the practicality of this change were then held with the Secretary and the Company's Registrar.	The 2020 dividend was declared in Sterling.

Sustainability and ESG

As stewards of nearly €500 million of invested assets the Company is committed through its Manager, to influence and support positive change.

Copyright: Tomra.

The approach

Environmental, Social and Governance ("ESG") issues are the three central factors in measuring sustainability and can present both opportunities and threats to the long-term investment performance the Company aims to deliver to shareholders. The Board is therefore committed to taking a responsible approach to ESG matters in ensuring that the Company has appointed a manager that applies the highest standards of ESG practice in managing the Company's investments on behalf of Shareholders.

The approach covers the Company's own responsibilities on matters such as the composition of the Board, and also the impacts it has through the investments that are made on its behalf by its Manager which the Board recognises as the most material way in which the Company can have an impact.

Responsible ownership

The Board supports the Manager in its belief that good governance and sustainability practices create value. The Manager takes particular interest in corporate governance and sustainable business practices.

The Manager is a signatory to the United Nations Principles for Responsible Investment ("UNPRI") under which signatories contribute to the development of a more sustainable global financial system. As such it aims to systematically incorporate ESG factors into its investment processes. This is based on the view that companies with strong management focus on these areas have the potential to reduce risks facing their businesses and deliver sustainable performance over the longer term. Investee company boards are expected to disclose to shareholders that they are applying appropriate oversight, on material issues such as labour standards, environmental management and tax policies.

The Manager believes that engaging with companies is best in the first instance rather than simply divesting or excluding investment opportunities. Engagement with companies on significant ESG matters, so as to reduce risk, improve performance, encourage best practice and underpin long term investor value forms an important part of the Manager's approach towards responsible investment.

The Manager's Corporate Governance Guidelines set out expectations of the boards of investee companies in terms of good corporate governance. This includes the affirmation of responsibility for reviewing internal business ethics policies and ensuring that there is an effective mechanism for the internal reporting of wrongdoing, whether within the investee company itself, or involving other parties, such as suppliers, customers, contractors or business partners. Under legislation, which is developing globally, there will be scope for more rigorous enforcement of anti-corruption and anti-bribery.

ESG and the investment process

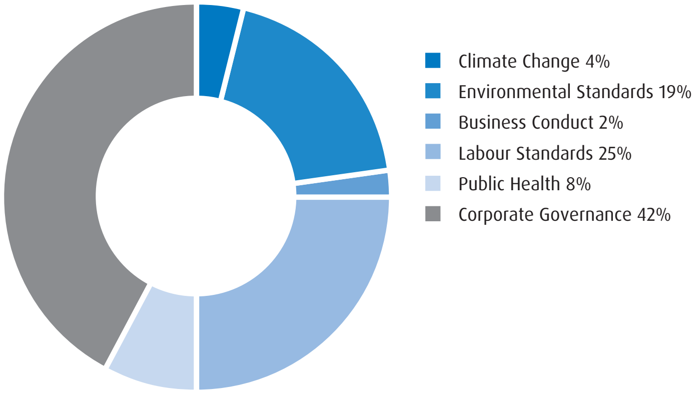
When investing the Manager will consider the ESG score for each potential investment sourced from MSCI ESG Research. The Manager will also consider the key factors affecting this rating including details of any governance issues or controversies. This rating will impact upon the weighted average cost of capital employed to evaluate the potential investment. The Manager will also note if the potential investment is explicitly aligned with any of the UN Sustainable Development Goals. Details of these goals can be found at www.un.org/sustainabledevelopment/sustainable-development-goals/.

Engagement

During the year ended 31 December 2019, BMO GAM engaged 32 times with management in the Company's portfolio, across 7 countries.

The most common topics for discussion were corporate governance, labour and environmental standards. Analysis of this engagement follows.

2019 engagement analysis



Source: BMO Investment Business Limited

"Responsible investing is a long-term and important commitment for BMO"

Kristi Mitchem,
CEO BMO Global Asset Management

Examples of engagement in practice

Norma

We engaged the company on our expectations for good governance practices in the German market and to explain our approach to voting on the key issues. We stressed our expectations that non-executive directors should not hold too many external positions where this puts into question their ability to devote time to discharge their oversight and advisory responsibilities. The supervisory board chair stepped down after shareholder discontent at the AGM over the number of external board positions he held.

Irish Continental

We discussed the company's executive remuneration practices. Over a number of years, we have sought additional disclosure of executive pay arrangements which contain elements which are not common the market. We plan to continue discussion with the company going forward.

Rational

We engaged with the industrials company on its management of business-relevant Sustainable Development Goals (SDG) targets. These include (1) sustainability of its product portfolio, (2) labour management and (3) resource efficiency. In our conversation we encouraged further disclosure and introduction of a set of quantitative and qualitative metrics to allow better assessment of company performance. We also discussed the SDG as a stakeholder framework and invited the company to consider adopting a SDG framework in its future CSR reports.

Voting on portfolio investments

The manager's Corporate Governance Guidelines set out expectations of the boards of investee companies in terms of good corporate governance. We expect to be informed by the Manager of any sensitive voting issues involving the company's investments. In the absence of explicit instructions from the Board, the Manager is empowered to exercise discretion in the use of the company's voting rights and reports annually to the Board on its voting record. The Manager will vote on all investee company resolutions.

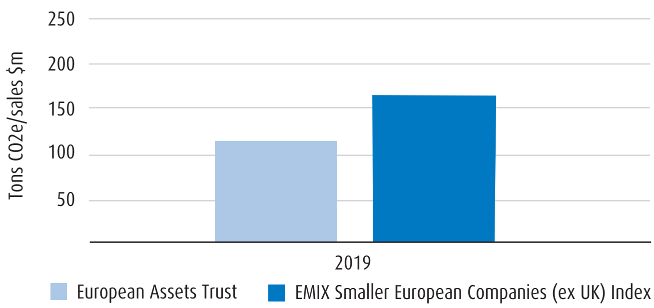
The manager's statement of compliance with the UK Stewardship Code has been awarded Tier 1 status by the Financial Reporting Council for its Stewardship Code Compliance Statement, the highest possible ranking.

Climate Change

Of all the ESG issues the manager considers, climate change is one of the most important both in terms of the scale of potential impact and in how widespread this impact could be across sectors and regions. The Company expects the manager to incorporate considerations around climate change risks and opportunities in its investment processes.

In this report, the Company is disclosing the carbon footprint of its investments, in line with the recommendations of the Task Force on Climate-related Financial Disclosures. This measures the amount of greenhouse gas emissions produced by each investee company, per US$1m of revenue they generate. This is then aggregated for the Company as a whole, using the portfolio weights of the companies, and compared with the benchmark.

The carbon footprint is a measure of the carbon intensity of the companies the Company invests in. Whilst it does not provide a full picture of climate risks – since it does not, for instance, capture the innovation that companies may be undertaking to find solutions – it is a valuable starting point both for analysis and for shareholder dialogue. The table below highlights that the Company's portfolio of investments is significantly less carbon intensive than its benchmark.



Source: BMO Investment Business Limited

Principal Risks and Changes in the Year

The Board has carried out a comprehensive robust assessment of the principal risks as well as a thorough process for the identification of emerging risks and reviewed the uncertainties that could threaten the Company's success.

Most of the Company's principal risks are market-related and no different to those of other investment trusts investing in listed markets. The principal ongoing risks and uncertainties currently faced by the Company, and the controls and actions to mitigate those risks, are described below.

In addition a detailed review of the risks of the Company's investment portfolio including market, credit, foreign currency and liquidity is provided in note 20 beginning on page 60. Details of actions taken to reduce the potential impact of these risks is also provided.

Principal Risks	Mitigation
Poor absolute and/or relative performance The Company's NAV and Share price total return is below benchmark. **No change in overall risk in year**	At each Board meeting the Directors monitor performance against benchmark and peer group. The Manager attends each regular board meeting and will discuss the reasons for any over or underperformance. The Company's broker, Panmure Gordon, will provide market intelligence at each meeting noting underlying demand for the Company's shares. The Company has received the necessary authority from shareholders to regulate the premium or discount that the Company's shares may trade at by purchasing or issuing shares.
Regulatory and compliance To maintain its investment trust status, the Company is required to comply with Section 1158 of the UK Corporation Taxes Act. The Company is also required to comply with UK company law, is subject to the requirements of the AIFMD and the relevant regulations of the London Stock Exchange and the Financial Conduct Authority. **No change in overall risk in year**	At each Board meeting the Company receives an update from the Secretary on legal, regulatory and accounting developments. The Company is a member of the Association of Investment Companies which provides guidance on regulatory developments. The Company has appointed EY LLP as its tax advisor and Shepherd and Wedderburn as its legal counsel.
Investment strategy and objective Stock selection, asset allocation and the use of gearing. **No change in overall risk in year**	Investment policy and performance are reviewed by the Board at each meeting. Rigorous individual stock reviews are regularly performed by the Manager and action taken to either hold, accumulate or sell. Cash, borrowing and gearing limits are set and monitored regularly.
The Manager Failure of Investment Manager or loss of senior staff could cause reputational damage and/or place the business in jeopardy. **No change in overall risk in year**	The Board meets regularly with the management of BMO and receives an annual Audit Assurance Faculty Report on its procedures. The Manager's appointment can be terminated at six months' notice. Key man risk is limited by the team approach adopted by the Global Smaller team at BMO.
Service provider failure Error, fraud or control failures at service providers or loss of data through cyber-attack or business continuity failure could damage reputation or result in loss of assets. **No change in overall risk in year**	The Board receives regular reports from the Investment Manager on oversight of third party service providers, together with annual ISAE 3402 reports on controls. The Depositary oversees custody of investments and cash in accordance with the requirements of the AIFMD. The Custodian also provides an annual ISAE 3402 report.

Actions taken in the period

During the period the Board sought and received from shareholders at the Annual General Meeting held in May 2019 the powers to issue and buyback shares.

During the period the Company received Section 1158 approval from HMRC. To support the payment of the July dividend, initial accounts were audited by PricewaterhouseCoopers LLP and lodged with Companies House.

During the period the Company entered into a borrowing facility with RBSI for €45 million. At the year end the facility was undrawn. Since the period end, the Company has refinanced its borowing facility with RBSI on favourable terms.

The Investment Manager benefits from the long-term financial strength and policies of its owner, the BMO Group, and through its stated commitment to the future of BMO's investment trust management business.
Members of the Board met Kristi Mitchem, the CEO of BMO Global Asset Management during the year.

The Investment Manager continues to strengthen and develop its Risk, Compliance and Internal Control functions including IT security. Supervision of BMO's third party service providers has been maintained by BMO and includes assurances regarding IT security and cyber-attack prevention. The Depositary oversees custody of investments and cash and reports to the Board in accordance with the AIFMD. JP Morgan Europe Limited was appointed depositary during the year replacing KAS Trust which was the depositary for EAT NV. At the Board meeting held in March 2020 BMO updated the Directors with regard to its business continuity plans in the event of an escalation of the coronavirus outbreak.

Five year horizon and going concern statements

The UK Corporate Governance Code requires a board to assess the future prospects for a company, and report on the assessment within the annual report.

The Board considered that a number of characteristics of the Company's business model and strategy were relevant to this assessment:

- The Company as an active investor looks to long-term outperformance compared to its benchmark rather than short term opportunities.
- The Company is a closed-end investment company and as such is not required to sell investments in a market downturn in order to fund investor redemptions.
- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that it is invested in realisable, listed securities and that the level of borrowings is restricted.
- The Company's business model and strategy is not time limited.

Also relevant were a number of aspects of the Company's operational arrangements:

- It retains title to all assets held by the custodian under the terms of formal agreements with the custodians and depositary.
- The annual dividend declared by the Company is determined in accordance with the year-end net asset value.
- Revenue and expenditure forecasts of the Company are reviewed by the Directors at each Board Meeting.

In addition, the Board carried out a robust assessment of the principal risks which could threaten the the Company's objective, strategy, future performance, liquidity and solvency. These risks, mitigating actions and the processes for monitoring risks are set out opposite and in Note 20 of the accounts.

These principal risks were identified as relevant to the viability assessment.

In undertaking this assessment the Board took into account the following factors:

- the liquidity of the Company's portfolio;
- the existence of a borrowing facility;
- the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings;
- the maintenance of dividend payments and the retention of investors;
- the potential need for more share issuance capacity in the event of unexpected market demand; and
- minimising the discount between the Company's share price and net asset value.

These matters were assessed over a five year period to March 2025. The Board of the Company will continue to assess viability over five year rolling periods, taking account of foreseeable severe but plausible scenarios. A rolling five year period represents the horizon over which the Board believes it can form a reasonable expectation of the Company's prospects, balancing its financial flexibility and scope with the current uncertain outlook for longer-term economic conditions affecting it and its shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period to March 2025. For this reason, the Board also considers it appropriate to continue adopting the going concern basis in preparing the Report and Accounts.

Directors

Back row from left to right: Stuart Paterson, Professor Robert van der Meer, Martin Breuer
Front row left to right: Laurence Jacquot, Jack Perry CBE, Julia Bond OBE

Jack Perry CBE

Chairman and Chair of Management Engagement Committee
was Managing Partner, Glasgow and Regional Industry Leader (Technology, Communications and Entertainment and Consumer Products) for Scotland and Northern Ireland for Ernst and Young. He was also Chief Executive of Scottish Enterprise. He is currently Chairman of ICG-Longbow Senior Secured UK Property Debt Investments Limited and a non executive director of Witan Investment Trust plc. He has served on the Boards of FTSE 250 and other public and private companies and is a member of the Institute of Chartered Accountants of Scotland. He is a past Chairman of CBI Scotland.

Shared directorships with other Directors: None

Professor Robert van der Meer

Deputy Chairman and Chair of Audit and Risk Committee
has formerly held positions on the management boards of Fortis and AEGON. He served on the Boards of AEX companies and is emeritus professor of finance at the Rijksuniversiteit Groningen. He is currently the Chairman of the supervisory board of Contest Yachts and has non-executive advisoryships with a number of Dutch pension funds and charities. He is a member of the Dutch Accountants Institute (NBA) and serves as Deputy Justice with the High Court Amsterdam (Ondernerningskamer).

Shared directorships with other Directors: None

Julia Bond OBE

Senior Independent Director and Chair of Remuneration and Nomination Committee
has 27 years' experience of capital markets in the financial services sector, most recently at Credit Suisse where she led global client facing teams alongside leading One Bank Delivery. She has served on various boards and is currently a non-executive director of International Public Partnerships and the British Foreign and Commonwealth Office. Julia is also Vice Chairman of the Royal Academy of Dance.

Shared directorships with other Directors: None

Laurence Jacquot

has extensive experience of financial markets and asset management in Continental Europe, having worked at COB, the French financial services authority regulator, and SCOR, the leading French reinsurance company. After being in multi-management and equity fund selection she is now an investment consultant with a specific focus on asset allocation.

Shared directorships with other Directors: None

Martin Breuer

was, until recently, Chief Executive Officer of Italian cosmetic manufacturer Gotha Cosmetics. He was previously an executive with Siemens and Chief Financial Officer of SEVES and Intercos Group.

Shared directorships with other Directors: None

Stuart Paterson

is a co-founder and partner of Scottish Equity Partners, one of Europe's leading technology growth equity investors. He is an experienced technology investor with over 20 years of equity investing in European private companies and is a member of the Institute of Chartered Accountants of Scotland.

Shared directorships with other Directors: None

Management and Advisers

Board
Jack Perry (Chairman and Chair of the Management Engagement Committee)
Professor Robert van der Meer (Deputy Chairman and Chair of the Audit and Risk Committee)
Julia Bond (Senior Independent Director and Chair of the Remuneration and Nomination Committee)
Martin Breuer
Laurence Jacquot
Stuart Paterson (appointed 22 July 2019)

All Directors are non-executive

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Tel No. 0131 718 1000

Registrar
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The Pavilions
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Tel No. 0370 889 4094

Loan Provider
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London
EC2R 8BP

Brokers
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One New Change
London EC4M 9AF

Depositary
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E14 5JP

Custodian
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National Association, London Branch
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Independent Auditors
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Lawyers
Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

UK Tax Advisers
Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 9EX

Website
www.europeanassets.co.uk

Directors' Report

The Directors submit the first Report and Accounts of the Company for the period from 12 November 2018 to 31 December 2019. The Directors' biographies, the Corporate Governance Statement; the Reports of the Remuneration and Nomination Committee; the Audit and Risk Committee and the Management Engagement Committee; and the Directors' Remuneration Report form part of this Directors' Report.

Statement regarding Report and Accounts

The Directors consider that, following advice from the Audit and Risk, Management Engagement and Remuneration and Nomination Committees, the Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Audit and Risk Committee has reviewed the final draft Report and Accounts for the purposes of this assessment. The market outlook for the Company can be found on page 14. Principal risks can be found on page 26 with further information on page 60. There are no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4R.

As disclosed within the prospectus of the Company issued on 27 November 2018, pursuant to the Cross-Border Merger Regulations, the accounting effective date for migration was 1 January 2019.

During the period from 12 November 2018 until migration, the Company was a wholly owned subsidiary of European Assets Trust NV. The only activity undertaken by the Company during this period was the issuance of share capital to be held by its parent.

Results and dividends

The results for the period are set out in the attached accounts. The Company's dividend payments during the period ended 31 December 2019 are set out below.

Dividends paid in the period ended 31 December 2019	
1st interim dividend for the year ended 31 December 2019 paid on 31 January 2019*	€0.0171
2nd interim dividend for the year ended 31 December 2019 paid on 15 March 2019*	€0.0171
3rd interim dividend for the year ended 31 December 2019 paid on 31 July 2019	€0.0171
4th interim dividend for the year ended 31 December 2019 paid on 31 October 2019	€0.0171
	€0.0684

* Dividend paid by EAT NV (net of Dutch withholding tax).

As explained in the Chairman's Statement, the Board has resolved to pay an interim dividend of, in aggregate, 7.02 pence per share for 2020. With effect from 1 January 2020 dividends for the Company will be declared in Sterling rather than Euro. The interim dividend for 2020 will be paid in four equal, quarterly instalments on 31 January, 30 April, 31 July and 30 October 2020 to registered holders of shares at an appropriate record time. The first quarterly dividend of £0.01755 was paid on 31 January 2020 to Shareholders on the register of members on 17 January 2020 with an ex-dividend date of 16 January 2020.

As the Company's current practice is to pay dividends quarterly at the end of January, April, July and October, the Company does not pay a final dividend that would otherwise require formal Shareholder approval at a General Meeting. In the absence of such a requirement for Shareholder approval of a final dividend, approval will be sought at the forthcoming Annual General Meeting to approve the Company's dividend policy as set out on page 21 of this report. (Resolution 3).

Company status

The Company is a public limited company and an investment company as defined by section 833 of the Companies Act 2006. The Company is limited by shares and is registered in England and Wales with company registration number 11672363. It is subject to the Listing Rules of the UK Financial Conduct Authority, UK and European legislation and regulations including company law, financial reporting standards, taxation law and its own articles of association.

Taxation

As set out on page 21 and in note 10 to the accounts, the Company is exempt from UK Corporation Tax on its dividend income and from UK Corporation Tax on any capital gains arising from the portfolio of investments, provided it complies at all times with section 1158 of the Corporation Tax Act 2010. Dividends received from investee companies domiciled outside the UK are subject to taxation in those countries in accordance with relevant double taxation treaties.

Accounting and going concern

Shareholders will be asked to approve the adoption of the Report and Accounts at the forthcoming Annual General Meeting (Resolution 1). The financial statements, starting on page 45, comply with current International Financial Reporting Standards, supplemented by the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP"). The significant accounting policies of the Company are set out in note 2 to the accounts. The auditor's unqualified opinion on the financial statements appears on pages 64 to 68.

As discussed on page 27, the Directors believe that in the light of controls and monitoring processes that are in place, the Company has adequate resources to continue in operational existence for at least twelve months from the date of the approval of the financial statements. In considering this, the Directors took into account the portfolio of readily realisable securities which can be used to meet short-term funding commitments, and the ability of the Company to meet all of its liabilities and ongoing expenses.

Accordingly, it is reasonable for the financial statements to continue to be prepared on a going concern basis. The Company's longer-term viability is considered in the Five year horizon and going concern statements on page 27.

Statement as to disclosure of information to the auditor

Each of the Directors confirms that, to the best of his or her knowledge and belief, there is no information relevant to the preparation of the Report and Accounts of which the auditor is unaware and they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditor is aware of that information.

Appointment of auditors and auditor's remuneration

Resolutions 6 and 7 seek shareholder approval, respectively, for the re-appointment of PricewaterhouseCoopers LLP as the auditor of the Company and to authorise the Audit and Risk Committee to determine their remuneration for the year ended 31 December 2020.

Capital structure

Under the merger between EAT NV and the Company, EAT NV migrated its legal seat and structure from the Netherlands to the UK, and all assets and liabilities of EAT NV were transferred to the Company. In connection with the migration, Shareholders in EAT NV received one ordinary share of 10 pence nominal value in the Company (an "Ordinary Share") for each share they held in EAT NV. Further details of the migration are on page 8.

As at 31 December 2019 there were 359,934,706 Ordinary Shares in issue. As at 12 March 2020 (being the latest practicable date before publication of this report) the number of Ordinary Shares in issue was 359,974,083. No Ordinary Shares were held in treasury.

All ordinary shares rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

Details of the capital structure can be found in note 2 to the accounts. The revenue profits of the Company, together with the realised capital profits and the balance of the Distributable Reserve are available for distribution by way of dividends to the holders of the Ordinary Shares.

Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to Shareholders pro-rata to their holdings of Ordinary Shares. Full details are set out in the Company's articles of association.

Share capital

As at 12 March 2020 the Company has not been notified by shareholders of a holding of 5 per cent or more of its issued share capital (excluding treasury shares).

BMO Retail Products owned 107,489,932 Ordinary Shares or 29.9 per cent of the issued share capital of the Company, at 31 December 2019. For non-contentious resolutions the nominee company holding these shares votes the shares held on behalf of planholders who have not returned their voting directions in proportion to the directions of those who have ("proportional voting"). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the BMO savings plans being voted. A maximum limit of 50,000 shares that any one individual investor can vote, being approximately 1.0% of the relevant minimum threshold, also applies. Any individual voting directions received in excess of the maximum limit will remain valid but will not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

Borrowings

In March 2019 the Company entered in to a €45 million multi-currency revolving loan facility with Royal Bank of Scotland International expiring March 2020. The loan covenants have all been met during the period. The interest rate on the amount drawn down and commitment fees payable on undrawn amounts are based on the commercial terms agreed with Royal Bank of Scotland International.

As at 31 December 2019 the loan facility was undrawn.

Following the year end, the Company has refinanced its borrowings facility with RBSI on favourable terms.

Remuneration Report

The Directors' Remuneration Report, which can be found on page 38, provides detailed information on the remuneration arrangements for Directors of the Company, including the Directors' Remuneration Policy. The report is for the year ended 31 December 2019. For the period from 12 November 2018 to migration the remuneration of Directors was paid by EAT NV. Details of this remuneration is included within the comparative information disclosed on pages 38 and 39. Shareholders will be asked to approve the policy at the Annual General Meeting on 14 May 2020 (Resolution 4). This resolution is a binding vote and, if passed, will take effect from the conclusion of the meeting.

Remuneration is set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. In line with UK Company Law Requirements, it is intended that this policy will continue for the three-year period ending at the Annual General Meeting in 2023. Shareholders will also be asked to approve the Directors' Remuneration Report (Resolution 5). Unlike the vote on the Directors' Remuneration Policy this is an advisory vote.

Director re-elections

The names of the Directors, along with their biographical details, are set out on page 28.

With the exception of Stuart Paterson, who was appointed on 22 July 2019, all the Directors held office throughout the period under review.

Prior to the merger on 16 March 2019 all the Directors, with the exception of Stuart Paterson, were also directors of EAT NV. EAT NV dissolved and ceased to exist without going into liquidation on 16 March 2019. The Directors of EAT NV were appointed directors of the Company on 27 November 2018. All directors with the exception of Professor Robert van der Meer will stand for re-election by shareholders at the 2020 Annual General Meeting to be held on 14 May 2020. Professor Robert van der Meer will retire from the Board at the conclusion of the forthcoming Annual General Meeting.

Following a review of their performance, the Board believes that each of the Directors standing for re-election has made a valuable and effective contribution to the Company. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are set out below. The Board recommends that shareholders vote in favour of the election and re-elections of the Directors (Resolutions 8 to 12).

Resolution 8 concerns the re-election of Jack Perry, who has served the Company and its predecessor for over 5 years, 4 as Chairman. He has served on the Boards of FTSE 250 and other public and private companies and is a member of the Institute of Chartered Accountants of Scotland. He was Managing Partner for Scotland and Northern Ireland for Ernst and Young and is currently Chairman of one other investment company and non-executive director of another.

Resolution 9 concerns the re-election of Julia Bond, who has served the Company and its predecessor for over 5 years and has a strong financial sector background having held senior positions within Credit Suisse. She is currently a non-executive director and trustee of several governmental bodies and charities.

Resolution 10 concerns the re-election of Martin Breuer, who has served the Company and its predecessor for over 3 years. He is a German national, currently based in Italy, with extensive industrial experience with Continental European companies.

Resolution 11 concerns the re-election of Laurence Jacquot, who has served the Company and its predecessor for over 8 years. She has extensive experience of financial markets and asset management in Europe. Based in Paris, Laurence Jacquot is now an investment consultant with a specific focus on asset allocation.

Resolution 12 relates to the election of newly appointed Director, Stuart Paterson. Stuart Paterson was a co-founder and is a partner of Scottish Equity Partners, one of Europe's leading technology growth equity investors. He is an experienced technology investor with over 20 years of equity investing in European private companies and is a member of the Institute of Chartered Accountants of Scotland.

Directors' interests and indemnification

There were no contracts of significance to which the Company was a party and in which a Director is, or was, materially interested during the period. There are no agreements between the Company and its Directors concerning compensation for loss of office. The Company maintains directors' and officers' liability insurance.

Safe custody of assets

With effect from the migration, the Company's investments are held in safe custody by JP Morgan Chase Bank ("the Custodian"). Prior to migration EAT NV employed KAS Trust & Depositary Services as Custodian. Operational matters with the Custodian are carried out on the Company's behalf by the Manager in accordance with the provisions of the management agreement. The custodian is paid a variable fee dependent on the number of trades transacted and location of the securities held.

Depositary

With effect from the migration, JPMorgan Europe Limited acts as the Company's depositary, ("the Depositary") in accordance with the AIFMD. Prior to the migration EAT NV employed KAS Trust & Depositary Services as its Depositary. The Depositary's responsibilities, which are set out in an Investor Disclosure Document on the Company's website, include: cash monitoring; ensuring the proper segregation and safekeeping of the Company's financial instruments that are held by the custodian; and monitoring the Company's compliance with investment and leverage limits requirements.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to the Custodian, in the event of loss of those assets that constitute financial instruments under the AIFMD, the depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Manager's fee

The Manager receives a quarterly fee, payable in advance, equal to 0.2 per cent of the value of funds under management, excluding the value of any funds managed by the BMO group and 50 per cent of the value of funds managed by other managers, based on the value of total assets less current liabilities (excluding borrowings from current liabilities) at the end of the preceding quarter. Whenever such value exceeds an amount of EUR 500 million, the applicable rate over such excess value will be 0.1625 per cent.

An additional fee of £100,000 per annum has been payable by the Company to the Manager since the migration for the provision of administrative services which would normally be undertaken on behalf of an investment trust, but which were carried out for the Company's predecessor, EAT NV, by other parties.

Annual General Meeting

The Annual General Meeting will be held on 14 May 2020 at 3.00pm at Exchange House, Primrose Street, London EC2 2NY. The Notice of the Annual General Meeting is set out on pages 69 to 70. and will include a presentation from the Investment Manager, Sam Cosh, on the Company and its investment portfolio. In addition, to reach a wider audience of shareholders, the presentation will be recorded and will be available to view on the the Company's website shortly thereafter.

Directors' authority to allot shares and disapplication of pre-emption rights

The Directors are seeking to renew their authority to allot shares. Resolution 13 in the Notice of Annual General Meeting, which will be proposed as an ordinary resolution, seeks renewal of such authority to allot Ordinary Shares up to an aggregate nominal amount of £3,599,740 (being an amount equal to 10 per cent of the total issued share capital of the Company as at the date of this report).

Under Resolution 14, which will be proposed as a special resolution, the Directors are also seeking to renew the authority to allot new Ordinary Shares and/ or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply. (This section requires that, when equity securities are allotted for cash, such new shares are first offered to existing equity shareholders in proportion to their existing holdings of shares, this entitlement being known as "pre-emption rights").

Allotments of Ordinary Shares pursuant to these authorities would enable the Directors to issue shares for cash and/or to sell equity securities held as treasury shares to take advantage of changes in market conditions that may arise, in order to increase the amount of the Company's issued share capital. A likely purpose of such an increase would be to improve the liquidity of the market in the Company's shares and to spread the fixed costs of administering the Company over a wider base. The Directors believe that this authority, if granted to the Directors, would provide the necessary flexibility permitted by investor protection guidelines to respond to market developments in the interest of existing Shareholders. Except where authorised by Shareholders, no shares will be issued or sold from treasury by the Directors at a price which (after costs and expenses) is less than the NAV per share at the time of the issue or sale, unless the shares are first offered pro rata to shareholders on a pre-emptive basis. In line with the previous practice at EAT NV, the Company has been authorised to sell any treasury shares held from time to time at below NAV subject to the limitation on asset dilution set out below.

The absolute level of dilution through the sale of treasury shares is restricted to 0.5% of Net Asset Value in any one year, and treasury shares which are sold at a discount to Net Asset Value will only be sold where the discount at which the shares are sold is lower than the average discount at which the shares have been acquired, and in addition the price at which shares are sold must not be less than the market bid price at time of sale.

Resolution 14, if passed, will give the Directors power to allot for cash Ordinary Shares of the Company and to sell Ordinary Shares out of treasury up to a maximum nominal amount of £1,799,870 (being an amount representing 5 per cent of the total issued ordinary share capital of the Company as at the date of this report) without the application of the pre-emption rights described above. The calculation of the above figure is in accordance with the Investment Association Share Capital Management Guidance and other applicable investor protection, and the Directors will not use the authority other than in accordance with those guidelines.

The authorities contained in resolutions 13 and 14 will continue until the Annual General Meeting of the Company in 2021, and the Directors envisage seeking renewal of these authorities in 2021 and in each succeeding year, subject to such renewals again being in accordance with the applicable investor protection guidelines.

Directors' Authority to Buy Back Shares

The current authority of the Company to make market purchases of up to 10 per cent of the issued Ordinary Shares expires at the end of the Annual General Meeting and resolution 15, as set out in the Notice of the Annual General Meeting, seeks renewal of such authority. The renewed authority to make market purchases will be in respect of a maximum of 10 per cent of the issued Ordinary Shares as at the date of the passing of the resolution (approximately 35,997,408 million Ordinary Shares). The price paid for Ordinary Shares under this authority will not be less than the nominal value of 10p per Ordinary Share nor more than the highest of:

(i) 5 per cent above the average of the middle market values of those shares for the five business days before the shares are purchased;

(ii) the price of the last independent trade on the trading venue where the purchase is carried out; and

(iii) the highest current independent bid on that venue.

This power will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in net asset value per share of the Ordinary Shares and be in the interests of shareholders as a whole. Purchases would only be made for cash at a cost which is below the prevailing net asset value per share. Any shares purchased under this authority will be cancelled or held in treasury for future re-issue. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, where held in treasury, shares are treated as if they had been cancelled (for example they carry no voting rights and do not rank for dividends).

The purpose of holding some shares in treasury is to allow the Company to re-issue or sell these shares quickly and cost effectively, thus providing the Company with greater flexibility.

The authority contained in resolution 15, if passed, will continue until the Annual General Meeting of the Company in 2021, and the Directors envisage seeking renewal of this authority in 2021 and in each succeeding year, subject to such renewals again being in accordance with the applicable investor protection guidelines.

Recommendation

The Board considers that the passing of the resolutions to be proposed at the Annual General Meeting is in the interests of the Company and its shareholders as a whole and they unanimously recommend that shareholders vote in favour of all of them.

Statement Regarding Report and Accounts

Following a detailed review of the Report and Accounts by the Audit and Risk Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Report and Accounts would have a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

By order of the Board
BMO Investment Business Limited
Secretary

12 March 2020

Corporate Governance

Introduction

The Company is committed to high standards of corporate governance and accordingly adheres, in so far as they are relevant to an investment trust the requirements of the 2018 revised Corporate Governance Code ('the Code') of the Financial Reporting Council ('FRC'). The Association of Investment Companies ("the AIC") has issued its own revised Code ('the AIC Code'). Both revised codes are effective for accounting periods beginning on or after 1 January 2019. The Company has adopted corporate governance arrangements which follow the general principles of the AIC Code. Significant differences in actual practice are detailed below.

Since all Directors are non-executive, the provisions on the role of the chief executive and on Directors' remuneration are not relevant to the Company (except in so far as they apply to non-executive Directors) and are therefore not reported on further.

In view of its non-executive nature and the requirement of the Articles of Association that all in accordance are subject to retirement by rotation, the Board does not consider it appropriate for the Directors to be appointed for a specified term. The Articles of Association require the Directors to retire by rotation at least every three years, and the Board has agreed that in accordance with the AIC Code all directors will retire annually.

Prior to 16 March 2019, the Company was a subsidiary of European Assets Trust NV ("EAT NV"). EAT NV, a Dutch investment company, adhered to the Dutch Corporate Governance Code 2016 and as a matter of good practice the general principles of the AIC Code. Unless otherwise disclosed the following disclosures apply to EAT NV until its effective dissolution on 16 March 2019.

AIFMD

The Company is defined as an Alternative Investment Fund ("AIF") under the AIFMD issued by the European Parliament, and which has been implemented into UK law. This requires that all AIFs must appoint a depositary and an Alternative Investment Fund Manager ("AIFM"). The Board remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations. The Manager is the Company's AIFM.

Articles of association

The Company's articles of association may only be amended by special resolution at general meetings of shareholders.

The Board

The Board of the Company is entirely non-executive. The Company has no employees. A management contract between the Company and the Manager sets out the matters over which the Manager has authority and the limits above which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing, and corporate governance procedures are reserved for the approval of the Board. With regard to these matters it is the responsibility of the Board to provide the Manager with general instruction and guidance. It is the responsibility of the Manager to act and manage the Company in accordance with these general directives and to report to the Board upon its corporate management.

All Directors are considered by the Board to be independent of the Manager. New Directors receive an induction from the Manager on joining the Board and all Directors are made aware of appropriate training courses.

During the period the performance of the Board, committees and individual Directors was evaluated through a discussion process led by the Chairman. The performance of the Chairman was evaluated by the other Directors.

Amongst other considerations, the performance evaluation considered the balance of skills and diversity of the Board, as well as the Board's overall effectiveness. The Board believes it has an appropriate balance of skills and experience, length of service and knowledge of the Company. The Board does not consider that the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process adopted. The option is, however, kept under review.

The table on page 35 sets out the number of scheduled Board and Committee meetings held during the year ended 31 December 2019 and the number of meetings attended by each Director. Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. No such advice was sought during the period. The Company maintains appropriate Directors' and Officers' liability insurance.

The Company has no executive Directors or employees.

The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Board has direct access to the company secretarial advice and services provided by the Manager. The proceedings at all board meetings are fully recorded through a process that allows Director's concerns to be recorded in the minutes. The Board has the power to appoint or remove the company secretary.

Period ended 31 December 2019	Board meetings of Directors		Audit meeting of Directors/Audit and Risk Committee		Shareholder meetings		Remuneration and Nomination Committee Meetings		Management Engagement Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Jack Perry CBE	7	7	2	2	2	2	2	2	1	1
Professor Robert van der Meer	7	6	2	2	2	2	2	2	1	1
Julia Bond OBE	7	7	2	2	2	2	2	2	1	1
Martin Breuer	7	7	2	2	2	2	2	2	1	1
Laurence Jacquot	7	7	2	2	2	2	2	2	1	1
Stuart Paterson*	1	1	-	-	-	-	-	-	-	-

EAT NV prior to 16 March 2019.
**Appointed 22 July 2019.*

Appointments and Succession Planning

The Board has established a Remuneration and Nomination Committee. This committee is responsible for the review of the re-appointment of Directors, as they fall due for re-election and to make recommendations to the Board.

In order to comply with the spirit of the Code, the Directors consider that their period of office commenced with their appointment to the Board of EAT NV.

In addition, this committee is responsible for making recommendations to the Board regarding the nomination of additional Directors, where appropriate, for approval by the General Meeting of Shareholders.

In accordance with the AIC Code all Directors will now be subject to annual re-election at each Annual General Meeting. Following the evaluation process set out above, the Board confirms that the performances of all Directors continue to be effective and demonstrate commitment to the role. The Board therefore believes that it is in the interest of shareholders that all Directors seeking re-election be re-elected.

Appointments of all new Directors are made on a formal basis using professional search consultants, with the Board agreeing the selection criteria and the method of selection, recruitment and appointment. A Director role specification is prepared to assist with this process. Each appointment is subject to shareholder approval at the subsequent Annual General Meeting.

The length of tenure of the Chairman is determined by the UK Code's nine-year limit subject to the AIC Code derogation. Factors that will be considered include board rotation and retention of experience. The Board has an agreed succession plan for the orderly retirement of existing directors and to provide for the regular refreshment of skills and talent. The first appointment, effective from 22 July 2019, arising from this plan was Stuart Paterson. Regular retirements of directors will take place in the following years ensuring that the Company complies with both the letter and spirit of the AIC Code. The first director to retire under this plan will be Professor Robert van der Meer at the forthcoming Annual General Meeting to be held on 14 May 2020. It is anticipated that Laurence Jacquot will retire at the Annual General Meeting of the Company to be held in 2021.

Full details of the duties of a Director are provided at the time of their appointment. An induction process takes place for new appointees, who meet the Investment Manager, company secretary and other key employees of the Manager and are given briefings on the workings and processes of the Company.

Directors are encouraged to attend relevant training courses and seminars and receive regular updates on the industry and changes to regulation from external advisors and the company secretary.

Independence of Directors

All Directors are considered by the Board to be independent of the Manager. Professor Robert van der Meer has served on the Board of this Company and its predecessor for longer than nine years. In addition, until 26 April 2017 he was a member of the Supervisory Board of KAS Bank NV, a service provider to the Company's predecessor, EAT NV. The Board does not consider that a Director's tenure or other board memberships necessarily reduces his or her ability to act independently and, following performance evaluations, believes that each Director is independent in character and judgement and that continuity and experience add to the strength of the Board.

Board committees

The Board has appointed committees with sufficient expertise, in accordance with the AIC Code in order to increase the efficiency of the Board's work. The respective chairs of the committees report to the Board on the work of the committees. The Company has established an Audit and Risk Committee, a Remuneration and Nomination Committee and a Management Engagement Committee. These committees have been fully operational since the migration on 16 March 2019. Prior to that date, the Company's predecessor operated similar committees with the exception of the role of Audit and Risk Committee whose role and duties were undertaken by the EAT NV's Supervisory Board.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which is chaired by Professor Robert van der Meer and is comprised of all the independent members of the Board. The Audit and Risk Committee meets at least twice a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee is responsible for ensuring that the financial performance of the Company is properly reported on and monitored and provides a forum through which the Company's external auditors may report to the Board. The Audit and Risk Committee reviews and recommends to the Board on the annual and half yearly reports and financial statements, financial announcements, internal control systems and procedures and accounting policies of the Company.

It is anticipated that Stuart Paterson will be appointed Chair of this committee upon the retirement of Professor Robert van der Meer.

The Report of the Audit and Risk Committee is contained on pages 40 and 41.

Management Engagement Committee

The Company has established a Management Engagement Committee, which is chaired by Jack Perry and consists of all the independent members of the Board. The Management Engagement Committee meets at least once a year and its principal duties will be to review the terms and conditions of the appointment and the appropriateness of the continuing appointment of the Manager and other significant service providers including the Depositary and Custodian, corporate broker, administrator and legal counsel and to make recommendations to the Board.

The Report of Management Engagement Committee is contained on page 42.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee, which is chaired by Julia Bond OBE and consists of all the independent members of the Board. The Remuneration and Nomination Committee meets at least once a year and undertakes:

- the periodic review and recommendation to the Board of the level of Directors' fees;
- the review and recommendation of candidates to the Board for approval by shareholders at a General Meeting to fill vacancies on the Board;
- the periodic review of the composition and balance of the Board;
- the review and recommendation to the Board of the re-appointment of Directors, as they fall due for re-election; and
- to review actual or possible conflicts of interest in respect of each Director.

The Report of Remuneration and Nomination Committee is contained on page 37.

Conflicts of interest

A company director has a statutory obligation to avoid a situation in which he or she has, or potentially could have, a direct or indirect interest that conflicts with the interests of the company (a "situational conflict"). The Board therefore has procedures in place for the authorisation and review of situational conflicts relating to the Company's Directors.

Other than the formal authorisation of the Directors' other directorships and appointments, no authorisations have been sought.

Aside from situational conflicts, the Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company. In the year under review there have been no instances of a Director being required to be excluded from a discussion or abstain from voting because of a conflict of interest.

Relations with shareholders

The Company welcomes the views of Shareholders and places importance on communication with its members. The Managers hold meetings with the Company's largest Shareholders and report back to the Board on these meetings. Each year, the Company will hold an Annual General Meeting to be followed by a presentation by the Investment Manager in London. The 2020 meeting will be held on 14 May 2020 at Exchange House, Primrose Street, London, EC2A 2NY at 3.00 pm.

In accordance with the UK Code, in the event that when votes of 20 per cent or more have been cast against a resolution at a General Meeting the Company will announce the actions it intends to take to consult shareholders to understand the reasons behind the result. A further update will be published within six months. No such votes were received during 2019.

Julia Bond OBE has been appointed Senior Independent Director. The Senior Independent Director is available to shareholders if they have concerns which initial contact through the Chairman or company secretary has failed to resolve or for which such contact is inappropriate. Shareholders wishing to communicate with the Chairman or other members of the Board may do so by writing to European Assets Trust PLC, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG.

By order of the Board
BMO Investment Business Limited
Secretary

12 March 2020

Report of the Remuneration and Nomination Committee

Role of the Committee

The Committee met on two occasions during the year. The duties of the Remuneration and Nomination Committee are:

- To periodically review the level of Directors' fees and recommend any changes to the Board;
- To be responsible for reviewing and making recommendations to the Board regarding nominating candidates for the approval by the General Meeting of Shareholders to fill vacancies on the Board of Directors;
- To consider and review the composition and balance of the Board from time to time and, where appropriate, to make recommendations to the Board;
- To review the re-appointment of Directors, as they fall due for re-election, under the terms of the Articles, and to make recommendations to the Board as considered appropriate;
- To review actual or possible conflicts of interest in respect of each Director and any authorised conflicts; and
- To consider other relevant topics, as defined by the Board.

Prior to the migration on 16 March 2019, the duties of this committee were undertaken by the Remuneration and Nomination Committee of its predecessor, EAT NV.

Composition of the Committee

All the Directors are members of the committee the terms of reference of which can be found on the website at www.europeanassets.co.uk.

Succession planning

Appointments of all new Directors are made on a formal basis, normally using professional search consultants, with the Nomination Committee agreeing the selection criteria and the method of recruitment, selection and appointment.

The Board has an agreed succession plan for the orderly retirement of existing Directors and to provide for the regular refreshment of skills and talent. Regular retirements of Directors will take place in the following years ensuring that the Company complies with both the letter and spirit of the AIC Code. The first Director to retire under this plan will be Professor Robert van der Meer at the forthcoming Annual General Meeting to be held in May 2020. It is anticipated that Laurence Jacquot will retire at the Annual General Meeting of the Company to be held in 2021. Following a rigorous selection process Stuart Paterson was appointed to the Board with effect from 22 July 2019. It is anticipated Stuart Paterson will assume the role of Chair of the Audit and Risk Committee when Professor Robert van der Meer retires. Stuart Paterson's appointment therefore provided for a period of valuable overlap regarding this role.

Diversity

The Board's diversity policy, objective and progress in achieving it are set out on page 22.

Committee evaluation

The activities of the committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as summarised on page 34. The conclusion from the process was that the committee was operating effectively, with the right balance of membership, experience and skills.

Julia Bond OBE
Remuneration and Nomination Committee Chairman

12 March 2020

Directors' Remuneration Report

Introduction

This Directors' remuneration report covers the period from the incorporation of the Company on 12 November 2018 to 31 December 2019. Prior to migration on 16 March 2019, the fees of the Directors were paid by EAT NV.

Directors' Remuneration Policy

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. The policy aims to be fair and reasonable in relation to comparable investment trusts and other similar sized financial companies. Time committed to the Company's affairs and the role that individual Directors fulfil in respect of Board and committee responsibilities are taken into account. The policy also provides for the Company's reimbursement of all reasonable travel and associated expenses incurred by the Directors in attending Board and committee meetings, including those treated as a benefit in kind subject to tax and national insurance. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

The policy will be put to shareholders for approval at the forthcoming Annual General Meeting. The Board has not received any views from Shareholders in respect of the levels of Directors' remuneration.

The Company's articles of association limit the aggregate fees payable to the Board to a total of £500,000 per annum. The Remuneration and Nomination Committee considers the level of Directors' fees at least annually. The Committee receives details of the fees paid to directors of commensurate companies. The Committee will then recommend to the Board a proposal for its approval.

Under Dutch Company law, the approval of Shareholders at a general meeting was required for any changes to the remuneration of EAT NV Directors. The resolution to approve the 2018 changes was approved by 84.6% of votes cast at the General Meeting held on 18 April 2018.

Following the migration, shareholders of the Company will have the opportunity to approve its remuneration policy on a triennial basis. A resolution to approve the policy is included within the Notice to the Annual General Meeting on page 69.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company. Each new Director is provided with a letter of appointment. There is no provision for compensation upon early termination of appointment. The letters of appointment are available for inspection at the Company's registered office during business hours and will be available for 15 minutes before and during the forthcoming Annual General Meeting.

Each Director's appointment is subject to election at the first Annual General Meeting and continues thereafter subject to re-election at each subsequent Annual General Meeting. All the Directors, with the exception of Professor Robert van der Meer, will stand for re-election, or election in the case of Stuart Paterson, at the Annual General Meeting to be held on 14 May 2020. Professor Robert van der Meer will retire at the conclusion of this meeting.

Policy implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for its approval will be put to shareholders at the forthcoming Annual General Meeting. The results of this vote is made available on the Company's website as soon as practicably possible afterwards.

External review of Director remuneration

As previously reported, the Company has experienced a period of change. The migration from the Netherlands to United Kingdom has

Fees for services to the Company for the period ended 31 December 2019 (audited)

	Fees* (audited)		Taxable Benefits [(1)]* (audited)		Total* (audited)	
Director	**2019 €**	2018 €	**2019 €**	2018 €	**2019 €**	2018 €
Jack Perry CBE	**49,900**	49,900	**2,584**	–	**52,484**	49,900
Professor Robert van der Meer	**40,000**	40,000	**2,258**	–	**42,258**	40,000
Julia Bond OBE	**39,000**	39,000	**–**	–	**39,000**	39,000
Martin Breuer	**34,000**	34,000	**1,445**	–	**35,445**	34,000
Laurence Jacquot	**34,000**	34,000	**1,799**	–	**35,799**	34,000
Stuart Paterson (appointed 22 July 2019)	**15,090**	–	**–**	–	**15,090**	–
Total	**211,990**	196,900	**8,086**	–	**220,076**	196,900

(1) Comprises amounts reimbursed for expenses incurred in carrying out business for the Company, which have been grossed up to include PAYE and NI contributions.

* Prior to Migration, the fees of Directors were paid by EAT NV.

resulted in the rationalisation of the board structure with the dual boards of EAT NV replaced by the single board of this Company.

In recognition of the revised responsibilities of the Directors, the Board engaged an external consultancy, Trust Associates Limited, to undertake an extensive independent benchmarking review of the fees paid to Directors.

Trust Associates Limited based their review on an analysis of the relative workload of the Directors in comparison to other similar investment companies and by comparison with their database of fees and other data covering 301 investment companies. Trust Associates Limited took into account a number of factors, including the levels of fees that are the norm for investment company directors generally, their responsibilities, risks and the complexity of the Company.

The consultants noted that following the migration, it was appropriate to determine the level of remuneration in Sterling rather than the previous practice of Euros. The proposed annual rates would be £30,000 for a Director, £34,000 for the Senior Independent Director, £35,000 for the Chair of the Audit and Risk Committee and £44,000 for the Chairman.

In addition, the consultants recommended that the Directors should receive a one-off fee of £5,000 each to compensate for the additional work involved in the migration. The one-off fee for the Senior Independent Director should be £7,500 and £10,000 in the case of the Chairman. As Stuart Paterson joined the board on 22 July 2019 following the completion of the migration it is confirmed that he would not be eligible for a one-off fee.

The Directors have reviewed the recommendations made by the consultants and have agreed that the proposed fees be implemented with effect from 1 January 2020. The Board can also confirm that, following these proposed increases it is anticipated that aggregate board remuneration in 2020 will remain lower than in 2019 and that no further increases are envisaged for the next two years.

Directors' remuneration for the period

The Directors who served during the period received the following amounts for services as non-executive Directors for the period ended 31 December 2019 and the year ended 31 December 2018 and can expect to receive the fees indicated for 2020 as well as reimbursement for expenses necessarily incurred.

The fees for specific responsibilities are set out below.

Annual fees for Board responsibilities

	2020 £	2019∞ £	2019* €	2018* €
Chairman	44,000	44,024	49,900	49,900
Chairman of Audit and Risk Committee	35,000	35,290	40,000	40,000
Senior Independent Director	34,000	34,408	39,000	39,000
Non-executive Director	30,000	29,996	34,000	34,000

* Prior to Migration, on 16 March 219, the fees of Directors were paid by EAT NV.
∞ Translated at an average exchange rate of 1.133458.

Directors' Share interests (audited)	2019*	2018*
Jack Perry CBE	61,353	51,370
Professor Robert van der Meer	–	–
Julia Bond OBE	65,030	65,030
Martin Breuer	55,000	55,000
Laurence Jacquot	25,000	25,000
Stuart Paterson (appointed 22 July 2019)	65,000	N/A

* EAT NV prior to migration on 16 March 2019. Refer to Note 1 on page 50.

There have been no changes in any of the Directors' shareholdings detailed above between 31 December 2019 and the date of this report. No Director held any interests in the issued share capital of the Company other than as stated above. There is no requirement for the Directors to hold shares in the Company.

Relative importance of spending on pay

The table below shows the actual expenditure in relation to Board remuneration, other expenses, Shareholder distributions and 31 December net asset value:

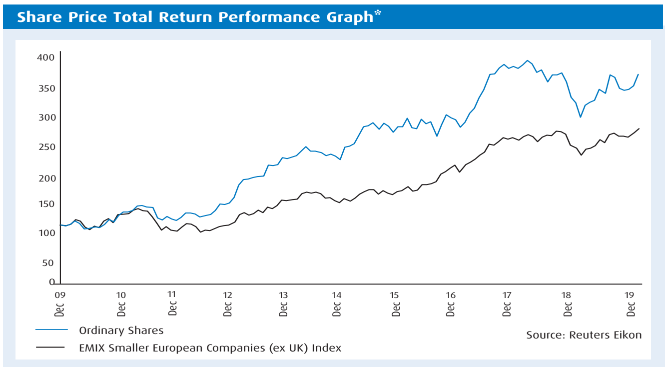
	2019* €'000s	2018* €'000s
Aggregate Board remuneration (excluding taxable benefits)	212	197
Management and other expenses	5,118	5,445
Dividends paid to shareholders	25,651	32,801
Year end Net Asset Value	493,483	411,594

* EAT NV prior to migration on 16 March 2019. Refer to Note 1 on page 50.

Company performance

The Board is responsible for the Company's investment strategy and performance. The management of the investment portfolio is delegated to the Manager. An explanation of the performance of the Company is given in the Chairman's Statement and Investment Manager's Review. A comparison of the Company's performance over the required ten-year period is set out in the following graph. This shows the total return (assuming all dividends are re-invested) to ordinary Shareholders against the Benchmark.

Share Price Total Return Performance Graph*



* EAT NV prior to migration on 16 March 2019. Refer to Note 1 on page 50.

On behalf of the Board

Jack Perry CBE
Chairman
12 March 2020

Report of the Audit and Risk Committee

The members of the Audit and Risk Committee who served throughout the period ended 31 December 2019 were Professor Robert van der Meer, Jack Perry, Julia Bond, Martin Breuer and Laurence Jacquot. Stuart Paterson has served on the committee with effect from 22 July 2019. The committee is chaired by Professor Robert van der Meer.

Prior to migration on 16 March 2019, the duties of the committee were undertaken by the Supervisory Board of EAT NV. The duties of the committee include reviewing the annual and interim Accounts, the system of internal controls, and the terms of appointment and remuneration of the auditor, PricewaterhouseCoopers LLP, including its independence and objectivity. It is also the forum through which the auditor reports to the Board of Directors. The committee meets at least twice yearly including at least one meeting with the auditor.

The Audit and Risk Committee and its EAT NV predecessor met on two occasions during the period and the attendance of each of the members is set out on page 35. In the course of its duties, the committee had direct access to the auditor and senior members of the Manager's fund management and investment trust teams.

Amongst other things, the Audit and Risk Committee considered and reviewed the following matters and reported thereon to the Board:

- The annual results announcements, and annual and half-yearly reports and accounts;
- The accounting policies of the Company;
- The principal risks faced by the Company and the effectiveness of the Company's internal control environment;
- The effectiveness of the audit process and related non-audit services and the independence and objectivity of the auditor, their re-appointment, remuneration and terms of engagement;
- The policy on the engagement of the auditor to supply non-audit services;
- The implications of proposed new accounting standards and regulatory changes;
- The receipt of an internal controls report from the Manager; and
- Whether the Annual Report and Accounts is fair, balanced and understandable.

Significant issues considered by the Audit and Risk Committee for the period ended 31 December 2019	
Matter	**Action**
Existence and valuation of investments	
The Company's portfolio is invested in listed securities. Errors in valuation could have a material impact on the Company's net asset value per share.	The Board reviews the full portfolio valuation at each Board meeting and receives quarterly reports from the AIF Manager and the Depositary. The Board receives an annual analysis from the investment managers reviewing the liquidity of the portfolio.
Appropriateness of viability assessment	
The Company discloses a viability assessment and statement in accordance with the requirements of the UK Corporate Governance Code.	The Audit and Risk Committee reviewed and discussed the contents and conclusions of the rolling five year viability assessment and statement.
Effectiveness of internal control environment	
On an annual basis the Audit and Risk Committee considers the Company's internal control environment.	The Audit and Risk Committee meeting considered the control reports and written assurances received from third party service providers with regard to the operation of internal controls during the period ended 31 December 2019.

As part of its review of the scope and results of the audit, during the period the Audit and Risk Committee considered and approved the auditor's plan for the audit of the financial statements for the period ended 31 December 2019. At the conclusion of the audit the auditor did not highlight any issues to the Audit and Risk Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. The auditor issued an unqualified audit report which is included on pages 64 to 68.

Following the implementation of the Statutory Audit Amending Disclosure, with effect from 1 January 2017, the auditor is unable to provide tax compliance and advisory services to the Company.

As part of the review of auditor independence and effectiveness, PwC has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating the auditor, the Audit and Risk Committee has taken into consideration the standing, skills and experience of the firm and the audit team. In addition, the Audit and Risk Committee reviewed the FRC's Audit and Quality review for PricewaterhouseCoopers ("PwC") and discussed the findings with the Company's audit partner to determine if any of the indicators in the report had specific relevance to this year's audit of the Company. Stuart Paterson, as the nominated successor to the current committee Chairman visited PwC and made further enquiries. The Audit and Risk Committee discussed the audit plan and PwC's final report and concluded than an effective external audit had been conducted. PricewaterhouseCoopers Netherlands was appointed auditors to the Company's predecessor, EAT NV, on 24 April 2014. PricewaterhouseCoopers LLP UK was appointed auditors to the Company on 17 May 2019. The Company is not required to change its auditors at least until after the audit in respect of the year ended 31 December 2024. It is the current intention of the Audit and Risk Committee not to change the auditor until then. The Audit and Risk Committee, from direct observation and enquiry of the Manager, remains satisfied that the auditor continues to provide effective independent challenge in carrying out its responsibilities. Following professional guidelines, the audit partner rotates after five years. The current audit partner is in the first year of his appointment. On the basis of this assessment, the Audit and Risk Committee has recommended the continuing appointment of the auditor to the Board. The auditor's performance will continue to be reviewed annually taking into account all relevant guidance and best practice.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based principally on the Manager's existing risk-based approach to internal control whereby a matrix is created for the Company that include the key functions and activities carried out by the Manager and other service providers, the risks associated with these functions and activities and the controls employed to minimise these risks. These functions and activities include the financial reporting process. A residual risk rating is then applied. The matrix is regularly updated and reviewed by the committee and the Board.

A formal annual review of these procedures is carried out by the Audit and Risk Committee and includes consideration of internal control reports issued by the Manager and other service providers. Such review procedures have been in place throughout the financial period and up to the date of approval of the annual report, and the Board is satisfied with their effectiveness. These procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss. At each Board meeting the Board monitors the investment performance of the Company in comparison to its stated objective, its peer group and its benchmark index. The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines. The Depositary provides quarterly reports to the Board and carries out daily independent checks on cost and investment transactions, annually verifies asset ownership and has strict liability for the loss of the Company's financial assets in respect of which it has safe keeping duties.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager, including its own internal audit function, provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary but this decision will be kept under review.

Professor Robert van der Meer
Chairman of the Audit and Risk Committee
12 March 2020

Report of the Management Engagement Committee

Duties of the Committee

The duties of the Management Engagement Committee are to review the terms and conditions of the appointment and the appropriateness of the continuing appointment of:

- The Investment Manager,
- Other significant service providers including the depositary and custodian, corporate broker, administrator and legal counsel.

The Management Engagement Committee also reviews the fees paid during the year to all of the Company's service providers.

Prior to migration on 16 March 2019, the duties of this Committee were undertaken by the management Engagement Committee of the Company's predecessor, EAT NV.

Composition of the Committee

The Management Engagement Committee is appointed by the Board from amongst the Board Directors of the Company. A quorum is two members.

The Chairman of the Management Engagement Committee shall be the Chairman of the Board.

Currently all members of the Board have been appointed to the Management Engagement Committee.

The terms of reference of the Management Engagement Committee are available on the the Company's website www.europeanassets.co.uk.

The Manager's Evaluation Process

The Committee meets annually. Its most recent meeting was March 2020 which included a formal evaluation of the performance and remuneration of the Manager. At each Board meeting throughout the year the performance of the Company is reviewed. The Board receives detailed papers, reports and reviews from the Manager on performance at each regular Board meeting. These papers include details of portfolio attribution, asset and sector allocation, gearing and risk. These enable the Board to assess the success or failure of the Manager's performance against the Key Performance Indicators determined by the Board.

The Manager's Re-appointment

During March 2020, the Management Engagement Committee of the Board reviewed the appropriateness of the Manager's continuing appointment. In carrying out the review, consideration was given to past investment performance and the ability of the Manager to produce satisfactory investment performance in the future. Consideration was also given to the standard of other services provided which include company secretarial, accounting, administration and marketing. The length of notice of the investment management contract and fees payable to the Manager were also reviewed. Following this review, it is the Board's opinion that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

The Manager's Fee

An important responsibility of the Committee is the review of the Manager's fee. Details of the investment management fee are included in Note 5 to the Accounts. At each annual Committee meeting the Directors compare the basis of the remuneration of the Manager against that of the peer group.

In November 2017 it was announced, by EAT NV, that an amendment to the fee had been negotiated. Previously, the Manager received a fee equal to 0.8 per cent per annum of an adjusted value of funds under management. Following this amendment, 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 is reduced from 0.8 per cent per annum to 0.65 per cent per annum.

Service providers

At each meeting of the Committee the Directors consider the remuneration and performance of each of the key service providers of the Company.

Reporting Procedures

The secretary circulates the minutes of meetings of the Management Engagement Committee to all members of the Board at the next Board meeting following a Management Engagement Committee Meeting.

A member of the Management Engagement Committee attends the Annual General Meeting and is available to answer questions on the Management Engagement Committee's activities and responsibilities.

Jack Perry CBE
Chairman

12 March 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report and Accounts, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

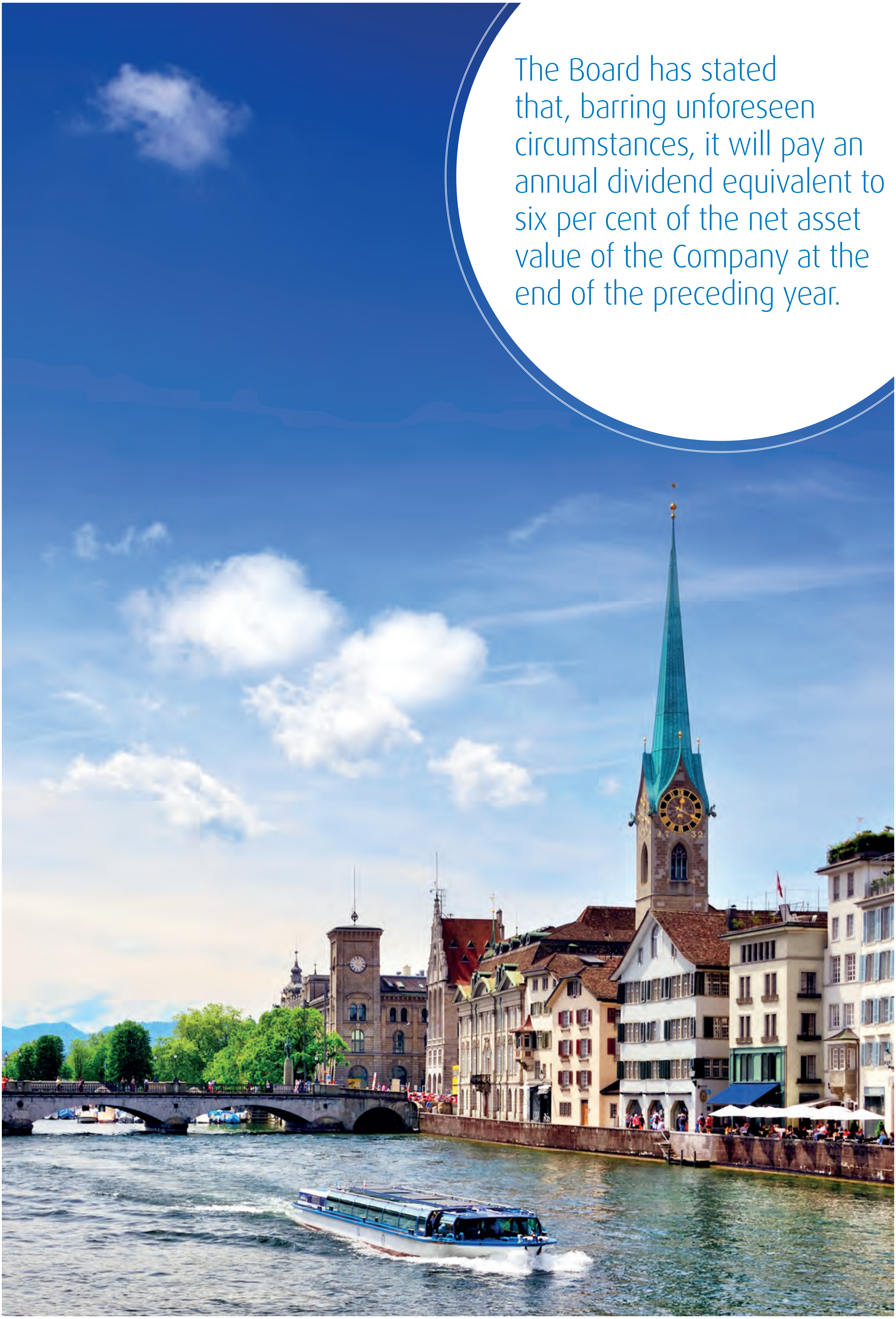
The Report and Accounts is published on the www.europeanassets.co.uk website, which is maintained by the Manager. The Directors are responsible for the maintenance and integrity of the Company's website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.
Statement under Disclosure Guidance and Transparency Rule 4.1.12
Each of the Directors listed on page 28 confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Jack Perry CBE
Chairman

12 March 2020

The Board has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of the net asset value of the Company at the end of the preceding year.



Statement of Comprehensive Income

Notes		European Assets Trust PLC For the period from 12 November 2018 to 31 December 2019			European Assets Trust NV For the year ended 31 December 2018†		
		Revenue €'000s	Capital €'000s	Total €'000s	Revenue* €'000s	Capital* €'000s	Total* €'000s
	Gains/(losses) on investments	–	103,225	103,225	–	(88,792)	(88,792)
	Foreign exchange gains	–	282	282	–	–	–
3	Income	11,515	–	11,515	15,252	–	15,252
5	Management fees	(748)	(2,991)	(3,739)	(808)	(3,234)	(4,042)
6,8	Other expenses	(1,379)	(335)	(1,714)	(1,403)	(1,700)	(3,103)
	Net return before finance costs and taxation	9,388	100,181	109,569	13,041	(93,726)	(80,685)
9	Finance costs	(40)	(160)	(200)	(31)	(123)	(154)
	Net return before taxation	9,348	100,021	109,369	13,010	(93,849)	(80,839)
10	Taxation	(1,798)	–	(1,798)	(319)	–	(319)
	Net return attributable to Shareholders	7,550	100,021	107,571	12,691	(93,849)	(81,158)
	Return per share	€0.0210	€0.278	€0.299	€0.035	€(0.262)	€(0.227)
	Dividend per share			€0.068			€0.088

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

*EAT NV prior to migration on 16 March 2019. Refer to notes 1.

† Pro forma based on EAT NV financial statements.

The accompanying notes on pages 50 to 62 are an integral part of these financial statements.

Statement of changes in Equity

European Assets Trust PLC **Period from 12 November 2018 to 31 December 2019**	Share capital €'000s	Share premium account €'000s	Other reserves €'000s	Distributable reserve €'000s	Capital reserve €'000s	Revenue reserve €'000s	Total shareholders' funds €'000s
Balance at 12 November 2018	–	–	–	–	–	–	–
Transferred from European Assets Trust NV on 1 January 2019 - accounting effective date of migration	35,976	271,344	104,274	–	–	–	411,594
Total comprehensive income for the period from 1 January 2019 to 16 March 2019 – date of migration	–	–	62,153	–	–	– –	62,153
Interim dividends distributed for the period from 1 January 2019 to 16 March 2019 – date of migration	7	(7)	(13,344)	–	–	–	(13,344)
Cancelled on 16 March 2019 – date of migration	(35,983)	(271,337)	(153,083)	–	–	–	(460,403)
Issued on 16 March 2019 – date of migration	42,178	418,225	–	–	–	–	460,403
Cancelled by court process	–	(418,225)	–		–		(418,225)
Arising from cancellation of share premium	–	–	–	418,225			418,225
Total comprehensive income for the period from 16 March 2019 to 31 December 2019					35,896	9,522	45,418
Interim dividends distributed for the period from 16 March 2019 to 31 December 2019	12	–		–	(2,797)	(9,522)	(12,307)
Issuance cost of scrip dividend shares	–	–	–	–	(31)	–	(31)
Foreign exchange movement on Sterling denominated share capital	282	–	–	–	(282)	–	–
Balance at 31 December 2019	42,472	–	–	418,225	32,786	–	493,483

The net asset value of EAT NV on 15 March 2019 was €460.4 million. This was composed of share capital of €36.0 million, share premium of €271.3 million and other reserves of €153.1 million. Upon migration the opening net asset value of European Assets Trust PLC was unchanged and was composed of share capital of €42.2 million and share premium of €418.2 million.

The accompanying notes on pages 50 to 62 are an integral part of these financial statements.

European Assets Trust NV Year ended 31 December 2018*†	Share capital €'000s	Share premium account €'000s	Other reserves €'000s	Distributable reserve €'000s	Capital reserve €'000s	Revenue reserve €'000s	Total shareholders' funds €'000s
Balance at 31 December 2017	15,982	273,936	218,233	–	–	–	508,151
Total comprehensive income for the year	–	–	(81,158)	–	–	–	(81,158)
Interim dividends distributed	20	(20)	(32,801)	–	–	–	(32,801)
Issue of shares	628	16,774	–	–	–	–	17,402
Redenomination of shares	19,346	(19,346)	–	–	–	–	–
Balance at 31 December 2018*	35,976	271,344	104,274	–	–	–	411,594

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

† Pro forma based on EAT NV financial statements.

The accompanying notes on pages 50 to 62 are an integral part of these financial statements.

Statement of Financial Position

Notes		European Assets Trust PLC 31 December 2019 €'000s	European Assets Trust NV 31 December 2018*† €'000s
	Non-current assets		
13	Investments at fair value through profit or loss	477,489	414,714
	Current assets		
14	Other receivables	2,491	1,111
	Investment in subsidiary	–	57
	Cash and cash equivalents	13,591	–
	Total current assets	16,082	1,168
	Current liabilities		
15	Other payables	(88)	(641)
16	Bank overdraft	–	(3,647)
	Total current liabilities	(88)	(4,288)
	Net current assets/(liabilities)	15,994	(3,120)
	Net assets	493,483	411,594
	Equity		
17	Share capital	42,472	35,976
	Share premium account	–	271,344
	Distributable reserve	418,225	–
	Capital reserve	32,786	–
	Revenue reserve	–	–
	Other reserves	–	104,274
	Total equity	493,483	411,594
18	**Net Asset Value per ordinary share**	€1.37	€1.14

* EAT NV prior to the migration on 16 March 2019. Refer to note 1.

† Pro forma based on EAT NV financial statements.

Approved by the Board and authorised for issue on 12 March 2020 and signed on its behalf of by:

Jack Perry CBE, Chairman.

The accompanying notes on pages 50 to 62 are an integral part of these financial statements.

Statement of Cash Flow

	European Assets Trust PLC	European Assets Trust NV
	For the period from 12 November 2018 to 31 December 2019 €'000	For the year ended 31 December 2018*† €'000
Cashflows from operating activitites		
Sale of investments	136,028	159,027
Purchase of investments	(95,579)	(152,655)
Dividends received	8,384	15,073
Investment management fees paid	(3,738)	(4,042)
Restructuring costs paid	(706)	(1,329)
Other operating expenses	(1,531)	(1,433)
Interest expenses paid	(220)	(75)
Cashflows from operating activities	42,638	14,566
Financing activities		
Net proceeds from issuance of new shares	–	17,336
Equity dividends paid	(25,682)	(32,801)
Cashflows from financing activities	(25,682)	(15,465)
Net movement in cash and cash equivalents	16,956	(899)
Cash and cash equivalents at beginning of the period/year	–	(2,748)
Cash and cash equivalents transferred on 1 January 2019 – accounting effective date of migration	(3,647)	–
Effect of movement on foreign exchange	282	–
Cash and cash equivalents at end of the period/year	13,591	(3,647)
Represented by		
Cash at bank	13,591	–
Bank overdrafts	–	(3,647)
	13,591	(3,647)

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

† Pro forma based on EAT NV financial statements.

The accompanying notes on pages 50 to 62 are an integral part of these financial statements.

Notes to the Financial Statements

1. Migration

During the period ended 31 December 2019 European Assets Trust PLC ("the Company") migrated its investment enterprise from the Netherlands to the United Kingdom. This migration was achieved by the absorption of the assets and liabilities of EAT NV by the Company, which was, at that time, a wholly owned subsidiary of EAT NV.

The merger was approved by the shareholders of EAT NV during an extraordinary shareholders' general meeting held on 9 January 2019. On 12 February 2019, the Dutch notary issued the merger compliance certificate confirming compliance with the Dutch Cross-Border Merger Regulations and, at a hearing held on 20 February 2019, the UK High Court approved the completion of the migration.

The migration was effective on 16 March 2019 by means of a cross-border merger under the European Cross-Border Merger Regulations of the Company with EAT NV. Following the merger, the Company continued the investment activities of EAT NV and EAT NV was dissolved and ceased to exist without going into liquidation. Upon merger, shareholders received one share in the Company for each share held in EAT NV.

EAT NV shares delisted from Euronext Amsterdam on 14 March 2019. The Board of EAT NV applied to the Financial Conduct Authority for the cancellation of the standard listing of EAT NV on the Official List, and to the London Stock Exchange to cancel the admission to trading of its shares on the Main Market, effective on 18 March 2019. Application was made for the Company's shares to be admitted to the premium segment of the Official List and trading on the premium segment of the Main Market of the London Stock Exchange, began at 8.00 a.m. on 18 March 2019.

The Company was incorporated in England and Wales on 12 November 2018 and has prepared its first set of financial statements for the period ended 31 December 2019. Following the merger, the Company became a publicly traded investment trust with a premium listing on the London Stock Exchange.

In accordance with the provisions of the prospectus of the Company issued on 27 November 2018, pursuant to the Cross-Border Merger Regulations, the accounting effective date of the migration was 1 January 2019. During the period from 12 November 2018 until migration the only activity of the Company was the issuance of share capital to be held by its parent EAT NV.

The comparative information is pro forma accounts based on the financial statements of EAT NV. The financial information in respect of EAT NV is not covered by the auditor's report beginning on page 64.

2. Accounting policies

A summary of the principal accounting policies is set out below.

a) Basis of Preparation

The financial statements of the Company have been prepared on a going concern basis under the historical cost convention modified to include fixed asset investments and derivatives at fair value, and in accordance with the Companies Act 2006, International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

Where presentational guidance set out in the 2018 amended Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The notes and financial statements are presented in Euro (functional and presentational currency). They are rounded to the nearest thousand except where otherwise indicated. The Company has announced that with effect from 1 January 2020 the presentational currency of the Company will become Sterling.

The Board confirms that no significant accounting judgements or estimates have been applied to the financial statements and therefore there is not a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further detail is included in the Report of the Directors on page 30.

2. Accounting policies (continued)

The accounting policies adopted are consistent with those of the previous financial year of European Assets Trust NV, except that the following new standard has been adopted in the current year. IFRS 16, 'Leases' has been adopted however due to the nature of the Company's business, it has no impact upon the financial statements.

The new standard did not have any impact on the amounts and are not expected to significantly affect futures periods.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

b) Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 Corporation Tax Act 2010.

c) Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value.

Investments are classified as fair value through profit or loss. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition.

Financial assets designated as at fair value through profit or loss are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Unlisted investments are valued at fair value by the Directors on the basis of all information available to them at the time of valuation.

Where securities are designated upon initial recognition as fair value through profit or loss, gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item.

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

d) Receivables

Receivables do not carry any interest and are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

e) Cash and cash equivalents

Cash at banks and short term deposits that are held to maturity are carried at cost. Cash and cash equivalents consist of cash at bank and short term deposits with an original maturity of three months or less.

f) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are initially recorded at the proceeds received, net of issue costs.

g) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

h) Derivative financial instruments

Derivatives are classified as fair value through profit or loss – held for trading and are held at fair value and changes in fair value are recognised in the capital return column of the Statement of Comprehensive Income. No derivative financial instruments were held during the period ended 31 December 2019 or year ended 31 December 2018 (EAT NV).

2. Accounting policies (continued)

i) Payables

Payables are not interest bearing and are stated at their nominal value.

j) Share capital and reserves

(a) Share capital is held at the year end Euro equivalent of the Sterling denominated ordinary Shares.

(b) Other reserves were cancelled on migration.

(c) Share premium – the surplus of net proceeds received from the issuance of new shares or value of shares arising from conversion over their par value of such shares is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable. As noted below, the balance of this account which arose as a result of the shares issued at merger was subsequently cancelled by the court process to create the Distributable Reserve.

(d) Distributable reserve – On 7 May 2019 by an order of the High Court of Justice, Chancery Division, the cancellation of the Company's share premium account by special resolution was confirmed. The Distributable reserve was created by this cancellation of the share premium account. This reserve is available as distributable profits and may be used for the payment of dividends.

(e) Capital reserve – Post migration capital gains are transferred to this reserve. Realised capital gains are distributable.

(f) Revenue reserve – Post migration net revenue is transferred to this reserve.

k) Income

Dividends are recognised as income on the date that the related investments are marked ex-dividend.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established.

Special dividends of a non-capital nature are recognised through the revenue column of the Statement of Comprehensive Income. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, an amount equal to the cash dividend is recognised as income.

Interest income from fixed interest securities is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other investment income and deposit interest are included on an accruals basis.

l) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

m) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under section 1158 Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2. Accounting policies (continued)

n) Expenses and interest

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except those incurred as a consequence of the migration and where incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio taking account of the expected long term split of returns as follows:

– Management fees and finance costs have been allocated 20 per cent to revenue and 80 per cent to capital.

o) Foreign currency

Transactions denominated in foreign currencies are expressed in Euros at actual exchange rates as at the date of the transaction. At 31 December 2019, the Sterling denominated share capital was revalued at the period end closing exchange rate.

Monetary assets and liabilities denominated in non Euro currencies at the period or year end are reported at the rates of exchange prevailing at the period or year end. Non-monetary non current assets held at fair value through profit and loss and denominated in foreign currencies are reported at the rates of exchange prevailing when the fair value was assessed. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the Statement of Comprehensive Income depending on whether the gain or loss is of a capital or revenue nature respectively.

Rates of exchange at 31 December (with regard to the Euro)	**2019**	2018*
Danish Krone	**0.134**	0.134
Norwegian Krone	**0.10138**	0.10102
Pound Sterling	**1.18017**	1.11414
Swedish Krona	**0.09517**	0.09867
Swiss Franc	**0.91999**	0.88739

* EAT NV prior to migration on 16 March 2019. Refer to note 1.

3. Income

	European Assets Trust PLC Period ended 2019 €'000	European Assets Trust NV Year ended 2018*† €'000
Dividend income from listed investments in:		
– Austria	**686**	670
– Denmark	**394**	612
– Finland	**–**	17
– France	**215**	396
– Germany	**2,120**	2,796
– Ireland	**879**	679
– Italy	**1,692**	1,407
– Netherlands	**1,092**	3,363
– Norway	**1,913**	1,725
– Portugal	**53**	–
– Spain	**453**	818
– Sweden	**1,285**	2,038
– Switzerland	**733**	731
Total dividend income	**11,515**	15,252

* EAT NV prior to migration on 16 March 2019. Refer to note 1.

† Pro forma based on EAT NV financial statements.

4. Operating Segments

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, of investing in equity and that therefore the Company has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company.

5. Management fees

	European Assets Trust PLC Period ended 2019			European Assets Trust NV Year ended 2018*†		
	Revenue €'000	Capital €'000	Total €'000	Revenue €'000	Capital €'000	Total €'000
Remuneration of the Investment Manager	**748**	**2,991**	**3,739**	808	3,234	4,042

* EAT NV prior to migration on 16 March 2019. Refer to note 1.

† Pro forma based on EAT NV financial statements.

BMO Investment Business Limited ("the Manager") provides investment management and other services to the Company. The manager has provided these services during 2019 and 2018 in its capacity of AIF Manager for the Company. These services can be terminated by the Company at any time by giving six months' notice of termination. The Manager receives a quarterly fee, payable in advance, equal to 0.2 per cent of the value of funds under management, excluding the value of any funds managed by the BMO group and 50 per cent of the value of funds managed by other managers, based on the value of total assets less current liabilities (excluding borrowings from current liabilities) at the end of the preceding quarter ("Company Value"). Effective as of 1 January 2018, the quarterly fee payable to BMO is equal to 0.2 per cent of the Company's value, provided that whenever such value exceeds an amount of EUR 500 million, the applicable rate over such excess value will be 0.1625 per cent.

Prior to the migration on 16 March 2019, the manager provided these services to EAT NV on the same terms.

Detailed regulatory disclosures including those on the AIF Manager's remuneration policy and costs are available on Company's website or from BMO on request.

6. Other expenses

	European Assets Trust PLC Period ended 2019 €'000	European Assets Trust NV Year ended 2018*† €'000
Depositary and custody fees	**258**	306
Remuneration of Directors (1)	**212**	206
Travel expenses	**56**	40
Indemnity insurance costs	**11**	11
Independent auditors' remuneration	**39**	45
Legal, secretarial and accounting	**225**	270
Broker fees	**48**	34
Marketing, advertising and printing costs	**186**	151
Other expenses	**225**	223
Dutch Management Board Director Remuneration	**119**	117
	1,379	1,403

The following auditor payments are reported in the Statement of Comprehensive Income	European Assets Trust PLC Period ended 2019 €'000	European Assets Trust NV Year ended 2018* €'000
Audit of the financial statements	**39**	45
Other non-audit services	**30^**	146#
	69	191

(1) Refer to Directors' Remuneration Report on pages 38 and 39.

* EAT NV prior to migration on 16 March 2019. Refer to note 1.

† Pro forma based on EAT NV financial statements.

^ Audit of the 2019 initial accounts.

For non-audit services provided in connection with the preparation of the prospectus.

7. Directors fees

The emoluments of the Chairman, the highest paid Director, were at the rate of €49,900 per annum (EAT NV 2018: €49,900).

Other Directors' emoluments amounted to €34,000 (EAT NV 2018: €34,000) each per annum, with the chairman of the Audit and Risk Committee receiving an additional €6,000 (EAT NV 2018: €6,000) per annum and the Senior Independent Director an additional €5,000 (EAT NV 2018: €5,000). Full details are provided in the Directors' Remuneration Report on pages 38 and 39.

Prior to the migration on 16 March 2019, remuneration was payable for services provided as members of the Supervisory Board of EAT NV.

8. Other expenses – restructuring costs

Restructuring costs arising from the migration during the period ended 31 December 2019 amounted to €335,000 (EAT NV 2018: €1.7 million). Of this amount €237,000 related to a provision against Irish transaction costs which the Company is seeking to recover from the Irish revenue and €30,000 chargeable by PricewaterhouseCoopers LLP for the audit of the Company's initial accounts prepared to provide support for the payment of the Company's July 2020 dividend.

9. Finance costs

	European Assets Trust PLC Period ended 31 December			European Assets Trust NV Year ended 31 December†		
	2019 Revenue €'000	**2019 Capital €'000**	**2019 Total €'000**	2018* Revenue €'000	2018* Capital €'000	2018* Total €'000
Interest expense	**40**	**160**	**200**	31	123	154

* EAT NV prior to migration effective 16 March 2019.

† Pro forma based on EAT NV financial statements.

10. Taxation

	European Assets Trust PLC Period ended 31 December			European Assets Trust NV Year ended 31 December†		
	2019 Revenue €'000	**2019 Capital €'000**	**2019 Total €'000**	2018* Revenue €'000	2018* Capital €'000	2018* Total €'000
Overseas withholding tax	**1,798**	**–**	**1,798**	319	–	319

Factors affecting tax charge for the current period

	European Assets Trust PLC Period ended 31 December			European Assets Trust NV Year ended 31 December
	Revenue 2019 €'000	**Capital 2019 €'000**	**Total 2019 €'000**	Total 2018*† €'000
Profit/(loss) before tax	**9,348**	**100,021**	**109,369**	(80,839)
Taxation on ordinary activities at the UK standard rate of corporation tax of 19% (2018: 19%)	**1,776**	**19,004**	**20,780**	–
Effects of:				
- Non taxable dividend income	**(2,188)**	**–**	**(2,188)**	–
- Non taxable capital (gains)/losses	**–**	**(54)**	**(54)**	–
- Currency (gains)/losses	**–**	**(19,613)**	**(19,613)**	–
- Expenses utilised	**412**	**663**	**1,075**	–
- Overseas taxation not relieved	**1,798**	**–**	**1,798**	319
Total tax charge for the period	**1,798**	**–**	**1,798**	319

No deferred tax asset in respect of unutilised expenses at 31 December 2019 has been recognised as it is uncertain that there will be taxable profits from which the future reversal of a deferred tax asset could be deducted.

* EAT NV prior to migration on 16 March 2019.

† Pro forma based on EAT NV financial statements.

11. Dividends distributed

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 its net asset value at the end of the preceding year. Since the migration the dividend is funded from a combination of current year net profits and the Distributable Reserve.

The Company distributed the following interim dividends to shareholders

	European Assets Trust PLC Period ended 2019∞ Euro	European Assets Trust NV Year ended 2018∞ Euro
– Distributed at end of January	0.0197	0.02200
– Distributed during March	0.0175	–
– Distributed at end of April	–	0.02380
– Distributed at end of July	0.0171	0.02368
– Distributed at end of October	0.0171	0.02350
Total dividends per share	**0.07140**	0.09298

Prior to the migration, on 16 March 2019, dividends were paid by EAT NV and subject to Dutch withholding tax.

∞ For comparison purposes, the number of shares before the stock split effective 3 May 2018 as well as all per share amounts in these financial statements for the year ended 31 December 2018 have been adjusted on a one to ten basis.

The total paid dividend during 2019 amounted to €25,651,000 (EAT NV 2018: €32,801,000).

12. Earnings/(loss) per share

The net revenue result is equivalent to profit before tax per the Statement of Comprehensive Income. The return per share figure is based on the net profit or loss for the period or year and on the weighted average number of shares in issue during the period or year. The return per share amount can be further analysed between revenue and capital, as below allocation.

	European Assets Trust PLC Period ended 2019 €'000	European Assets Trust NV Year ended 2018*† €'000
Revenue return	7,550	12,691
Capital return	100,021	(93,849)
Profit/(loss) for the period/year	**107,571**	(81,158)
Weighted average number of shares in issue during the year	359,844,520	357,982,309

	European Assets Trust PLC Period ended 2019 €	European Assets Trust NV Year ended 2018 €
Net revenue result∞	0.021	0.035
Net capital result∞	0.278	(0.262)
Total return/(loss) per share∞	**0.299**	(0.227)

* EAT NV prior to migration on 16 March 2019.

† Pro forma based on EAT NV financial statements.

∞ For comparison purposes, the number of shares before the stock split effective 3 May 2018 as well as all per share amounts in these financial statements for the year ended 31 December 2018 have been adjusted on a one to ten basis.

13. Investments held at fair value through profit or loss

	European Assets Trust PLC Listed/quoted Level 1* €'000	Total* €'000
Opening balance as at 12 November 2018	–	–
Book cost transferred from EAT NV on 1 January 2019 – accounting effective date of migration	396,947	396,947
Unrealised gains transferred from EAT NV on 1 January 2019 – accounting effective date of migration	17,767	17,767
Fair value at 1 January 2019	414,714	414,714
Movements in the period:		
Purchases at cost	95,579	95,579
Sales - proceeds	(136,029)	(136,029)
- gains on sales	17,335	17,335
Increase in unrealised gains	85,890	85,890
Fair value of investments as at 31 December 2019	477,489	477,489
Closing book cost as at 31 December 2019	373,832	373,832
Closing unrealised gains	103,657	103,657
Fair value of investments as at 31 December 2019	477,489	477,489

	2019 €'000
Net gains on realisation of investments	17,335
Movement in fair value	85,890
Gains on investments	103,225

*All assets held by the Company were classified as Level 1 in nature as described in Note 2. Level 1 includes investments listed on any recognised stock exchange.

	European Assets Trust PLC As at 31 December 2019 €'000	European Assets Trust NV As at 31 December 2018† €'000
Listed equities designated at fair value through profit or loss on initial recognition, incorporated in:		
– Austria	10,776	10,898
– Denmark	32,132	15,275
– France	11,187	13,737
– Germany	97,934	80,948
– Ireland	27,134	28,478
– Italy	51,740	38,974
– Netherlands	31,191	43,122
– Norway	46,143	40,529
– Spain	29,061	35,299
– Sweden	58,897	51,884
– Switzerland	62,269	55,570
– Iceland	11,745	–
– Portugal	7,280	–
	477,489	414,714

† Pro forma based on EAT NV financial statements.

Transaction costs

During the period ended 31 December 2019 the Company incurred transaction costs of €106,679 (EAT NV 2018: €214,000) on the purchase and sale of investments.

14. Other receivables

	European Assets Trust PLC 2019 €'000	European Assets Trust NV 2018*† €'000
Withholding tax recoverable	2,443	1,111
Sundry debtors and prepayments	48	–
	2,491	1,111

*EAT NV prior to migration on 16 March 2019.

† Pro forma based on EAT NV financial statements.

15. Other payables

	European Assets Trust PLC 2019* €'000	European Assets Trust NV 2018*† €'000
Accrued expenses	88	641

*EAT NV prior to migration on 16 March 2019.

† Pro forma based on EAT NV financial statements.

16. Borrowings

In March 2019 the Company entered in to a €45 million multi-currency revolving loan facility with RBS International expiring March 2020 and subject to compliance with the loan covenants. These covenants have all been met during the period. The interest rate on the amount drawn down and commitment fees payable on undrawn amounts are based on the commercial terms agreed with RBS International.

At the period end the credit facility was undrawn.

Following the period end, the Company has refinanced its borrowing facility with RBSI on amended terms.

17. Called-up Ordinary Share capital

	Number of shares	Par value €'000
European Assets Trust NV		
Ordinary Share of €0.10 each		
As at 1 January 2019	359,755,323	35,976
Issued as scrip	72,984	7
Transferred on merger	(359,828,307)	(35,983)
As at 15 March 2019	–	–
European Assets Trust PLC		
Ordinary Share of £0.10 each		
Issued on merger on 16 March 2019	359,828,307	42,179
Issued as scrip	106,399	11
Foreign exchange gain on sterling denominated share capital	–	282
	359,934,706	42,472

18. Net asset value per ordinary share

The net asset value per share is based on the net assets attributable to the ordinary shares as at 31 December 2019 of €493,483,000 (as at 31 December 2018 EAT NV: €411,594,000) and on the 359,934,706 ordinary shares on issue as at 31 December 2019 (as at 31 December 2018 EAT NV: 359,755,323 ordinary shares).

19. Financial instruments

(i) Financial instruments by category

	Financial assets measured at amortised cost €'000	Assets at fair value through profit or loss €'000	Total €'000
European Assets Trust PLC at 31 December 2019			
Financial assets at fair value through profit or loss	–	477,489	477,489
Other receivables and prepayments	2,491	-	2,491
Cash and cash equivalents	13,591	–	13,591
Total	**16,082**	**477,489**	**493,571**
European Assets Trust NV at 31 December 2018†			
Financial assets at fair value through profit or loss	–	414,714	414,714
Other receivables and prepayments	1,111	-	1,111
Cash and cash equivalents	-	-	-
Total	**1,111**	**414,714**	**415,825**

	Liabilities at fair value through profit or loss €'000	Financial liabilities measured at amortised cost €'000	Total €'000
European Assets Trust PLC at 31 December 2019			
Banking facility	–	–	–
Accrued expenses	–	88	88
Total	**–**	**88**	**88**
European Assets Trust NV at 31 December 2018†			
Bank overdraft	–	3,647	3,647
Accrued expenses	–	641	641
Total	**–**	**4,288**	**4,288**

† Pro forma based on EAT NV financial statements.

The Company did not hold any derivative instruments at 31 December 2019 (31 December 2018 EAT NV: none).

(ii) Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

During the period ended 31 December 2019, the Company's investments were categorised as Level 1 financial instruments only (year ended 31 December 2018 EAT NV: Level 1).

Listed fixed asset investments held (see Note 13) are valued at fair value through profit or loss. For listed securities this is the closing bid price on the valuation date on the relevant stock markets.

The fair value of all other financial assets and liabilities is represented by their carrying value in the Balance Sheet shown on page 48.

20. Financial risks

(i) Financial risk factors

As an investment trust the Company invests in equities in order to achieve its investment objective, which is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. In pursuing its investment objective the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the Company's profits. These financial risks are market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the Custodian, JP Morgan Chase Bank. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the Custodian, in the event of its failure, the ability of the Company to transfer securities might be temporarily impaired.

The Company's use of leverage and borrowings can increase its exposure to these risks, which in turn can also increase the potential returns it can achieve. The investment manager manages these exposures. The Company has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Company up to a level of 20 per cent of assets level as permitted under the Articles of Association.

(ii) Market risk

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Price risk

Price 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.

The Company minimises the price risk by making a balanced selection of companies with regard to distribution across the European countries, sectors and individual stocks. All of the Company's equity investments are publicly traded.

At 31 December 2019, the fair value of equities (designated as fair value through profit or loss on initial recognition) was €477,489,000 (EAT NV as at 31 December 2018: €414,714,000).

Any changes in market conditions will directly affect the income reported through the Statement of Comprehensive Income. A 10 per cent increase, for example, in the value of the securities portfolio as at 31 December 2019 would have increased net assets and net income for the year by €47.7 million (EAT NV as at 31 December 2018: €41.5 million). A decrease of 10 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective year end dates and are not representative of the year as a whole, nor reflective of future market conditions.

The Company also manages its exposure to price risk by analysing the investment portfolio by industrial sector. The table below is a summary of the significant sector concentrations within the securities portfolio.

	European Assets Trust PLC 2019 %	European Assets Trust NV 2018* %
Company's securities portfolio		
Industrials	**28.7**	26.7
Consumer services	**15.3**	17.1
Financials	**14.4**	15.3
Healthcare	**12.7**	9.6
Consumer goods	**11.6**	17.9
Technology	**7.4**	4.0
Basic materials	**7.3**	7.8
Oil & Gas	**2.6**	1.6
	100.0	**100.0**

* European Assets Trust NV prior to the migration on 16 March 2019.

20. Financial risks (continued)

(b) Currency risk

The Company invests in securities denominated in European currencies other than the Euro which gives rise to currency risks. It is not the Company's policy to hedge this risk. The table below is a summary of the Company currency exposure.

Foreign currency exposure (against the Euro)	European Assets Trust PLC As at 31 December 2019 €'000	European Assets Trust NV As at 31 December 2018*† €'000
Danish Krone	32,132	15,275
Norwegian Krone	46,143	40,529
Pound Sterling	16,281	14,764
Swedish Krona	58,896	51,884
Swiss Franc	45,986	40,806
Total	**199,438**	**163,258**

* EAT NV prior to the migration on 16 March 2019. Refer to note 1 on page 50.

† Pro forma based on EAT NV financial statements.

If the value of the Euro had weakened by 5% (EAT NV 2018: 5%) against each of the other currencies in the portfolio, the impact on the profit or loss and the net asset value would have been positive €10.0 million (EAT NV 2018: positive €8.2 million). If the value of the Euro had strengthened by 5% (EAT NV 2018: 5%) against each of the other currencies in the portfolio, the impact the profit or loss and the net asset value would have been negative €10.0 million (EAT NV 2018: negative €8.2 million). These calculations are based on the foreign currency exposure balances as at the respective balance sheet dates.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates. When the Company retains cash balances, the cash is held in accounts at JP Morgan Chase Bank. In addition, the Company has a loan facility with Royal Bank of Scotland International which is exposed to a floating interest rate risk. Interest received or paid on cash balances and bank overdrafts is at market rates and is monitored and reviewed by the investment manager and the Board. As at 31 December 2019, the cash position of the Company was €13,591,000 (EAT NV 31 December 2018: nil), whereas the amount drawn under the loan facility was nil (EAT NV 31 December 2018: €3,647,000).

If interest rates had increased by 1.0%, the impact on the profit or loss and the net asset value would have been positive €136,000 (EAT NV 2018: negative EUR 365,000). If interest rates had decreased by 1.0%, the impact on the profit or loss and the net asset value would have been negative EUR 136,000 (EAT NV 2018: positive €365,000). The calculations are based on the floating rate balances as at the respective balance sheet dates.

(iii) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the financial stability and credit quality of the brokers used, which are monitored on an ongoing basis by the investment manager. The investment manager also monitors the quality of service provided by the brokers used to further mitigate this risk.

There were no significant concentrations of credit risk to counterparties at 31 December 2019 or 31 December 2018. No individual investment exceeded 3.9% of the investment portfolio at 31 December 2019 (EAT NV 31 December 2018: 3.9%). The Company's investment in securities, all of which are traded on a recognised exchange, are held in segregated accounts on behalf of the Company by JP Morgan Chase Bank, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the Custodian's audited internal control reports.

20. Financial risks (continued)

(iv) 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 investing in equities that are traded on a regular basis. All investments are realisable within one year and therefore no detailed maturity analysis has been included. 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 may be held with reputable banks. Liquidity risk of the Company is mitigated by the fact that the Company is a closed-end investment company.

22. Related party transactions

The Directors of the Company are considered a related party. There are no transactions with the Board other than aggregated remuneration for services as Directors as disclosed in the Directors' Remuneration Report on pages 38 to 39 and as set out in note 7 to the financial statements.

There are no outstanding balances with the Board at period end.

The beneficial interests of the Directors in the Ordinary shares of the Company are disclosed on page 39.

23. Transactions with the Manager

Transactions between the Company and BMO Investment Business Limited are detailed in note 5 on management fees. The existence of an independent Board of Directors demonstrated that the Company is free to pursue its own financial and operating policies and therefore under the AIC SORP, the Manager is not considered a related party.

AIFM Disclosures (unaudited)

Alternative Investment Fund Managers Directive

In accordance with the AIFM Disclosure, information in relation to the Company's leverage and the remuneration of its AIF Manager, BMO Investment Business Limited, is required to be made available to investors.

The Company's Articles of Association allow borrowings up to a maximum of 20% of its book value of the securities portfolio. The Company can only exceed this level of borrowing with the prior approval of shareholders at a general meeting.

The maximum gross leverage is therefore 125% (equivalent to 20% of the book value of its securities portfolio).

The Company's maximum and actual leverage levels at 31 December 2019 are shown below:

Leverage exposure as at 31 December 2019	Gross Method	Commitment method
Maximum limit	125%	125%
Actual	97%	99%

For the purposes of the AIFM Disclosure, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of the Company's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Detailed regulatory disclosures including those on the the AIF Manager's remuneration policy and costs are available on the Company's websites or from BMO on request.

An Investor Disclosure Document is available on www.europeanassets.co.uk.

Independent Auditors’ Report

To the members of European Assets Trust PLC

Report on the audit of the financial statements

Opinion

In our opinion, European Assets Trust PLC’s financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2019 and of its return and cash flows for the period from 12 November 2018 to 31 December 2019 (the “period”);
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts (the “Annual Report”), which comprise: the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income, the Statement of changes in Equity; and the Statement of Cash Flow for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.
Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Company.

Other than set out in note 6 to the financial statements we have provided no non-audit services to the Company in the period from 12 November 2018 to 31 December 2019.

Our audit approach

Overview

Materiality

- Overall materiality: €4,936,816 (2018: N/A), based on 1% of net assets.

Audit scope

- The Company is a standalone Investment Trust Company and engages BMO Investment Business Limited (the “Manager”) to manage its assets.
- We conducted our audit of the financial statements using information from State Street Bank & Trust Company (“Administrator”) to whom the Manager has, with the consent of the directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.

Key audit matters

- Valuation and existence of investments
- Accuracy, occurrence and completeness of Income from investments

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 26 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Chapter 15 of the UK Listing Rules applicable to Closed-Ended Investment Funds. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value, and management bias in accounting estimates. Audit procedures performed include:

- Discussions with the Manager and the Audit and Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Audit and Risk Committee;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Identifying and testing journal entries, in particular period end journal entries posted by the Administrator during the preparation of the financial statements and any journals with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments *Refer to page 40 (Report of the Audit and Risk Committee), page 50 (Accounting Policies and Notes to the financial statements).* The investment portfolio at the period-end comprised listed equity investments valued at €477m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position within the financial statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No matters arose from our work in this area.
Accuracy, occurence and completeness of income from investments *Refer to page 40 (Report of the Audit and Risk Committee), page 50 (Accounting Policies and Notes to the financial statements).* We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. No misstatements were identified which required reporting to those charged with governance.

Key audit matter	How our audit addressed the key audit matter
	To test for completeness, we tested all investment holdings in the portfolio, that all dividends declared in the market by investment holdings had been recorded. No misstatements were identified which required reporting to those charged with governance. We tested occurrence by testing that all dividends recorded in the period had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. Our testing did not identify any misstatements which required reporting to those charged with governance. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. Our procedures did not identify any misstatements which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extend relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant controls reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€4,936,816 (2018: N/A).
How we determined it	1% of Net Asset Value.
Rationale for benchmark applied	We have applied this benchmark, which is generally accepted auditing practice for investment trust audits.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's business and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

Our appointment

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report, Directors' Report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (page 34) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ("DTR") is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in this information. (CA06)

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (page 34) with respect to the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. (CA06)

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the company. (CA06)

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 26 of the Annual Report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 27 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the company and statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 43, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company obtained in the course of performing our audit.
- The section of the Annual Report on page 40 describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 43, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the directors on 17 May 2019 to audit the financial statements for the period ended 31 December 2019 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Other matter

The pro forma results based on EAT NV financial statements for the year ended 31 December 2018, forming the corresponding figures of the financial statements for the period ended 31 December 2019, are unaudited.

Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

12 March 2020

Notice of Annual General Meeting of European Assets Trust PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

European Assets Trust PLC

(incorporated in England and Wales under the Companies Act 2006 with registered number 11672363)

Notice is hereby given that the second Annual General Meeting of Shareholders of European Assets Trust PLC, the "Company", will be held on Thursday, 14 May 2020 at 3.00 pm at Exchange House, Primrose Street, London, EC2A 2NY, to transact the following business.

The resolutions to be proposed to the meeting are set out below. Resolutions 1 to 13 will be proposed as ordinary resolutions, meaning that for each of those resolutions to be passed, more than half the votes cast must be in favour. Resolutions 14 and 15 will be proposed as special resolutions, meaning that for either of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Ordinary Resolutions

1. To receive and adopt the Directors' report and accounts for the period ended 31 December 2019 together with the Independent Auditor's Report thereon (the "2019 Report and Accounts").
2. To approve the 2020 dividend of 7.02 pence per share to be paid in four equal instalments in January, April, July and October.
3. To approve the Company's dividend policy, as set out on page 21 of the 2019 Report and Accounts.
4. To approve the Directors' Remuneration Policy set out on page 38 of the 2019 Report and Accounts.
5. To approve the Directors' Remuneration Report for the period ended 31 December 2019 (other than the Directors' Remuneration Policy) set out on pages 38 to 39 of the 2019 Report and Accounts.
6. To re-appoint PricewaterhouseCoopers LLP as auditor to European Assets Trust PLC, to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Audit and Risk Committee to determine the remuneration of the auditor.
8. To re-appoint Jack Perry to the Board of European Assets Trust PLC.
9. To re-appoint Julia Bond to the Board of European Assets Trust PLC.
10. To re-appoint Martin Breuer to the Board of European Assets Trust PLC.
11. To re-appoint Laurence Jacquot to the Board of European Assets Trust PLC.
12. To appoint Stuart Paterson to the Board of European Assets Trust PLC.
13. That, in accordance with section 551 of the Companies Act 2006 (the "Act"), the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company to an aggregate nominal amount of £3,599,740 equal to 10 per cent of the total issued share capital of the Company as at 12 March 2020. Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2021, save that the Company may, before the expiry of any authority contained in this resolution, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 551 of the Act.

Special Resolutions

14. That, subject to the passing of resolution 13, the directors be empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 13 and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:

a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having an aggregate nominal value not exceeding the sum of £1,799,870 (being an amount equal to 5 per cent of the total issued share capital of the Company as at 12 March 2020, being the latest practicable date before the publication of this notice).

This authority shall expire, unless previously varied, revoked or renewed by the Company in general meeting, at the conclusion of the Annual General Meeting of the Company in 2021, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

15. That the Company be and it is hereby authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10 pence each in the capital of the Company ("Ordinary Shares") provided that:

(i) the maximum number of Ordinary Shares authorised to be purchased shall be 10 per cent of the number of the Ordinary Shares in issue at the date on which this resolution is passed;

(ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 10p;

(iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than the highest of:

(a) 5 per cent above the average of the middle market quotations of Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase;

(b) the price of the last independent trade on the trading venue where the purchase is carried out; and

(c) the highest current independent purchase bid for any of the Ordinary Shares on that venue.

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2021, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

By order of the Board

BMO Investment Business Limited
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG

12 March 2020

A member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company.

A Form of Proxy for use by Shareholders is enclosed with this Report. Completion of the Form of Proxy will not prevent a shareholder from attending the meeting and voting in person.

Notes

to the Notice of Annual General Meeting

1. **Website Giving Information Regarding the Annual General Meeting ("AGM")**

   Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, is available from www.europeanassets.co.uk.

2. **Entitlement to Attend and Vote**

   Only Ordinary Shareholders registered in the Company's register of members at close of business on 12 May 2020 (or, if the AGM is adjourned, at close of business on the day two business days prior to the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after close of business on 12 May 2020 (or, if the AGM is adjourned, at close of business on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the AGM. If you have sold or otherwise transferred all your shares in the Company please forward this document, together with the Form of Proxy enclosed at once to the purchaser or transferee, or to the stockbroker, bank, or other agent, through whom the sale of transfer was effected, from transmission to the purchaser or transferee. If you have sold or otherwise transferred only a part of your holding of shares, you should retain these documents.

3. **Attending the AGM in Person**

   An Ordinary Shareholder who wishes to attend the AGM in person should arrive at the venue for the AGM in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the AGM, it is advisable for Ordinary Shareholders to have some form of identification with them.

4. **Appointment and Revocation of Proxies**

4.1 An Ordinary Shareholder at the time set out in note 2 above is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy does not need to be a member of the Company but must attend the AGM to represent the Ordinary Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.

4.2 An Ordinary Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. An Ordinary Shareholder cannot appoint more than one proxy to exercise rights attached to the same Ordinary Shares. If an Ordinary Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Computershare Investor Services PLC (the "Registrar"), on 0310 703 0128.

4.3 If an Ordinary Shareholder wishes a proxy to speak on their behalf at the AGM, the Ordinary Shareholder will need to appoint their own choice of proxy (not the chairman of the AGM) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy or, for CREST members, through CREST.

4.4 An Ordinary Shareholder may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the "Vote Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that particular resolution.

4.5 An Ordinary Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5-7 (as appropriate) below. If an Ordinary Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar set out in note 4.2 above.

4.6 In order to terminate or revoke a proxy instruction, an Ordinary Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy instruction to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY. In the case of an Ordinary Shareholder that is a company, the termination or revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The termination or revocation notice must be received by the Registrar not later than 3.00 pm on 12 May 2020.

4.7 Appointment of a proxy will not preclude an Ordinary Shareholder from attending the AGM and voting in person.

4.8 A person who is not an Ordinary Shareholder but has been nominated by an Ordinary Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

5. **Appointment of Proxy using Hard-copy Form of Proxy**

The notes on the Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the Form of Proxy, the Form of Proxy must be completed and signed and sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, so as to be received by the Registrar by not later than 3.00 pm on 12 May 2020. In the case of an Ordinary Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

6. **Appointment of Proxy through Proxymity**

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 3.00 pm on 12 May 2020 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

7. **Appointment of Proxy through CREST**

7.1 CREST members who wish to appoint a proxy or proxies for the AGM by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at www.euroclear.com/CREST. CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

7.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (3RA50) by not later than 3.00 pm on 12 May 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

7.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

8. **Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

9. **Corporate Representatives**

Any corporation which is an Ordinary Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as an Ordinary Shareholder provided that no more than one corporate representative exercises powers over the same Ordinary Share(s).

10. **Nominated Persons**

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person"):

(i) may have a right under an agreement between the Nominated Person and the Ordinary Shareholder who has nominated them to have information rights (the "Relevant Member") to be appointed or to have someone else appointed as a proxy for the AGM; and

(ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

11. **Website Publication of Audit Concerns**

Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by (an) Ordinary Shareholder(s) meeting the qualification criteria set out in note 12 below, the Company must publish on its website a statement setting out any matter that such Ordinary Shareholder(s) propose(s) to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM. Where the Company is required to publish such a statement:

(i) it may not require the Ordinary Shareholder(s) making the request to pay any expenses incurred by the Company in complying with the request;

(ii) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and

(iii) the statement may be dealt with as part of the business of the AGM. The request:

(a) may be in hard copy form or in electronic form (see note 12 below);

(b) either set out the statement in full or, if supporting a statement sent by another Ordinary Shareholder, clearly identify the statement which is being supported;

(c) must be authenticated by the person or persons making it (see note 12 below); and

(d) be received by the Company at least one week before the AGM.

12. **Ordinary Shareholders' Qualification Criteria**

In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 11 above) the relevant request must be made by:

(i) (an) Ordinary Shareholder(s) having a right to vote at the AGM and holding at least 5 per cent of the total voting rights of the Company; or

(ii) at least 100 Ordinary Shareholders having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

13. **Submission of Hard Copy and Electronic Requests and Authentication Requirements**

Where (an) Ordinary Shareholder(s) wish(es) to request the Company to publish audit concerns (see note 11 above) such request must be made in accordance with one of the following ways:

(i) a hard copy request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to the Company Secretary, BMO Investment Business Limited, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG;

(ii) a request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to the Company Secretary, BMO Investment Business Limited, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG; or

(iii) a request which states "EAT - AGM" in the subject line of the e-mail and the full name(s) and address(es) of the Ordinary Shareholder(s) and is sent to investor.enquiries@bmogam.com.

14. **Questions at the AGM**

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by an Ordinary Shareholder attending the AGM unless:

(i) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;

(ii) the answer has already been given on the Company's website in the form of an answer to a question; or

(iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

15. **Issued Shares and Total Voting Rights**

At 12 March 2020, the Company's issued share capital comprised 359,974,083 Ordinary Shares, none of which were held in treasury. Each Ordinary Share carries the right to one vote, and, therefore, the total number of voting rights in the Company at 12 March 2020 was 359,974,083. The Company's website, www.europeanassets.co.uk, also contains information on the number of shares and voting rights.

16. **Disclosure Obligations**

Any person holding 3 per cent or more of the total voting rights of the Company who appoints a person other than the chairman of the AGM as their proxy will need to ensure that both they and their proxy comply with their respective disclosure obligations under the FCA's Disclosure and Transparency Rules.

17. **Communication**

Any electronic address provided either in this notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZZ on request. Where dividends are paid to Shareholders' bank accounts, dividend tax vouchers are sent directly to Shareholders' registered addresses.

Share Price

The Company's shares are listed on the London Stock Exchange. Prices are given daily in the Financial Times and in other newspapers.

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Computershare Investor Services PLC under the signature of the registered holder.

Website

Additional information regarding the Company may be found at its website address which is: www.europeanassets.co.uk

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register at **www.fca.org.uk** to see if the person or firm contacting you is authorised by the Financial Conduct Authority ('FCA')
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at **www.fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

How to Invest

One of the most convenient ways to invest in European Assets Trust PLC is through one of the savings plans run by BMO.

BMO Investment Trust ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the 2019/20 tax year with a lump sum from £500 or regular savings from £50 a month per Trust. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

BMO Junior ISA (JISA)*

You can invest up to £4,368 for the tax year 2019/20 from £500 lump sum or £30 a month per Trust, or a combination of both. Please note, if your child already has a Child Trust Fund (CTF), then you cannot open a separate JISA, however you can transfer the existing CTF (held either with BMO or another provider) to a BMO JISA.

BMO Child Trust Fund (CTF)*

If your child has a CTF you can invest up to £4,368 for the 2019/20 tax year, from £100 lump sum or £25 a month per Trust, or a combination of both. You can also transfer a CTF from another provider to a BMO CTF. Please note, the CTF has been replaced by the JISA and is only available to investors who already hold a CTF.

BMO General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £500 lump sum or £50 a month per Trust. You can also make additional lump sum top-ups at any time from £250 per Trust.

BMO Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £250 lump sum or £25 a month per Trust. You can also make additional lump sum top-ups at any time from £100 per Trust.

*The CTF and JISA accounts are opened in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges

Annual management charges and other charges apply according to the type of plan.

Annual account charge

ISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges

ISA: 0.2%

GIA/JIA/JISA: postal instructions £12, online instructions £8 per Trust.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits for the GIA, JIA and JISA.

There are no dealing charges on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan.

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales cost disclosures related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you are wanting to invest into.

How to Invest

To open a new BMO plan, apply online at **bmogam.com/apply**

Note, this is not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: **info@bmogam.com**

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)

Email: **investor.enquiries@bmogam.com**

By post: BMO Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, Selftrade, The Share Centre**

BMO

BMO Asset Management Limited

0345 600 3030, 9.00am - 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Ten Year Record

31 December	Market price per share Pence	Market price per share Euro	Net asset value per share Pence	Net asset value per share Euro	Dividends/ distributions per share† Euro	Movement from previous year %	Euro: % Annual total return net asset value per share	Euro: % Annual total return benchmark	Sterling: % Annual total return net asset value per share	Sterling: % Annual total return benchmark
2010*∞	62.8	0.733	72.744	0.849	0.04613	–	25.2	21.7	20.8	17.4
2011*∞	54.4	0.651	61.478	0.736	0.05337	15.7	(7.6)	(21.8)	(9.9)	(23.8)
2012*∞	69.2	0.854	74.339	0.917	0.04698	(12.0)	32.0	20.4	28.2	17.0
2013*∞	96.4	1.159	96.861	1.164	0.05757	22.5	34.4	34.0	37.8	37.5
2014*∞	98.7	1.272	98.05	1.263	0.07221	25.4	15.3	5.2	7.7	(1.9)
2015*∞	112.7	1.529	112.01	1.520	0.07743	7.2	26.9	23.4	20.5	17.2
2016*∞	102.2	1.197	112.189	1.314	0.09429	21.8	(7.3)	6.4	7.4	23.3
2017*∞	130.8	1.474	129.851	1.463	0.08220	(12.8)	18.0	18.6	22.6	23.3
2018*∞	93.0	1.036	102.73	1.14	0.09298	13.1	(16.3)	(13.6)	(15.4)	(12.7)
2019	110.0	1.30	116.0	1.37	0.07136	(23.2)	26.9	27.8	19.8	20.6

For the purpose of the table, the Net Asset Value of the Company at the relevant date is based on the Balance Sheet as at 31 December of each year. Rates in the London spot market on the relevant dates have been applied to convert the Euro figures into Sterling.

* European Assets Trust NV prior to the migration on 16 March 2019. Refere to note 1 on page 50.

∞ For comparison purposes, historical values have been adjusted for the ten for one stock split effective 3 May 2018.

† Gross of Dutch withholding tax.

Alternative Performance Measures

The Company uses the following Alternative Performance Measures ("APMs"). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the net asset value ("**NAV**") per share of the Company. If the share price is lower than NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. The discount is shown as a percentage of the NAV per share. Shares trading at a price above NAV per share are deemed to be at a premium.

		European Assets Trust PLC 31 December 2019 £	European Assets Trust NV 31 December 2018* £
Net Asset Value per share	(a)	**1.16**	1.03
Share price per share	(b)	**1.10**	0.93
(Discount) or Premium (c = (b-a)/b)	(c)	**(5.2)%**	(9.5)%

* European Assets Trust NV prior to migration on 16 March 2019. Refer to note 1 on page 50.

Gearing – this is the ratio of the borrowings of the Company to its net assets. Borrowings may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash". The Company's maximum permitted level of gearing is detailed by its Articles and is described within the Strategic Report.

		European Assets Trust PLC 31 December 2019 €	European Assets Trust NV 31 December 2018 €
Total assets less current liabilities		**493,483**	411,594
Add borrowings		**–**	3,647
Less Cash and cash equivalents		**(13,591)**	-
Total	(a)	**479,892**	-
Net Asset Value	(b)	**493,483**	411,594
Gearing (c = a/b)	(c)	**97%**	101%

* European Assets Trust NV prior to migration effective 16 March 2019. Refer to note 1 on page 50.

Ongoing Charges – all operating costs that are payable by the Company, expressed as a proportion of the average net assets of the Company over the reporting period or year. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing shares. Calculated in accordance with basis recommended by AIC.

Ongoing charges calculation		European Assets Trust PLC 31 December 2019 €'000	European Assets Trust NV 31 December 2018 €'000
Management fees		3,739	4,042
Other expenses		1,714	3,103
Less restructuring costs		(335)	(1,700)
Total	(a)	5,118	5,445
Average net assets	(b)	460,101	489,940
Ongoing charges (c = a/b)	(c)	1.11%	1.11%

* European Assets Trust NV prior to migration on 16 March 2019. Refer to note 1 on page 50.

Total Return – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the share price or NAV in the period. The dividends are assumed to have been re-invested in the form of shares at share price or NAV respectively, on the date on which the shares were quoted ex-dividend.

	Net asset value
NAV per share at 31 December 2018* (£)	1.03
NAV per share at 31 December 2019* (£)	1.16
Change in the year	12.6%
Impact of dividend reinvestments	7.2%
Total return for the year	19.8%

	Share price
Share price as at 31 December 2018* (£)	93.00
Share price as at 31 December 2019* (£)	110.00
Change in the year	18.3%
Impact of dividend reinvestments	7.4%
Total return for the year	25.7%

* European Assets Trust NV prior to migration on 16 March 2019. Refer to note 1 on page 50.

Glossary of Terms

AIC – Association of Investment Companies, is the UK trade body for closed-end investment companies (www.theaic.co.uk).

AIFMD – Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that all investment vehicles (AIF – Alternative Investment Fund) in the European Union must have appointed a Depositary and an Alternative Investment Fund manager on or before 22 July 2014. The Directors of the Company nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIF Manager – The AIF Manager, BMO Investment Business Limited, is responsible for the provision of investment management services to the Company.

Benchmark – This is a measure against which the Company's performance is compared. The Company's benchmark is the EMIX Smaller European Companies (ex UK) Index.

Custodian – A specialised financial institution responsible for safeguarding worldwide the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services. Since the migration the Company's custodian is JP Morgan Chase Bank NA.

Depositary – Under AIFMD rules applying from July 2014, the Company must appoint a depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under AIFMD regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties. The depositary's oversight duties include, but are not limited to dividend payments and adherence to investment limits. Since the migration, the Company's depositary is JP Morgan Chase Bank NA.

Dividend – The income from an investment. The Company currently pays dividends to shareholders four times per year in January, April, July and October. The rate of the dividend is announced in January each year and is set at an annual yield of six per cent to the net asset value at the end of the preceding year. In January 2020 the Board announced that the Company would declare its annual dividend in Sterling. The previous practice was to declare in Euros.

Gearing – The Company has the ability to borrow to invest within pre-determined limits. This term is used to describe the level of borrowings that the Company has undertaken, and is stated as a percentage of total assets less current liabilities. The higher the level of borrowings, the higher the gearing ratio.

Leverage – As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to Gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Market Capitalisation – The stock market value of a company is determined by multiplying the number of shares in issue, excluding those shares held in treasury, by the market price of the shares.

Net Assets (or Shareholders' Funds) – This is calculated as the value of the investments and other assets of the Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of the Company at a point in time.

Ordinary Shares – Shareholders are entitled to their share of both income, in the form of dividends paid by the Company and any capital growth. The Company has only Ordinary Shares in issue.

Scrip Dividend – Shareholders can 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.

Share Price – The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the London Stock Exchange.

European Assets Trust PLC

Report and Accounts 31 December 2019

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