European Assets Trust NV

2018 Report and Accounts

Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in European Assets Trust NV please forward this document, together with the accompanying documents, immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Your Company

With effect from 16 March 2019, the entire portfolio of investments, other assets and liabilities of EAT NV will migrate to EAT PLC. Shareholders will be entitled to one ordinary share in EAT PLC for each share held in EAT NV.

No action is required to be taken by UK Shareholders.

The Company

European Assets Trust NV ("EAT NV"), is a closed-end investment company and an investment institution within the meaning of the Dutch Act on Financial Supervision. EAT NV has a single class of Ordinary Shares. These shares are listed on the London Stock Exchange and the Euronext Amsterdam Stock Market.

With effect from 16 March 2019, the entire portfolio of investments, other assets and liabilities of EAT NV will migrate by means of a cross-border merger ("the Migration") to European Assets Trust PLC ("EAT PLC"). Shareholders will be entitled to one ordinary share in EAT PLC for each share held in EAT NV.

Objective

The investment objective of EAT NV is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom.

A high distribution policy has been adopted and dividends have historically been paid mainly out of current year net profits and other reserves.

This objective and the high distribution policy will be continued by EAT PLC.

Dividends

Through its past commitment to pay shareholders a dividend of 6% based on the net asset value on 31 December each year, EAT NV 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.

EAT PLC will continue this commitment.

Share Price

The ordinary shares of EAT NV are quoted on the London Stock Exchange (www.londonstockexchange.com) (Reuterscode: EAT.L) and Euronext Amsterdam Stock Market (www.euronext.com) (Reuterscode: EURT.AS).

Following Migration, with effect from 18 March 2019, it is anticipated EAT PLC shares will be admitted to the premium segment of the Official List and to trading on the premium segment of the main market of the London Stock Exchange (Reuterscode EAT). The ordinary shares of EAT NV will delist on Migration.

The share price is published daily in The Financial Times and other newspapers. The share price is also available from the websites noted below.

Cost effective

With an Ongoing Charges ratio of 1.11%† EAT NV 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.

Stability and liquidity

The Board seeks currently to manage liquidity in EAT NV's shares through its Liquidity Enhancement Agreement which provides the ability to issue or buyback shares dependant on the extent of any share premium or discount.

Post Migration, EAT PLC has share issuance and buy back authorities which are designed to minimise the volatility of its share price relative to its net asset value.

Suitability for retail distribution

EAT NV's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments as its portfolio is wholly made up of shares and public securities which are not themselves issued by other investment funds. EAT NV conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the UK Financial Conduct Authority's ('FCA') rules relating to non-mainstream investment products and intends to continue to do so.

EAT PLC will also conduct its affairs in this manner.

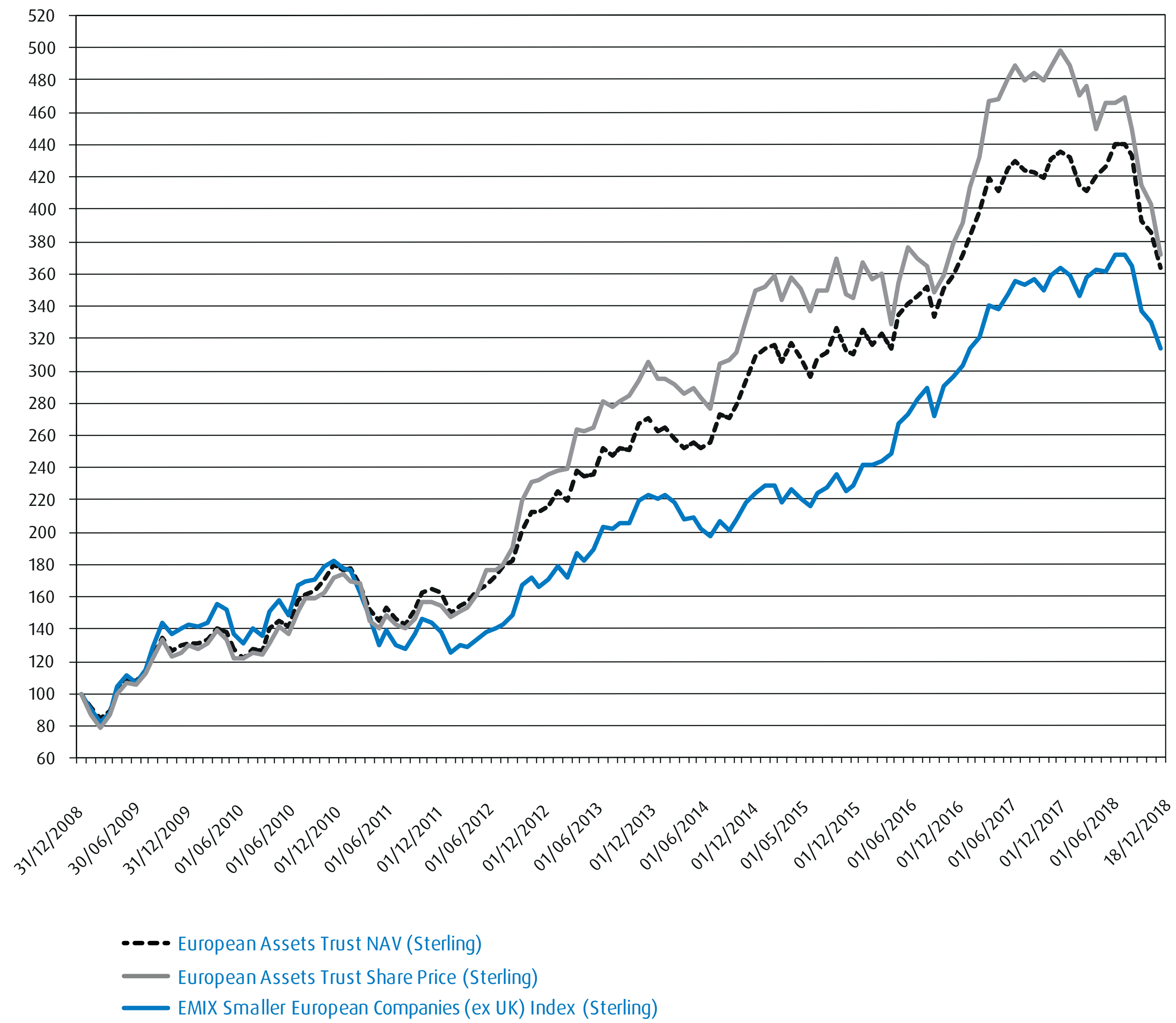
† Calculated in accordance with the basis recommended by the AIC.

Visit our websites at www.europeanassets.eu and www.europeanassets.co.uk

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Performance – ten year total return

European Assets Trust Net Asset Value and Share Price compared to EMIX Smaller European Companies (EX UK) Index.



Company Overview

EAT NV is an investment company with variable capital incorporated in the Netherlands and its shares are listed on the London Stock Exchange and Euronext Amsterdam Stock Market.

Total assets (less current liabilities) at 31 December 2018 were €411.6 million (31 December 2017: €508.2 million).

EAT NV has a simple capital structure, being financed exclusively by ordinary shares. It may also employ gearing of up to 20 per cent of assets.

Upon Migration, effective 16 March 2019, shareholders will receive one share in EAT PLC for each share held in EAT NV.

The investment objective of EAT NV is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends have historically been paid mainly out of current year net profits and other reserves. This investment objective and high distribution policy will continue with EAT PLC.

€0.0684	£0.93	£1.03
Total Dividends for 2019 of €0.0684 per share	Sterling Market Price per share of £0.93 at 31 December 2018	Sterling Net Asset Value per share of £1.03 at 31 December 2018

Financial Highlights

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

-15.4%

Performance

EAT NV recorded a Sterling NAV[∞] total return[∞] of -15.4% in comparison to its benchmark which fell -12.7%. Further analysis of this performance is provided in the Chairman's Statement and Investment Manager's Review.

7.72p

Dividend

Distributions net of Dutch withholding tax for the year ended 31 December 2018 totalled 7.72[*] pence per share. The Board has declared a total dividend for 2019 of Euro 0.0684 per share in accordance with its policy of paying at a rate of six per cent of the closing NAV of the preceding year.

£15.4 million

Shares issued

During the year ended 31 December 2018 EAT NV issued and sold 12,050,000[*] new shares raising £15.4 million. These shares were issued at a small average premium to net asset value and improved stock liquidity. There were no share buybacks during the year.

1.1%

Ongoing charges rate[∞]

The ongoing charges rate of EAT NV has been reduced from 1.7% for the year ended 31 December 2012 to 1.1% for year ended 31 December 2018.

[*] Adjusted for ten for one stock split effective 3 May 2018.

[∞] Refer to Alternative Performance measures on page 77.

Calculated in accordance with the basis recommended by the AIC.

Summary of Performance

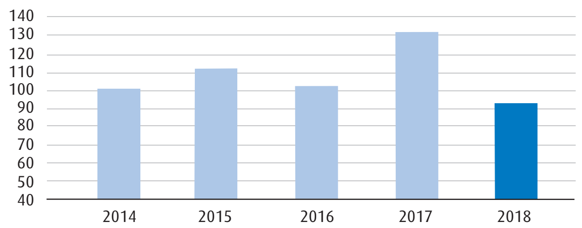
Total Return for the year				
	Euro		**Sterling**	
	2018	2017	**2018**	2017
Net asset value total return per share∞	**(16.3)%**	18.0%	**(15.4)%**	22.6%
Market price total return per share	**(24.7)%**	30.6%	**(23.9)%**	35.8%
EMIX Smaller European Companies (ex UK) Index	**(13.6)%**	18.6%	**(12.7)%**	23.3%

Capital at year end				
	Euro		**Sterling**	
	2018	2017	**2018**	2017
Total assets (less current liabilities) – millions	**€411.6**	€508.2	**£369.4**	£451.2
Net asset value per share∞	**€1.14**	€1.46	**£1.03**	£1.30
Market price per share‡	**€1.04**	€1.47	**£0.93**	£1.31
EMIX Smaller European Companies (ex UK) Index	**563.82**	668.8	**506.06**	593.73

Distributions per share				
Total distributions paid in cash¶	**€0.09298**	€0.0822*	**8.15p**	7.22p*

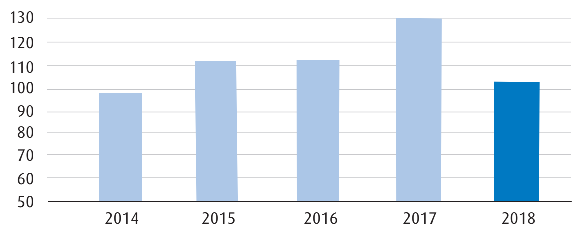
‡ London Stock Exchange prices converted into Euros at relevant exchange rate at the year end.
¶ Gross of Dutch withholding tax.
∞ Refer to Alternative Performance Measures on page 77..

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

*Adjusted for ten for one stock split effective 3 May 2018.

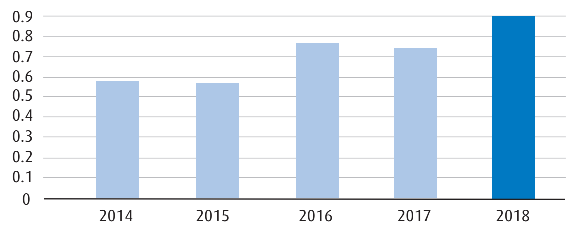
	Sterling	
	2018	2017
(Discount)/premium at Year End (difference between share price and net asset value)#	**(9.5)%**	0.7%
Gearing/Net Cash at Year End (less than 100% represents net cash, more than 100% represents net gearing)§	**101%**	101%
Ongoing Charges∞ (note 22)	**1.11%**	1.06%
Portfolio Turnover** (UK method – note 21)	**32%**	24%
Active Share Ratio·	**95%**	96%

2018 Year's Highs/Lows		
	High	**Low**
Net asset value per share*	**133.79p**	**100.22p**
Market price per share*	**135.00p**	**91.75p**

\# The widest discount on the ordinary shares during 2018 was 10.2 per cent and the widest premium was 3.6 per cent in sterling terms. Refer to Alternative Performance Measures on page 77.
§ 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 77.
** Portfolio turnover=((purchases+sales)÷2)÷average assets. Calculated in Euros.
· The active share ratio is a measure of the percentage of stock holdings in the portfolio that differ from the benchmark index. The greater the difference between the asset composition of the portfolio and its benchmark, the greater the active share percentage.

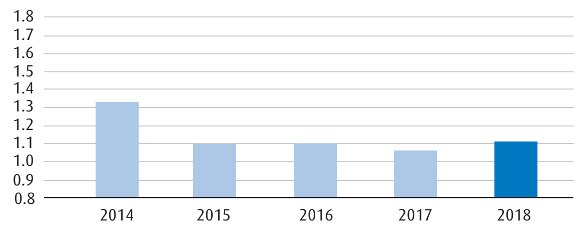
Sources: Morningstar/Datastream/Euromoney

DIVIDENDS PAID PER SHARE - STERLING*



Source: BMO Investment Business Limited

ONGOING CHARGES∞ - %



Source: BMO Investment Business Limited

*Adjusted for ten for one stock split effective 3 May 2018.

Chairman's Statement

"2018 was a more challenging year for equity assets as investor optimism at the beginning of the year gave way to multiple economic and political concerns."

Jack Perry CBE, Chairman

Fellow Shareholders,

European Assets Trust NV ('EAT NV') recorded a Sterling net asset value ('NAV') total return for the year ended 31 December 2018 of -15.4% (2017: +22.6%). This compares to the total return of its benchmark the EMIX Smaller European Companies (ex UK) Index which fell -12.7% (2017: +23.3%) during the same period. With the share price recording a discount of 9.5% at the year end in comparison to a small premium of 0.7% as at 31 December 2017, the Sterling share price return for the year was -23.9% (2017: +35.8%).

2018 was a more challenging year for equity assets as investor optimism at the beginning of the year gave way to multiple economic and political concerns culminating in an aggressive rout in the fourth quarter. Our NAV suffered in this market and returned below the benchmark, with the share price suffering further as our discount widened through the year.

Concerns over the reversal of central bank monetary support, led by tightening by the Federal Reserve in the US, precipitated the market fall. This negative sentiment was further impacted by trade tensions between the US and China which fed its way into deteriorating economic data and a slowdown in global growth. For Europe this manifested in softening activity led by weaker export data as US tariffs on China began to bite.

Sentiment was therefore poor heading into 2019, and with expectations so low, the usual January optimism has reflected more strongly so far this year with almost record returns in January. However for Sterling holders of EAT NV, these have been dampened by a rally in Sterling driven by expectations of a soft-Brexit. It is of course unwise to predict the outcome of political events, just as it does not make sense to predict market direction. After all, last year started strongly before leading to the worse year of returns for global equity markets since the financial crisis.

The Investment Manager's Review, which follows, discusses EAT NV's performance in more detail.

Migration

On 27 November 2018, EAT NV announced the migration of its legal seat and structure from the Netherlands to the United Kingdom by means of a cross border merger (the "Migration"). The Migration results in the entire portfolio of investments of EAT NV transferring to European Assets Trust PLC ("EAT PLC"), with shareholders entitled to receive one ordinary share in EAT PLC in exchange for each share held in EAT NV.

The Board of EAT NV believes that the benefits associated with the Migration include:

- a simplified corporate structure. The Company will become a United Kingdom resident investment trust. An investment vehicle that is widely accepted and understood in the UK intermediated and direct (retail) marketplace;
- 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 expected inclusion in the FTSE UK Index Series.

At the Extraordinary General Meeting of EAT NV held on 9 January 2019 shareholders voted overwhelmingly in favour of the Migration.

The Migration remains subject to the satisfaction (or if capable of waiver, the waiver) of the other conditions to the Migration, which are set out in the Common Draft Terms of Merger and the Prospectus published by EAT PLC in relation to the proposed listing on the London Stock Exchange of the shares to be issued by EAT PLC in connection with the Migration. The Common Draft Terms of Merger and the Prospectus are both available on EAT PLC's website.

Subject to satisfaction or waiver of those conditions, the Migration is expected to become effective on 16 March 2019. EAT NV shares will be delisted from Euronext Amsterdam two trading days before the Effective Date. The Board of EAT NV will apply 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 as of the first trading day after the Effective Date, expected to be 18 March 2019.

Application has been made for the EAT PLC shares to be admitted to the premium segment of the Official List and to trading on the premium segment of the Main Market of the London Stock Exchange, with expected admission to trading at 8.00 a.m. on 18 March 2019. EAT PLC will not be listed in the Netherlands.

EAT NV has been a Dutch company since 1931 and the Migration represents a significant event in its long history. It has been well served by its Dutch service providers including KAS BANK and De Brauw Blackstone and I would like to make special mention of Messrs van Twuijver and Koster who have represented the Managing Board Director, FCA Management BV, since 2003. Their advice and guidance has made a significant contribution to the long-term growth and success of EAT NV and I thank them on behalf of the Supervisory Board and EAT NV's shareholders.

Brexit

The Board has continued to monitor the potential impact of Brexit on the Company. Following Migration of the company from the Netherlands to the UK as discussed above, the Company has ensured that it will have continuity of investment management services, governance and regulatory oversight. While the impact of Brexit on financial markets and currency both in the UK and the EU cannot be assessed, any volatility would be managed as part of our normal investment processes.

Distribution

The level of dividend paid each year is determined in accordance with EAT NV's distribution policy. EAT NV has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of its net asset value at the end of the preceding year. EAT PLC has stated its intention to continue with this policy. Its dividends will be funded by the creation of distributable reserves which will be subject to the anticipated completion and approval by the UK High Court of a capital adjustment process.

The 2019 dividends will be paid in four instalments on 31 January, 15 March, 31 July and 31 October 2019. Subject to the completion of the proposed migration and the capital adjustment process the dividends in July and October will be paid by EAT PLC and will no longer be subject to Dutch withholding tax. The January dividend of €0.019665 (net: Euro 0.0171) per share was paid to shareholders on 31 January 2019 and amounted to 1.71 (net: 1.49) pence per share in Sterling terms. The January gross dividend is increased to offset the element of Dutch withholding tax applicable. The total dividend for 2019 in Sterling will be determined by the exchange rates ruling on the dates of payment.

Liquidity management

During the year ended 31 December 2018 EAT NV issued and sold 12,050,000* new shares raising £15.4 million. These shares, which were sold according to the provisions of the Liquidity Enhancement Agreement, were issued at a small average premium to net asset value. The benefits of this issuance include improved stock liquidity, a reduction in EAT NV's expense ratio (Ongoing Charges figure) and a marginal uplift to the net asset value of existing shares resulting from issuance at a small premium.

The share price of EAT NV which had traded very close to NAV since April 2017 declined into a discount during May 2018. An initial recovery in June 2018 was short lived and as at 31 December 2018, EAT NV's shares traded at a discount of 9.5% to net asset value in comparison to a small premium of 0.7% at 31 December 2017. The average discount of its European peer group at 31 December 2018 was 11.6%. The Board receives regular updates from its advisers with regard to movements in demand for EAT NV's shares. It is anticipated that following the Migration demand for EAT PLC's shares will benefit from its premium listing on the London Stock Exchange and its expected inclusion in the FTSE UK Index series.

The current Liquidity Enhancement Agreement will cease on Migration. EAT PLC has, however, authority to undertake share buybacks and share issuance as part of a planned discount/premium

Chairman's Statement

control policy to minimise the volatility of its share price to NAV.

Stock split

In response to shareholder comment and to improve marketability, EAT NV received shareholder approval at its 2018 General Meeting to undertake a stock split. With effect from 3 May 2018 each shareholder received ten shares for every one share held.

Each share has a nominal value of €0.10 in comparison to the previous nominal value of €0.46 with the resulting obligation to increase share capital by €0.54 for every ten shares met by an accounting adjustment to the share premium reserve of EAT NV.

The Manager

During the year, EAT NV's investment manager re-branded from F&C Investment Business Limited to BMO Investment Business Limited. BMO Investment Business Limited, became part of the BMO Financial Group in 2014. BMO was founded over 200 years ago as Bank of Montreal and is now the 8th largest bank by assets in North America. It provides a broad range of financial products to over 12 million customers worldwide.

The investment policy and process of EAT NV is unchanged and remains under the same management team with Sam Cosh as Lead Manager.

The Board

The Board recognises the value in both attracting fresh talent to the Board as well as the maintenance of continuity. Accordingly, a plan has been developed which will ensure an orderly succession as existing Board members retire. The Board welcomes the new UK Corporate Governance Code and is confident that its succession plan respects both the letter and the spirit of the Code regarding Board composition, diversity and how effectively members work together to achieve EAT's objectives. A further discussion of succession planning is provided in the Corporate Governance section of this report.

Outlook

It is of course challenging to have a definitive view of market direction. To see the folly of this, we only have to look to the beginning of last year, when investor optimism was universally upbeat, yet global returns proved the worst since 2008. Our belief in investing in good companies, and not paying too much for investments, is not therefore dictated by attempts at such predictions. We believe that this is the best way to look after our shareholders' capital, and while this has been more challenging in recent years, over the long term, this approach has been vindicated.

It would however be remiss not to note the challenges we see ahead of us. We are particularly concerned about the unknown consequences of the slow withdrawal of central bank support. The flood of liquidity over the last decade has provoked areas of unnatural activity. It seems peculiar, for example, that debt levels have only increased since the financial crisis, with corporate debt in the US doubling over that period. It is some comfort that in aggregate European companies have not engaged in this financial re-leveraging, and our investment process treats leverage with suspicion. When we look at the characteristics of the portfolio, it has less leverage than the market, has better levels of profitability, and only trades at a marginal valuation premium. This, we believe gives it the best chance of delivering good returns over the long term.

Shareholder meeting

Following Migration, EAT NV will effectively dissolve. Its successor, EAT PLC will convene an Annual General Meeting which will take place on 15 May 2019 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 Investment Manager, Sam Cosh, on the Company and its investment portfolio. This is a good opportunity for shareholders to meet the investment manager 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 EAT PLC's website shortly thereafter.

Jack Perry CBE
Chairman
6 March 2019

*Adjusted for ten for one stock split effective 3 May 2018.

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 Supervisory Board's ('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.

Business model and Strategy

Investment objective and distribution policy

The investment objective of EAT NV is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom.

A high distribution policy has been adopted and dividends have historically been paid mainly out of current year net profits and other reserves.

This investment objective and high distribution policy will continue with EAT PLC.

Strategy and principal guidelines

The investment policy adopted 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.

EAT NV 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 EAT NV does not restrict its investments to any specific industrial or geographical sector; a diversified geographical spread is maintained.

EAT NV does not seek to create a portfolio to take advantage of anticipated currency fluctuations.

EAT NV 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.

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

This strategy and these principal guidelines will continue with EAT PLC.

Implementing the strategy

The investment management contract is with BMO Investment Business Limited ('BMO'), formerly F&C Investment Business Limited, which is a company within the BMO Asset Management (Holdings) PLC Group ('BMO Group'). Following the implementation of the Alternative Investment Fund Managers Directive ('AIFMD'), BMO was appointed as Alternative Investment Fund Manager ('AIF Manager'). BMO is a wholly owned subsidiary of Bank of Montreal and is part of BMO Global Asset Management. BMO provides investment management and other services to a range of investment companies.

Sam Cosh is the lead manager appointed by BMO to the Company. He is assisted by David Moss and Lucy Morris. Biographies of Sam Cosh, David Moss and Lucy Morris who are members of the European Equities team at BMO are provided on page 18.

Overview
Chairman's statement
Strategic Report
Governance Report
Financial Statements
Other information

The European Equity team at BMO 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.

The fee that BMO receives for its services is based on the value of assets under management of EAT NV, thus aligning its interests with those of the shareholders. It is also appointed as the AIF Manager in accordance with the provisions of the AIFMD for which there is no additional fee. The ancillary functions of secretarial and marketing services are also carried out by BMO. Following Migration, BMO will also be responsible for the provision of administration to EAT PLC in addition to an expanded secretarial service. Details of the management fee payable to BMO are provided on page 54.

Board Structure

EAT NV, which is incorporated in the Netherlands has a two-tier structure comprising the Supervisory Board ('the Board') and Management Board. The biographies of the Supervisory Board Directors are detailed on page 28.

FCA Management BV is the Management Board Director and provides management and legal compliance services to the Company. Further details of the Management Board are provided on page 29.

EAT PLC will have a single unitary board of non-executive directors composed of the members of the Supervisory Board of EAT NV. Following Migration the provision of services by FCA Management BV will cease.

As noted above EAT NV has an investment management contract with BMO ('the Investment Managers'). This contract sets out the matters over which the Investment Managers have authority and the limits above which approval of the Board must be sought. Upon Migration, this contract will novate to EAT PLC.

All other matters, including strategy, investment and dividend policies, gearing and corporate governance procedures are reserved for the Board. It is the responsibility of the Board to provide the Management Board with general instruction and guidance with regard to these matters. It is the responsibility of the Management Board to act, and manage and represent EAT NV in accordance with these directives and to report to the Board on outcomes. Following Migration these responsibilities will transfer to BMO.

Environmental, Social and Governance ('ESG') Impact

Our ESG policies are set out on page 16 and are aligned towards the delivery of sustainable investment performance over the longer term. As EAT NV has no employees and no premises, the Board has concluded that the direct impact of its activities is minimal. EAT NV's indirect impact occurs through the large range of organisations and businesses in which it invests. EAT NV aims to manage its impact through the implementation of BMO's Responsible Ownership policy, which encourages investee companies to focus on ESG matters. The statement is available on BMO's website at:
http://www.bmogam.com/corporate/about-us/responsible/.

Manager evaluation

Investment performance is fundamental to delivering growth in capital and therefore an important responsibility of the Directors is exercising a robust annual evaluation of the Manager's performance. The process for the evaluation of the Manager for the year under review and the basis on which the decision to reappoint it for another year for EAT NV and its successor EAT PLC are set out on page 41. Their fee is based on the net asset value of EAT NV, thus fully aligning their interests with those of shareholders.

Gearing strategy

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

At the year end, gearing was 101%.†

This strategy will continue with EAT PLC.

Liquidity management

EAT NV has entered into a liquidity enhancement agreement with BMO. The purpose of the agreement is to enhance the liquidity in the trading of its shares. During the year EAT NV issued and sold 12,050,000*. Further details of this agreement are provided on page 9.

Upon Migration, this agreement will cease. EAT PLC has share issuance and buy back authorities which are designed to minimise the volatility of its share price relative to its NAV.

Marketing strategy

BMO continues to promote investment in EAT NV's shares, which are suitable for retail distribution in the UK as well as professionally advised private clients and institutional investors.

Promotion has traditionally been made through the BMO Savings Plans, which remains a cost effective and flexible way to invest in EAT NV.

EAT NV is well positioned as a beneficiary of the Retail Distribution Review and changes to pensions legislation in the UK and continues to see a notable increase in the number of shares held through investment platforms. The Board hopes to see access to EAT NV's shares on as many platforms as possible as more investors look to make their own investment decisions.

This strategy will continue with EAT PLC.

Regulatory Framework and Tax Status

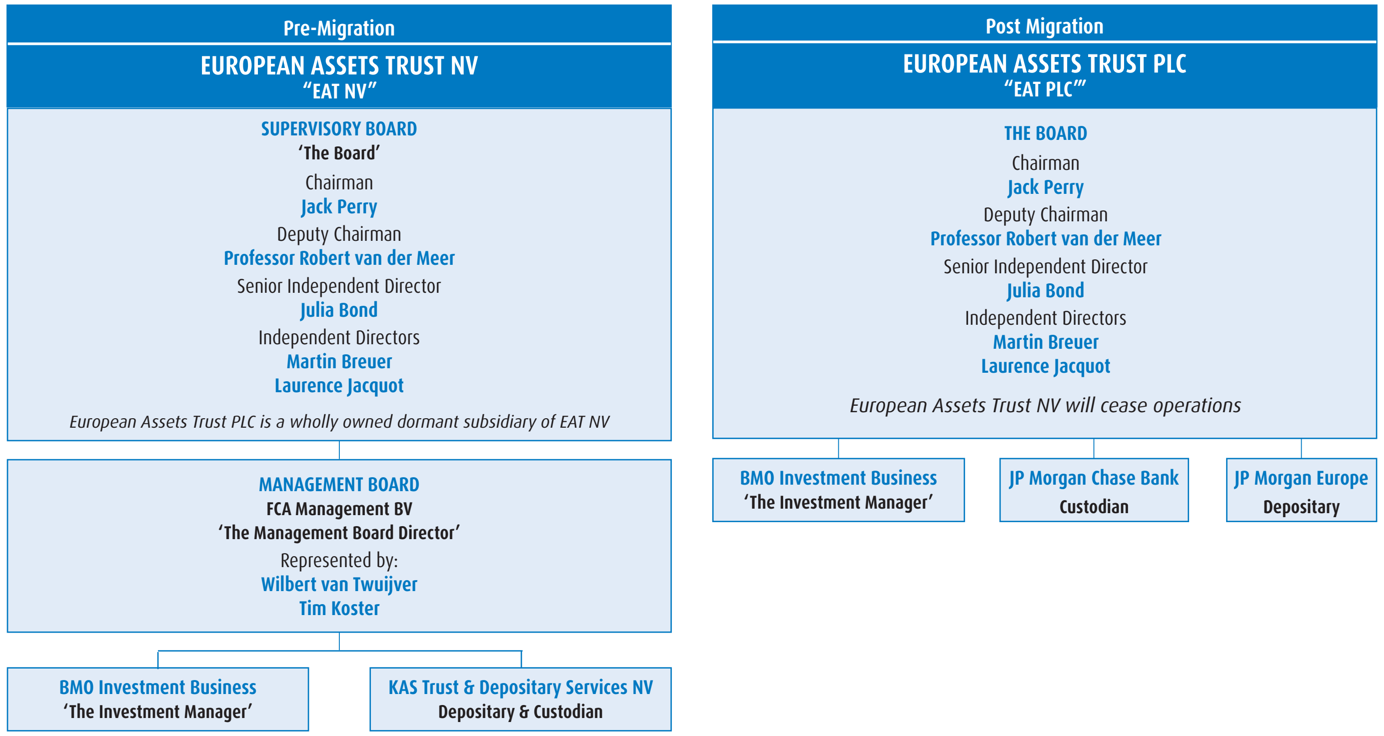
EAT NV is governed by the provisions of the Wft, the Dutch Act on Financial Supervision, including the provisions on Alternative Investment Funds ('AIF'). EAT NV has appointed BMO Investment Business Limited as its AIF Manager and KAS Trust & Depositary Services BV as its depositary and custodian.

EAT PLC will will be a UK registered company. It intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the UK Corporation Tax Act 2010. BMO Investment Business will continue to be its AIFM with JP Morgan Europe Limited as Depositary and JP Morgan Chase Bank as custodian.

*Adjusted for the ten for one stock split effective 3 May 2018.

† Defined on page ••.

Organisational Structure



Rolling five year viability assessment and going concern statement

The 2016 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 Supervisory Board ('the Board') considered that a number of characteristics of EAT NV and its successor vehicle EAT PLC's business model and strategy were relevant to this assessment:

- EAT NV as an active investor looks to long-term outperformance compared to its benchmark rather than short-term opportunities.
- EAT NV 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.
- EAT NV'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.
- EAT NV's business model and strategy is not time limited.

Also relevant were a number of aspects of EAT NV's operational arrangements:

- It retains title to all assets held by the Custodian under the terms of formal agreements with the Custodians and Depositaries.
- The annual dividend declared by EAT NV is determined in accordance with the year-end net asset value.
- Revenue and expenditure forecasts of EAT NV 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 EAT NV's objective, strategy, future performance, liquidity and solvency. These risks, mitigating actions and the processes for monitoring risks are set out on page 26, and in Note [19] of the accounts.

The principal risks identified as relevant to the viability assessment were those relating to investment portfolio under-performance, failure to operate effectively the liquidity enhancement policy of EAT NV and the authorities of its successor as EAT PLC and threats to security over its assets.

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

- the liquidity of EAT NV'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 EAT NV's share price and net asset value.

These matters were assessed over a five year period to March 2024. The Board of EAT PLC 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 EAT NV and of its successor EAT PLC'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 EAT NV's business model, strategy and operational arrangements set out above, the Board has a reasonable expectation that EAT NV and its successor EAT PLC will be able to continue in operation and meet their liabilities as they fall due over the five year period to March 2024. For this reason, the Board also considers it appropriate to continue adopting the going concern basis in preparing the Report and Accounts.

ESG Policies

Responsible ownership

All of EAT NV's activities are outsourced to third parties. As such, it does not have any physical assets, property, employees or operations of its own. Neither does it provide goods nor services in the normal course of business and does not have customers. In consequence, it does not directly generate any greenhouse gas or other emissions or pollution.

The Board supports BMO in its belief that good governance creates value. BMO takes a particular interest in corporate governance and sustainable business practices, and continues to work on systematically incorporating environmental, social and governance 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 business and deliver sustainable performance over the longer term. Engagement with companies on significant regulatory and ESG matters, so as to reduce risk, improve performance, encourage best practice and underpin long-term investor value forms an important part of BMO's approach towards responsible investment.

With regard to possible tax evasion by investee companies, the Board believes that it is best in the first instance to engage proactively with companies to ensure high standards of corporate governance rather than exclude investment opportunities on the basis of tax practices. BMO will therefore engage with the boards of investee companies in an effort to ensure that their tax policies are both prudent and sustainable. Investee company boards are expected to disclose to shareholders that they are providing appropriate oversight over their tax policies.

BMO'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 systems, 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.

Voting on portfolio investments

The Board expects to be informed by the Manager of any sensitive voting issues involving the EAT NV's investments. In the absence of explicit instructions from the Board, the Manager is empowered to exercise discretion in the use of EAT NV's voting rights. All shareholdings are voted at all listed company meetings where practicable in accordance with BMO's own corporate governance policy, which is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance.

In 2018 BMO engaged with 6 companies held by EAT NV over 5 countries and had voted in respect of EAT NV's holdings at 40 company meetings on a range of issues. In addition to governance and remuneration, key engagement themes in 2018 focussed on cyber security and corruption risk management in Emerging Markets.

Board diversity

The Board is composed of five Directors and has 40% female representation. The Board's approach to the appointment of 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 Board will always appoint the best person for the job and will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

ESG Engagement 2018

Examples during the year included:

Origin Enterprise

BMO discussed the governance code that the company would apply to in future with the board chairman. As the company is AIM-listed it can choose the code to follow. It has chosen to follow the QCA Code which is BMO's preferred code for AIM companies. BMO welcomed this move by the company.

Viscofan

BMO engaged with the Spanish manufacturer of casings for meat products on board refreshment and remuneration disclosure. Specifically, BMO sought to understand the company's succession planning process. BMO also discussed the metrics determining annual bonus payouts and the vesting of long-term incentive awards.

IFG

BMO contacted the financial services company prior to the AGM to communicate its vote intention and instigate dialogue on a range of governance topics. This is aligned with BMO's commitment to good stewardship of companies in EAT NV's investment portfolio.

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 is also the lead manager of BMO European Smaller Companies Fund, BMO European Smaller Companies ex UK Fund and manages the European investments of BMO Global Smaller Companies PLC. He has sixteen years' experience in European equities, principally within small and mid cap mandates.

David Moss, Investment Manager is the Head of European Equities and manages European and Pan European portfolios. From 1998-1999, he focused on UK Equity and prior to that he worked as a Fixed Interest Analyst focusing on the UK Gilt and Non-Gilt Markets. He joined BMO in 1996. David began his career in 1987 at Barclays Bank, where he worked as an Analyst on the Corporate Lending Team, working primarily with recovery situations for small to medium-sized enterprises. David has twenty-one years' experience in European equities.

Lucy Morris, Investment Manager is a Fund Manager in the European Equities team, dedicated to smaller companies. Lucy joined BMO in 2007 and joined the European Equities team in 2011. Lucy has eight years' experience in European equities, principally within small and mid cap mandates.

Strategic Report

Investment Manager's Review

"We continue to focus on companies that deliver good levels of profits and cash flow, protect those cash flows from competition with strong business models, and benefit from sensible capital allocation by their management teams."

Sam Cosh, Lead Manager

Market Review

At the outset of 2018, the investment consensus was universally bullish as a coordinated global economic upturn was supported by a market friendly US president. The returns in most developed equity markets reflected this over the first five months with strong performance. Sentiment however deteriorated through the latter half of the year, culminating in an aggressive rout in the fourth quarter. Precipitated by a US Federal Reserve led tightening of liquidity, it was also supported by a litany of political and economic issues. Ultimately investment returns in 2018 were poor across the globe.

2019 in contrast has started strongly. This probably reflects the usual new year optimism combined with the excessive level of bearishness heading into this year. In retrospect it is not surprising that sentiment only needed a little bit of positive news to change the outlook from such pessimistic levels. While there has been little in the way of positive economic data, an apparent thawing in the US and Chinese trade discussions and an agreement between the EU and the Italian government have all been taken well. More dovish comments coming out of the central banks of the US, Europe and China has also helped, while oil price falls are now providing a tail wind.

Nonetheless, the outlook is as uncertain now as at any time since the financial crisis. After all, the upturn in equity markets has lasted more than a decade. While valuations in European equities as a whole look very reasonable, the big concerns centre on deteriorating economic activity and monetary conditions across the world. Central banks, and the US Federal Reserve in particular, are trying to withdraw their unprecedented monetary support at the same time as global growth appears anaemic. China specifically looks vulnerable at the same time as tariffs imposed by the US are biting. This has caused Europe's trade dependent sectors to be hit particularly badly, though we believe that their valuations reflect a poor outlook already.

As discussed at the outset, the aggressive market falls in the fourth quarter, and evidence of a more uncertain outlook has caused the Federal Reserve to, at least temporarily, decelerate the level of liquidity withdrawal. Nonetheless, we are at the start of a long path of monetary normalisation following a decade of unprecedented support. It is not clear how this will manifest itself, but the most worrying aspect of the last decade is that global debt levels have increased significantly since the financial crisis. Of note is US corporate debt. Zero rate interest policies and quantitative easing encouraged US corporates to increase their borrowing by more than 200% over that period. Little of this debt was used productively, but more to fund an unprecedented level of financial engineering, that is, buying back shares to boost growth of earnings per share. Of course, we do not know whether there will be a day of reckoning but such statistics are of concern.

The European corporate sector has in contrast repaired balance sheets and valuations on a relative and absolute basis look attractive. In this uncertain period, we have cast a critical eye over the portfolio and the trades we made last year were aimed to marginally reduce the cyclicality of the portfolio and avoid high levels of debt in our invested companies. While stock picking will determine the portfolio's performance we do not want to take significant risks at this stage of the market cycle. The portfolio in aggregate therefore represents a good balance of good quality businesses, with strong balance sheets, that trade at attractive prices.

Portfolio Performance

The absolute annual return was dominated by a challenging fourth quarter and we ended the year with negative returns overall. While there are a number of ways of looking at components of performance, in aggregate, our stock picking within sectors was positive, but our sector weightings detracted. This was particularly the case in April this year where the portfolio struggled in an aggressively rising market. Our negative relative return that month has dominated the year.

In fact, we had no exposure at all to the two best performing sectors of the year; utilities and real estate. Both sectors are sensitive to interest rates and both benefitted from lower expectations for rate increases, particularly in the fourth quarter. For utilities, which are also seen as defensive, lower rates allow their relatively predictable cash flows to be discounted to a higher value, whilst real estate companies' assets are also discounted at the prevailing interest rates. We do not have holdings in these sectors because we have struggled to find investments that meet our quality criteria. We tend to avoid utility companies because they are dependent on the local regulator who dictates their profit levels. These can be suddenly impacted by regime changes. The real estate sector has been a strong beneficiary of quantitative easing and therefore potentially is valued on asset levels that are boosted by artificially low rates. We are also not particularly comfortable that in an era of rapidly changing property market dynamics 'outsiders' can have sufficient confidence over the valuation of underlying assets. It is therefore likely that we would not ever have significant holdings in either sectors.

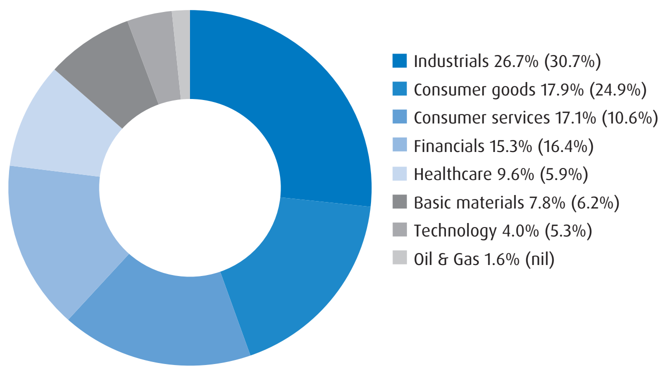
Copyright: Tomra.

Perhaps the most disappointing aspect of last year's performance, sector wise, was a negative contribution from healthcare. We like a lot of the characteristics of healthcare in that it generally isn't cyclically sensitive, and the profits can be protected from competition by high barriers to entry. We would also expect our holdings in the sector to hold up well during more challenging market conditions. This was not the case last year. Two of our positions, Gerresheimer, the German pharmaceutical packaging company, and Diasorin, the Italian immunodiagnostics testing company, underperformed the benchmark. Gerresheimer suffered following a period of soft organic growth driven by de-stocking from their end clients in response to uncertainty relating to the US government's intervention in the sector. We believe that organic growth should improve this year and we therefore continue to hold the position. There was not any company specific news for Diasorin, they did however get caught in the selloff in Italian stocks in response to the country's political ructions with the European Union. We continue to like the stock.

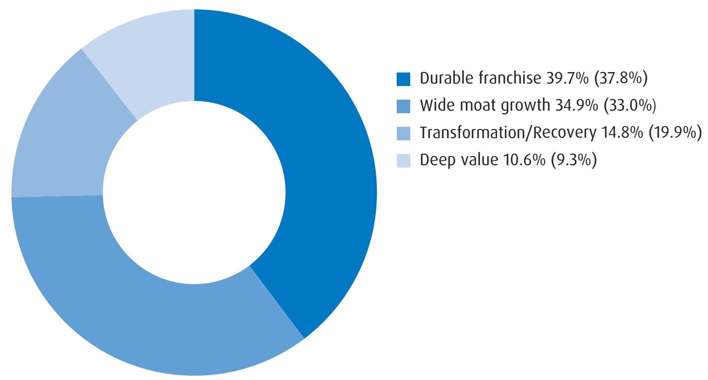
Turning to more positive contributors, our outstanding performer for the year was Tomra, the Norwegian recycling company. They have a dominant market share in reverse vending machines, which aid the recycling of plastic bottles. Plastic pollution is attracting increasing attention and legislators are beginning to address the challenge. Recycling rates where countries have implemented reverse vending systems are high and this has encouraged the Scottish and UK governments to announce implementation of the system. With still relatively few countries following this approach, the expectation is that the addressable market is increasing and the shares performed well on the back of this.

Other performers of note were Coor Service Management, the Swedish provider of integrated facilities management, who performed well following stronger growth pointing to further evidence that their integrated approach was taking share. IMCD the specialist chemical distributer also performed well through a combination of strong organic growth and sensible acquisitions that improved their market position further. Our two regional banks, Denmark's Ringkjoebing Landbobank, and Norway's Sparebank also did well. The former continued to show good loan growth whilst also announcing an acquisition of a small bank in an adjacent region, while Sparebank's level of profitability continued to improve as loan losses were reported better than expected.

Portfolio Split by Sector at 31 December 2018



Portfolio Split by Category



(Figures in brackets – as at 31 December 2017)
Source: BMO Investment Business Limited

Outlook

The outlook is of course uncertain and more often than not reflects current market sentiment. It would therefore be wrong to let the myriad of highlighted challenges dictate what we are trying to do. After all, investors entered 2018 with high hopes of continuing market gains, yet global returns proved the worst since 2008. It is therefore best to focus on companies which have the best chance of delivering attractive returns through, and irrespective, of the market cycle. We therefore continue to focus on companies that deliver good levels of profits and cash flow, protect those cash flows from competition with strong business models, and benefit from sensible capital allocation by their management teams. We want to buy these companies at valuations that imply a conservative or realistic outlook. This is, we believe, the best way to deliver good long term returns to shareholders.

At this juncture, it is also worth noting that this approach has delivered a good portfolio return for us year to date. The particularly pleasing aspect of this performance is that it has been driven by the announcement of good full year results from our portfolio holdings along with encouraging outlooks. This should bode well for the year ahead.

Sam Cosh

Lead Investment Manager
BMO Investment Business Limited

6 March 2019

Key Performance Indicators

The Board recognises that it is longer term share price performance that is most important to EAT NV 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 operation of the liquidity enhancement policy; dividend yield; low and competitive ongoing charges; and effective marketing. The Board assesses its performance in meeting EAT NV'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 ratio
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 2018

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust net asset value†	(15.4)	11.4	44.5	263.8
EMIX Smaller European (ex. UK) Companies Index†	(12.7)	32.8	52.7	212.9
AIC Sector peer group size weighted average†	(16.6)	25.0	56.5	240.9

†Total return. Source: BMO, EMIX and AIC.

Share price sterling total return performance – 31 December 2018

	1 Year %	3 Years %	5 Years %	10 Years %
European Assets Trust share price†	(23.9)	0.6	31.9	270.9
EMIX Smaller European (ex. UK) Companies Index†	(12.7)	32.8	52.7	212.9

†Total return. Source: BMO and EMIX.

Dividend Yield % – 31 December

	2018 %	2017 %
European Assets Trust	6.0	6.0
Yield FTSE All-Share	4.3	3.6
UK Average bank savings rate	0.3	0.2

Source: BMO, London Stock Exchange and Bank of England

Ongoing charges ratio – 31 December*

	%
2018	1.11
2017	1.06
2016	1.12
2015	1.10
2014	1.33

*Calculated in accordance with the basis recommended by the AIC

Source: BMO

Average (Discount)/premium

Year ended 31 December	%
2018	(2.9)
2017	(1.3)
2016	(2.4)
2015	1.1
2014	0.1

Source: BMO

Shares issued/(bought back)*

2018	12,312,883
2017	15,553,450
2016	13,514,390
2015	102,199,160
2014	36,585,420

Source: BMO

*Adjusted for ten for one stock split effective 3 May 2018

Investment Portfolio

There are approximately 2,000 quoted European (ex UK) small and mid-cap companies. Using internal team analysis as well as meetings with company management, a relatively concentrated portfolio has been created. Key attributes for portfolio companies are strong balance sheets, healthy cashflows and high and sustainable returns on capital.

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 modest or more growth potential, have disciplined management and robust business models. Typically represents 40-50% of the portfolio; 39.7% at 31 December 2018.

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; 34.9% at 31 December 2018.

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; 14.8% at 31 December 2018.

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; 10.6% at 31 December 2018.

Investment Portfolio

1. **CTS Eventim (1)**
Germany
Event Ticketing Systems
3.9% Total investments
€16,292,049 value
www.eventim.de

2. **Gerresheimer (2)**
Germany
Glass and Plastic Containers
3.9% Total investments
€16,280,231 value
www.gerresheimer.com

3. **IMCD (15)**
Netherlands
Speciality Chemical Distributor
3.8% Total investments
€15,709,008 value
www.imcdgroup.com/

4. **Ringkjoebing Landbobank (19)**
Denmark
Regional Banking
3.7% Total investments
€15,274,565 value
www.landbobanken.dk/

5. **Forbo (4)**
Switzerland
Flooring, Adhesives and Conveyor Belts
3.6% Total investments
€14,899,097 value
www.forbo.com

6. **Coor (25)**
Sweden
Provider of Integrated Facilities Management and Consulting Services
3.6% Total investments
€14,822,769 value
www.coor.com/

7. **Vidrala (8)**
Spain
Manufacturer and Supplier of Glass Containers
3.6% Total investments
€14,799,731 value
www.vidrala.com/en/

8. **Wizz Air Holdings (39)**
Switzerland
Budget Airline
3.6% Total investments
€14,763,829 value
www.wizzair.com

9. **Sparebank (5)**
Norway
Banking
3.5% Total investments
€14,570,879 value
www.sparebank1.no/sr-bank

10. **Cerved Information Solutions (3)**
Italy
Credit Information Provider
3.5% Total investments
€14,474,698 value
www.company.cerved.com

11. **Storeband (6)**
Norway
Long-term Savings and Insurance
3.3% Total investments
€13,541,597 value
www.storebrand.no

12. **Tecan Group AG**
Switzerland
Automated Laboratory Instruments and Solutions
3.1% Total investments
€12,762,504 value
www.tecan.com/

13. **Sligro Food Group**
Netherlands
Food and Beverage Provider
3.1% Total investments
€12,653,454 value
www.landbobanken.dk/

14. **Viscofan (14)**
Spain
Artificial Casings for Meat Products
2.9% Total investments
€11,996,842 value
www.viscofan.com

15. **Indutrade (12)**
Sweden
Niche Industrial Conglomerate
2.8% Total investments
€11,501,631 value
www.indutrade.se

16. **Lenzing (27)**
Austria
Manufacturer of Textile Fibres and Pulp Raw Materials
2.6% Total investments
€10,898,167 value
www.lenzing.com

17. **Origin Enterprises (7)**
Ireland
Agricultural Nutrition
2.6% Total investments
€10,722,390 value
www.originenterprises.com

18. **DiaSorin**
Italy
Manufactures Reagents for in Vitro Diagnostics
2.5% Total investments
€10,367,872 value
www.diasorin.com/

19. **NORMA (10)**
Germany
Plastic and Metal Based Components
2.4% Total investments
€9,950,778 value
www.normagroup.com

20. **Aareal Bank (17)**
Germany
Property Financing
2.4% Total investments
€9,860,652 value
www.aareal-bank.com

21. **Marr (38)**
Italy
Food Service Provider
2.4% Total investments
€9,788,959 value
www.marr.it/en

22. **Lectra (21)**
France
Provider to the Fashion, Automotive and Furniture Industries
2.4% Total investments
€9,769,768 value
www.lectra.com

23. **Alimak Group**
Sweden
Solutions for Industry and Construction Markets
2.3% Total investments
€9,681,042 value
www.alimakgroup.com/en/

24. **Irish Continental (13)**
Ireland
Shipping
2.3% Total investments
€9,629,752 value
www.icg.ie

Investment Portfolio

25. **Fluidra (28)**
Spain
Swimming Pool Equipment and Maintenance
2.1% Total investments
€8,502,829 value
www.fluidra.com/en/

26. **Rational (33)**
Germany
Combi-Steamer Oven Manufacturer
2.0% Total investments
€8,347,349 value
www.rational-online.com

27. **Takkt (20)**
Germany
Office Equipment
2.0% Total investments
€8,238,592 value
www.takkt.de

28. **Inwido (23)**
Sweden
Supplier of Windows and Doors
2.0% Total investments
€8,150,273 value
www.inwido.com

29. **Cairn Homes (24)**
Ireland
House Builder
2.0% Total investments
€8,125,685 value
www.cairnhomes.com/

30. **Takeaway.com**
Netherlands
Online Food Delivery Marketplace
1.9% Total investments
€7,911,645 value
www.takeaway.com

31. **Dometic (11)**
Sweden
Supplier to the Recreational Vehicle Market
1.8% Total investments
€7,728,177 value
www.dometic.com/en/se

32. **ASM International (16)**
Netherlands
Semi-conductor Equipment
1.7% Total investments
€6,847,882 value
www.asminternational.org

33. **TGS Nopec Geophysical**
Norway
Geophysical Consulting and Contracting Services
1.6% Total investments
€6,675,748 value
www.tgs.com

34. **Komax (26)**
Switzerland
Wire Processing Equipment
1.6% Total investments
€6,640,973 value
www.komaxgroup.com

35. **Metall Zug (32)**
Switzerland
Appliances and Wire Processing Equipment
1.6% Total investments
€6,503,761 value
www.metallzug.ch

36. **Rocket Internet**
Germany
Invest in Internet and Technology Companies Globally
1.4% Total investments
€6,002,700 value
www.rocket-internet.com/

37. **Symrise (40)**
Germany
Speciality Chemicals
1.4% Total investments
€5,975,351 value
www.symrise.com

38. **Tomra Systems (29)**
Norway
Recycling Equipment
1.4% Total investments
€5,741,324 value
www.tomra.com

39. **Azimut (36)**
Italy
Asset Management
1.0% Total investments
€4,342,154 value
www.azimut.it/web/-/home"

40. **Plastic Omnium (34)**
France
Automotive Body Modules and Fuel Systems
1.0% Total investments
€3,966,850 value
www.plasticomnium.com

The value of the twenty largest holdings represents 64.2% (2017: 60.6%) of the portfolio.
The figures in brackets denote the position within portfolio last year.

Principal Risks and Changes in the Year

Most of EAT NV'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 EAT NV, and its successor EAT PLC, and the controls and actions to mitigate those risks, are described below. In addition a detailed review of the risks of EAT NV's investment portfolio including market, credit, foreign currency and liquidity is provided in note 19 beginning on page 60. Details of actions taken to reduce the potential impact of these risks is also provided.

Principal Risks	Mitigation	Actions taken in the year
Share Price Discount / Premium Objective and strategy are inappropriate in relation to investor demands, adversely affecting control over share price discount/premium. **No change in overall risk in year**	At each Supervisory Board Meeting the Directors monitor performance against benchmark and peer group. Market intelligence is maintained via EAT NV's broker, Cenkos and the provision of shareholder analyses. The Supervisory Board has met shareholders on an annual basis at the General Meeting in Rotterdam and the Shareholders' and Investors' Briefing in London. Post Migration the Board of EAT PLC will meet shareholders on an annual basis at its Annual General Meeting in London. A Liquidity Enhancement Agreement for EAT NV is in place with BMO to allow the issuance and repurchase of shares within parameters laid down by the Supervisory Board. Post Migration EAT PLC has share issuance and buy back authorisations which are designed to minimise the volatility of EAT PLC's share price relative to NAV.	During the year EAT NV issued 12,050,000* shares raising £15.4 million through the procedures of the Liquidity Enhancement Agreement. The Directors receive a weekly update from the Company's broker detailing movements in market demand for EAT NV's shares and its discount or premium. *Adjusted for ten for one stock split effective 3 May 2018.
Tax Exempt Status Failure to maintain tax exempt fiscal investment institution status ('fiscal beleggingsinstelling') in the Netherlands. **No change in overall risk in year**	During the year, EAT NV has complied with all applicable legislation regarding its Dutch tax status. No new Dutch tax legislation has been issued during the year which would have an impact on EAT NV tax status. The Board reviews this compliance and retains Ernst & Young Belastingadviseurs LLP to provide tax advice in the Netherlands and calculate the annual distributable profit. Post migration, EAT PLC has received approval from HMRC as an investment trust for the purposes of Section 1158 of the UK Corporation Tax Act 2010. It is intended that EAT PLC will conduct its affairs to ensure continued compliance.	EAT NV paid its mandatory distribution in respect of the year ended 31 December 2017 with the April and July 2018 dividends.
Investment Policy Stock selection, asset allocation and the use of gearing is inappropriate. **No change in overall risk in year**	Investment policy and performance are reviewed by the Supervisory 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 Board of EAT PLC will continue these processes post Migration.	The borrowing facility from KAS BANK NV is €45 million. At the year end the facility was €3.6 million drawn. EAT PLC has arranged a replacement facility with RBSI.
Key People 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 European Equities team at BMO. Post Migration these will continue.	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. There were no changes during the year in the investment manager's senior staff.
Reputation 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 Managing Director and the Investment Manager on oversight of third party service providers, together with annual internal audit reports on controls. The Depositary oversees custody of investments and cash in accordance with the requirements of the AIFMD. Reports from the Investment Manager and Depositary will continue post Migration.	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, including State Street and DST, 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.
Currency Risk The Company's assets are denominated in Euros or other continental European currencies. The returns to its Sterling based shareholders are therefore subject to the fluctuations in the relative strength of Sterling against its European counterparts. **No change in overall risk in year**	Although its dividends are declared in Euros at the beginning of each calendar year, Sterling dividends payable to Shareholders are calculated at a rate of exchange ruling at the date of payment. This will continue Post Migration.	At each meeting of the Board, the relative and absolute total returns to shareholders in both Euros and Sterling are reviewed and discussed. Presentations from external economists are regularly received by the Board during the year.

Supervisory Board

All members of the Supervisory Board of EAT NV ("the Board") are appointed non-executive directors of EAT PLC.

Left to right: Martin Breuer, Laurence Jacquot, Jack Perry, Professor Robert van der Meer, Julia Bond.

Jack Perry CBE
Chairman
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 European Assets Trust PLC, 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: European Assets Trust PLC

Julia Bond OBE
Senior Independent Director
has 27 years' experience of capital markets in the financial services sector and held senior client facing and revenue generating positions within Credit Suisse while also leading on a number of strategic initiatives around culture and business within Credit Suisse. She is currently a non-executive director of the Foreign and Commonwealth Office and of International Public Partnerships and is a vice Chair of the Royal Academy of Dance. Recent roles included non-executive advisor to the Association of Certified Accountants and membership of the Supervisory Board of the Foreign and Commonwealth Office.

Shared directorships with other Directors: European Assets Trust PLC

Professor Robert van der Meer
Deputy Chairman and Chair of Audit
Professor van der Meer 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: European Assets Trust PLC

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: European Assets Trust PLC

Martin Breuer
has been Chief Executive Officer of Italian cosmetic manufacturer Gotha Cosmetics since August 2017. He was previously an executive with Siemens and Chief Financial Officer of SEVES and Intercos Group.

Shared directorships with other Directors: European Assets Trust PLC

Governance Report

Management Board and Secretary

Management Board

Wilbert van Twuijver
representing the Managing Director

Tim Koster
representing the Managing Director

The Management Board consists of a single Director, FCA Management BV, a limited liability company incorporated in the Netherlands. It has its registered office in Rotterdam. FCA Management BV carries out the day-to-day management of the Company in accordance with the general directives of the Supervisory Board.

The Articles of Association and the latest annual report of FCA Management BV are available at its offices at Weena 210-212, Rotterdam.

Wilbert van Twuijver and Tim Koster represent FCA Management BV on the Management Board of European Assets Trust NV.

Upon Migration, the services and responsibilities of the Management Board will cease.

Company Secretary

Scott McEllen
Company Secretary

In addition to investment management, the BMO group provides other services to EAT NV, including company secretarial, financial and marketing. Post Migration BMO will provide these services to EAT PLC. In addition BMO will be responsible for the provision of administration to EAT PLC and an expanded secretarial service.

Scott McEllen acts as Company Secretary to the Company. A chartered accountant, he has provided accounting and company secretarial services to investment companies for over eighteen years.

Management and Advisers of EAT NV

Effective until 16 March 2019

Management Board Director
FCA Management BV
Chamber of Commerce
Rotterdam, nr. 33239987

Supervisory Board
Jack Perry (Chairman)
Professor Robert van der Meer (Deputy Chairman)
Julia Bond (Senior Independent Director)
Martin Breuer
Laurence Jacquot

Registered Office
Visiting address
Weena 210-212
NL-3012 NJ Rotterdam
Tel No. +(31 10) 201 3600
Chamber of Commerce
Rotterdam. nr. 33039381
Postal address
PO Box 1370
NL-3000 BJ Rotterdam

Investment Manager and AIFM
BMO Investment Business Limited
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG
Tel No. 0131 718 1000

UK Registrars and Transfer Office
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Registrar's Shareholder Helpline
Tel No. 0370 707 1550

Brokers
in the United Kingdom-
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

in The Netherlands-
NIBC Markets N.V.
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam

Depositary and Custodian
KAS Trust & Depositary Services BV
De Entree 500
1101 EE Amsterdam-Zuidoost

Accounting and Reporting
KAS BANK NV
De Entree 500
1101 EE Amsterdam-Zuidoost

Auditors
PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam

Lawyers
in The Netherlands-
De Brauw Blackstone Westbroek
Claude Debussylaan 80
1082 MD Amsterdam

in the United Kingdom-
Shepherd and Wedderburn
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Dutch Tax Advisers
Ernst & Young Belastingadviseurs LLP
Boompjes 258
3011 XZ Rotterdam

Website
www.europeanassets.eu
www.europeanassets.co.uk

Management and Advisers of EAT PLC

Effective from 16 March 2019

Board
Jack Perry (Chairman)
Professor Robert van der Meer (Deputy Chairman)
Julia Bond (Senior Independent Director)
Martin Breuer
Laurence Jacquot
All Directors are non-executive

Registered Office
Exchange House
Primrose Street
London
EC2A 2NY

Investment Manager and AIFM
BMO Investment Business Limited
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG
Tel No. 0131 718 1000

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Registrar's Shareholder Helpline
Tel No. 0370 707 1550

Brokers
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Depositary
JP Morgan Europe Limited
25 Bank Street
Canary Wharf
London
E14 5JP

Custodian
JP Morgan Chase Bank
National Association, London Branch
25 Bank Street
Canary Wharf
London
E14 5JP

Auditors
PricewaterhouseCoopers Accountants LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Lawyers
Shepherd and Wedderburn
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.eu
www.europeanassets.co.uk

Report of the Management Board Director of EAT NV

We have pleasure in submitting to Shareholders the Annual Report and Financial Statements for the year to 31 December 2018 as prepared by us and approved by the Supervisory Board of EAT NV. We consider the Annual Report and Financial Statements taken as a whole, to be fair, balanced and understandable and we believe it provides the information necessary for shareholders to assess EAT NV's position, performance and strategy. The Financial Statements have been examined by PricewaterhouseCoopers Accountants NV, and their report is included under Other Information following the Financial Statements.

The Revenue Account for the year shows a net loss of €81,158,000. Dividends in cash totalling €0.09298 per share, adjusted for the ten for one stock split effective 3 May 2018, were paid during 2018, in four equal instalments. A dividend of €0.019665 per share was announced and paid in January 2019. Dividends paid have historically been funded mainly from current year net profits and other reserves (for tax purposes from the reinvestment reserve) in accordance with EAT NV's distribution policy.

We recommend that the Financial Statements for the year ended 31 December 2018, together with the notes, be adopted.

Supervisory Board

The Supervisory Directors who held office at 31 December 2018 are shown on the page of this report entitled 'Supervisory Board'.

Mr Jack Perry, Ms Julia Bond, Mr Martin Breuer and Ms Laurence Jacquot had a beneficial interest of 51,370, 65,030, 55,000 and 25,000 shares respectively in EAT NV at 6 March 2019. None of the other Supervisory Directors of EAT NV or the families of any other Director owned any interest in the shares of EAT NV during the year under review or at any date up to 6 March 2019.

With reference to article 166 of Book 2 of the Dutch Civil Code, EAT NV does not comply with a balanced split between male and female directors within the Supervisory Board ('the Board'): the Board currently includes two female directors out of a total of five. The Board are committed to diversity in its composition in general and to the fair representation of women in particular, but strives also to appoint the most suitable Director regardless of gender.

Management Board Director

FCA Management BV provides management and legal compliance services to EAT NV and represents EAT NV in and out of court. The contract with the Management Board Director can be terminated at the end of any calendar year with a notice period of three months. FCA Management BV receives a fixed fee paid on a quarterly basis. The services of FCA Management BV to EAT NV will cease on Migration.

During the year under review, the management and service fee paid by EAT NV to FCA Management BV was €117,000 (including Dutch VAT). FCA Management BV also were required to provide additional advice and support in connection with the preparation of documentation required for the Migration and were paid an additional €164,000.

Investment Managers

BMO Investment Business Limited (BMO) provides investment management and other services to EAT NV. These services can be terminated by EAT NV at any time by giving six months notice of termination. Following the implementation of the AIFMD, BMO was appointed as AIF Manager ('the Investment Managers'). Details of the remuneration of BMO are provided on note 4 to the Accounts on page 54.

Upon Migration, the management agreement will novate to EAT PLC.

Tax Evasion

EAT NV has a zero tolerance policy to tax evasion and its facilitation. EAT NV is fully committed to complying with legislation and appropriate guidelines designed to prevent tax evasion and its facilitation in the jurisdictions in which it and its service providers operate.

EAT NV is subject to the UK's Criminal Finances Act 2017 and has adopted a policy designed to prevent tax evasion and its facilitation. The policy is based upon a risk assessment undertaken by the Board annually.

Following Migration, these policies will be continued by EAT PLC.

Depositary and Custodian

KAS Trust & Depository Services BV, a subsidiary of KAS BANK NV, has been appointed as depository and custodian for EAT NV. The depositary and custody services can be terminated by either party by giving six months notice of termination. KAS BANK NV, has granted a credit facility to EAT NV. This credit facility was employed during the year. As at 31 December 2018 the facility was €3.6 million drawn.

The services of KAS Trust & Depositary Services BV as depositary and custodian will cease on Migration. JP Morgan Europe Limited has been appointed depositary for EAT PLC and JP Morgan Chase Bank N.A. London Branch custodian.

Royal Bank of Scotland International ('RBSI') will provide a revolving credit facility to EAT PLC.

Management of Assets during the Year

EAT NV has invested its assets during the year in accordance with its stated investment policy. Investment risk has been spread by investing in a diversified geographical spread of investments across a variety of industrial sectors. At 31 December 2018 there were 40 investments in the portfolio. At each Board meeting, the Board receives detailed information on EAT NV's investments and the Investment Managers present on the investment portfolio and its performance. EAT NV can borrow up to a maximum of 20 per cent of the value of its assets.

Details on EAT NV's performance over the year are contained in the Chairman's Statement and Investment Manager's Review. A historical record of key performance indicators for EAT NV is set out in the Historical Record section.

Share Capital

As at 6 March 2019 EAT NV 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 106,271,382 shares or 29.5 per cent of the issued share capital of EAT NV at 31 December 2018. 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.

EAT NV issued 262,883 shares during the year by way of its scrip dividend option and sold 12,050,000, adjusted for the ten for one stock split effective 3 May 2018, newly issued shares. Since the year end 43,637 shares were issued as scrip.

EAT NV entered into a Liquidity Enhancement Agreement with BMO in November 2005. The purpose of this agreement is to enhance the liquidity in the trading of EAT NV's shares on the London Stock Exchange. BMO has sole discretion in the name of the EAT NV, to implement share buy backs or sales assuming the parameters and requirements laid down by EAT NV in the agreement are met. In summary, where BMO becomes aware through recognised brokers that there are shareholders wishing to sell whose offers cannot be fulfilled by the market and the average share price discount to net asset value measured over a rolling five business day period is five per cent or more, shares may be bought back based upon the share price equivalent to a discount of five per cent to the net asset value, adjusted for portfolio realisation costs depending upon market circumstances subject to other relevant requirements including protection against market interference. In practice, due to these requirements the price paid has historically been the prevailing market price at the time of the buy-back although this may vary for any future buy-backs that may occur depending upon the circumstances. The maximum number of shares that can be bought back in any three month period is ten per cent of issued share capital. The price at which shares are sold from treasury is subject to limitations on asset dilution. The absolute level of dilution through the sale of treasury shares is restricted to 0.5 per cent 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 to be sold is lower than the average discount at which the shares have been acquired by EAT NV measured over preceding financial periods and in addition at a price which is not less than the market bid price at the time of sale. The agreement was subsequently amended to allow for the issuance of new shares. The issue price of new shares will be at least net asset value and a premium to cover the commissions of issuance.

Share capital split and increase of authorised share capital (with effect from 3 May 2018)

At the General Meeting of EAT NV held on 18 April 2018, shareholders approved a resolution for a ten for one stock split such that each shareholder would receive ten shares with a nominal value of €0.10 for every one share held with record date 2 May 2018.

In the anticipation of continued share issuance by EAT NV through the provisions of the liquidity enhancement agreement, shareholders also approved during the same General Meeting, with effect from 3 May 2018, the increase of the authorised share capital of EAT NV from 50,000,000 shares at €0.46 per share to 600,000,000 shares at €0.10 per share.

Going concern and internal controls

After making enquiries, and with due regard to the nature of EAT NV's business and assets, the Supervisory Board and the Management Board Director consider that EAT NV has adequate resources to continue in operational existence for the foreseeable future. EAT NV's longer-term viability is considered in "Rolling five year viability assessment and going concern statement" on page 15. This and bearing in mind the Migration of EAT NV's business through a cross-border merger, whereby EAT NV's investment activities are to be continued by its newly established UK subsidiary, while EAT NV itself is effectively dissolved, concluded that the going concern basis continues to be appropriate in preparing EAT NV's Financial Statements.

EAT NV's system of internal control is supported by robust procedures designed to manage rather than eliminate risk. By their nature, these procedures can provide reasonable, but not absolute, assurance against material misstatement or loss. The Supervisory Board monitors the investment performance of EAT NV in comparison to its objective at each Supervisory Board meeting and the Board also reviews EAT NV's activities since the last Supervisory Board meeting. The Supervisory Board has reviewed the need for an internal audit function. The Supervisory Board has decided that the systems and procedures employed by the Investment Managers, including an internal audit function, and work carried out by the Management Board Director, Administrators and Custodian and the EAT NV's external auditors mean that an additional internal audit function for the EAT NV is unnecessary.

Administrative Organisation and Internal Controls ('In Control' – Statement)

Statement (by the Management Board Director) referred to in section 121, sub 1 Decree on the Supervision of the conduct of Financial Enterprises under the Dutch Act on Financial Supervision.

We have adopted a description of the administrative organisation and internal controls which comply with the requirements as laid down in the Dutch Act on Financial Supervision and the Decree on the Supervision of the conduct of Financial Enterprises under the Dutch Act on Financial Supervision.

We have evaluated the various aspects of the administrative organisation and internal controls during the financial year under review. We believe, to the best of our knowledge, that the framework of the administrative organisation and internal controls as referred to in section 4:14 of the Dutch Act on Financial Supervision complies with the requirements as laid down in this Act and related rules. In addition, these systems have shown themselves to be reasonably effective in the year under review and thus offer a reasonable degree of certainty that the financial reporting does not contain any material misstatements.

The Management Board Director
6 March 2019

Corporate Governance

Summary

European Assets Trust NV ('EAT NV') is incorporated as a Dutch company. It is organised in the form of a listed public investment company with variable capital governed by the provisions of the Wft, the Dutch Act on Financial Supervision including the provisions on Alternative Investment Funds. EAT NV is subject to the supervision of Autoriteit Financiele Markten, while BMO as the AIF Manager is supervised by the Financial Conduct Authority in the UK. EAT NV's shares are listed on the stock exchanges in Amsterdam and London and it has a two-tier board structure comprising a Management Board and a Supervisory Board. With FCA Management BV appointed as Management Board Director, the corporate management functions are separated from the administration function performed by KAS BANK NV, the custody and depositary function performed by KAS Trust & Depositary Services BV and investment management and other functions performed by BMO Investment Business Limited.

The Management Board Director, is entrusted with the corporate management of EAT NV and is obliged to act and represent it in accordance with the general directives of the Supervisory Board concerning the financial and investment policy of EAT NV. A contract with the Management Board Director sets out its responsibilities.

The Supervisory Board ('the Board') is responsible for supervising the policy of the Management Board and the general course of EAT NV's affairs and business. The Board currently consists of five Directors, all of whom are non-executive.

European Assets Trust NV will effectively dissolve upon Migration. With effect from the date of Migration, European Assets Trust PLC ("EAT PLC"), its successor, will be a UK registered company conducting its affairs so as to qualify as an investment trust for the purposes of Section 1158 of the UK Corporation and Taxes Act 2010. EAT PLC will have a unitary board composed of the current Supervisory Board Directors of EAT NV. Jack Perry will be Chairman of the Board and the Management Engagement Committee, Robert van der Meer will be Deputy Chairman and Chairman of the Audit and Risk Committee and Julia Bond will be Senior Independent Director and Chair of the Remuneration and Nomination Committee. Custody services will be provided by JP Morgan Chase Bank NA and Depositary Services by JP Morgan Europe Limited. BMO Investment Business Limited will continue to provide investment management and other functions.

Corporate Governance Framework

EAT NV is committed to high standards of corporate governance and accordingly, adheres to Dutch corporate governance requirements as determined by the prevailing Dutch Corporate Governance Code 2016 ('the Dutch Code'), insofar as they are relevant to externally managed closed-end investment companies, and the 2016 UK Corporate Governance Code ('the UK Code') of the UK Financial Reporting Council. The UK Association of Investment Companies issued its own code of Corporate Governance (the 'AIC Code') which can be found at www.theaic.co.uk.

During July 2018, the FRC issued a revised UK Corporate Governance Code, ('the 2018 UK Code'). The AIC has issued its own revised code ('the 2019 AIC Code'). Both codes are effective for accounting periods beginning on or after 1 January 2019.

EAT NV believes there are no differences of principle or inconsistencies between the Dutch Code and the UK Code.

EAT NV monitors developments in corporate governance codes and legislation. EAT NV believes its current articles of association, rules and regulations and practices are consistent with these developments.

As a matter of good practice, the EAT NV has adopted corporate governance arrangements which follow the general principles of the UK Code, the 2018 UK Code, the AIC Code and the 2019 AIC Code. Significant differences in actual practice from these codes are detailed below.

The Dutch Code

As EAT NV is an externally-managed investment institution without its own organisation, it is not possible to apply the Dutch Code in full. The preamble to the initial Dutch Code acknowledged this. For example, many of the provisions of the Dutch Code deal with management and remuneration by and of individuals. These cannot be applied in full in the case of EAT NV, because its corporate and investment management have been outsourced to FCA Management and BMO respectively. In addition, EAT NV's Articles of Association provide indemnification for the directors by EAT NV. The provisions of the Dutch Code that relate to the appointment and remuneration of management are therefore not fully complied with. The remuneration for these functions is governed by contractual arrangements as described in the Report of the Management Board Director.
The contract with the Management Board Director can be terminated at the end of any calendar year with a notice period of three months. The contract with the Investment Manager can be terminated at six months' notice. In addition, these contracts do not provide for severance payments to individual Directors or Managers.

On 29 February 2018, the Dutch Corporate Governance Monitoring Committee has published its first monitoring report for the Dutch Code as revised in 2016 stating that the revised Dutch Code was well received and complied with a 99% rate of compliance.

The Supervisory Board

The Supervisory Board ('the Board') is the EAT NV's non-executive supervisory body. Its members are referred to as 'Supervisory Directors'. EAT NV has no employees.

A management contract between EAT NV and its Investment Manager, BMO Investment Business Limited ('the Investment Managers'), sets out the matters over which the Investment Managers have 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 and Management Board Director. With regard to these matters it is the responsibility of the Supervisory Board to provide the Management Board Director with general instruction and guidance. It is the responsibility of the Management Board Director to act and manage EAT NV in accordance with these general directives and to report to the Supervisory Board upon their corporate management. A contract with the Management Board Director sets out its responsibilities.

The Board currently meets at least four times a year. In order to enable them to discharge their responsibilities, all Supervisory Directors have full and timely access to relevant information. At each meeting the Board reviews EAT NV's management information, which includes reports on investment performance and strategic matters and financial analyses. The Management Board Director and key representatives of the Investment Managers attend each meeting. Board meetings are also held on an ad-hoc basis to consider particular issues when they arise.

The following table sets out the number of Board, Committee and Shareholder meetings of EAT NV held during the year ended 31 December 2018 and the number of meetings attended by each Director.

	Board meetings of Directors		Audit meeting of Directors		Shareholder meetings in The Netherlands (formal) and UK (informal)	
	Held	Attended	Held	Attended	Held	Attended
Jack Perry	9	9	2	2	2	2
Professor Robert van der Meer	9	9	2	2	2	2
Julia Bond	9	9	2	2	2	2
Martin Breuer	9	9	2	2	2	2
Laurence Jacquot	9	9	2	2	2	2

In addition, the directors attended 1 meeting of EAT PLC.

Supervisory Directors do not have service contracts but new Supervisory Directors are provided with a letter of appointment.

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 professional advice was taken by Directors during the year under review. The Board has direct access to the company secretarial advice and services provided by BMO. The proceedings at all Board meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes. The Board through the Management Board Director has the power to appoint or remove and replace the company secretary. EAT NV maintains appropriate Directors' and Officers' liability insurance in addition to indemnity provisions in EAT NV's articles of association.

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 that has been adopted, but the option of doing so will be kept under review by the Board of EAT PLC.

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 Supervisory Directors, as they fall due for re-election and to make recommendations to the Supervisory Board.

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

Under the requirements of the Articles of Association, Supervisory Directors retire by rotation at shareholder meetings and Supervisory Directors are appointed for a specified term of no more than four years, subject to reappointment by shareholders. The Board had agreed, however, that Supervisory Directors will seek re-election at the completion of each three years' service and annually after serving on the Board for more than nine years.

In accordance with the 2019 AIC Code all Directors will now seek re-appointment to the Board of EAT PLC at its Annual General Meeting to be held on 15 May 2019 and will be subject to annual re-election thereafter. 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 be re-elected.

Appointments of all new Supervisory 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 Supervisory Board Director role specification is prepared to assist with this process. Each appointment is subject to shareholder approval at a General Meeting.

The length of tenure of the Chairman is determined by the 2018 UK Code's nine year limit subject to the 2019 AIC Code derogation. Factors that will be considered include board rotation and retention of experience. The Board have an agreed succession plan for the orderly retirement of existing directors and to provide for the regular refreshment of skills and talent. It is felt important during the first year of operations of EAT PLC that there is continuity at Board level. Regular retirements of directors will take place in the following years ensuring that the Company complies with both the letter and spirit of the 2019 AIC Code. The first director to retire under this plan will be Professor Robert van der Meer at the Annual General Meeting in May 2020.

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

The Supervisory Directors are encouraged to attend relevant training courses and seminars and receive regular updates on the industry and changes to regulation from the Management Board Director and the company secretary.

Independence of Supervisory Directors

All Supervisory Directors are considered by the Supervisory Board to be independent of EAT NV's Investment Managers and the Management Board Director. Professor Robert van der Meer has served on the Board 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 EAT NV. The Supervisory Board does not consider that a Supervisory Director's tenure or other board memberships necessarily reduces his or her ability to act independently and, following performance evaluations, believes that each Supervisory Director is independent in character and judgement and that continuity and experience add to the strength of the Board.

Board Committees

Up to and including the year ended 31 December 2016 the Board as a whole considered nomination, remuneration and management engagement matters. With effect from March 2017 the Board established Management Engagement and Remuneration and Nomination Committees. All Supervisory Board Directors and the Management Board Director are members of each committee. Terms of reference for these committees are available on EAT NV's website.

Given the size and structure of EAT NV and taking account of Dutch Corporate Governance principles, the Board performs the duties of an Audit Committee including reviewing the Annual and Interim Accounts, the system of internal controls and risk management, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. The Board meets twice a year specifically to consider audit matters including direct representation from the external auditors. This portion of the Board meeting is chaired by Professor Robert van der Meer.

Remuneration and Nomination Committee

The duties of the Remuneration and Nomination Committee: include the periodic review and recommendation to the Board of the level of Supervisory Directors' fees; the review and recommendation of candidates to the Board for the approval by the General Meeting of Shareholders 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 Supervisory Director.

In order to review the effectiveness of the Supervisory Board and the individual Supervisory Directors, the Remuneration and Nomination Committee carries out a process of formal annual self-appraisal. This is facilitated by the completion of a questionnaire and led by the committee Chair. The performance of the Chairman of EAT NV and its successor EAT PLC is evaluated by the other Supervisory Directors. The Board considers that the appraisal process is a constructive means of evaluating the contribution of Supervisory Directors and to identify ways to improve the functioning and performance of the Board.

In considering the appointment of additional Supervisory Directors, the Board takes into account the ongoing requirements of EAT NV and the need to have a balance of skills and experience within the Supervisory Board. The Board favours diversity and welcomes appointments that contribute to it, but its objective is also to select Supervisory Directors on merit with relevant and complementary skills.

The Committee is chaired by the Senior Independent Director Julia Bond.

Management Engagement Committee

The duties of the Management Engagement Committee, which meets on an annual basis are to review the terms and conditions of the appointment and the appropriateness of the continuing appointment of the Investment Manager, the Management Board Director and other significant service providers including the depositary and custodian, corporate broker, administrator and legal counsel and to make recommendations to the Supervisory Board.

The Committee is chaired by the Chairman of EAT NV, Jack Perry.

The Management Board Director is excused from the meeting while its performance and remuneration is reviewed.

Relations with shareholders

EAT NV and its successor, EAT PLC, welcomes the views of shareholders and places importance on communication with its shareholders. The Investment Managers hold meetings with EAT NV's largest shareholders and report back to the Board on these meetings. Each year, EAT NV held a General Meeting of shareholders in the Netherlands and a Shareholders' and Investors' Briefing in London, which provide a forum, both formal and informal, for shareholders to meet and discuss issues with the Supervisory and Management Board Director and Investment Manager of the Company.

Post Migration, EAT PLC will hold, each year, a General Meeting to be followed by a Shareholders' and Investors' Briefing in London. The 2019 meeting will be held on 15 May 2019 at Exchange House, Primrose Street, London, EC2A 2NY at 3.00 pm.

In accordance with the 2018 UK Code when votes of 20 per cent or more have been cast against a resolution at a General Meeting EAT NV and its successor EAT PLC 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 2018.

Julia Bond 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, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG.

EAT PLC Corporate Governance

Arrangements in respect of corporate governance appropriate to an investment trust have been adopted. EAT PLC will comply with the obligations of the 2019 AIC Code and in doing so will meet its obligations in relation to the UK Corporate Governance Code issued by the UK Financial Reporting Council.

The practices detailed above will continue subject to the enhanced role of the Investment Manager with regard to administration of the Company, the adoption of a unitary board structure and the introduction of an Audit and Risk Committee, Full details of the corporate governance of EAT PLC are included within the prospectus dated 27 November 2018 and available on websites:

www.europeannetassets.co.uk and www.europeanassets.eu

Compliance with Dutch Civil Code

Statement referred to in Section 3 of the Decree of 23 December 2004, Stb 747, determining the further requirements concerning the contents of annual reports

Based on Section 391 of Book 2 of the Dutch Civil Code* and the Royal Decree of 23 December 2004, limited liability companies, whose shares, are listed on a stock exchange, must include a statement in their annual reports about their compliance with the principles and best practices of the Dutch Code. European Assets Trust NV assumes that, with the introduction of the Dutch Act on Financial Supervision on 1 January 2007, the Dutch Code does not apply in full to externally managed investment institutions such as European Assets Trust NV. Nevertheless, European Assets Trust NV makes the following statement: *In the year under review, European Assets Trust NV did not comply fully with the provisions of the Code, nor does it intend to comply with these during the current financial year or the next financial year. Its grounds for doing so are explained in the corporate governance policy of European Assets Trust NV described on page 35.*

**Act of 9 July 2004, Stb 370, to amend Book 2, CL*

Responsibility of Institutional Investors under the Code

The principles and provisions with regard to the responsibility of institutional investors as laid down in the Dutch Code do apply to all institutional investors including European Assets Trust NV. The Investment Managers, in the absence of explicit instructions from the Supervisory Board in a specific case, are empowered to exercise discretion in the use of EAT NV's voting rights. Only when there are matters of particular concern will the Investment Managers contact the Management Board Director to explore issues. The policy of the Investment Managers is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance. EAT NV seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken by the Investment Managers on behalf of EAT NV. EAT NV's Investment Managers consider socially responsible investment and actively engages with portfolio companies.

Remuneration Report

Supervisory Directors' Remuneration

The Board has established a Remuneration and Nomination Committee.

The review and recommendation to the Board of the level of Director's fees is a responsibility of the Remuneration and Nomination Committee which is chaired by the Senior Independent Director, Julia Bond. All Directors are members of the Committee.

The policy is to set Supervisory Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of EAT NV and its successor EAT PLC and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to EAT NV's business and the specific responsibilities of the Chairman, Chairman of Audit*, Senior Independent Director and Directors are taken into account. The policy aims to be fair and reasonable in relation to comparable investment trusts and other similar sized financial companies. Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

The Remuneration and Nomination Committee considers the level of Directors' fees at least annually. EAT NV has previously engaged an external consultancy to undertake an extensive independent benchmarking review of the fees paid.

No changes to the current level of fees are proposed for 2019.

Upon Migration, effective 16 March 2018, the fees of Directors will be paid by EAT PLC.

Voting at General Meeting

The approval of shareholders at a general meeting is 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 Migration, shareholders of EAT PLC will have the opportunity to approve its remuneration policy on a triennial basis.

* Following Migration, effective 16 March 2019, Chairman of the Audit and Risk Committee.

Future policy table

Based on the levels of fees, Directors' remuneration for the year ending 31 December 2019 will be as follows:

Annual fees for Board responsibilities – 2019/18

	2019 €	2018 €
Jack Perry	49,900	49,900
Professor Robert van der Meer	40,000	40,000
Julia Bond	39,000	39,000
Martin Breuer	34,000	34,000
Laurence Jacquot	34,000	34,000
Total	196,900	196,900

Upon Migration, effective 16 March 2019, the fees of Directors will be paid by EAT PLC.

Directors' emoluments for the year

The Directors who served during the financial year received the following emoluments in the form of fees:

	2018 €	2017 €
Jack Perry	49,900	48,000
Professor Robert van der Meer	40,000	38,500
Julia Bond	39,000	37,500
Martin Breuer	34,000	32,500
Laurence Jacquot	34,000	32,500
Total	196,900	189,000

Relative importance of spending on pay

The table below shows the actual expenditure during the year in relation to Supervisory Board remuneration, other expenses, shareholder distributions and year end net asset value:

	2018 €'000s	2017 €'000s
Aggregate Board remuneration	197	189
Management and other expenses	5,445	5,066
Dividends paid to shareholders	33,175	27,415
Year end net asset value	411,594	508,151

Board Report on Audit

Board Report on Audit

The Board performs the functions of an audit committee. The Board meets twice a year specifically to consider audit matters. This section of the meeting is chaired by Professor Robert van der Meer and is attended by all Supervisory Board members and the Management Board Director. In addition representatives of the auditors, PricewaterhouseCoopers Accountants NV, senior members of the investment management team and the Company Secretary attended meetings held during the 2018.

Amongst other matters, the Board considers and reviews:

- The annual results announcement and annual and half-yearly reports and accounts;
- The principal risks faced by EAT NV and the effectiveness of its EAT NV's internal control environment;
- The Company's statements on corporate governance and risk, including board evaluation, internal control and risk management systems;
- The external auditor's independence and objectivity and the effectiveness of the audit process;
- Reports from the auditor including the auditor's report to the Board;
- The requirement to make recommendations to shareholders for their approval at general meetings in relation to the appointment, re-appointment and removal of the external auditor; and
- The requirement for an internal audit function.

With effect from Migration these functions will be carried out by the Audit and Risk Committee of EAT PLC. Professor Robert van der Meer will be the Chairman of this Committee with all Directors, including the Chairman of the Company members

The Board's assessment of internal control and the 'In Control' - Statement by the Management Board Director is provided on page 34.

At the conclusion of the audit PricewaterhouseCoopers Accountants NV did not highlight any issues which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. PricewaterhouseCoopers Accountants NV issued an unqualified audit report which is included on pages 67 to 70.

PricewaterhouseCoopers LLP has been appointed auditor of EAT PLC. In evaluating the independence and effectiveness of PricewaterhouseCoopers LLP the Board has taken into consideration the skills, experience and performance of the firm and audit team including that of PricewaterhouseCoopers Accountants NV the auditor of EAT NV. On the basis of the assessment, the Board has proposed a resolution to be approved by shareholders at the forthcoming Annual General Meeting of EAT PLC to appoint PricewaterhouseCoopers LLP as auditors to EAT PLC.

Significant issues considered by the Board for the year ended 31 December 2018

Matter	Action
Existence and valuation of investments	
EAT NV's portfolio is invested in listed securities. Errors in valuation could have a material impact on EAT NV's net asset value per share.	The Board reviews the full portfolio valuation at each Board meeting and receives quarterly reports from the AIFM (directly) and the depositary (via the Management Board Director). EAT NV has adopted a manual Administrative Organisation and Internal Controls which has been approved by the Dutch financial regulator. The Board has received written assurance from its investment manager and administrator that they have operated in accordance with the manual and that no material irregularities had occurred during the year ended 31 December 2018. 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 2018 UK Corporate Governance Code.	The Audit section of the Board meeting 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 Board considers EAT NV's internal control environment.	The Audit section of the Board meeting considered the control reports and written assurances received from third party service providers with regard to the operation of internal controls during the year ended 31 December 2018.

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,
- The Management Board Director; and
- 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 EAT NV's service providers.

Composition of the Committee

The Management Engagement Committee is appointed by the Supervisory Board from amongst the Supervisory Board Directors of the Company. A quorum is two members. The Management Board Director is involved in all matters except in matters involving the Management Board. It is noted that EAT NV is represented by the Management Board Director except in Management Board matters.

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

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

The terms of reference of the Management Engagement Committee are available on the websites www.europeanassets.eu and www.europeanassets.co.uk.

Investment Manager Evaluation Process

The Committee meets annually. Its most recent meeting was February 2019 which included a formal evaluation of the performance and remuneration of the Investment Manager. At each Board meeting throughout the year the performance of EAT NV is reviewed. The Board receives detailed papers, reports and reviews from the Investment 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 Investment Manager's performance against the Key Performance Indicators determined by the Board.

Investment Manager Re-appointment

During March 2019, the Management Engagement Committee of the Board reviewed the appropriateness of the Investment Managers' continuing appointment by it and its successor vehicle EAT PLC. In carrying out the review, consideration was given to past investment performance and the ability of the Investment Managers to produce satisfactory investment performance in the future. Consideration was also given to the standard of other services provided which include company secretarial, financial and marketing. The length of notice of the investment management contract and fees payable to the Investment Managers were also reviewed. Following this review, it is the Board's opinion that the continuing appointment of the Investment Managers on the terms agreed is in the interests of shareholders as a whole.

Investment Manager's Fee

An important responsibility of the Committee is the review of the Investment Manager's fee. Details of the investment management fee are included in Note 4 to the Accounts. At each annual Committee meeting the Directors compare the basis of the remuneration of the Investment Manager against that of the peer group.

In November 2017 it was announced that an amendment to the fee had been negotiated. Previously, the Investment 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 Supervisory Board at the next Supervisory Board meeting following a Management Engagement Committee Meeting.

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

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	For the year ended 31 December	2018			2017		
		Non GAAP Revenue Euro '000	Non GAAP Capital Euro '000	**IFRS Total Euro '000**	Non GAAP Revenue Euro '000	Non GAAP Capital Euro '000	**IFRS Total Euro '000**
	Income						
3	**Dividends from securities**	14,933	–	**14,933**	12,009	–	**12,009**
	Other net changes in fair value on financial assets at fair value through profit or loss	–	(88,792)	**(88,792)**	–	70,066	**70,066**
	Total net income/(loss)	**14,933**	**(88,792)**	**(73,859)**	12,009	70,066	**82,075**
	Expenses						
4	**Investment management fee**	(808)	(3,234)	**(4,042)**	(752)	(3,009)	**(3,761)**
5	**Depositary and custodian fees**	(263)	–	**(263)**	(265)	–	**(265)**
20	**Management Director remuneration**	(117)	–	**(117)**	(115)	–	**(115)**
20	**Remuneration of the Supervisory Directors**	(206)	–	**(206)**	(197)	–	**(197)**
6	**Other operating expenses**	(817)	–	**(817)**	(728)	–	**(728)**
7	**Restructuring costs**	–	(1,700)	**(1,700)**	–	–	**–**
8	**Interest charges**	(31)	(123)	**(154)**	(21)	(86)	**(107)**
	Total expenses	**(2,242)**	**(5,057)**	**(7,299)**	(2,078)	(3,095)	**(5,173)**
	Profit/(loss) before tax	12,691	(93,849)	**(81,158)**	9,931	66,971	**76,902**
	Corporation tax	–	–	**–**	–	–	**–**
	Profit/(loss) for the year	**12,691**	**(93,849)**	**(81,158)**	9,931	66,971	**76,902**
	Other comprehensive income	–	–	**–**	–	–	**–**
	Total comprehensive income/(loss)	**12,691**	**(93,849)**	**(81,158)**	9,931	66,971	**76,902**

		Euro	**Euro**	**Euro**	Euro	Euro	Euro
15	**Earnings per share†**	**0.035**	**(0.262)**	**(0.227)**	0.029	0.199	0.228

† At the General Meeting of the Company held on 18 April 2018, the shareholders approved a resolution for a ten for one stock split such that each shareholder would receive ten shares with a nominal value of €0.10 each for every one share held with record date 2 May 2018. For comparison purposes and in accordance with IAS 33.64, the number of shares before the split as well as all per share amounts in these financial statements for the year ended 31 December 2018 have been adjusted on a ten for one basis.

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

All income is attributable to the equity holders of European Assets Trust NV.

The notes on pages 47 to 65 are an integral part of these financial statements.

Balance Sheet

Notes	For the year ended 31 December	2018 Euro '000	2017 Euro '000
	Assets		
	Current assets		
9	**Financial assets at fair value through profit or loss**	**414,714**	509,879
10	**Investment in subsidiary**	**57**	–
11	**Other receivables and prepayments**	**1,111**	1,251
12	**Cash and cash equivalents**	**–**	–
	Total assets	**415,882**	511,130
	Equity		
	Capital and reserves attributable to equity holders of EAT NV		
	Share capital	**35,976**	15,982
	Share premium account	**271,344**	273,936
	Other reserves	**104,274**	218,233
	Total equity	**411,594**	508,151
	Liabilities		
	Current liabilities		
13	**Banking facility**	**3,647**	2,748
	Accrued liabilities	**641**	231
	Total liabilities	**4,288**	2,979
	Total equity and liabilities	**415,882**	511,130
17	**Net asset value per Ordinary Share – Basic (Euro)**	**1.14**	1.46†

† At the General Meeting of EAT NV held on 18 April 2018, the shareholders approved a resolution for a ten for one stock split such that each shareholder would receive ten shares with a nominal value of €0.10 each for every one share held with record date 2 May 2018. For comparison purposes and in accordance with IAS 33.64, the number of shares before the split 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 notes on pages 47 to 65 are an integral part of these financial statements.

Financial Statements

Statement of changes in capital and reserves attributable to equity holders

Notes		Share capital Euro '000	Share premium* Euro '000	Other reserves* Euro '000	Total capital and reserves Euro '000
	As at 1 January 2017	**15,267**	**252,567**	**168,386**	**436,220**
	Total comprehensive income for the year	–	–	76,902	76,902
	Interim dividends distributed	12	(12)	(27,055)	(27,055)
	Sale and issue of shares	703	21,381	–	22,084
	As at 31 December 2017	**15,982**	**273,936**	**218,233**	**508,151**
	Total comprehensive loss for the year	–	–	(81,158)	(81,158)
16	Interim dividends distributed	20	(20)	(32,801)	(32,801)
14	Issue of shares	628	16,774	–	17,402
14	Redenomination of shares	19,346	(19,346)	–	–
	As at 31 December 2018	**35,976**	**271,344**	**104,274**	**411,594**

* The share premium account and other reserves are freely distributable to shareholders.

The notes on pages 47 to 65 are an integral part of these financial statements.

Statement of Cash Flows

Notes	For the year ended 31 December	Year ended 31 December 2018 Euro '000	Year ended 31 December 2017 Euro '000
	Cash flows from operating actvitites		
	Proceeds from sale of financial assets	159,027	104,814
	Purchase of financial assets and settlement of financial liabilities	(152,655)	(125,843)
10	Investment in subsidiary	(57)	–
	Dividends received	15,073	11,518
4	Investment management fees paid	(4,042)	(3,761)
	Restructuring costs paid	(1,272)	–
	Depositary fees, custodian fees and other operating expenses paid	(1,433)	(1,276)
	Interest expenses paid	(75)	(127)
	Net cash inflow/(outflow) from operating activities	14,566	(14,675)
	Cash flows from financing activities		
	Net proceeds from banking facility	899	2,748
	Proceeds from shares issued and sold	17,336	22,150
16	Dividends paid	(32,801)	(27,055)
	Net cash outflow from financing activities	(14,566)	(2,157)
	Net decrease in cash and cash equivalents	–	(16,832)
	Cash and cash equivalents at beginning of the year	–	16,832
12	**Cash and cash equivalents at end of the year**	–	–

The notes on pages 47 to 65 are an integral part of these financial statements.

Notes to the Financial Statements

1. General information

European Assets Trust N.V. ("EAT NV"), registered in Rotterdam, the Netherlands, with Chamber of Commerce number 33039381 and having its offices in Rotterdam, the Netherlands, is a closed-end investment company with variable capital. The address of its registered office is Weena 210-220, 3012 NJ Rotterdam, the Netherlands. BMO Investment Business Limited has been appointed as AIF Manager (the 'Investment Manager') and KAS Trust & Depositary Services BV as depositary with the administration delegated to KAS Bank N.V. For a general description of the agreements with the AIF manager, the depositary and EAT NV's managing director (FCA Management B.V.) reference is made to Note 4, Note 5 and Note 20, respectively. EAT NV does not have its own management organisation nor does it have any employees.

EAT NV's objective is to achieve growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. EAT NV 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. EAT NV has the powers under its Articles of Association to borrow an amount up to 20 per cent of its investment portfolio. The shares in EAT NV are quoted on the London Stock Exchange and Euronext Amsterdam. Trading primarily takes place on the London Stock Exchange.

EAT NV has taken steps to migrate its investment enterprise from the Netherlands to the United Kingdom. To achieve this migration, EAT NV will have its assets and liabilities absorbed by European Assets Trust PLC ("EAT PLC"), a wholly owned subsidiary of EAT NV registered in London, United Kingdom, which was established on 12 November 2018. The migration will be effective from 16 March 2019 through a cross-border merger under the European merger regulations of EAT NV with EAT PLC. Following the merger becoming effective, EAT PLC will continue the investment activities of EAT NV while EAT NV itself is effectively dissolved. Upon the merger, the shareholders of EAT NV will obtain shares in EAT PLC on a one for one basis. The merger has been approved by the shareholders of EAT NV during an extraordinary general meeting of shareholders held on 9 January 2019. After the Merger, EAT PLC will be an independent, publicly traded investment trust with a listing on the London Stock Exchange.

Up to and including the financial year ended 31 December 2017, EAT NV prepared its financial statements in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards as published by the Dutch Accounting Standards Board. In connection with EAT NV's plans to migrate its investment enterprise to the United Kingdom through a cross-border merger with a new investment fund registered in London, EAT NV prepared special purpose financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS) for the financial year ended 31 December 2017 with comparative figures for the financial years ended 31 December 2016 and 31 December 2015, for the purpose of presenting the financial position, results of operations and cash flows of EAT NV in a prospectus drawn up in relation to the issue of shares of a new investment fund to be listed in the United Kingdom at the London Stock Exchange, which financial statements were authorised for issue by the Management Board Director on 23 November 2018. For reasons of consistency and transparency EAT NV has decided to prepare its statutory financial statements for the financial year ended 31 December 2018 also in accordance with International Financial Reporting Standards under the option of clause 362.8 of Part 9 of Book 2 of the Netherlands Civil Code. First time adoption of IFRS is assumed to have taken place at the special purpose financial statements for the financial years ended 31 December 2017, 2016 and 2015.

The functional and reporting currency for EAT NV is the Euro.

These financial statements were authorised for issue by the Management Board Director on 6 March 2019.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements of European Assets Trust N.V. have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS) and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code. The special purpose financial statements for the year ended 31 December 2017 which were authorised for issue on 23 November 2018 were EAT NV's first financial statements prepared in accordance with IFRS. In accordance with IFRS 1 and taking into account the transition date of 1 January 2015, EAT NV presented four balance sheets in the special purpose financial statements for the year ended 31 December 2017, which was EAT NV's first IFRS financial statements. EAT NV reported no impact on the recognition or measurement of balances following the adoption of IFRS.

Bearing in mind the cross-border merger plans of EAT NV whereby EAT NV's investment activities are to be continued by its newly established subsidiary while EAT NV itself is effectively dissolved (see Note 1), these financial statements have been prepared on a going concern basis and

Financial Statements

2. Summary of significant accounting policies (continued)

under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The valuation of financial assets held by EAT NV at the year-end have been derived from active, liquid markets. Risks relating to the valuations are disclosed in Note 19.

The principal accounting policies adopted are set out below. These financial statements are presented in thousands of Euro, except when otherwise indicated. With a view to the planned continuation of EAT NV's investment activities as of 16 March 2019 by EAT PLC, an investment company domiciled and to be listed in the United Kingdom and for the purpose of disclosing these financial statements in a mandatory supplementary prospectus of EAT PLC, the Directors have sought to prepare these financial statements on a basis compliant with the recommendations of the SORP to the extent where presentational guidance set out in the Statement of Recommended Practice ('SORP') for financial statements of Investment Trust Companies and Venture Capital Trusts issued by The Association of Investment Companies ('AIC') is consistent with the requirements of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management Board Director to exercise its judgement in the process of applying EAT NV's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

(a) Standards and amendments to existing standards effective 1 January 2018

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. EAT NV has adopted IFRS 9 Financial Instruments (issued on 24 July 2014; effective for financial years beginning on or after 1 January 2018). The nature and effect of these changes have been disclosed below:

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

i. *Classification and measurement of financial assets and financial liabilities*

IFRS 9 contains a new classification and measurement approach for financial assets with three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities as the new requirements affect only the accounting of financial liabilities specifically classified at fair value through profit or loss.

EAT NV does not have such liabilities. The adoption of IFRS 9 has not had a significant effect on EAT NV's accounting policies relating to financial assets or financial liabilities. Under IAS 39, EAT NV classified its direct investments as financial assets held at fair value through profit and loss. These investments were managed on a fair value basis and their performances were monitored on this basis. EAT NV has elected to continue to classify these investments as financial assets held at fair value through profit and loss under IFRS 9 and no changes to retained earnings are required. Other receivables were classified at amortised cost under IAS 39. EAT NV continues to classify it as amortised cost under IFRS 9 and no adjustments to the financial statements are required.

ii. *Impairment of financial assets*

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets held by EAT NV at amortised cost consist of other receivables and cash and cash equivalents. Due to the nature of these financial assets, EAT NV does not believe that the risk of impairment is significant and has determined that the credit risk at the reporting date is low and does not significantly increase after initial recognition and as such no impairment loss is recognised.

iii. *Hedge accounting*

The new hedge accounting model introduced by IFRS 9 requires hedge accounting relationships to be aligned with EAT NV's risk management strategy and objectives, and to apply a more qualitative and forward-looking approach to assessing their effectiveness.

2. Summary of significant accounting policies (continued)

Hedge accounting relationships are to be discontinued only when the relationships no longer qualify for hedge accounting.

EAT NV does not currently apply hedge accounting and changes to hedge accounting due to IFRS 9 does not affect EAT NV.

In addition to IFRS 9, the following standards and amendments became effective as of 1 January 2018:

- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014), including amendments to IFRS 15 Effective date of IFRS 15 (issued on 11 September 2015) - effective for financial years beginning on or after 1 January 2018
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued on 12 September 2016) - effective for financial years beginning on or after 1 January 2018;
- Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016) - effective for financial years beginning on or after 1 January 2018;
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (issued on 20 June 2016) - effective for financial years beginning on or after 1 January 2018,
- Amendments to IAS 28 Investments in Associates and Joint Ventures which are part of Annual Improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016) - effective for financial years beginning on or after 1 January 2018,
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards which are part of Annual Improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016) – effective for financial years beginning on or after 1 January 2018,
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016) – effective for financial years beginning on or after 1 January 2018;
- Amendments to IAS 40: Transfers of Investment Property (issued on 8 December 2016) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2018.

The above other amendments and improvements to IFRSs do not impact the annual financial statements of EAT NV.

(b) New standards, amendments and interpretations not mandatory for annual reporting periods ending 31 December 2018 and not early adopted

A number of new standards, amendments to standards and interpretations, insofar endorsed by the European Union, are not yet effective for the year ended 31 December 2018, and have not been applied in preparing these consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) - the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). EAT NV expects the impact of adopting this interpretation to be minimal;
- IFRS 16 Leases (issued on 13 January 2016) - effective for financial years beginning on or after 1 January 2019. EAT NV is neither a lessor nor a lessee. Therefore, this standard is not applicable to EAT NV;
- IFRS 17 Insurance Contracts (issued on 18 May 2017) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2021. EAT NV is not an insurance company. Therefore, this standard is not applicable to EAT NV;
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2019. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. EAT NV expects the impact of adopting this interpretation to be minimal;
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019. The narrow-scope amendments made to AASB 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative

2. Summary of significant accounting policies (continued)

compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. EAT NV expects the impact of adopting the amendments to be minimal;

- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019. The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128 Investments in Associates and Joint Ventures. EAT NV expects the impact of adopting the amendments to be minimal;
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017) - not yet endorsed by EU at the date of approval of these financial statements; effective for financial years beginning on or after 1 January 2019. The following improvements were finalised in December 2017:
  - IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
  - IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
  - IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
  - IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  EAT NV expects the impact of adopting the above improvements to be minimal
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019. The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. EAT NV does not employ any personnel. Therefore, this standard is not applicable to EAT NV.

The effective dates are dates provided by the International Accounting Standards Board. Effective dates in the European Union may differ from the effective dates provided in standards and are published when the standards are endorsed by the European Union.

EAT NV has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. EAT NV intends to adopt these standards, if applicable, when they become effective.

(c) Operating segments

The Management Board Director has considered the requirements of IFRS 8 'Operating Segments'. The Management Board Director is of the view that EAT NV is engaged in a single segment of business, of investing in European quoted smaller companies excluding the United Kingdom, and that therefore EAT NV has only a single operating segment. The Management Board Director has been identified as constituting the chief operating decision maker of EAT NV. The key measure of performance used by the Management and Supervisory Boards to assess EAT NV's performance is the total return on EAT NV's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Management and Supervisory Boards and that contained in the financial statements.

2.2 Foreign currency translation

Functional and presentation currency

The primary activity of EAT NV is to invest in quoted small and medium-sized companies in Europe, excluding the United Kingdom. The performance of EAT NV is measured and reported to the investors in euro. The Management Board Director considers the euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in euro, which is EAT NV's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and monetary liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.2 Foreign currency translation (continued)

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains or losses on cash and cash equivalents'. Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within 'other net changes in fair value on financial assets at fair value through profit or loss'.

Rates of exchange (with regard to euro) as at

	31 December 2018	31 December 2017
Danish Krone	**0.13400**	0.13431
Norwegian Krone	**0.10102**	0.10181
Pound Sterling	**1.11414**	1.12657
Swedish Krona	**0.09867**	0.10171
Swiss Franc	**0.88739**	0.85459

2.3 Financial assets at fair value through profit or loss

EAT NV classifies its investments based on both EAT NV's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. EAT NV is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. EAT NV has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within a timeframe established by the market concerned, and are initially measured at fair value being consideration paid. Investments are classified as fair value through profit or loss. As EAT NV's business is investing in financial assets with a view to profiting from their total return in the form of dividends or increases in fair value, listed equities are designated as fair value through profit or loss on initial recognition. The performance of EAT NV's investments is evaluated on a fair value basis in accordance with EAT NV's documented investment strategy. EAT NV's policy requires the Investment Manager and the Management and Supervisory Boards to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

EAT NV holds equity securities which had previously been designated at fair value through profit or loss. On adoption of IFRS 9 these securities are mandatorily classified as fair value through profit or loss.

Regular purchases and sales of investments are recognised on the trade date – the date on which EAT NV commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or EAT NV has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 18, described as follows, based on the lowest significant applicable input:

- **Level 1** reflects financial instruments quoted in an active market.
- **Level 2** reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only observable market data.
- **Level 3** reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

During the year ended 31 December 2018 and the year ended 31 December 2017, EAT NV did not hold any investments categorised as level 2 or level 3.

2.3 Financial assets at fair value through profit or loss (continued)

For investments that are recognised in the financial statements on a recurring basis, EAT NV determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest significant applicable input) at the date of the event that caused the transfer.

2.4 Investment in subsidiary

With reference to the consolidation exception for investment entities as stated in IFRS 10 'Consolidated Financial Statements', EAT NV does not consolidate its subsidiaries but rather measures the investment in its subsidiary at fair value through profit or loss in accordance with IFRS 9.

2.5 Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when EAT NV's right to receive payments is established. If EAT NV elects to receive a stock dividend in lieu of a cash dividend, an amount equal to dividends not received is included in income. When EAT NV receives a stock dividend when there is no cash alternative, an amount equal to the nominal value of the shares issued is included in dividend income to the extent that such stock dividend is regarded as revenue for Dutch tax purposes.

2.6 Presentation of Statement of Comprehensive Income

In order to better reflect 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.

2.7 Expenses and finance costs

All expenses including interest expenses are accounted for on an accruals basis and are charged against revenue. In accounting for interest expenses, the availability commission for the undrawn part of the banking facility is taken into consideration. On the basis of the Management Director's expected long-term split of total returns in the form of capital and revenue returns of 80% and 20%, respectively, EAT NV charges 80% of its finance costs and investment management fee to capital. Expenses which are incidental to the purchase or sale of an investment are charged to the capital return column of the Statement of Comprehensive Income. All other operating expenses are charged to the revenue column of the Statement of Comprehensive income.

2.8 Transaction costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense and are included in other net changes in fair value on financial assets at fair value through profit or loss.

2.9 Cash and cash equivalents

Cash comprises bank balances and cash held by EAT NV. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Interest bearing borrowings

Interest bearing borrowings and bank overdrafts through a banking facility are initially recognised at cost, being fair value of the consideration received. After initial recognition, all interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Finance costs, including availability commissions, are accounted for on an accruals basis in the Statement of Comprehensive Income and are included in accrued expenses in the Balance Sheet to the extent that they are not settled in the period in which they arise.

2.11 Taxation

As EAT NV has qualified as an investment institution ('Fiscale beleggingsinstelling') under Dutch tax law, it has been subject to corporation tax at a zero rate; so long as it qualifies that way and distributes in cash its annual distributable income as defined for tax purposes, no liability to Dutch tax arises on income or capital gains. For the calculation of the distributable income, all movements on investments and transaction costs arising on purchases and sales of investments are credited or charged to EAT NV's reserves. The investment management fee is charged to the Statement of Comprehensive Income and to EAT NV's reserves based on the proportion between the fiscally defined capital reserve and net assets at the beginning of the year. All other expenses are fully charged to the Statement of Comprehensive Income.

Financial Statements

2.12 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.13 Reserves

(i) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are charged against revenue and accounted for on an accruals basis in the Statement of Comprehensive Income.

EAT NV has the ability to purchase its own shares. Any such shares purchased are not cancelled and are available for sale by EAT NV (treasury shares). Own shares held by EAT NV are deducted in arriving at the share capital and share premium in the Balance Sheet and the difference between their cost and paid-up amount is deducted from other reserves. On a sale of such shares, the difference between the proceeds of sale and nominal value is credited to the share premium account.

(ii) Share premium account

This reserve originates from the issue of shares and from the sale and purchase of shares held in treasury.

(iii) Other reserves

Total Net Comprehensive Income is added to this reserve. Dividends paid during the year may be deducted from this reserve.

2.14 Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet of EAT NV when EAT NV becomes a party to the contractual provisions of the instrument. EAT NV shall offset financial assets and financial liabilities if it has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis. Financial liabilities are derecognised if EAT NV's obligations specified in the agreement expire, or are discharged or cancelled.

2.15 Use of judgements, estimates and assumptions

The presentation of the financial statements in accordance with accounting standards requires the Management Board Director to make judgements, estimates and assumptions that affect the accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The only estimates and assumptions that may cause material adjustments to the carrying value of assets and liabilities relate to the valuation of unquoted investments. At the year ended 31 December 2018 and at the year ended 31 December 2017, EAT NV did not hold any unquoted investments.

2.16 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market bid prices at the close of trading on the reporting date.

3. Dividend income

	2018 Euro '000	2017 Euro '000
Dividend income from listed investments in:		
– Austria	670	–
– Denmark	612	507
– Finland	17	–
– France	396	355
– Germany	2,796	2,455
– Ireland	679	1,467
– Italy	1,407	1,685
– Netherlands	3,363	406
– Norway	1,725	1,024
– Portugal	–	965
– Spain	818	1,748
– Sweden	2,038	963
– Switzerland	731	434
Less: irrecoverable source taxes	(319)	–
Total dividend income	**14,933**	12,009

4. Investment management fee

	Year ended 31/12/18			Year ended 31/12/2017		
	Revenue Euro '000	Capital Euro '000	Total Euro '000	Revenue Euro '000	Capital Euro '000	Total Euro '000
Remuneration of the Investment Manager	808	3,234	4,042	752	3,009	3,761

EAT NV's investment manager, F&C Investment Business Limited changed its name to BMO Investment Business Limited effective 31 October 2018. BMO Investment Business Limited (BMO) provides investment management and other services to EAT NV. BMO have provided these services during 2018 and 2017 in their capacity of AIF Manager for EAT NV. These services can be terminated by EAT NV at any time by giving six months' notice of termination. BMO 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, quarterly fee payable to BMO are equal to 0.2 per cent of EAT NV 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.

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

5. Depositary and custodian fees

	2018 Euro '000	2017 Euro '000
Custody fees	184	196
Depositary fee	79	69
Total custody and depositary fees	**263**	265

KAS Trust & Depositary Services BV, a subsidiary of KAS BANK NV, has been appointed as depositary and custodian for EAT NV.

During the years ended 31 December 2018 and 31 December 2017, the fee for depositary services, payable on a monthly basis, is equal to 0.013 per cent of the value of funds under management less the amount used under the banking facility at the end of the preceding month, divided by twelve, plus VAT.

5. Depositary and custodian fees (continued)

During the years ended 31 December 2018 and 31 December 2017, the fee for custody services, payable on a monthly basis, was equal to the sum of 0.0325 per cent of the value under custody up to EUR 100 million plus 0.03 per cent of the value under custody from EUR 100 million up to EUR 150 million plus 0.0275 per cent of the value under custody above EUR 150 million, divided by twelve, plus VAT. The value under custody is determined at the end of the preceding month. VAT base is 58% of the total amount of the fees for depositary and custody services (2017: 40%).

6. Other operating expenses

	2018 Euro '000	2017 Euro '000
Travel expenses	40	39
Indemnity insurance costs	11	12
Independent auditor's remuneration	45	38
Administration fee	197	172
Broker fees	34	34
Advisory costs	73	52
Marketing, advertising and printing costs	151	187
Bank administration charges	43	28
Other expenses	223	166
Total other operating expenses	**817**	728

The following audit fees are reported in the Statement of Comprehensive Income:

	2018 Euro '000	2017 Euro '000
Audit of the financial statements	45	38
Other audit services	146	–
Total fees to PwC	**191**	38

The above stated fees are including VAT. During the year ended 31 December 2018, the independent auditor provided other audit services to EAT NV in connection with the migration of EAT NV's investment business from the Netherlands to the United Kingdom (see Note 1). The fee for those other audit services (EUR 146,000 including VAT) is included in restructuring costs (see Note 7).

7. Restructuring costs

Restructuring costs during the year ended 31 December 2018 amounting to EUR 1,700,000 comprise advisory, audit and other costs in connection with the migration of EAT NV's investment enterprise from the Netherlands to the United Kingdom. The migration will be effective from 16 March 2019 through a cross-border merger under the European merger regulations of EAT NV with EAT PLC, the wholly owned subsidiary of EAT NV registered in London, United Kingdom. As part of planning for the migration, EAT NV prepared and issued the required merger documentation (laid down in the Common Draft Terms of Merger) and a prospectus published by EAT PLC in relation to the proposed listing of the EAT PLC shares on the London Stock Exchange. Also, an extraordinary general meeting of shareholders was convened in 2018 and held on 9 January 2019, during which general meeting the migration was approved.

The restructuring costs also include a remuneration amounting to EUR 164,000 (EUR 135,000 excluding VAT) paid to EAT NV's Management Board director, FCA Management BV, for services rendered in connection with the migration (see Note 20). The remuneration paid to the independent auditor of EAT NV in connection with the audit work on EAT NV's special purpose financial statements for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 as included in the prospectus published by EAT PLC as well as other audit work in relation to the migration amounted to EUR 146,000, including VAT (see Note 6), and is also included in restructuring costs. No further material restructuring costs, if any, are expected to be incurred during 2019.

8. Interest expense

	Year ended 31/12/2018			Year ended 31/12/2017		
	Revenue Euro '000	Capital Euro '000	Total Euro '000	Revenue Euro '000	Capital Euro '000	Total Euro '000
Interest and charges on bank facility	31	123	154	21	86	107

9. Financial assets at fair value through profit or loss

	As at 31 December 2018 Euro '000	As at 31 December 2017 Euro '000
Listed equities designated at fair value through profit or loss on initial recognition, incorporated in:		
– Austria	10,898	10,489
– Denmark	15,275	30,001
– Finland	–	15,618
– France	13,737	20,382
– Germany	80,948	107,200
– Ireland	28,478	58,122
– Italy	38,974	32,731
– Netherlands	43,122	27,724
– Norway	40,529	43,987
– Spain	35,299	67,942
– Sweden	51,884	52,233
– Switzerland	55,570	43,450
Total financial assets at fair value though profit or loss	414,714	509,879

	Year ended 31 December 2018 Euro '000	Year ended 31 December 2017 Euro '000
Other net changes in fair value on financial assets at fair value through profit or loss:		
– Realised	35,659	31,453
– Change in unrealised	(124,451)	38,613
Total (losses)/gains	(88,792)	70,066

Transaction costs

During the year 2018 EAT NV incurred transaction costs of EUR 214,000 (2017: EUR 314,000) on the purchase and sale of investments. Of the amount incurred during 2017, EUR 97,000 of research commission was paid. With effect from 1 January 2018, as a result of the introduction of MiFID II, research commission costs are no longer incurred by EAT NV.

10. Investment in subsidiary

The investment in subsidiary comprises EAT NV's 100% interest in European Assets Trust Plc, registered in London, United Kingdom, which was established on 12 November 2018 (see Note 1). The investment in subsidiary is accounted for at fair value through profit or loss. As at 31 December 2018, the only asset of European Assets Trust PLC was an amount of EUR 57,000 held in cash (in GBP) at a bank.

11. Other receivables and prepayments

Other receivables and prepayments as at 31 December 2018 comprise source taxes receivable from Dutch and other tax authorities due within one year totalling EUR 1,111,000 (as at 31 December 2017: source taxes receivable from Dutch and other tax authorities totalling EUR 1,251,000). Other receivables and prepayments are carried at values that reflect a reasonable approximation of fair value.

12. Cash and cash equivalents

Cash and cash equivalents comprise cash (in Euro) held at bank only.

13. Banking facility

EAT NV has a banking facility with KASBANK N.V. The total amount of the banking facility available to EAT NV may vary from time to time depending on the value of EAT NV's investments, and currently will not exceed EUR 45 million (31 December 2017: EUR 45 million). The banking facility arrangement is part of an overall custody agreement between EAT NV and KASBANK N.V. The agreement is entered into for an indefinite period of time and can be terminated by either party with due observance of a notice period of 60 days. For amounts drawn under the facility, an interest rate equal to the one month Euribor +1.53% per annum applies; for the undrawn part of the facility an availability commission of 0.18% per annum is paid. As at 31 December 2018, EUR 3,647,000 of this facility was drawn down (31 December 2017: EUR 2,748,000 drawn down).

As part of the custody agreement, EAT NV has granted to KASBANK N.V. a first right of pledge over its investments as a continuing security for due payments of all liabilities to KASBANK N.V. including the amounts drawn under the banking facility.

14. Share capital

EAT NV is an investment company with a variable capital.

As at 31 December 2018, the number of authorised ordinary shares of EUR 0.10 each amounts to 600,000,000 (31 December 2017: 50,000,000 authorised ordinary shares of EUR 0.46 each). At the General Meeting of EAT NV held on 18 April 2018, the shareholders approved amendments to EAT NV's articles to facilitate a ten for stock split effective 3 May 2018. The amendments comprised an increase of EAT NV's authorised capital to EUR 60,000,000 composed of 600,000,000 shares and a change in the nominal capital per share to EUR 0.10. Each shareholder in EAT NV with record date 2 May 2018 received ten shares with a nominal value of EUR 0.10 each for every one share held.

Number of shares issued and outstanding:

	Year ended 31 December	
	2018 shares*	2017 shares*
Balance as at 1 January	347,442,440	331,888,990
Stock dividend	262,883	253,450
Shares newly issued	12,050,000	15,300,000
Balance as at 31 December	359,755,323	347,442,440

For comparison purposes, the number of shares before the split 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.

As a result of the change ten for one stock split and the amendment of the per share nominal value from EUR 0.46 to EUR 0.10, based on the number of shares issued and outstanding as at 3 May 2018 (358,260,590 split shares), the amount of share capital increased by EUR 19,346,000 which amount was charged against EAT NV's share premium account.

As at 31 December 2018 no shares are held by EAT NV in treasury (as at 31 December 2017: no shares held in treasury). All shares issued as at 31 December 2018 are fully paid up (as at 31 December 2017: same).

Issue of new shares

The total net proceeds from the sale of shares in 2018, net of brokerage commissions, amounted to EUR 17,402,000 equal to EUR 1.44 per share (during 2017: EUR 22,084,000 equal to EUR 1.44 per share). There were no unsettled or unpaid transactions as at 31 December 2018 (as at 31 December 2017: same). The total amount in respect of brokerage commissions paid to EAT NV's independent broker in 2018 was EUR 26,000 (2017: EUR 110,000), which amount has been charged to the share premium account.

The issue and sale of new ordinary shares was in accordance with EAT NV's liquidity enhancement policy.

15. 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 year and on the weighted average number of shares in issue during the year. EAT NV has no securities in issue that could dilute the return per share. The return per share amount can be further analysed between revenue and capital, as below.e allocation.

	2018 Euro '000	2017 Euro '000
Net revenue result	12,691	9,931
Net capital result	(93,849)	66,971
Net (loss)/profit	(81,158)	76,902
Weighted average number of shares in issue during the year	357,982,309	336,723,670
	2018 Euro	2017 Euro
Net revenue result*	0.035	0.029
Net capital result*	(0.262)	0.199
Total return per share*	(0.227)	0.228

** For comparison purposes, the number of shares before the split 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.*

16. Dividends distributed

The level of dividend paid by EAT NV each year is determined in accordance with EAT NV's distribution policy. EAT NV has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the net asset value of EAT NV at the end of the preceding year. The dividend is funded from a combination of current year net profits and other reserves.

EAT NV distributed the following interim dividends to shareholders	2018* Euro	2017* Euro
– Distributed at end of January	0.02200	0.02628
– Distributed at end of April	0.02380	-
– Distributed at end of May	-	0.02628
– Distributed at end of July	0.02368	-
– Distributed at end of August	-	0.02964
– Distributed at end of October	0.02350	–
Total dividends per share	0.09298	0.08220

** For comparison purposes, the number of shares before the split 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 2018 amounted to EUR 32,801,000 (2017: EUR 27,055,000) .

17. Net asset value per share

The net asset value (NAV) per share is based on the net assets attributable to the ordinary shares as at 31 December 2018 of EUR 411,594,000 (as at 31 December 2017: EUR 508,151,000) and on the 359,755,323 ordinary shares on issue as at 31 December 2018 (as at 31 December 2017: 347,442,440 ordinary shares). EAT NV has no securities in issue that could dilute the NAV per ordinary share (2017: none). The NAV per ordinary share at 31 December 2018 was EUR 1.14 (31 December 2017: EUR 1.46).

18. Financial instruments

(i) Financial instruments by category	Financial assets measured at amortised cost	Assets at fair value through profit or loss	Total
	Euro '000	Euro '000	Euro '000
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**
At 31 December 2017			
Financial assets at fair value through profit or loss	–	509,879	509,879
Other receivables and prepayments	1,251	-	1,251
Cash and cash equivalents	-	-	–
Total	**1,251**	**509,879**	**511,130**

	Liabilities at fair value through profit or loss	Financial liabilities measurerd at amortised cost	Total
	Euro '000	Euro '000	Euro '000
At 31 December 2018			
Banking facility	–	3,647	3,647
Accrued expenses	–	641	641
Total	**–**	**4,288**	**4,288**
At 31 December 2017			
Banking facility	–	2,748	2,748
Accrued expenses	–	231	231
Total	**–**	**2,979**	**2,979**

EAT NV did not hold any derivative instruments at 31 December 2018 (31 December 2017: none).

Financial Statements

18. Financial instruments (continued)

(ii) Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level hierarchy (see definitions in Note 2.3). 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 year ended 31 December 2018, EAT NV's investments were categorised as Level 1 financial instruments only (year ended 31 December 2017: same).

Listed fixed asset investments held (see Note 9) 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.

Amounts drawn under the banking facility are recognised in the Balance Sheet in accordance with IFRS. The fair value of the banking overdraft as at 31 December 2018 as quoted by the bank providing the banking facility to EAT NV was equal to its carrying value as stated on the Balance Sheet at amortised cost of EUR 3,647,000 (as at 31 December 2017: EUR 2,748,000 drawn).

The fair value of all other financial assets and liabilities is represented by their carrying value in the Balance Sheet shown on page 44.

19. Financial risks

(i) Financial risk factors

As an investment trust EAT NV invests in equities in order to secure 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 EAT NV is exposed to a variety of financial risks that could result in either a reduction in EAT NV's net assets or a reduction in EAT NV's profits. These financial risks are market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

EAT NV 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, KAS BANK NV. 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 EAT NV to transfer securities might be temporarily impaired.

EAT NV's overall risk management program seeks to maximise the returns derived for the level of risk to which EAT NV is exposed and seeks to minimise potential adverse effects on EAT NV's financial performance. The management of these risks is carried out by the investment manager under policies approved by the Supervisory Board.

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

(ii) Market risk

EAT NV 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.

EAT NV minimises the price risk by making a balanced selection of companies with regard to distribution across the European countries, sectors and individual stocks. EAT NV will also not invest more than 20 per cent of its total assets in any one company. All of EAT NV's equity investments are publicly traded. EAT NV's policy requires that the overall market position is monitored on a daily basis by EAT NV's investment manager and is reviewed on a quarterly basis by the Board of Supervisory Directors. Compliance with EAT NV's investment policies are reported to the Supervisory Board also on a quarterly basis.

19. Financial risks (continued)

At 31 December 2018, the fair value of equities (designated as fair value through profit or loss on initial recognition) was EUR 414,714,000 (31 December 2017: EUR 509,879,000).

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 2018 would have increased net assets and net income for the year by EUR 41.5 million (as at 31 December 2017: EUR 51.0 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.

EAT NV 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.

	2018 %	2017 %
Company's securities portfolio		
Industrials	26.7	30.7
Consumer goods	17.9	24.9
Consumer services	17.1	10.6
Financials	15.3	16.4
Healthcare	9.6	5.9
Basic materials	7.8	6.2
Technology	4.0	5.3
Oil & Gas	1.6	–
	100.0	**100.0**

As at 31 December 2018, EAT NV had no concentrations in individual equity positions exceeding 3.9% of total investments (as at 31 December 2017: 3.6%).

(b) Currency risk

EAT NV invests in securities denominated in European currencies other than the Euro which gives rise to currency risks. It is not EAT NV's policy to hedge this risk. The table below is a summary of EAT NV's currency exposure at the end of the financial years 2018 and 2017.

Foreign currency exposure (against the Euro)	**As at 31 December 2018 Euro'000**	As at 31 December 2017 Euro'000
Danish Krone	15,275	25,543
Norwegian Krone	40,529	43,987
Pound Sterling	14,764	9,953
Swedish Krona	51,884	56,692
Swiss Franc	40,806	36,434
Total	**163,258**	**172,609**

If the value of the Euro had weakened by 5% (2017: 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 EUR 8.2 million (2017: positive EUR 8.6 million). If the value of the Euro had strengthened by 5% (2017: 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 EUR 8.2 million (2017: negative EUR 8.6 million). These calculations are based on the foreign currency exposure balances as at the respective balance sheet dates.

19. Financial risks (continued)

(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 EAT NV retains cash balances, the cash is held in accounts at KASBANK N.V. In addition, EAT NV has a banking facility with KASBANK N.V. which facility 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 Supervisory Board. As at 31 December 2018, the cash position of EAT NV was nil (31 December 2017: nil), whereas the amount drawn under the banking facility was EUR 3,647,000 (31 December 2017: EUR 2,748,000).

If interest rates had increased by 1.0%, the impact on the profit or loss and the net asset value would have been negative EUR 365,000 (2017: negative EUR 275,000). If interest rates had decreased by 1.0%, the impact on the profit or loss and the net asset value would have been positive EUR 365,000 (2017: positive EUR 275,000). 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 EAT NV. EAT NV 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 2018 or 31 December 2017. No individual investment exceeded 3.9% of the investment portfolio at 31 December 2018 (31 December 2017: 3.6%). EAT NV's investment in securities, all of which are traded on a recognised exchange, are held in segregated accounts on behalf of EAT NV by KASBANK N.V., EAT NV's custodian. Bankruptcy or insolvency of the custodian may cause EAT NV's rights with respect to securities held by the custodian to be delayed. The Board monitors EAT NV's risk by reviewing the custodian's audited internal control reports.

(iv) Liquidity risk

Liquidity risk is the risk that EAT NV is not able to obtain the financial means required to meet its obligations. EAT NV minimises this risk by mainly 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. EAT NV 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 EAT NV is mitigated by the fact that EAT NV is a closed-end investment company.

EAT NV has the ability to borrow instantly under its banking facility to ensure settlement. The maximum amount available to EAT NV from this banking facility is EUR 45 million (31 December 2017: EUR 45 million). The banking facility arrangement is part of an overall custody agreement between EAT NV and KAS BANK N.V. For amounts drawn under the facility, an interest rate equal to the one month Euribor +1.53% per annum applies; for the undrawn part of the facility an availability commission of 0.18% per annum is paid.

The Investment Manager monitors EAT NV's liquidity position on a daily basis; the Supervisory and Management Board review it on a quarterly basis.

20. Related-party transactions

(a) Investment management

BMO Investment Business Limited (BMO) provides investment management and other services to EAT NV. The arrangement with BMO and the remuneration paid to BMO are disclosed in Note 4. The liability of BMO towards EAT NV is stipulated in the Investment Management Agreement and can be summarised as follows. The Investment Manager will act in good faith, with due skill, care and diligence in the best interests of EAT NV and in accordance with the standard of care that could be reasonably expected of a professional manager of an investment trust with a investment policy similar to EAT NV's in the performance of its services. The Investment Manager will be liable for losses only to the extent that such losses arise under the law of agreement and where such losses are directly caused by the negligence, fraud, wilful default, intent or material breach of the terms of the Investment Management Agreement committed by the Investment Manager or any associates or delegates of the Investment Manager and its or their employees, directors and officers. The Investment Manager shall not be liable for any direct or

20. Related-party transactions (continued)

consequential loss, claim, damage, expense or liability suffered by EAT NV or for any failure or delay in performing any of its obligations which has been caused by force majeure. The Investment Manager will not be liable for any direct or indirect, special or consequential loss, claim, damage, expense or liability suffered by EAT NV and caused by any investment decision made in accordance with the provisions of the Investment Management Agreement, or any depreciation in the value of EAT NV's portfolio or any income arising therefrom.

(b) Management Board Director

The Management Board Director, FCA Management BV, provides management and legal compliance services to EAT NV. These services can be terminated by either party by giving three months' notice of termination. Any termination will take effect as of the end of the calendar year in which the notice is given. FCA Management BV receives a fixed fee paid on a quarterly basis. The remuneration of the Managing Director, FCA Management BV, is fixed on annual basis and amounted to EUR 117,000 including VAT (2017: EUR 115,000). In addition, a one-off additional remuneration amounting to EUR 164,000, including VAT, was paid during the year ended 31 December 2018 to FCA Management BV for services rendered in connection with the migration (see Note 7).

(c) Supervisory Board Directors

The annual remuneration of the members of the Supervisory Board comprises fixed amounts as determined by the General Meeting of Shareholders. The policy on Supervisory Board Directors fees is that remuneration should reflect the experience of the Board as a whole, time committed and responsibilities of Directors and be fair and consistent to other comparable investment companies. An increase in fee levels requires approval of Shareholders at a general meeting.

The annual remuneration of the members of the Supervisory Board was as follows.

	2018 Euro	2017 Euro
Chairman	49,900	48,000
Vice Chairman and Chair of the Audit Committee	40,000	38,500
Senior Independent Supervisory Director	39,000	37,500
Other members	34,000	32,500

(d) Depositary and custodian

KAS Trust & Depositary Services BV, a subsidiary of KAS BANK NV, has been appointed as depositary and custodian for EAT NV. The fees paid to KAS Trust & Depositary Services BV are disclosed in Note 5. The depositary and custody services can be terminated by either party by giving six months' notice of termination. The liability of the custodian and depositary towards EAT NV is stipulated in the custodian and depositary agreement and can be summarised as follows. The custodian and depositary ("the depositary") shall be liable to EAT NV for any loss suffered as a result of the depositary's unjustifiable failure to perform its obligations or its improper performance of them. Any claims the shareholders of EAT NV and EAT NV may have towards the depositary can only be initiated by EAT NV and not by EAT NV's shareholders directly to the depositary. In no circumstances shall the depositary be liable to EAT NV for any loss resulting from force majeure.

(e) Administration

KAS BANK NV provides accounting and administration services to EAT NV and acts as EAT NV's paying agent in the Netherlands (EAT NV administration fees are disclosed in Note 6). In addition, EAT NV has a banking facility with KASBANK N.V. (see Note 13).

(f) Related party (investment) transactions

If funds have been placed at, or transactions have been carried out with the KAS BANK NV, FCA Management BV or BMO Investment Business Limited, these placements or transactions took place at arm's length. During the years 2018 and 2017 there were no fund or investment transactions between these related parties and EAT NV. During the years 2018 and 2017, EAT NV did not invest in any funds managed by the BMO Group.

21. Turnover ratio

UK Method

The turnover ratio (UK method) for the year ended 31 December 2018 was 31.8% (2017: 24.1%). This is expressed as ((purchases + sales) ÷2) as a percentage of the average net asset value of EAT NV.

Dutch method

This shows the turnover of the investments against the average net assets value of EAT NV. The turnover ratio ('Portefeuille Omloop factor') is determined by expressing the amount of turnover as a percentage of the average net asset value of EAT NV. In the calculation method used, the amount of turnover is determined by the sum of purchases and sales of investments less the sum of sale and repurchase of own shares. The turnover ratio (Dutch method) for 2018 is 60.1% (2017: 43.5%).

22. Ongoing charges figure

UK Method

The Ongoing Charges figure (UK method) for the year ended 31 December 2018 was 1.11% (2017: 1.06%) and is calculated in accordance with the methodology for the calculation of an Ongoing Charges figure as recommended by the Association of Investment Companies (AIC), which defines the Ongoing Charges figures as the ratio of total ongoing costs to the average net asset value. Restructuring costs, share issuance and prospectus costs, interest on borrowing and transaction costs are not considered as ongoing charges and are excluded from the calculation of the Ongoing Charges figure (UK method).

Dutch method

The Ongoing Charges figure (Dutch method) which, within the scope of the Dutch Act on Financial Supervision ('Wft'), should be reported by investment institutions in the Netherlands in order to provide clear and comparable information on the level of costs, amounts to 1.46% for the financial year (2017: 1.06%). In the Nadere regeling gedragstoezicht beleggingsinstellingen Wft (further regulation supervision investment institutions) for the definition of the Ongoing Charges figure (Dutch method) reference is made to the EU Directive 2009/65/EC. The Ongoing Charges figure (Dutch method) is defined as the ratio of total ongoing charges, i.e. total ongoing costs, to the average net asset value. Performance related fees, interest on borrowing and transaction costs are not considered as ongoing charges and should be excluded from the calculation of the Ongoing Charges figure (Dutch method), whereas restructuring costs and share issuance and prospectus costs are included.

23. Employees

EAT NV does not have any employees (2017: nil).

24. Subsequent events

(a) Cross-border merger

At the Extraordinary General Meeting of EAT NV held on 9 January 2019, EAT NV's shareholders approved to migrate EAT NV's investment enterprise from the Netherlands to the United Kingdom through a cross-border merger under the European merger regulations of EAT NV with EAT PLC, EAT NV's wholly owned subsidiary registered in London, United Kingdom. Following the merger which will become effective on 16 March 2019, EAT PLC will continue the investment activities of EAT NV while EAT NV itself is effectively dissolved. Upon the merger, the shareholders of EAT NV will obtain shares in EAT PLC on a one for one basis. After the Merger, EAT PLC will be an independent, publicly traded investment trust with a listing on the London Stock Exchange.

(b) Dividends

With regard to the distribution policy, EAT NV announced the following interim dividends:

- a dividend of EUR 0.019665 per share (announced on 10 January 2019 – paid on 31 January 2019). This dividend is subject to Dutch withholding tax of EUR 0.002565 per share;
- a dividend of EUR 0.017499 per share (announced on 20 February 2019 – payable on 15 March 2019). This dividend is subject to Dutch withholding tax of EUR 0.000399 per share;

During the year 2019, two further dividends are expected to be EUR 0.0171 per share each, payable on 31 July and 31 October, respectively.

25. Proposed income allocation

According to article 21 of the Articles of Association EAT NV's profit shall be at the disposal of the general meeting of shareholders. Distribution of profit can only be made in so far as the net asset value of EAT NV shall exceed the aggregate of the amounts paid upon the issued share capital and the reserves of EAT NV, which are to be maintained by statute. The Management Board may, on a proposal of the Supervisory Board, decide to grant an interim distribution of profit and/or grant a distribution out of reserves. In view of the interim dividends already distributed amounting to €0.09298 per share, the final dividend for 2018 is proposed to be nil. It is further proposed to allocate the remaining amount as undistributed income to other reserves.

Proposed income allocation

	2018 Euro'000	2017 Euro'000
Net (loss)/profit	(81,158)	76,902
Dividends	(33,175)	(27,415)
Dividends distributed in shares	374	360
(Loss)/undistributable profit	**(113,959)**	**49,847**

	2018 Euro	2017 Euro
Net (loss)/profit per share*	(0.227)	0.228
Dividends per share*	0.09298	0.08220

** For comparison purposes, the number of shares before the split 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.*

Earnings per share are based on the net profit for the year divided by 357,982,309 (2017: 336,723,670) shares, being the weighted average number of shares in circulation during the year.

Rotterdam, 6 March 2019

The Management Board Director
FCA Management BV

The Supervisory Board
The Supervisory Board
Jack Perry CBE, Chairman
Professor Robert van der Meer, Deputy Chairman
Julia Bond OBE, Senior Independent Director
Martin Breuer
Laurence Jacquot

Other Information

Major Shareholders

Dutch Act on the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions (Wet melding zeggenschap en kapitaalbelang in effectenuitgevende instellingen (Wmz 2006))

In the register of major holdings maintained by Autoriteit Financiele Markten no major holdings in the Company by third parties are disclosed. As at 31 December 2018 and as at the date of this Annual Report, the Company held none of its own shares in treasury [1].

[1] In the register of major holdings maintained by Autoriteit Financiele Markten no major holdings in the Company are disclosed, except for a holding of 2.98% in the name of European Assets Trust N.V. This, however, concerns the percentage registered as at 25 March 2015, following a sale of own shares where the threshold value of 3.0% was passed.

Interests of the Supervisory and Management Board Directors

The Supervisory Board Directors and the Management Board collectively had no interests in securities held in EAT NV's portfolio at 31 December 2018, with the exception of Ms Laurence Jacquot who held 300 shares in Lenzing AG and Mr Breuer who held 3,500 shares in Azimut S.p.A.

No Supervisory Director of EAT NV has any material interest in any contract to which EAT NV is a party. No Supervisory Director of EAT NV has a contract of service with EAT NV.

As at 31 December 2018, Mr Jack Perry, Mr Martin Breuer, Ms Laurence Jacquot and Ms Julia Bond had beneficial interests of 51,370 shares, 55,000 shares, 25,000 shares and 65,030 shares respectively in EAT NV. The other Supervisory Directors and the Management Board did not hold any shares in EAT NV as at 31 December 2018.

Alternative Investment Fund Managers Directive

In accordance with the Alternative Investment Fund Managers Directive ('the AIFMD'), information in relation to EAT NV's leverage and the remuneration of its AIF manager, BMO Investment Business Limited, is required to be made available to investors.

EAT NV qualifies as a Dutch fiscal investment institution ('fiscale beleggingsinstelling'). Investments can therefore be funded by borrowings up to a maximum of 20 per cent of its book value of the securities portfolio. A similar restriction is also included within EAT NV's Articles of Association which state that it can only exceed this level of borrowing with the prior approval of shareholders at a general meeting.

Therefore, the maximum gross leverage, calculated in accordance with the requirements of the AIFMD, is 125% under the Gross Method and 125% under the Commitment Method (equivalent to 20% of the book value of its securities portfolio).

EAT NV's maximum and actual leverage levels at 31 December 2018 are shown below:

Leverage exposure as at 31 December 2018	Gross Method	Commitment method
Maximum limit	125%	125%
Actual	101%	101%

For the purposes of the AIFMD, leverage is any method which increases EAT NV's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of EAT NV'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 EAT NV'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 EAT NV's websites or from BMO on request.

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

Independent Auditors' Report

To: the general meeting and Supervisory Board of European Assets Trust N.V.

Report on the financial statements 2018

Our opinion

n our opinion, European Assets Trust N.V.'s financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2018 of European Assets Trust N.V., Rotterdam ('the Company').

The financial statements comprise:

- the balance sheet as at 31 December 2018;
- the following statements for 2018: statement of comprehensive income, the statement of changes in capital and reserves attributable to equity holders, statement of cash flows; and
- the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' 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 are independent of European Assets Trust N.V. in accordance with the European Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Our audit approach

Overview and context

European Assets Trust N.V.'s main activity is a closed-end investment company with variable capital incorporated in the Netherlands and its shares are listed on the London Stock Exchange and Euronext Amsterdam Stock Market. The investment objective of the Company is to secure long-term growth of capital through investment in quoted small and medium-sized companies in Europe, excluding the United Kingdom. The Company has a two-tier structure comprising the supervisory board and the management board, whereby FCA Management B.V. is the management board. The management board has outsourced the investment management, depositary, custodian and administration function. We paid specific attention to the areas of focus driven by the operations of the Company, as set out below.

The most important event during the year was the migration process of the Company, this was not considered a key audit matter. European Assets Trust N.V. will migrate the legal seat and structure of the Company from the Netherlands to the United Kingdom. There will be no change to the investment policy or dividend policy as a result of this migration and the investment team will also remain the same. The Company has established a subsidiary European Assets Trust PLC to act as its successor vehicle. In the Extraordinary General Meeting of European Assets Trust N.V. on 9 January 2019 the resolution for the migration of the Company through a cross-border merger with European Assets Trust PLC was approved by the shareholders. Also refer to note "1. General information" in the financial statements.

In connection with the migration, the Company prepared special purpose financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS) for the financial year ended 31 December 2017 with comparative figures for the financial years ended 31 December 2016 and 31 December 2015. The financial statements were authorised for issue by the management board on 23 November 2018. For reasons of consistency and transparency the Company has decided to prepare its statutory financial statements for the financial year ended 31 December 2018 also in accordance with IFRS under the option of clause 362.8 of Part 9 of Book 2 of the Netherlands Civil Code. First time adoption of IFRS has taken place at the special purpose financial statements for the financial years ended 31 December 2017, 2016 and 2015.

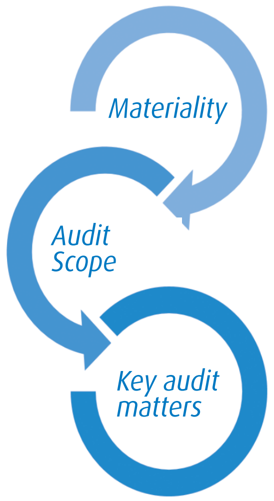
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In the accounting policies in the financial statements note "2.15 Use of judgements, estimates and assumptions", the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of investments, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report. Furthermore, we identified completeness and accuracy of direct and indirect income from investments as a key audit matter because this is a main driver for the performance and net asset value of the Company together with the aforementioned valuation of the investments.

As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management board that may represent a risk of material misstatement due to fraud.

We ensured that the audit team included the appropriate skills and competences, which are needed for the audit of an investment company.

We have included specialists in the area of financial instruments and tax in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: €4.000.000

Audit scope

- The Company is managed by FCA Management B.V., which is the management board. The Company's administration has been outsourced by the management board to KAS BANK N.V. and KAS Trust & Depositary Services B.V. is the depositary and custodian of the Company. BMO Investment Business Limited (BMO) provides investment management and other services to the Company.
- We place reliance on the KAS BANK N.V.'s service provider ISAE 3402 type II report on the operating effectiveness of internal controls on outsourced processes for those internal controls, including IT general controls, that are relevant to our audit of the financial statements.

Key audit matters

- Existence and valuation of investments
- Completeness and accuracy of direct and indirect income from investments

Materiality

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall materiality	€4.000.000 (2017: €5.082.000).
Basis for determining materiality	We used our professional judgment to determine overall materiality. As a basis for our judgement we used 1% of the net asset value.
Rationale for benchmark applied	We used the net asset value as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis, we believe that the net asset value is an important metric for the financial performance of the Company.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €200.000 (2017: €254.000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our audit

The Company is managed by FCA Management B.V. ('management board') as the management board director. BMO is engaged as investment manager. KAS Trust & Depositary Services B.V. is the depositary and custodian of the Company, which is a subsidiary of KAS BANK N.V. The Company's administration has been outsourced by the management board to KAS BANK N.V.

We tailored our audit approach to ensure that we obtained enough audit evidence to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the Company, the involvement of FCA Management B.V., BMO Investment Business Limited, KAS Trust & Depositary Services B.V. and KAS BANK N.V., the accounting processes and internal controls and the industry in which the Company operates.

The Company's administration is outsourced to KAS BANK N.V., which maintains its own accounting records and internal controls that the Company, in part, relies on. As part of our risk assessment we therefore assessed the operating, accounting and control structure and procedures relevant for our audit of the financial statements of Company in place at KAS BANK N.V., by obtaining and assessing the service provider's ISAE 3402 Type II report, to determine which internal controls are relevant and we can rely upon for the purpose of our audit and to define the nature, timing and extent of our substantive procedures. We applied professional judgement to determine whether we could rely on the relevant internal controls of KAS BANK N.V., by assessing the work performed by the external auditor of the service provider and the outcome of these procedures. Following this assessment, we determined that we can rely on the internal controls of KAS BANK N.V. relevant to the audit of European Assets Trust N.V.

We have performed all other procedures necessary for the audit. By performing these procedures we have been able to obtain sufficient and appropriate audit evidence, as a whole, to provide a basis for our opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Due to the nature of the Company's business we recognise that key audit matters which we reported in our independent auditor's report on the financial statements 2017 may be long-standing and therefore may not change significantly year over year. As compared to last year, there have been no changes in key audit matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comments or observations we made on the results of our procedures should be read in this context.

Key audit matter	Our audit work and observations
Existence and valuation of investments *See accounting policies – paragraph Investments and note 1 to the financial statements for the management board's disclosures of the related accounting policies, judgements and estimates for further information.* The investment portfolio at year-end comprised European listed equity investments valued at €414,714,000. We focused on the existence and valuation of investments because investments represent the principal element of the net asset value as disclosed on the balance sheet of the financial statements.	We tested the existence of the entire investment portfolio by agreeing the investments in the portfolio to the independent custodian confirmation we received from KAS BANK N.V. who acts as custodian on behalf of KAS Trust & Depository Services B.V. We tested the valuation of the entire portfolio of listed equity investments by agreeing the prices used in the valuation as at 31 December 2018 to market quotes from independent third party sources (i.e. Bloomberg) through a pricing tool. In the course of performing the procedures as described above, we found no material differences.
Completeness and accuracy of direct and indirect income from investments *See accounting policies – paragraph Investments and paragraph Income and note 1 and note 7 to the financial statements for the management board's disclosures of the related accounting policies, judgements and estimates for further information.* We focused on the completeness and accuracy of the direct and indirect income from investments because direct and indirect income are the main drivers for the performance and the net asset value of the Company. The total revenue of the Company consists of €14,933,000 direct and of €88,792,000 (negative) indirect income from investments. The direct income consists of dividend income and the indirect income consists of realised and unrealized income from changes in the valuation of the investments held at fair value.	We evaluated management's process and controls over the income process and based on our understanding noted that management is primary relying on the processes at the KAS BANK N.V. Therefore, we obtained the ISAE 3402 Type II report for the period from 1 January 2018 to 31 December 2018, which, amongst others, comprised of an assurance report provided by the independent auditor of KAS BANK N.V. We have assessed this report and determined that the internal controls relevant to our audit and related to the completeness and accuracy of revenue recognition are suitably designed and operated effectively during the period of the audit. We obtained from independent third party sources the corporate action data for the securities European Assets Trust N.V. invested in during or at the end of 2018. By selecting a number of dividend announcements from this corporate action data and by reconciling the selected dividend announcements with the recognized direct income from investments we sampled the direct income for completeness. These procedures are also performed to test the accuracy of the direct income, but for this purpose the sample is selected from the recognized direct income from investments. The indirect income on investments held at fair value comprise realised and unrealised gains/losses: • for unrealised gains/losses, we tested the valuation as at 31 December 2018 by agreeing the prices used in the valuation as at 31 December 2018 to independent third party sources, and determined that the related gains/losses were appropriately calculated; and • for realised gains/losses, we tested disposal proceeds by agreeing the proceeds to bank statements and sale agreements and we re-performed the calculation of a sample of realised gains/losses. In the course of performing the procedures as described above, we found no material differences.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the overview;
- the Chairman's statement;
- the strategic report;
- the governance report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of European Assets Trust N.V. on 24 April 2014 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 24 April 2014. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of 5 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in note 6 to the financial statements.

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 6 March 2019

PricewaterhouseCoopers Accountants N.V.

Original has been signed by

A. van der Spek RA

Appendix to our auditor's report on the financial statements 2018 of European Assets Trust N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. 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. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Shareholder Information

Company Taxation

EAT NV is a tax resident of the Netherlands and qualifies as a fiscal investment institution ('fiscale beleggingsinstelling').

Companies with fiscal investment institution status in the Netherlands are subject to tax on both income and capital gains in the Netherlands at a zero rate. The conditions which have to be satisfied in order for a company to have fiscal investment institution status under Dutch tax law are summarised below:

(a) The company must be exclusively or almost exclusively engaged in investment in securities or in real estate or in loans secured by mortgage on real estate.

(b) Investment may be funded by borrowing only as follows:

   (i) loans of up to 20 per cent of the book value of the securities portfolio of the company and its subsidiaries; and

   (ii) loans of up to 60 per cent of the book value of the real property of the company and its subsidiaries, where the moneys borrowed are secured by mortgage on that property.

   For purposes of this test, real property is not limited to immovable property, but includes also real estate companies (i.e. companies whose assets, on a consolidated basis, consist for at least 90% of immovable property).

(c) Distributable profit must be distributed within eight months following the end of the related financial year. Distributable profit includes all fiscal profits but does not include:

   (i) net realised or unrealised capital gains provided that these are added to a fiscal reinvestment reserve; and

   (ii) amounts set aside to an accumulation reserve which amounts may be set aside at the Company's option, subject to the reserve not exceeding a balance equal to 1 per cent of the Company's paid in capital (the aggregate of the share capital and the share premium account).

(d) One quarter or more than one quarter of the interest in the entity is not held by one individual.

(e) Both the total number of shares or participation certificates or of the shares or participation certificates that share in the reserves of the entity on its dissolution 45 percent or more are not held by one entity – not being a fiscal investment institution or an undertaking for collective investments as meant in article 4, paragraph 4 of the Dutch General Tax Act – that is subject to any form of income tax or whose profits are subject to such tax at the level of the beneficiaries of the assets or profits of the entity, or else of two or more such entities that are affiliated with each other, also taking into account the shares or participation certificates on which basis the aforementioned entities, whether or not pursuant to an agreement with others, can exercise their right to vote in the general shareholders' meeting.

Professional advice should be sought in respect of any question relating to taxation.

A summary of taxation is set out below. It represents a general description only and should not be construed or read as advice on shareholders' own tax positions, as individual circumstances may affect the general tax consequences as described in the summary. Shareholders should consult their own tax advisers with regard to their individual tax position.

Withholding Tax

The Dutch dividend withholding tax is 15 per cent. Therefore, where withholding tax is applicable to dividends paid by EAT NV, these dividends are subject to a Dutch dividend withholding tax rate of 15 per cent. The Dutch dividend withholding tax rate can be reduced under a tax treaty.

The double taxation agreement between the Netherlands and the United Kingdom currently allows a general dividend withholding tax of 15 per cent. This withholding tax is available as a credit against any United Kingdom tax payable by a United Kingdom resident shareholder in respect of dividends. The withholding tax is also available as a credit against Dutch income or corporate income tax payable by a Dutch resident shareholder or will be refunded if there is no tax due, as in the case of a Dutch resident tax exempt entity. Subject to certain ordering rules, which deem income to be distributed first, a distribution from the reinvestment reserve with effect from 1 January 2001 is exempt from withholding tax.

Other Information

Dividend Taxation

Netherlands Taxation

The information below, is of a general nature only and relates to Dutch law. If you are in any doubt as to your tax position you should contact your own professional adviser.

Dividend withholding tax

The existing fiscal reinvestment reserve (roughly equalling the balance of realised and unrealised capital gains) is treated as paid in capital for dividend withholding tax purposes. This also applies to additions to this reserve in later years. Distributions which are made out of paid in capital in principle can be made free of withholding tax. In determining whether these payments can be made free of withholding tax out of paid in capital, certain mandatory ordering rules apply. In general these ordering rules deem a dividend to come out of earnings (income on an accruals basis) before coming out of paid in capital. For payments coming out, or deemed to come out, of earnings withholding tax at a rate of 15 per cent is due. This withholding tax is available as a credit against any United Kingdom tax payable by a United Kingdom resident shareholder in respect of dividends.

Of the dividends paid in 2018, an amount of €11,775,606 has been paid in order to meet the distribution obligations under Dutch tax law, subject to dividend withholding tax. The remainder of €21,025,595 is charged against the fiscal reinvestment reserve, without dividend withholding tax.

Scrip dividends that are booked against paid in capital for dividend withholding tax purposes are not subject to dividend withholding tax.

Dutch resident shareholders who are taxed in the Netherlands on their worldwide income generally are able to credit the withholding tax against their overall Dutch income tax liability.

Tax on income and capital gains

An individual shareholder who is considered a UK resident under the terms of the Netherlands/UK double taxation treaty, will not be subject to any Dutch taxes on income or capital gains in respect of dividends distributed by the Company or in respect of capital gains realised on the disposition of shares in the Company (other than the dividend withholding tax described above), provided that:

- such UK resident shareholder is not an individual who has been resident or is deemed to have been resident in the Netherlands during a period of five years preceding an alienation of the shares in the Company;
- such UK resident shareholder does not have a business or an interest in a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which business or part of a business, as the case may be, the shares in the Company are attributable; and
- the shares in the Company owned by such UK resident shareholder, whom is an individual, do not form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company.
- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

An individual shareholder who is resident in the Netherlands for tax purposes and whose shares do not:

- form part of a substantial interest or a deemed substantial interest, as defined, in the share capital of the Company;
  or
- form part of a business, or deemed to be income from labour,

will be taxed at a rate of 30 per cent tax rate on a notional return, of which notional return is dependent on the total net value of the taxpayers assets and varied from 2.017% to 5.389% in 2017. The notional return is taxed regardless of the actual income or gains on the shares.

A corporate shareholder who is not a resident of the Netherlands and who is not considered a resident of the UK under the terms of the Netherlands/UK double taxation treaty, will not be subject to any Dutch taxes on income or capital gains in respect of distributions made by the Company or in respect of capital gains realised on the disposition of shares in the Company (other than the dividend withholding tax described above), provided that:

- such shareholder does not have a business or an interest in a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which business or part of a business, as the case may be, the shares in the Company are attributable; and
- the shares in the Company owned by such UK resident shareholder, whom is a legal entity do not form part of a substantial interest or deemed substantial interest, as defined, in the share capital of the Company or if such shares do form part of such a substantial interest, the shares are not held with the main or one of the main purposes to avoid income tax or dividend withholding tax to be borne by someone else and additionally the shares cannot be attributed to the assets of an enterprise.

Generally, a shareholder will not have a substantial interest in the Company if he, his spouse, certain other relatives (including foster children) or certain persons sharing his household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5 per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company, or rights to acquire shares, whether or not already issued, that represent at any time (and from time to time) 5 per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Company or the ownership of certain profit participating certificates that relate to 5 per cent or more of the annual profit of the Company and/or to 5 per cent or more of the liquidation proceeds of the Company. A deemed substantial interest generally exists if (part of) a substantial interest has been disposed of or is deemed to have been disposed of without recognition of gain.

UK Resident Shareholders

The information below, which is of a general nature only and does not constitute tax advice, and which relates only to Netherlands and UK taxation, is applicable to persons who are resident or ordinarily resident in the UK and who hold Ordinary shares as an investment. The provisions set out below may not apply to certain classes of shareholders, such as dealers in securities, or to shareholders who are not absolute beneficial owners of their shares. Any shareholder or prospective investor in shares who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the UK is strongly recommended to consult their professional adviser as soon as possible. Special provisions apply to certain kinds of shareholder who are also strongly recommended to seek their own professional advice. If you are in any doubt as to your tax position you should consult your own professional adviser.

Individual Shareholders

UK resident individual shareholders will be liable to UK income tax on dividends received from the Company. From 6 April 2016 the 10% tax credit was abolished and an annual tax free dividend allowance of £5,000 introduced. The Finance (No. 2) Act 2017 reduced this annual tax free allowance to £2,000 for the fiscal year 2018/19 and subsequent tax years. Dividends above this level will be taxed at 7.5% (basic rate taxpayers), 32.5% (higher rate taxpayers) and 38.1% (additional rate taxpayers). Dividend income will be treated as the top band of income. Dividends received in ISAs and pension funds will continue to be tax free.

UK resident individual shareholders who receive a scrip dividend will not, to the extent that it is paid up out of the tax exempt share premium reserve, be liable to UK income tax on such a dividend. Instead, for the purposes of UK capital gains tax, such a scrip dividend will be treated as a bonus issue of shares derived from the shareholders' existing shareholding.

Subject to certain ordering rules, which deem income to be distributed first, a distribution from the reinvestment reserve with effect from 1 January 2001 is exempt from Netherlands dividend withholding tax.

On 17 September 2015, the European Court of Justice ruled in the joined cases Miljoen, X, and Société Générale (C-10/14, C-14/14 and C-17/14) that the Dutch withholding tax incurred by non-Dutch resident individual shareholders on Dutch portfolio shares could lead to a discrimination of EU law. Both Dutch and non-Dutch resident shareholders are subject to Dutch withholding tax, meaning that the withholding in itself is in accordance with EU law. However, where Dutch resident shareholders can benefit from a credit or refund in their Dutch personal income tax return, the withholding tax is a final Dutch levy for non-resident shareholders. The European Court of Justice ruled that non-resident individual shareholders may however in principle not be subject to a higher effective Dutch tax burden for their Dutch dividends than the tax burden incurred by Dutch resident individuals for that same dividend. If Dutch withholding tax incurred in a calendar year by a non-Dutch resident individual shareholder on its Dutch portfolio shareholdings results in a higher effective burden than that of a Dutch resident individual shareholder in the same situation, and the withholding tax incurred cannot be fully credited in the country of residence based on an applicable Double Tax Treaty, a refund claim of that withholding tax could be filed by the shareholder with the Dutch tax authorities based on a breach of EU law. In case you cannot fully credit the withholding tax incurred on your shareholding in the Company, you should consult with your own professional advisor on the steps that can be taken. For corporate shareholders, opportunities based on this ruling are limited. For a full analysis of your withholding tax position and EU law possibilities you should consult with your own professional advisor.

Corporate Shareholders

With effect from 1 July 2009 UK companies are generally exempt from corporation tax on dividends received from the Company.

Taxation on Migration

Details of the UK and Dutch tax consequences of the the Migration are provided within Part 5 of the Prospectus of EAT PLC published on 27 November 2018. The prospectus is available on the Migration webpage of www.europeanassets.eu and 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 from **www.fca.org.uk** to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('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 NV‡ is through one of the savings plans run by BMO Investments.

BMO Investment Trust ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the 2018/19 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 £4,260 for the tax year 2018/19 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 £4,260 for the 2018/19 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: **Alliance Trust Savings, Barclays Stockbrokers, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, Selftrade, The Share Centre**

A part of BMO Financial Group

BMO Asset Management Limited

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	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
2009	58.2	0.655	64.210	0.723	0.03551	42.5	55.2	31.0	42.5
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	(7.6)	(21.8)	(9.9)	(23.8)
2012	69.2	0.854	74.339	0.917	0.04698	32.0	20.4	28.2	17.0
2013	96.4	1.159	96.861	1.164	0.05757	34.4	34.0	37.8	37.5
2014	98.7	1.272	98.05	1.263	0.07221	15.3	5.2	7.7	(1.9)
2015	112.7	1.529	112.01	1.520	0.07743	26.9	23.4	20.5	17.2
2016	102.2	1.197	112.189	1.314	0.09429	(7.3)	6.4	7.4	23.3
2017	130.8	1.474	129.851	1.463	0.08220	18.0	18.6	22.6	23.3
2018	93.0	1.036	102.73	1.145	0.0684	(16.3)	(13.6)	(15.4)	(12.7)

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.

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

Alternative Performance Measures

Discount (or Premium) – If the share price of the Company is less than its Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.

Net Asset Value ('NAV') per Ordinary Share – This is calculated as the net assets of the Company divided by the number of shares in issue, excluding those shares held in treasury.

Ongoing Charges – This is a measure of the level of expenses incurred by the Company during a reporting period. It is calculated as the sum of the investment management fee and other expenses divided by the average net assets during the period.

Total Return – The 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. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

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. The Company's custodian is KAS Trust & Depositary Services BV.

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. The Company's depositary is KAS Trust & Depositary Services BV.

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. A scrip alternative is available.

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.

Management Board – The Management Board in the Netherlands, FCA Management, is entrusted with the corporate management of the Company and is obliged to act in accordance with the general directives of the Supervisory Board concerning the financial and investment policy of the Company.

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. Subject to personal circumstances, UK resident individual shareholders who receive a scrip dividend should not be liable to UK income tax but UK capital gains tax rules should apply.

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 Amsterdam and London stock exchanges

Supervisory Board – The Supervisory Board is responsible for supervising the policy of the Management Board and the general course of the Company's affairs and business. The Board currently consists of five Directors, all of whom are non-executive.

Financial Calendar

First Dividend Paid by EAT NV	**31 January 2019**
Announcement of Annual Results of EAT NV	**8 March 2019**
Second Dividend Paid by EAT NV	**15 March 2019**
Effective date for Migration from EAT NV to EAT PLC	**16 March 2019**
General Meeting of EAT PLC (London)	**15 May 2019**
Announcement of Interim Results by EAT PLC	**July 2019**
Third Dividend Paid by EAT PLC	**31 July 2019**
Fourth Dividend Paid by EAT PLC	**31 October 2019**

European Assets Trust NV

Report and Accounts 31 December 2018

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