

Manager Commentary Sam Cosh



June was another strong month for European Smaller companies' returns overall, as markets continued their rapid recovery from the sharp market correction in March. The beginning of the month saw a sharp "risk-on" rally as hopes for a quick "V-shaped" economic recovery came to the fore. Energy stocks rose significantly; the sector was up over 11% in the first week alone, while financials and those consumer discretionary stocks most exposed to the reopening of economies across the region rose too. Unsurprisingly, given the quality bias of our portfolio, the trust lagged the market in this environment.

The exuberance did not last long, however. Covid-19 cases began to pick up in some reopened regions, and the economic havoc wrecked by the pandemic and the shutting down of economies became clearer. The last three weeks of the month were weaker in terms of market performance, but marked a return to "quality" stocks outperforming. Healthcare led the market, while energy stocks fell sharply once again, helping our portfolio recover some of the ground lost earlier.

A number of the stocks that we purchased during the height of the crisis continued to contribute strongly to performance. HelloFresh's shares rose 32.9% during the month, as early signs suggested that it might be able to retain more of the home-meal kit customers acquired during lockdown than first anticipated. Shares in Nordic Semiconductor were up 16.2%, as the semiconductor market was boosted by increased demand for tablets, notebooks and wearable technology as a large proportion of the population shifted to working from home. Remy Cointreau's share price increased 14.6%,

as the company looks to expand its product portfolio to include champagne. The value of its inventory is also becoming clearer, while the beverage market is starting to recover as economies begin to open up.

The largest detractor from performance was our Swedish radiation equipment manufacturer, Elekta. Its shares fell by 11.7%. The Covid-19 crisis has unsurprisingly affected installations of new equipment in hospitals and reduced the appetite for hospital expenditure, while fighting the pandemic has been the focus. More positively, the company has been able to announce new order wins, but the shares were hit when the CEO announced his resignation for personal reasons early in the month.

Key facts as at 30.06.2020

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

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

Benchmark: EMIX Smaller European Companies (ex UK) Index†

Fund type: Investment Trust

Launch date: 1972

Total assets: £390.3 million

Share price: 97.00p

NAV: 108.42p

NAV €: 1.19

Discount/premium(-/+): -10.53%

Dividend payment dates: Jan, Apr, Jul, Oct

Yield††: 6.58%

Net gearing/Net cash*: 0.00%/1.00%

Management fee rate:** 0.75%

Ongoing charges*:** 1.11%

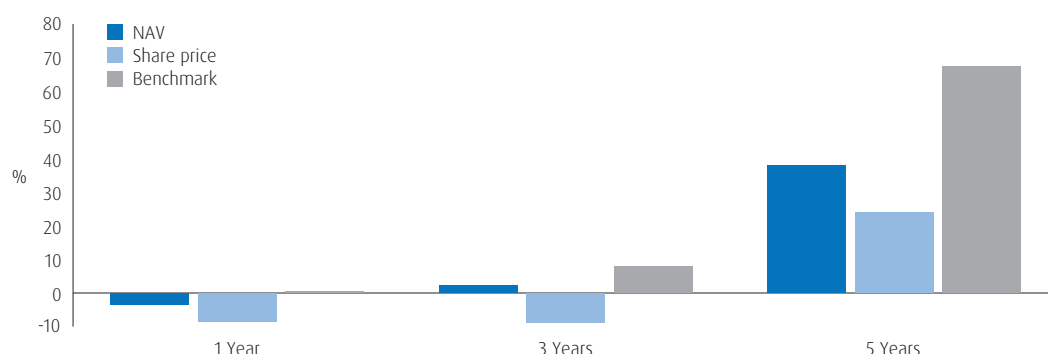
Year end: 31 December

Sector: European Smaller Companies

Currency: Euros

Website: www.europeanassets.co.uk

Fund performance as at 30.06.2020



Cumulative performance (%) as at 30.06.2020

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	1.69	-3.55	-3.39	2.15	37.79
Share price	1.04	-8.57	-8.44	-8.69	24.01
Benchmark	3.31	-3.51	0.33	7.92	67.29

Discrete performance (%) as at 30.06.2020

	2020/2019	2019/2018	2018/2017	2017/2016	2016/2015
NAV	-3.39	2.00	3.65	31.20	2.82
Share price	-8.44	-0.21	-0.07	41.70	-4.15
Benchmark	0.33	0.64	6.88	35.77	14.18

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance. Where investments are made in smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment.

Past performance is not a guide to future performance.

Source: Lipper and BMO. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

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



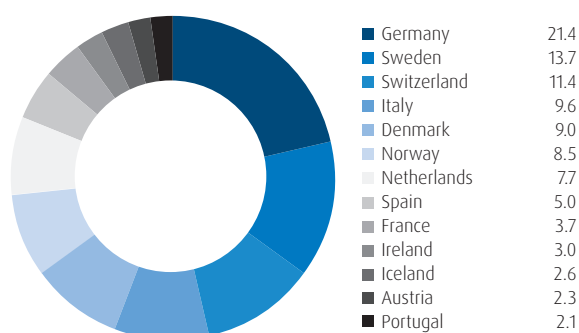
Lines may be recorded

Trust codes	
Stock exchange code	Sedol
EAT	BD0BSY3

Top 10 holdings (%)				
	Portfolio Weight	Benchmark Weight	Difference	Sector
Gerresheimer	3.8	0.2	3.6	Health Care
Vidrala	3.5	0.2	3.3	Industrials
Scout24	3.3	0.0	3.3	Technology
Ringkjoebing Landbobank	3.2	0.1	3.1	Financials
SimCorp	3.1	0.3	2.8	Technology
Wizz Air Holdings	3.1	0.0	3.1	Consumer Services
IMCD	2.9	0.4	2.5	Basic Materials
Just Eat Takeaway.com	2.8	0.0	2.8	Consumer Services
Karnov Group	2.8	0.0	2.8	Consumer Services
Tecan	2.7	0.3	2.4	Health Care

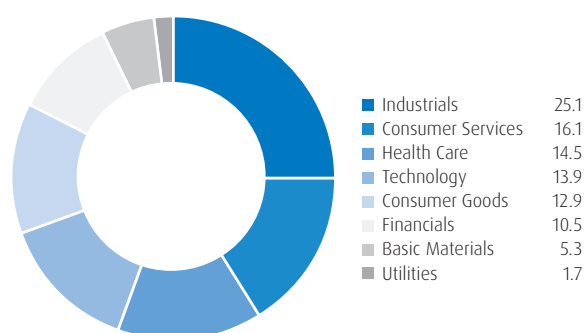
All figures are subject to rounding.

Geographical breakdown (%)



All figures are subject to rounding.

Sector breakdown (%)



Net dividend distributions per share

	2020
January £	0.0176
March £	0.0176
July £	0.0176
October £	0.0176
Total £	0.0702

The 2020 dividend will be paid in four instalments on 31 January, 30 April, 31 July and 30 October. The annual dividend is equivalent to 6% of the net asset value as at 31 December each year.

Glossary

Bid price	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
Dividend	Income paid to shareholders by the company they invest in.
Net asset value	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

All data as at 30.06.2020 in sterling (£) unless otherwise stated. All information is sourced from BMO, unless otherwise stated. All percentages are based on gross assets. † Formally known as Euromoney Smaller European Companies (ex UK) Index. †† The yield is calculated using the dividends declared for the company's current financial year and the closing share price and exchange rate as at the end of the relevant month. * Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. ** A reduced management fee of 0.60% per annum is charged on funds under management in excess of €400 million. *** Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) to the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned. The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. (07/20)