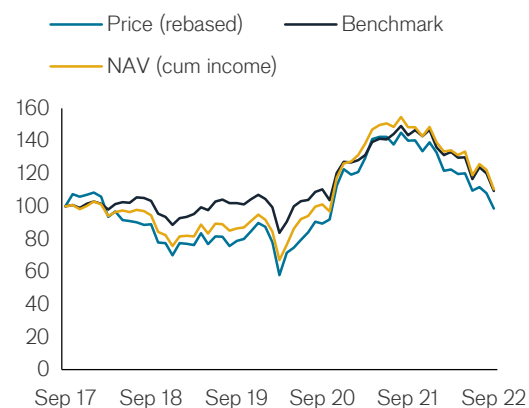


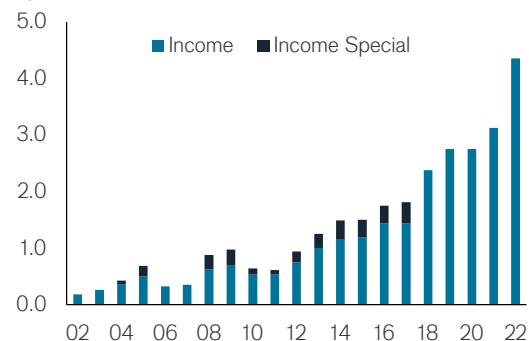
Monthly factsheet - at 30 September 2022  
Marketing Communication

## Share price performance (total return)



From July 2022, the benchmark changed from the EMIX Smaller European Companies ex UK Index to the MSCI Europe Small Cap ex UK Index.

## Dividend history (pence/share)



Please note that this chart could include dividends that have been declared but not yet paid.

Performance over (%)	10y	5y	3y	1y	6m
Share price (Total return)	283.3	-1.3	25.2	-29.6	-19.5
Net asset value (Total return)	265.0	10.4	27.5	-25.6	-17.8
Benchmark (Total return)	180.0	9.4	7.4	-23.7	-18.0
Relative NAV (Total return)	85.0	1.0	20.1	-1.9	0.2

Discrete year performance (%)	Share price	NAV
30/9/2021 to 30/9/2022	-29.59	-25.60
30/9/2020 to 30/9/2021	56.77	46.81
30/9/2019 to 30/9/2020	13.41	16.76
30/9/2018 to 30/9/2019	-11.45	-8.42
30/9/2017 to 30/9/2018	-10.94	-5.47

All performance, cumulative growth and annual growth data is sourced from Morningstar.

Source: at 30/09/22. © 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

## Commentary at a glance

### Performance

The Company underperformed the MSCI Europe ex UK Small Cap Index during the month.

### Contributors/detractors

Despite a weak economic backdrop, corporate results remained encouraging with strong sales growth in a few market segments. The Company saw positive contribution from the financials and communication services sectors with BFF and Criteo performing positively. The detractors, however, were more stock specific. DFDS declined due to the weaker economy, whilst Renewi declined as demand for industrial waste decreased.

### Outlook

As central banks continue to combat inflation, investors are focused on the risk of a recession and earnings contraction into 2023. We seek to invest across the corporate lifecycle, aiming to balance sensibly priced growth, mature value names, and self-help turnaround stocks in the portfolio. Looking forward, we believe that inflation is close to peaking with freight rates normalising, energy prices down from highs and supply-chain blockages beginning to clear.

### See full commentary on page 3.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

## Company overview

### Objective

The Company seeks capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe (excluding the UK).

### Highlights

Providing unique access to Europe's growing small- and medium-sized companies with the sole aim of increasing shareholder capital.

## Company information

NAV (cum income)	151.1p
NAV (ex income)	146.4p
Share price	126.0p
Discount(-)/premium(+)	-16.6%
Yield	2.48%
Net gearing	11%
Net cash	-
Total assets	£660m
Net assets	£606m
Market capitalisation	£505m
Total voting rights	400,867,176
Total number of holdings	124
Ongoing charges (year end 30 June 2021)	0.71%
Benchmark	MSCI Europe ex UK Small Cap Index

Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

Please note that the total voting rights in the Company does not include shares held in Treasury.

**Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.**

### How to invest

Go to [www.janushenderson.com/howtoinvest](http://www.janushenderson.com/howtoinvest)

### Find out more

Go to [www.europeansmallercompaniestrust.com](http://www.europeansmallercompaniestrust.com)

Monthly factsheet - at 30 September 2022

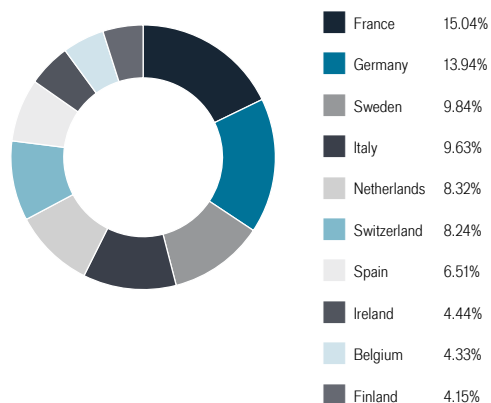
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## Top 10 holdings (%)

Van Lanschot Kempen	2.8
TKH Group	2.8
DFDS	2.2
u-blox	1.9
BFF Bank	1.8
FLEX LNG	1.6
Criteo	1.6
Credito Emiliano	1.4
IPSOS	1.4
Karnov Group	1.3

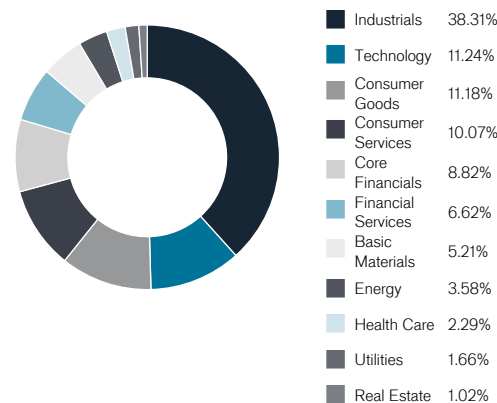
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## Geographical focus (%)

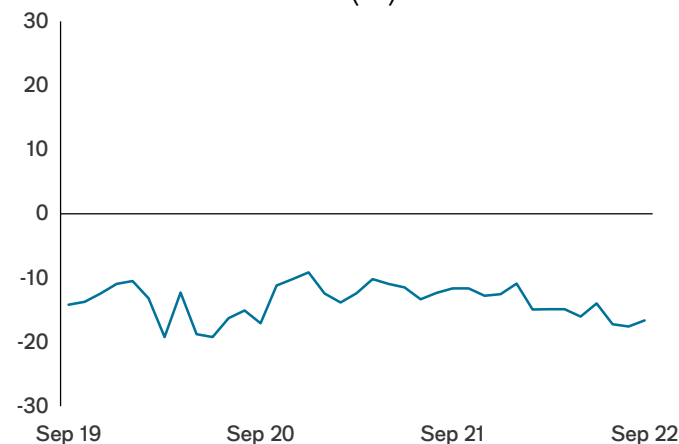


The above geographical breakdown may not add up to 100% as this only shows the top 10.

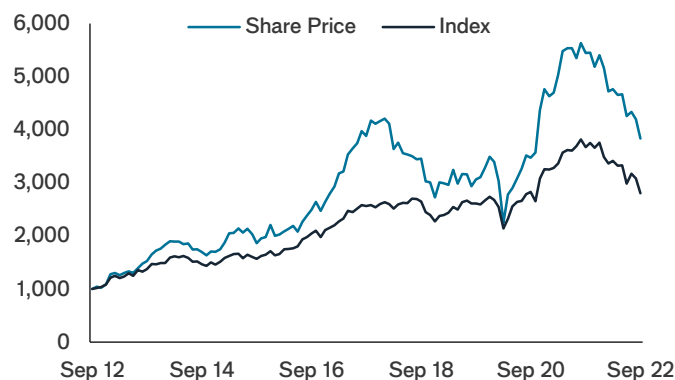
## Sector breakdown (%)



## Premium/(Discount) of Share Price to NAV at Fair Value (%)



## 10 year return of £1,000



All performance, cumulative growth and annual growth data is sourced from Morningstar

## Key information

Stock code	ESCT
AIC sector	AIC European Smaller Companies
Benchmark	MSCI Europe ex UK Small Cap Index
Company type	Conventional (Ords)
Launch date	1990
Financial year	30-Jun
Dividend payment	April, November
Risk rating (Source: Numis)	Above average
Management fee	0.55% pa on first £800m of net assets and 0.45% pa in excess thereof.
Performance fee	Yes
(See Annual Report & Key Information Document for more information)	
Regional focus	Pan Europe
Fund manager appointment	Ollie Beckett 2015



Ollie Beckett  
Fund Manager

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

### How to invest

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### Customer services

0800 832 832

Monthly factsheet - at 30 September 2022

Marketing Communication

## Fund Manager commentary

### Investment environment

European equities declined as persisting inflation concerns and energy prices fueled investor anxieties about a severe recession. The European Central Bank (ECB) raised interest rates by 75 basis points (bps) - its largest ever increase - to 1.25%, which supported some banking stocks.

### Portfolio review

Despite a weak economic backdrop, corporate results remained encouraging with strong sales growth tending to offset margin pressure in many market segments. Our top performers were BFF (Italian bank and factoring company), Van Lanschot (Dutch bank and wealth manager) and Criteo (marketing technology). BFF has been benefiting from the factoring market returning to the structure that existed before the huge state-funded, Covid-19 support measures. Van Lanschot also delivered better-than-expected results and continued to deliver high shareholder distributions from excess capital. Criteo also saw strong underlying product growth trends and although there are a few headwinds, we see continued fundamental value for the company.

Detractors from relative performance were stock specific. DFDS declined due to the weaker economy and its perceived cyclicality. However, we still see strong data points that support the Mediterranean business and positive price increases for goods crossing on the English Channel. Another detractor, Renewi, also declined as the demand for

industrial waste decreased.

In terms of activity, we opened a new position in Duerr as the company has seen increased demand this year. It has a large order backlog, and we believe the easing of lockdowns in China could result in continued momentum for later in the year. We financed the new purchases through the disposal of stocks, namely Boskalis after the firm was bought out and converted to a private company. We think there is considerable value in the public markets now and expect trade buyers and private equity to take advantage of this once the debt markets have become more orderly and willing to price risk. This will be more likely once inflation has begun to decline and the extent of any recession is understood. We think we are closer to that point than the market currently assumes.

### Manager outlook

The future is always an uncertain place and currently there are several different driving factors that are hard to judge. With that caveat, we believe that inflation is close to peaking with freight rates normalising, energy prices down from highs and as supply-chain blockages begin to clear. We think rising interest rates and the energy shock in Europe will likely drive a recession, though the severity of this might not be as bad as the market seems to fear.

Overall, we think that energy prices will be structurally higher than they were pre-Covid, more due to the lack of an oil and gas capital expenditure (capex) cycle than other factors, but clearly the flow of Russian energy into Europe will be an

important factor should it ever return. The green transition will also demand a significant energy capex cycle. Company management teams will also be cautious about persisting with brittle supply chains dependent upon authoritarian regimes in Asia. We think there will be capex to come around near shoring and warehouse automation. The disinflationary drivers of the post-Global Financial Crisis, pre-Covid world look to be at an end, and we believe moderate inflation and interest rates will be a persistent factor in times to come.

## Glossary

### Discount/Premium

The amount by which the price per share of an investment trust is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

### Gearing

The effect of borrowing money for investment purposes (financial gearing). The amount a company can "gear" is the amount it can borrow in order to invest. Gearing is used in the expectation that the returns on the investments bought will exceed the costs of the borrowings that funded the purchase. This Company can also use synthetic gearing through derivatives and foreign exchange hedging and/or other non-fully funded instruments or techniques.

### Leverage

The company's leverage is the sum of financial gearing and synthetic gearing. Details of the Company's leverage limits can be found in both the Key Information Document and Annual Report. Where a company utilises leverage, the profits and losses incurred by the company can be greater than those of a company that does not use leverage.

### Market capitalisation

Month end closing mid-market share price multiplied by the number of shares outstanding at month end.

### NAV (Cum Income)

The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

### NAV (Ex Income)

The value of investments and cash, excluding current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

### Net asset value total return

The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

### Net assets

Total assets minus any liabilities such as bank loans or creditors.

### Net cash

A company's net exposure to cash/cash equivalents expressed as a percentage of shareholders' funds, after any offset against its gearing. This is only shown for companies that have gearing in place.

### Net gearing

A company's total assets (less cash/cash equivalents) divided by shareholders' funds expressed as a percentage.

### Ongoing charges

The total expenses for the financial year (excluding performance fee), divided by the average daily net assets, multiplied by 100.

### Risk rating

The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the company over 1 and 3 years. In this instance volatility measures how much a trust's NAV fluctuates over time in relation to the UK Equity market. The higher a volatility figure, the more the NAV has fluctuated (both up and down) over time. Please note that risk categorisations are indicative and based principally on historic data and should not be solely relied upon when making investment decisions.

### Share price

Closing mid-market share price at month end.

### Share price total return

The theoretical total return to the investor assuming that all dividends received were reinvested in the shares of the company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

### Total assets

Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

### Yield

Calculated by dividing the current financial year's dividends per share (this will include prospective dividends) by the current price per share, then multiplying by 100 to arrive at a percentage figure.

### Capital expenditure (CAPEX)

Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

### Cyclical stocks

Growth investing Companies that sell discretionary consumer items, such as cars, or industries highly sensitive to changes in the economy, such as miners. The prices of equities and bonds issued by cyclical companies tend to be strongly affected by ups and downs in the overall economy, when compared to non-cyclical companies.

### Inflation

The rate at which the prices of goods and services are rising in an economy. The CPI and RPI are two common measures.

### Recession

A recession is a macroeconomic term that refers to a significant decline in general economic activity in a designated region. It had been typically recognized as two consecutive quarters of economic decline, as reflected by GDP in conjunction with monthly indicators such as a rise in unemployment.

For a full list of terms please visit:

[www.janushendersoninvestmenttrusts.com](http://www.janushendersoninvestmenttrusts.com)

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### Company specific risks

- This trust is suitable to be used as one component in several in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into this trust.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The trust could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the trust.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- If a trust's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- The return on your investment is directly related to the prevailing market price of the trust's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the trust. As a result losses (or gains) may be higher or lower than those of the trust's assets.
- Most of the investments in this portfolio are in smaller companies shares. They may be more difficult to buy and sell and their share price may fluctuate more than that of larger companies.
- Derivatives use exposes the trust to risks different from, and potentially greater than, the risks associated with investing directly in securities and may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
- Where the trust invests in assets which are denominated in currencies other than the base currency then currency exchange rate movements may cause the value of investments to fall as well as rise.
- If the trust seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.
- The trust may use gearing as part of its investment strategy. If the trust utilises its ability to gear, the profits and losses incurred by the trust can be greater than those of a trust that does not use gearing.

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