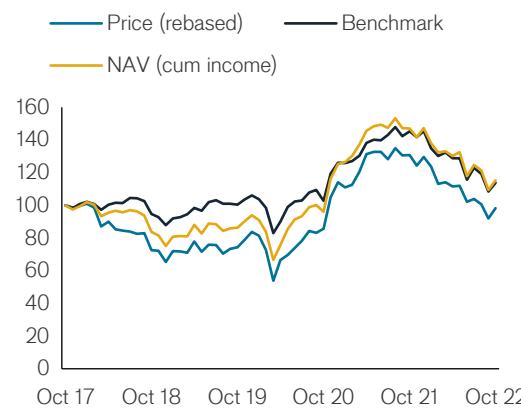
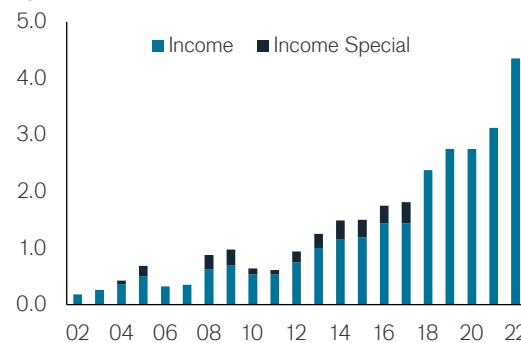


## Share price performance (total return)



From July 2022, the benchmark changed from the EMX 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.

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)

## Performance over (%)

	10y	5y	3y	1y	6m
Share price (Total return)	294.1	-1.8	32.0	-24.9	-12.0
Net asset value (Total return)	276.1	15.3	33.7	-21.6	-11.4
Benchmark (Total return)	187.8	13.8	13.3	-21.7	-11.6
Relative NAV (Total return)	88.2	1.6	20.4	0.2	0.2

## Commentary at a glance

## Performance

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

## Contributors/detractors

The Company's top performers, AMG Advanced Metallurgical (metal producer), Fugro (energy production data collector), and Piaggio (scooter and moped seller) all announced good results over the period.

## Outlook

Our view is that a moderate recession is largely priced into the markets and in some areas a much more severe scenario seems to be the working assumption (such as industrials). We remain of the view that revenue and earnings may be less cycle dependent for many of these companies - evidenced by healthy order books. Looking beyond, our conviction remains high in small caps outperforming their larger cap counterparts due to their structural growth advantages.

## 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.

## 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 31/10/22. © 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.

## 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)	156.0p
NAV (ex income)	155.2p
Share price	131.5p
Discount(-)/premium(+)	-15.7%
Yield	3.31%
Net gearing	13%
Net cash	-
Total assets	£689m
Net assets	£626m
Market capitalisation	£527m
Total voting rights	400,867,176
Total number of holdings	126
Ongoing charges (year end 30 June 2022)	0.65%
Overall Morningstar Rating™	★★★★
Benchmark	MSCI Europe ex UK Small Cap Index

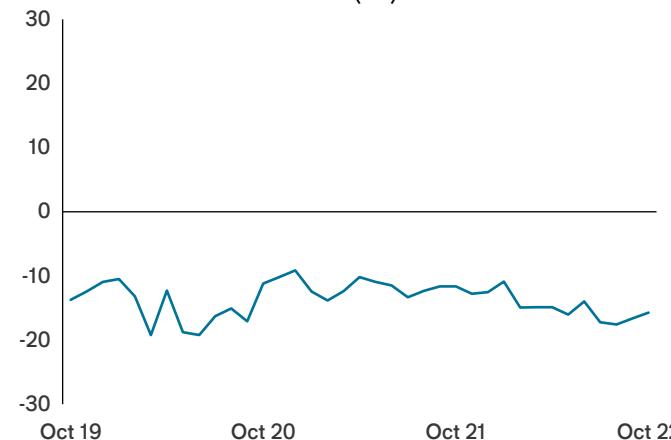
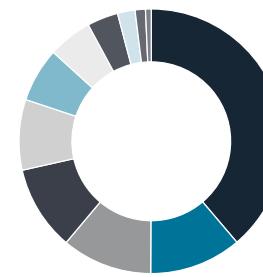
Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

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

Top 10 holdings (%)

TKH Group	3.0
Van Lanschot Kempen	2.9
DFDS	2.3
BFF Bank	1.8
u-blox	1.6
Verallia	1.5
Mytilineos	1.5
Criteo	1.4
Credito Emiliano	1.4
IPSOS	1.4

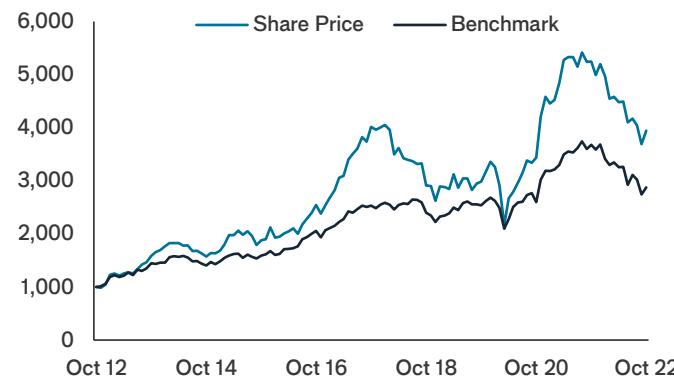
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Premium/(Discount) of Share Price to NAV at Fair Value (%)Geographical focus (%)Sector breakdown (%)Key information

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 2011



Ollie Beckett  
Fund Manager

10 year return of £1,000

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

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.

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Customer services

0800 832 832

## Fund Manager commentary

### Investment environment

Inflation remained top of mind for central banks and concerns about energy volatility continued to dominate in Europe. Although the year has been tough, European equities made gains in October. The market seemed to be hoping for a pivot from central banks increasing interest rates at some point soon, along with stabilisation in the energy situation, and perhaps an end to UK market turmoil under a new premiership.

### Portfolio review

The Company's top performers, AMG Advanced Metallurgical (metal producer), Fugro (energy production data collector), and Piaggio (scooter and moped seller) all announced good results over the period. AMG Advanced Metallurgical saw rising profits from an increase in the price of lithium due to a shortage of current supply - lithium is a key component of the battery that goes into electric vehicle production. Fugro also delivered good results due to increased investment in the energy sector, both in its traditional oil and gas division as well as its renewables division. Similarly, Piaggio delivered solid results based on increased sales in India.

Detractors from relative performance tended to be stock specific. Criteo (marketing technology) saw its shares fall after the release of revised fourth quarter guidance. Since the end of October, the company hosted an upbeat capital markets day with ambitious medium-term targets, and we

remain holders. Another detractor, U-Blox (positioning and wireless communications) has seen orders moderate for its Internet-of-Things business and revised its earnings guidance for next year. Flex LNG (liquid natural gas vessels) also detracted from relative results. We remain positive on the company as the business fits into our ongoing theme of the European energy transition.

In terms of activity, we added a couple of growth style names that have typically traded on high valuations but have returned to what we saw as attractive levels. The first, Burkhardt Compression, manufactures compressors for refining gas, transport, and storage. The stock (similar to our thesis for flex LNG) is part of the energy transition for the Continent. The second, CTS Eventim, sells entry tickets for events such as concerts, theatre, arts, and sports. We think that the company, alongside the travel sector, could be an area where customers will continue to spend in a post-Covid/squeezed consumer world. We also closed several positions over the month where we felt the valuations were stretched, including Technoprobe (semiconductor inspection).

### Manager outlook

Our view is that a moderate recession is largely priced into the markets and in some areas a much more severe scenario seems to be the working assumption (such as industrials). We remain of the view that revenue and earnings may be less cycle dependent for many of these companies, evidenced by healthy order books. Looking

beyond, our conviction remains high in small caps outperforming their larger cap counterparts due to their structural growth advantages.

## Glossary

### Discount/Premium

The amount by which the price per share of an investment company 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 company'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.

### Growth investing

Growth investors search for companies they believe have strong growth potential. Their earnings are expected to grow at an above-average rate compared to the rest of the market, and therefore there is an expectation that their share prices will increase in value. See also value investing.

### Inflation

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

### Recession

A recession is a significant, widespread, and prolonged downturn in economic activity. A popular rule of thumb is that two consecutive quarters of decline in gross domestic product (GDP) constitute a recession. Recessions typically produce declines in economic output, consumer demand, and employment.

### Valuation metrics

Metrics used to gauge a company's performance, financial health, and expectations for future earnings eg, price to earnings (P/E) ratio and return on equity (ROE).

### Volatility

The rate and extent at which the price of a portfolio, security or index, moves up and down. If the price swings up and down with large movements, it has high volatility. If the price moves more slowly and to a lesser extent, it has lower volatility. Higher volatility means the higher the risk of the investment.

For a full list of terms please visit:

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

## Source for fund ratings/awards

Overall Morningstar Rating™ is a measure of a fund's risk-adjusted return, relative to similar funds. Fund share classes are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving a single star. Overall Morningstar Rating™ is shown for Janus Henderson share classes achieving a rating of 4 or 5. Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to [global.morningstar.com/managerdisclosures](http://global.morningstar.com/managerdisclosures).

## Company specific risks

- This Company 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 Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The Company could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the Company.
- 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.
- The return on your investment is directly related to the prevailing market price of the Companies shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the Company. As a result losses (or gains) may be higher or lower than those of the Companies assets.
- If a Companies portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- 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 Company 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 Company 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 Company seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.
- The Company may use gearing as part of its investment strategy. If the Company utilises its ability to gear, the profits and losses incurred by the Company can be greater than those of a Company that does not use gearing.

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