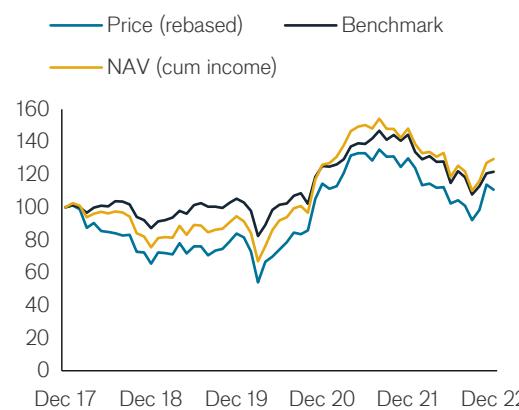
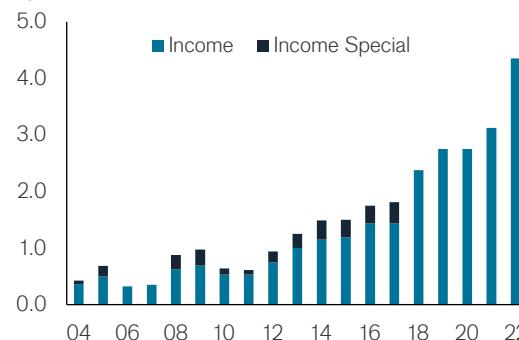


Share price performance (total return)



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.

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	8.2	-14.7	32.1	10.8	325.9
NAV (Total return)	9.3	-12.5	37.0	29.6	289.4
Benchmark (Total return)	6.0	-15.7	15.6	21.8	192.6
Relative NAV (Total return)	3.2	3.2	21.4	7.8	96.8

Commentary at a glance

Performance

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

Contributors/detractors

Positive contributions came from a number of financial stocks which have been benefitting from the higher interest rate environment, such as Van Lanschot, AIB and Commerzbank, as well as single stock updates.

Outlook

We think equities should be in a better place by the end of 2023 as easing interest rate rises could open the door to a degree of more typical share price valuations. However, this cycle might look considerably different from the last 15 years with interest rates likely to settle above the average since the Global Financial Crisis. We continue to deploy capital in a portfolio of what we see as Europe's most attractive small companies, balanced between opportunities across both value and growth-style stocks.

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)	174.3p
NAV (ex income)	173.3p
Share price	148.0p
Discount(-)/premium(+)	-15.1%
Yield	2.9%
Net gearing	11%
Net cash	-
Total assets	£770m
Net assets	£699m
Market capitalisation	£593m
Total voting rights	400,867,176
Total number of holdings	124
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.

How to invest

Go to www.janushenderson.com/howtoinvest

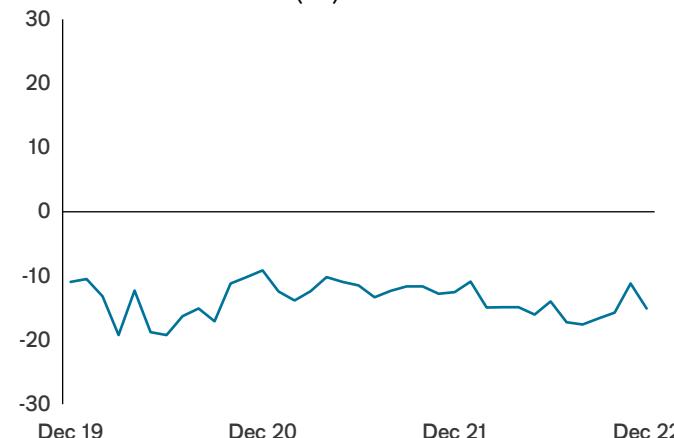
Find out more

Go to www.europeansmallercompaniestrust.com

Top 10 holdings	(%)
TKH Group	3.0
Van Lanschot Kempen	2.8
DFDS	2.4
u-blox	1.8
BFF Bank	1.8
Mytilineos	1.6
Verallia	1.6
IPSOS	1.6
Mersen	1.5
Credito Emiliano	1.4

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.

Premium/(discount) of share price to NAV at fair value (%)



Geographical focus (%)



Sector breakdown (%)



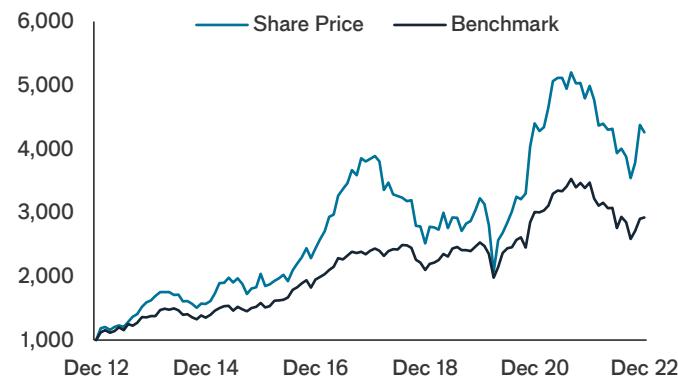
Key information

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.

Fund Manager commentary

Investment environment

European equity markets were broadly flat in December but found some absolute and relative support through the final quarter of 2022. Investors seemed to be weighing up a number of factors including (i) Europe's extreme valuation discount, (ii) US dollar strength offering earnings support for European multinational companies and making European assets compelling targets for merger and acquisition activity, (iii) the fact that Europe could benefit disproportionately from potential Chinese re-opening following Covid lockdowns and the big outlier of a de-escalation in the Ukraine conflict. The pressure from the latter has been eased by an unseasonably warm winter thus far, but fears of energy shortages are likely to remain.

Portfolio review

Positive contributions came from a number of financial stocks which have been benefitting from the higher interest rate environment, such as Van Lanschot, AIB and Commerzbank, as well as glass bottling company Veralia, which has so far demonstrated its pricing power by passing on its cost inflation to customers. We also saw good returns from steel dust recycler Befesa, which is viewed as a potential beneficiary of Chinese re-opening. Mytilineos, a Greek electric utility company, delivered the largest positive contribution as there was growing recognition of the company's move towards renewables.

Among the biggest detractors was geological data company

Fugro, which was included in a TV broadcast looking into the Brazilian Brumadinho dam collapse in January 2019, where a number of people tragically lost their lives. The company has previously been absolved of any responsibility and this latest broadcast appears to present no new information. Nevertheless, the fact this issue has resurfaced at a time when domestic policy setters are potentially less sympathetic to international companies has seen its share price penalised. Based on the current facts we have decided to remain holders. Greenergy Renewables also fell short of expectations due to permitting delays of new renewable projects in Spain. While this is frustrating, it seems likely to us that any potential returns linked to these projects are deferred rather than lost and we remain holders.

Activity was limited in December in what is typically a low-liquidity holiday season in Europe. We finished selling a small position in Cherry (computer keyboards) which has disappointed us since the pandemic. We also took the opportunity to top up the Company's holdings in GTT (liquefied natural gas transportation) and Befesa.

Manager outlook

We think equities should be in a better place by the end of 2023 as easing interest rate rises could open the door to a degree of more typical share price valuations. However, this cycle might look considerably different from the last 15 years with interest rates likely to settle above the average since the Global Financial Crisis. We continue to deploy capital in a portfolio of what we see as Europe's most attractive small

companies, balanced between opportunities across both value and growth-style stocks.

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.

Net asset value (NAV)

The total value of a fund's assets less its liabilities.

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).

NAV 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.

For a full list of terms please visit:

<https://www.janushenderson.com/en-gb/investor/glossary/>

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.

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.
- If a Company'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 Company's 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 Company'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 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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