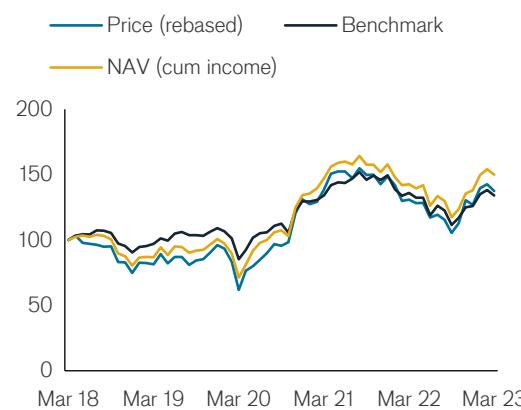
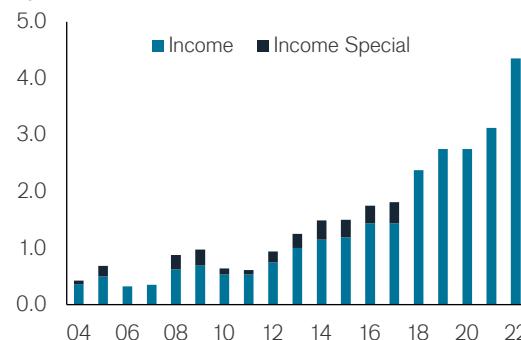


## Share price performance (total return)



From July 2022, the benchmark changed from the EMX Smaller European Companies ex UK Index to the MSCI Europe ex UK Small Cap 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. Please refer to glossary for definition of share price total return.

## How to invest

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

## Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	30.4	5.0	122.3	37.5	297.4
NAV (Total return)	28.0	5.2	110.3	50.1	279.0
Benchmark (Total return)	20.2	-1.5	57.1	34.0	178.5
Relative NAV (Total return)	7.8	6.6	53.3	16.1	100.4

## Commentary at a glance

## Performance

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

## Contributors/detractors

In a challenging month, the Company's cyclical positions performed well, with strong corporate results and anticipated continued capital expenditure spending. Detractors included banks that fell due to the sector facing difficulties because of a broader sell-off and weakness.

## Outlook

Despite seeing some assets as overvalued, our investment outlook is broadly constructive. As the global economy transitions to an environment where borrowing capital now has a much higher cost, a valuation-aware approach is essential in our view. Although a recession is not inevitable, market sentiment leans towards it. We believe a prudent strategy should balance growth and value, while considering the price.

## Discrete year performance (%) Share price (total return) NAV (total return)

31/3/2022 to 31/3/2023	5.0	5.2
31/3/2021 to 31/3/2022	-5.4	-3.0
31/3/2020 to 31/3/2021	123.9	106.0
31/3/2019 to 31/3/2020	-24.0	-17.7
31/3/2018 to 31/3/2019	-18.6	-13.3

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

Source: at 31/03/23. © 2023 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 does not predict future returns.

## 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)	188.0p
NAV (ex income)	187.6p
Share price	159.0p
Discount(-)/premium(+)	-15.4%
Yield	2.9%
Net gearing	16%
Net cash	-
Total assets	£863m
Net assets	£754m
Market capitalisation	£637m
Total voting rights	400,867,176
Total number of holdings	132
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 do not include shares held in Treasury.

Please note the ongoing charge excludes the performance fee.

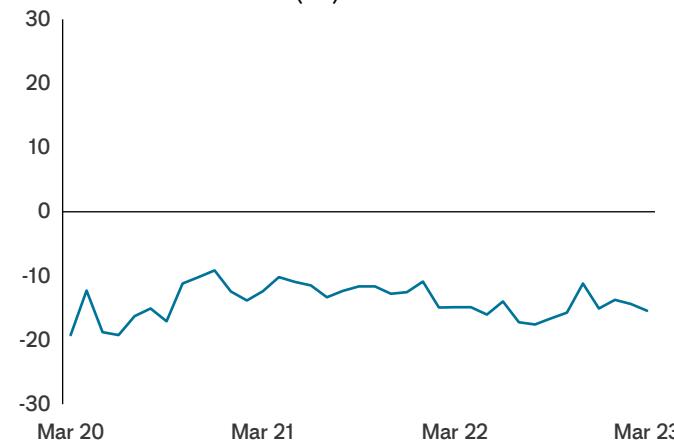
## Find out more

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

Top 10 holdings	(%)
TKH Group	3.4
Van Lanschot Kempen	3.1
DFDS	2.3
u-blox	2.2
Mytilineos	1.8
Verallia	1.7
BFF Bank	1.7
KSB	1.6
SAES Getters	1.5
Criteo	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 (%)

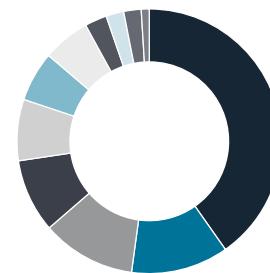


### Geographical focus (%)



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

### Sector breakdown (%)



The above sector breakdown may not add up to 100% due to rounding.

### 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 total return of £1,000



All performance, cumulative growth and annual growth data is sourced from Morningstar. Share price total return is calculated using mid-market share price with dividends reinvested.

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

## Fund Manager commentary

### Investment environment

In March, investors raised their expectations of terminal interest rates due to persistent inflation, which was confirmed by the US Federal Reserve's (Fed) openness to accelerating interest rate hikes. Subsequently, bond yields reached their highest level since 2007 (prices fell, reflecting their inverse correlation). However, the collapse of Silicon Valley Bank and Credit Suisse's crisis led to global market turmoil and investor speculation about an end to current rate hiking cycles. Despite initial distress, financial markets showed signs of stabilisation by the end of the month, with volatility measures decreasing.

### Portfolio review

In a month marked by challenges for many cyclical stocks, many of the Company's cyclical positions performed relatively well as we saw some strong corporate results announcements. Looking ahead, we anticipate continued capital expenditure spending, especially in regions such as China (where many European stocks have large exposures), with an example being the manufacturing of water pumps by industrials firm KSB.

The largest positive contribution came from u-blox, after the Swiss Internet of Things (IoT) provider reported strong profitability and free cash flow growth for the prior year. The company also clarified guidance for the rest of the current year. TKH Group, a Dutch conglomerate specialising in telecoms, building and industrial production, is another

cyclical stock that positively contributed to performance. The company has reaped the benefits of ongoing digitalisation and energy transition trends. The stock continues to be attractive to us. Elsewhere, Van Lanschot Kempen, a Dutch bank and wealth manager, was positive as it continued to be pushed by sell-side analysts warming to the investment case.

Detractors over the period included Credito Emiliano (banks), Bike24 (cycles) and PVA TePla (semiconductor manufacturing). Credito Emiliano faced difficulties because of a broader sell-off and weakness in the banking sector, fuelled by investors' concerns regarding the potential spread of contagion throughout the financial system. Bike24 declined amid a highly competitive landscape and issued revised earnings guidance for the coming year. PVA TePla fell following some cyclical risks to semiconductor manufacturers. Nevertheless, we view PVA as a beneficiary of enduring market trends, emerging technology sovereignty movements, and its current position with a record order backlog.

Over the month, activity included initiating new positions in Alpha Services and Viaplay. Alpha Services, a Greek bank, has been capitalising on the rapid growth of Greece's economy following its restructuring earlier in the previous decade, while the banking sector in Greece is now consolidated. We think Greece has the potential to re-emerge as a developed market and could garner more attention from asset allocators. Viaplay, a Swedish streaming service, expects to expand in Poland and the Netherlands. The company holds exclusive rights to highly sought-after

sports events, encompassing Formula One, Premier League and darts, which also cater to the broader Dutch market. No positions were sold over the month. However, we did trim positions in Bike24 along with a few banking positions given the sector weakness described above.

### Manager outlook

Our investment outlook remains broadly constructive, despite acknowledging that certain assets appear overvalued. As the global economy transitions out of an era characterised by easy access to capital, we think it is crucial to adopt a valuation-aware approach in navigating the investment landscape. While we do not believe a recession is inevitable, it is worth noting that market sentiment seems to lean towards this possibility. In light of these considerations, our view is that a prudent investment strategy should focus on identifying opportunities that offer a balance between growth and value, while always being mindful of the price.

## 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 an investment company 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.
- 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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