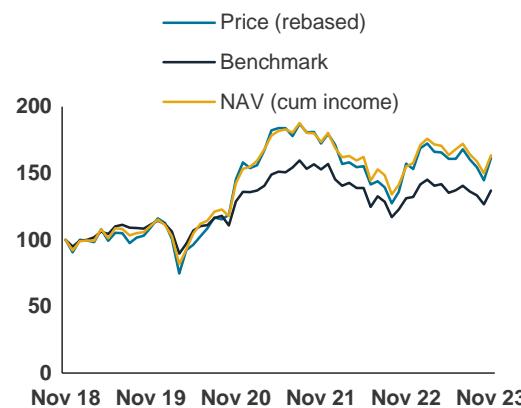
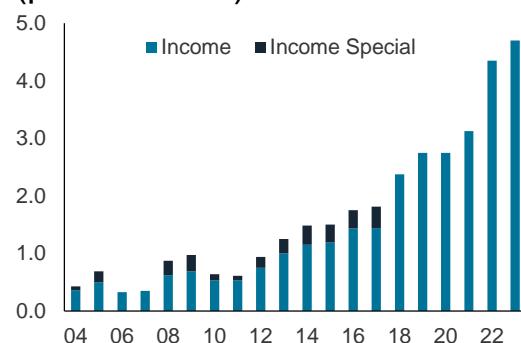


Share price performance (total return)



From July 2022, the benchmark changed from the EMIX 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 the glossary for the definition of share price total return.

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	0.3	2.6	11.0	61.3	182.1
NAV (Total return)	-0.2	5.5	14.7	63.4	187.7
Benchmark (Total return)	1.4	4.5	6.5	37.0	123.7
Relative NAV (Total return)	-1.5	1.0	8.2	26.4	64.0

Commentary at a glance

Performance

In the month under review the Company's NAV total return was 9.0% and the MSCI Europe ex UK Small Cap Index total return was 8.1%.

Contributors/detractors

Specific stock holdings were the main overall driver of relative fund returns.

Outlook

We maintain an optimistic view about the economy.

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 Share price NAV performance (%) (total return) (total return)

30/9/2022 to 30/9/2023	21.4	18.6
30/9/2021 to 30/9/2022	-29.6	-25.6
30/9/2020 to 30/9/2021	56.8	46.8
30/9/2019 to 30/9/2020	13.4	16.8
30/9/2018 to 30/9/2019	-11.4	-8.4

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

Source: at 30/11/23. © 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (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)	175.7p
NAV (ex income)	174.9p
Share price	151.0p
Discount(-)/premium(+)	-14.1%
Yield	3.1%
Net gearing	14%
Net cash	-
Total assets	£806m
Net assets	£703m
Market capitalisation	£604m
Total voting rights	400,321,188
Total number of holdings	126
Ongoing charges (year end 30 Jun 2023)	0.65%
Benchmark	MSCI Europe (ex UK) Small Cap Index
Overall Morningstar Rating™	★★★★

As of 30/11/2023

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.

How to invest

Go to www.janushenderson.com/howtoinvest

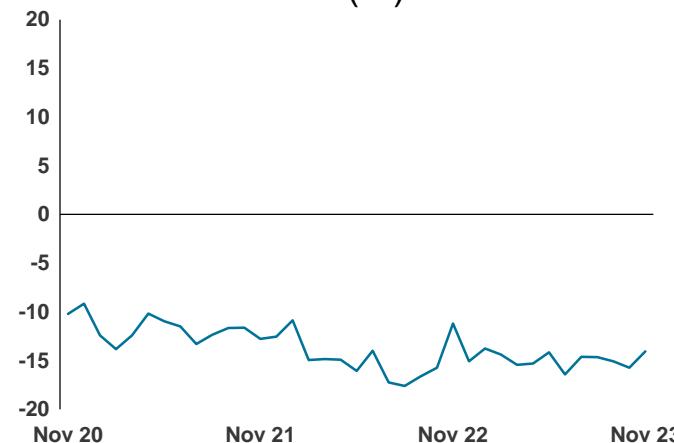
Find out more

Go to www.europeansmallercompaniestrust.com

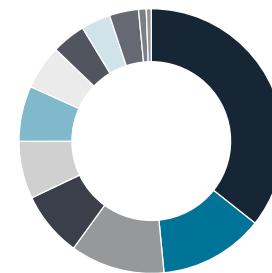
Top 10 holdings**(%)**

Van Lanschot Kempen	3.3
TKH Group	2.9
KSB	1.9
u-blox	1.9
DFDS	1.8
Stroer	1.7
Nordnet	1.7
Fugro	1.7
IPSOS	1.6
BFF Bank	1.5

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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	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. Please refer to the glossary for the definition of share price total return.

How to invest

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Customer services

0800 832 832

Fund Manager commentary

Investment environment

Equities experienced a significant rally in November and saw their strongest month since January. This positive sentiment can be attributed to the evidence of slowing inflation, which has led central banks to adopt less hawkish tones. Consequently, there has been a noticeable compression in US and European bond yields, with the US 10-year Treasury yield dropping from 4.9% to 4.3% and the German 10-year bund yield fall from 2.8% to 2.45%. With this backdrop, the technology and real estate sectors have led the market, while energy performed weakest. Expectations that interest rates have reached their peak and may start falling next year has helped stabilised the relative performance of small-cap stocks versus large-cap stocks, although small-caps have still underperformed by around 7% throughout 2023 and underperformed by over 25% since their high.

Portfolio review

Suess MicroTec, a leading supplier of semiconductor manufacturing equipment, contributed most positively to fund performance. The company has inexplicably lagged all other semiconductor stocks and those firms perceived to be beneficiaries from the excitement surrounding artificial intelligence (AI) this year. The performance of its shares in November largely reflects a catch up. Additionally, Van Lanschot Kempen, the Dutch wealth manager, and Stroeer, a German advertising company,

were also among the top performers. Van Lanschot Kempen's earnings are largely linked to market movements and its share price responded to the improved market sentiment. Stroeer operates digital advertising boards and the latest results confirmed our view that the business could show more economic resilience than the market has expected, owing to the local nature of the advertising. The company also announced encouraging progress in divesting its non-core assets, such as an online beauty business and a statistics portal. We also had good returns from Boozt, a leading Nordic technology company selling fashion online through its multi-brand webstore Boozt.com. The company announced strong results which we think supports the current management team's strategy but possibly offers some early signs that, with the support of real wage growth turning positive, the European consumer is in better shape than the market fears.

Negative contributors included online targeted advertising company Crtieo, which has suffered in the near term given decreasing advertising spend (particularly online). Taking a longer-term view, we continue to like the business fundamentals. Shares not held in this trust after the company announced a disappointing response to some new game launches. The moves were more extreme due largely to the relative bullish tone of its management in recent communications. The holding in Hellofresh was also weak on two counts. Firstly, the company encountered delays in the rollout of its ready-meal concept. Secondly, there has been weak growth in the US meal-kit market.

We are left questioning whether this is a result of a deteriorating US consumer environment or something more specific to the meal kit market overall. We currently lean towards the former but have kept the holding at a relatively small size to reflect the risks.

Activity was primarily focused on growth-style stocks. Here, we have seen a derating this year due to higher interest rates, and they now trade at what we see as attractive valuations (albeit higher than the market average). We bought the well-run Belgian specialty chemical distributor Azelis, with its latest results showing strong resilience against a difficult market backdrop. Its management's commentary around tentative improvements observed in demand patterns further contributed to our decision. We also bought Bonesupport, a Swedish healthcare company focusing on orthobiologics. The company has developed and launched three innovative injectable bone substitute products based on its proprietary technology platform. The technology has a proven ability to heal bone defects by remodelling into host bone in 6-12 months. The company is now moving into the spine fusion market, which offers large opportunities. Elsewhere, we also made new purchases in CINT (a market research platform) and Sinch (a communication platform). Disposals included construction company CAF and truck company Iveco. These sales simply reflected more attractive opportunities elsewhere rather than any material concerns with either company.

Manager outlook

Looking at headline valuations, European small caps (at the time of writing) were trading below 12x price-to-earnings (P/E), which was at the lower end of the historic range. Furthermore, European smaller companies exhibited a 37% P/E discount compared to the US equity market - the largest since data collection began in 2005. Similar valuation discrepancies can be observed when comparing small-caps to European large-caps, with small-caps trading at a 5% discount instead of the usual 16% premium. When encountering extreme valuations, we analyse whether they indicate a structural change or are primarily cyclical (ie. tied in to the performance of the wider economy). Our analysis suggests that the current valuations are mostly cyclical.

Small-caps are generally expected to benefit from GDP growth due to their less mature nature and room for expansion. While interest rates may rise, small-caps have manageable leverage and can access debt markets. Although financing costs will increase, they are unlikely to significantly hinder returns in our view. Similar interest rate levels were experienced in the mid-2000s without any major impact.

Additionally, we anticipate a return of merger and acquisition (M&A) activity in 2024, with cash-rich private equity firms seeking attractive valuations for investments. Companies are also repurchasing their own shares, following the trend commonly associated with corporate North America.

The appealing valuations have led many European CFOs to initiate share buyback programs, with around 30% of the portfolio holdings consisting of such companies.

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

Share price multiplied by the number of shares in issue, excluding treasury shares, at month end. Shares typically priced mid-market at month-end closing.

Net Asset Value (NAV)

The total value of a Company'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 www.global.morningstar.com/managerdisclosures.

Company specific risks

- This Company is suitable to be used as one component of several within a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested in this Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or negative for performance 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 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.
- If a Company's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio that is 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 prices may fluctuate more than those of larger companies.
- Using derivatives exposes the Company to risks different from - and potentially greater than - the risks associated with investing directly in securities. It may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
- Where the Company invests in assets that are denominated in currencies other than the base currency, the currency exchange rate movements may cause the value of investments to fall as well as rise.
- If the Company seeks to minimise risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or negative for performance.
- The Company may use gearing (borrowing to invest) 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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