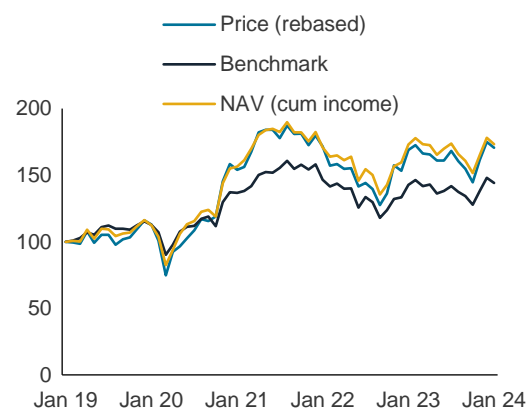
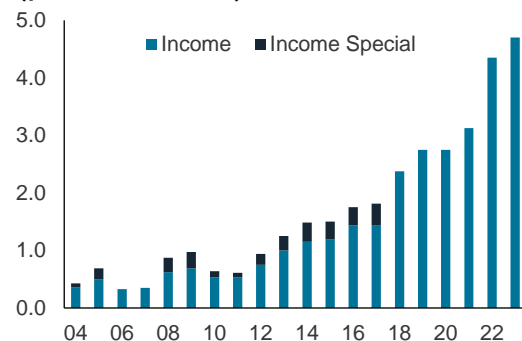


Share price performance (total return)



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.

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	1.4	1.0	10.7	70.5	179.6
NAV (Total return)	-0.3	0.2	10.8	73.3	190.5
Benchmark (Total return)	1.7	1.0	5.4	44.2	129.7
Relative NAV (Total return)	-2.0	-0.8	5.4	29.2	60.8

Discrete year performance (%) (total return) NAV (total return)

31/12/2022 to 31/12/2023	14.0	11.6
31/12/2021 to 31/12/2022	-14.7	-12.5
31/12/2020 to 31/12/2021	13.4	17.6
31/12/2019 to 31/12/2020	36.4	33.2
31/12/2018 to 31/12/2019	28.2	25.3

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

Source: at 31/01/24. © 2024 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.**

Commentary at a glance

Performance

In the month under review the Company's NAV total return was -2.6%, matching the return of the benchmark, the MSCI Europe ex UK Small Cap Index.

Contributors/detractors

Large-cap stocks have outperformed mid-cap stocks, and mid-cap stocks have outperformed small-cap, while the larger end of the small-cap universe has outperformed the smaller end.

Outlook

As we look into 2024, inflation looks largely slain and we anticipate interest rates to come down over the course of the year.

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)	184.4p
NAV (ex income)	183.1p
Share price	159.5p
Discount(-)/premium(+)	-13.5%
Yield	3.0%
Net gearing	13%
Net cash	-
Total assets	£832m
Net assets	£738m
Market capitalisation	£639m
Total voting rights	400,321,188
Total number of holdings	127
Ongoing charges (year end 30 Jun 2023)	0.65%
Benchmark	MSCI Europe ex UK Small Cap Index

Overall Morningstar Rating™ ★★★★★

As of 31/01/2024

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 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

Go to www.janushenderson.com/howtoinvest

Find out more

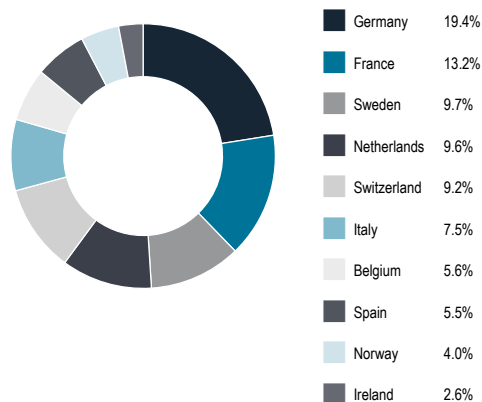
Go to www.europeansmallercompaniestrust.com

Top 10 holdings (%)

Van Lanschot Kempen	3.0
TKH Group	2.8
DFDS	1.9
KSB	1.9
Ipsos	1.8
Stroeer	1.7
u-blox	1.7
Fugro	1.6
Nordnet	1.6
SUESS MicroTec	1.6

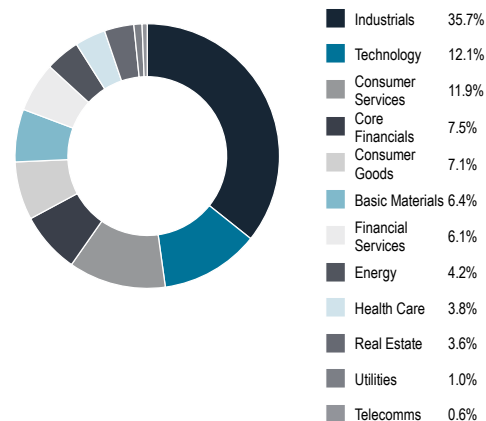
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Geographical focus (%)



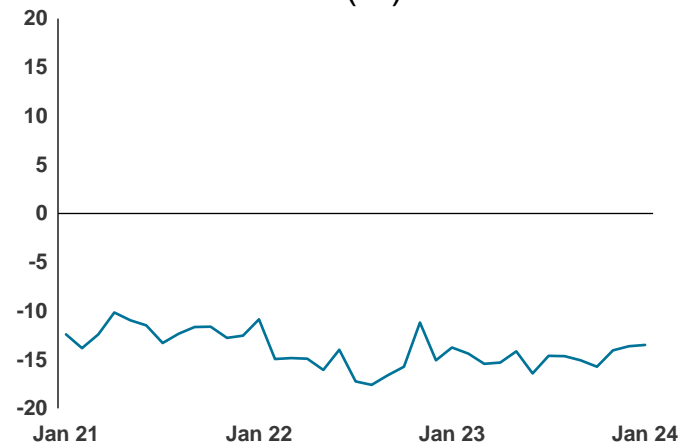
The above geographical breakdown may not add up to 100% as this only shows the top 10.

Sector breakdown (%)

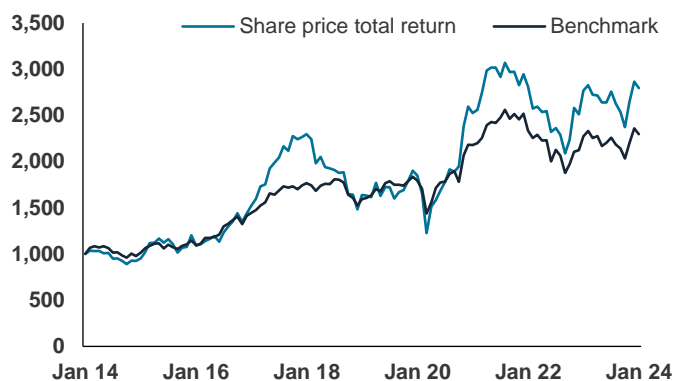


The above sector breakdown may not add up to 100% due to rounding.

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



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.

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 Rory Stokes 2014 Julia Scheufler 2024



Ollie Beckett
Portfolio Manager



Rory Stokes, CFA
Deputy Portfolio Manager



Julia Scheufler, CFA
Deputy Portfolio 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. Please refer to the glossary for the definition of share price total return.

How to invest

Go to www.janushenderson.com/howtoinvest

Customer services

0800 832 832

Fund Manager commentary

Investment environment

January was a mixed month for markets. Economic data kept delivering positive surprises for the most part, which meant equities continued their gains from late 2023. However, the fourth quarter earnings season has been weak and geopolitical concerns have stepped higher with attacks from the Houthis rebels on commercial shipping in the Red Sea. Inflation did not fall to the extent expected, causing investors to push back the prospect of interest rate cuts in the first quarter. For us, the timing of the first rate cut is less important than the direction of travel – which seems to be downwards.

Portfolio review

The Company broadly matched its benchmark in January as the shape of markets in 2023 persisted into 2024. Here, large-cap stocks have outperformed mid-cap stocks, and mid-cap stocks have outperformed small-cap, while the larger end of the small-cap universe has outperformed the smaller end. While we are convinced of the merits of investing at the lower end of the market cap universe, it has not aided returns over the last two years and at the start of 2024.

Alongside the Company's market cap skew, we saw disappointing returns from u-blox (Internet of Things). u-blox continues to struggle with the destocking impact from its customers, but its operational performance remained consistent with our expectations, and as such

we continue to hold the stock. Eurogroup Laminations (motors for electric vehicles) also performed poorly. The company announced weak results from its industrials segment, while there has also been weakness in its autos division. The company has exposure to both European and Chinese producers and we think the longer-term growth potential of electric vehicles is attractive.

On the positive side, we saw a bid for our holding in Kindred. This caused its shares to jump 40% in January. As debt markets stabilise, and investors get further confirmation of the state of the global economy, we expect merger and acquisition (M&A) activity to increase materially in European small-caps due to their low relative valuations compared to history. SUESS MicroTec's shares also performed well, and it seems the market is now waking up to the company's exposure to artificial intelligence (AI)-driven investment. We also had good returns from market research company Ipsos. The company had a poor year in 2023 as its Chinese exposure was poor (due to the faltering economy), as was demand from its mega-cap technology client base. Falling interest rates and more meaningful stimulus in China have renewed market hopes of a better demand outlook. We like the company's historic return profile and cash generation.

In terms of trading activity, we initiated new positions in Duerr (autos paint shops) and Faroese salmon farmer Bakkafrost. Duerr has seen growing demand for its paint shops driven by planned new electric vehicle car models

as well as the need for manufacturers to improve energy efficiency (current paint shops are very carbon intensive). In addition, Duerr owns a furniture manufacturing business which appears to have reached a low in terms of end demand. Bakkafrost gives the Company exposure to the salmon market, where we think conditions remain favourable, without having to deal with the punitive Norwegian resource tax (Bakkafrost does not operate in Norway). Besides the attractiveness of the salmon industry in itself, Bakkafrost offers high visibility on growth in its core Faroese assets, plus a turnaround story for its Scottish operations.

Manager outlook

As we look into 2024, inflation looks largely slain and we anticipate interest rates to come down over the course of the year. However, we do not think we are going back to a world of zero inflation and zero interest rates. The European economy has been remarkably resilient in light of the challenges of the energy shock, the supply-chain shock, the inflation shock and the monetary policy response. However, European smaller companies are trading at extremely low valuation multiples compared to history, despite all this. We have rarely struggled to find what we consider to be attractively valued investment ideas, but we feel we are currently spoiled for choice - making this a very exciting environment. As investor sentiment begins to improve, we are focused on finding the best investment ideas.

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.

Not for onward distribution. Before investing in an investment trust referred to in this document, you should satisfy yourself as to its suitability and the risks involved, you may wish to consult a financial adviser. This is a marketing communication. Please refer to the AIFMD Disclosure document and Annual Report of the AIF before making any final investment decisions. Past performance does not predict future returns. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Issued in the UK by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc