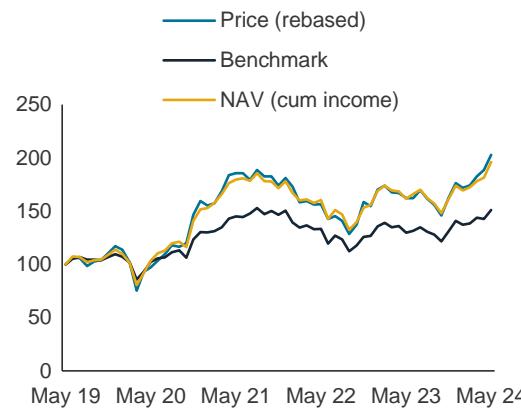
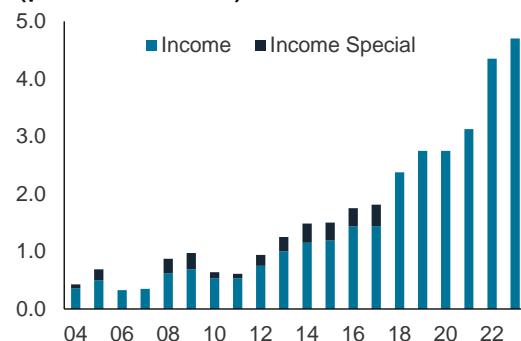


Share price performance (total return)



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)	24.6	25.0	9.3	102.8	227.6
NAV (Total return)	21.4	21.3	9.1	96.0	209.5
Benchmark (Total return)	15.0	16.6	4.2	51.0	133.0
Relative NAV (Total return)	6.4	4.7	5.0	45.0	76.5

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

31/3/2023 to 31/3/2024	9.1	5.1
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

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

Source: at 31/05/24. © 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 8.0% and the MSCI Europe ex UK Small Cap Index total return was 6.0%.

Contributors/detractors

The trust outperformed its benchmark with strong performance from Van Lanschot Kempen and Karnov Group. BFF, Azelis Group and DFDS detracted.

Outlook

European small-caps have rebounded strongly. Despite potential short-term volatility, the medium-term outlook remains positive due to attractive valuations and improving earnings.

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)	211.8p
NAV (ex income)	208.5p
Share price	186.6p
Discount(-)/premium(+)	-11.9%
Yield	2.5%
Net gearing	10%
Net cash	-
Total assets	£938m
Net assets	£844m
Market capitalisation	£744m
Total voting rights	398,671,582
Total number of holdings	130
Ongoing charges (year end 30 Jun 2023)	0.65%
Benchmark	MSCI Europe ex UK Small Cap Index
Overall Morningstar Rating™	★★★★

As of 31/05/2024

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.

How to invest

Go to www.janushenderson.com/howtoinvest

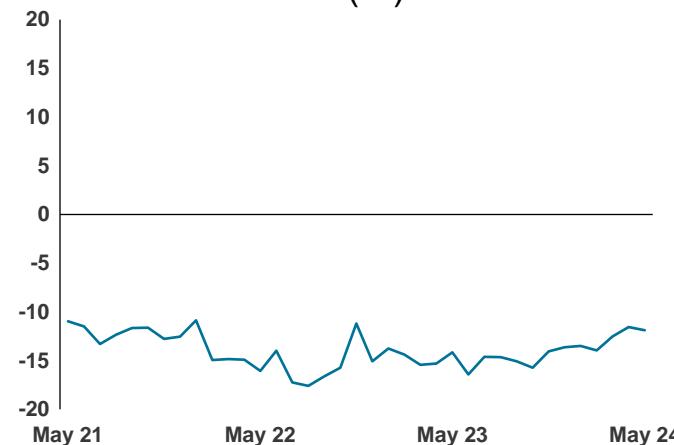
Find out more

Go to www.europeansmallercompaniestrust.com

Top 10 holdings (%)

Van Lanschot Kempen	3.0
TKH Group	3.0
KSB	1.9
SUESS MicroTec	1.9
Stroer	1.7
Fugro	1.7
DFDS	1.6
IPSOS	1.6
u-blox	1.6
Criteo	1.5

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	Europe
Fund manager appointment	Ollie Beckett 2011 Rory Stokes 2014 Julia Scheufler 2024



Ollie Beckett
Portfolio Manager



Rory Stokes, CFA
Fund Manager



Julia Scheufler, CFA
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

Go to www.janushenderson.com/howtoinvest

Customer services

0800 832 832

Fund Manager commentary

Investment environment

May saw a significant shift in the investment landscape for European small-cap stocks as economic indicators continued to show signs of improvement.

Investors grew more optimistic that inflation would gradually subside, paving the way for potential interest rate cuts - although not as aggressive as some had predicted at the beginning of the year.

This positive sentiment sparked a broader rally in the stock market. Capital increasingly flowed into the more cyclical (companies more sensitive to the wider economy) - and in our view undervalued - European small-cap sector. The UK market, which had been largely overlooked by investors in recent times, experienced particularly strong inflows.

Furthermore, the small-cap area also saw further evidence of merger and acquisition (M&A) activity and a revival of initial public offerings (IPOs), as private equity firms sought to capitalise on the favourable conditions and validate their business models through strategic exits.

Portfolio review

Van Lanschot Kempen, our largest holding and a prominent wealth management firm, emerged as the top positive contributor to performance. The company capitalised on improving equity markets, which creates a positive backdrop for wealth managers. Furthermore, brokers have increasingly recognised Van Lanschot Kempen as an undervalued player in the industry.

With the company expected to maintain its ability to deliver a dividend in the mid-teens, its appeal has been further enhanced.

We also saw a takeover bid for our holding in Karnov Group, a provider of legal information services in Scandinavia and Spain. The bid, presented by a private company called Forseti, was publicly rejected by us and other stakeholders, as we deemed it to substantially undervalue the company. Still, the proposed bid boosted the company's share price.

Banca Farmafactoring (BFF), an Italian factoring company, was the most significant detractor from performance in May. The Bank of Italy launched an investigation into BFF, alleging that the company had been excessively aggressive in classifying its loan book. The market hopes for a swift compromise between BFF and the Bank of Italy, but its uncertain duration has weighed on the stock. Despite this setback, BFF has reaffirmed its guidance (forecasts) for the year and its commitment to paying dividends. We have maintained our position in the company throughout this volatile period, and we remain optimistic that a resolution will be reached before the summer holidays.

Azelis Group, a Belgian chemical distribution company, also experienced weakness during the month due to a placing by two large private equity shareholders, EQT and PSP. Its share price decline following the placing can be attributed to the dampened expectations of a potential takeover bid, as many investors had been holding the shares in anticipation of such an event.

The divestment by the selling shareholders has diminished the likelihood of an imminent bid. However, we believe that as the economy recovers, Azelis should begin to see improvements in its business fundamentals. Despite the short-term weakness, we will review our position and currently continue to hold the position.

DFDS, a prominent Danish ferry operator, encountered challenges during the month partly due to P&O Ferries chartering two vessels to Irish Ferries. While the removal of one vessel from the cross-channel ferry route is a marginally positive development, the market perceived Irish Ferries' commitment to the route as a negative for DFDS. There had been expectations that Irish Ferries would exit the loss-making cross-channel route, but this recent development seems to confirm its continued presence for the foreseeable future. Although the cross-channel route currently suffers from excess capacity, we believe that DFDS remained significantly undervalued and is well-positioned to benefit from an improving economic environment. The company's ongoing share buyback program further reinforces our conviction in the stock, and we continue to maintain the position.

In terms of activity, we re-entered a position in Renk, a German defence company, following its IPO and a placing by private equity investors. Although we acquired shares at a price similar to our previous exit, we managed to secure a more substantial position through this placing. Renk specialises in manufacturing transmission systems and gearboxes for armoured vehicles. We believe the company is poised for strong momentum in the future given ongoing demand in the defence sector.

Manager outlook

European small-caps have demonstrated strong performance in recent weeks, rebounding from a period of significant underperformance. As investors become more pro-risk, the attractive valuations and potential for growth in this asset class have drawn renewed interest. It is important to note the anticipated rate cuts in Europe may lead to a temporary "travel and arrive" scenario, potentially limiting further rallies in the short-term. Despite this, we are currently observing a scramble among investors to increase their positioning within European smaller companies.

From a medium-term perspective, we believe the combination of attractive valuations and improving earnings places European small-caps in a favourable position. While we remain constructive on the asset class, we expect some degree of volatility over the summer. Nonetheless, our overall outlook for European smaller companies remains positive. In this case, we believe our balanced/blended investment style is well placed over the coming months.

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 <https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx>.

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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