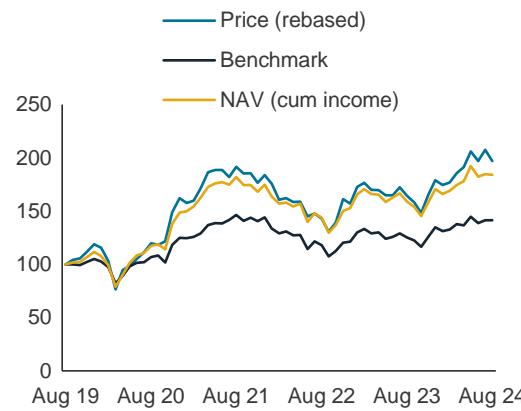
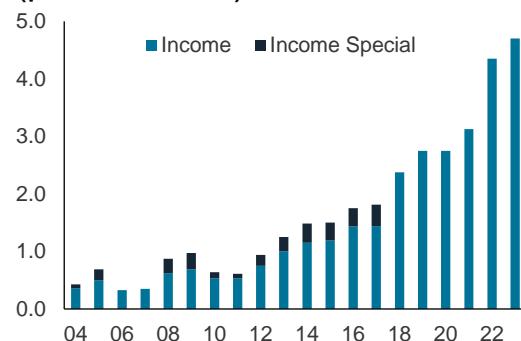


Share price performance (total return)



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.

How to invest

Go to www.janushenderson.com/howtoinvest

Find out more

Go to www.europeansmallercompaniestrust.com

Performance over (%)

	6m	1y	3y	5y	10y
Share price (Total return)	11.5	20.1	2.9	97.1	231.6
NAV (Total return)	8.8	15.8	1.1	84.0	218.0
Benchmark (Total return)	6.6	13.0	-3.4	41.4	142.6
Relative NAV (Total return)	2.2	2.7	4.6	42.6	75.4

Commentary at a glance

Performance

In the month under review the Company's NAV total return was -0.5% and the MSCI Europe ex UK Small Cap Index total return was -0.1%.

Contributors/detractors

Detractors included TKH, KSB and SUESS Microtec. Positive contributors included R&S Group, Concentric and Van Lanschot Kempen.

Outlook

We expect further interest rate cuts from the European Central Bank and are hopeful the European economy will improve during the second half of the year.

See full commentary on page 3.

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

30/6/2023 to 30/6/2024	19.5	12.0
30/6/2022 to 30/6/2023	13.6	16.4
30/6/2021 to 30/6/2022	-23.1	-21.1
30/6/2020 to 30/6/2021	79.5	63.5
30/6/2019 to 30/6/2020	-2.5	2.9

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

Source: at 31/08/24. © 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.

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)	202.7p
NAV (ex income)	198.1p
Share price	178.6p
Discount(-)/premium(+) (%)	-11.9%
Yield	2.5%
Net gearing	13%
Net cash	-
Total assets	£901m
Net assets	£801m
Market capitalisation	£706m
Total voting rights	395,381,598
Total number of holdings	132
Ongoing charges (year end 30 Jun 2023) (%)	0.65%
Benchmark	MSCI Europe ex UK Small Cap Index
Overall Morningstar Rating™	★★★★★

As of 31/08/2024

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.

Top 10 holdings (%)

	(%)
Van Lanschot Kempen	3.0
TKH	2.7
IG Group	2.0
SUESS MicroTec	1.8
Criteo	1.8
KSB	1.7
Stroer	1.6
Fugro	1.6
Nordnet	1.5
AlzChem Group	1.4

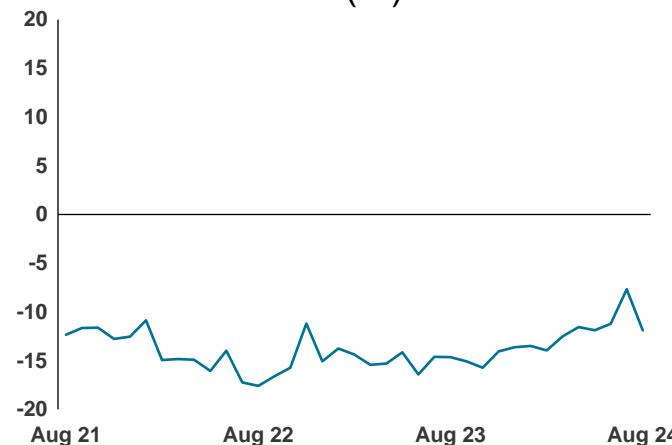
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

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.

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.

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
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
Fund Manager



Rory Stokes, CFA
Fund Manager



Julia Scheufler, CFA
Fund Manager

Fund Manager commentary

Investment environment

August was a volatile month for European small-cap stocks. At the start of the month, equity markets sold off sharply, triggered by the release of weak US non-farm payroll data. This sparked investor concerns of an economic 'hard landing' (recession) in the US.

There was also a market shift, with a sell-off of shares in large technology companies such as NVIDIA (which had until recently done well) having a knock-on effect on the wider equity market. Shares in small-cap companies generally underperformed those of large-cap companies over the month.

Minutes from the European Central Bank (ECB)'s July meeting (released in August) raised investor hopes that policymakers would ease borrowing conditions (by reducing interest rates) further in September. These expectations increased at the end of the month as it emerged that eurozone inflation had cooled to 2.2% year-on-year, down from 2.6% the previous month.

Portfolio review

Dutch industrial technology conglomerate TKH detracted from performance over the period. The company's earnings disappointed investors again, as it downgraded its earnings forecasts. It has delivered higher returns over time and continued to restructure its portfolio away from commoditised cable provision to providing more

value-added products such as machine vision cameras. TKH is also the global leader in smart equipment to manufacture tyres. However, the company has not managed expectations particularly well. After a period of strong growth in its tyre business, there will likely be a slowdown in the rate of growth. There also has not been a pick-up in machine vision for cameras. However, we remain positive about the holding as there has been a pick-up in utilisation for the company's subsea cable business, and we expect its margins to improve.

The holding in KSB, a German manufacturer of pumps and valves, also detracted over the period. The company has performed well but had a disappointing August due to low trading volumes.

The holding in SUESS Microtec, the semiconductor capital equipment manufacturer, was caught up in the US technology rotation during August. The company has been a massive winner from the success of fellow technology company NVIDIA. We think SUESS Microtec is well placed once we are through this general market rotation.

R&S Group (Swiss power products, such as transformers) contributed positively over the period. The company performed well off the back of its acquisition of UK business Kyte Powertech, a provider of electrical infrastructure components, with the deal well received by the market. Elsewhere, Swedish-listed Concentric, which makes diesel pumps for trucks and buses, benefited from a bid at a significant premium by AP Muller. We continue to hold the company. Benelux wealth manager Van

Lanschot Kempen also contributed positively after it delivered good results, where it has continued to grow its assets and return capital to investors through dividends and share buybacks. While we have marginally reduced the position after a period of good share price performance, it remains a key holding for the fund.

Vimian Group, a Swedish animal healthcare firm, was also a positive contributor over the month. This holding is a fairly new addition to the fund. After a few quarters of disappointing growth, the company now has a new management team that is delivering growth, which was well received by the market.

During the month we bought a small position in Boozt, the Scandinavian online clothing retailer, after it released disappointing results. We like the company for the medium term, as it has seen high average order values and has been gaining market share. It has suffered in the current tough consumer spending environment, but we believe the consumer will recover, particularly in Sweden. We also topped up the position in Vimian and R&S. Finally, we topped up the holding in Envipco, which is the challenger to Tomra in reverse vending machines.

We bought back into a position in Spanish bank Bankinter as it is taking back market share. It has had strong fee growth and has been generating a good return on equity at what we saw as an attractive valuation. Finally, we took profits in Sweco Group, the Swedish engineering consultant, and sold a small residual holding in Manz.

Manager outlook

Despite the volatility during August, we do not see any fundamental change in the market. We are still expecting a recovery environment, although improvement in both global and European economies has been tepid. We believe this will get better from here.

Shares in European small-cap companies are currently trading at a big discount to their historical valuations. Based on historical performance, European small-caps could benefit as interest rates are cut. We are hopeful about future rate cuts from the ECB and believe the European economy will improve during the second half of the year.

Medium-term, the combination of what we see as attractive valuations and improving earnings places European small-cap stocks in a favourable position in our view. We believe our balanced/blended investment style is well suited to this market environment.

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.

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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