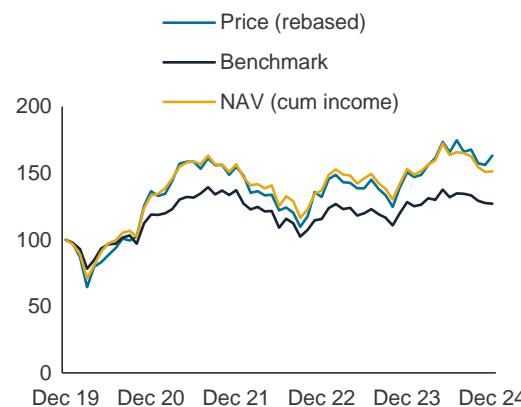
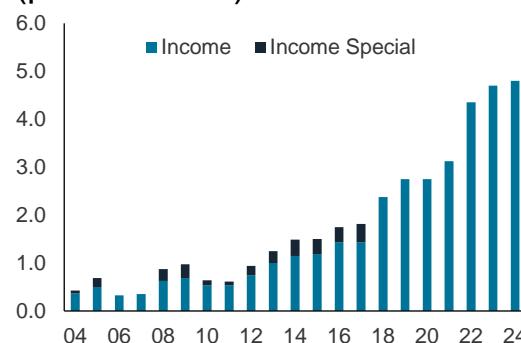


## Share price performance (total return)



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)	-1.6	8.2	5.3	63.0	235.0
NAV (Total return)	-7.5	-1.0	-3.3	51.4	201.8
Benchmark (Total return)	-3.8	-1.1	-7.4	27.0	138.3
Relative NAV (Total return)	-3.7	0.1	4.1	24.4	63.5

## Commentary at a glance

### Performance

In the month under review the Company's NAV total return was 0.4% and the MSCI Europe ex UK Small Cap Index total return was -0.4%.

### Contributors/detractors

Positive contributors to performance included eDreams, TKH Group and Avolta. Detractors included R&S Group, Carl Zeiss and Ströer.

### Outlook

We believe we could soon be looking at a very different economic backdrop, defined by a coordinated global upswing in which we would expect small-cap stocks to participate.

See full commentary on page 3.

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

31/12/2023 to 31/12/2024	8.2	-1.0
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

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

Source: at 31/12/24. © 2025 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)	182.7p
NAV (ex income)	181.7p
Share price	172.0p
Discount(-)/premium(+)	-5.9%
Yield	2.8%
Net gearing	14%
Net cash	-
Total assets	£823m
Net assets	£720m
Market capitalisation	£677m
Total voting rights	393,815,298
Total number of holdings	128
Ongoing charges (year end 30 Jun 2024)	0.67%
Benchmark	MSCI Europe ex UK Small Cap Index
Overall Morningstar Rating™	★★★★
As of 31/12/2024	

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](http://www.janushenderson.com/howtoinvest)

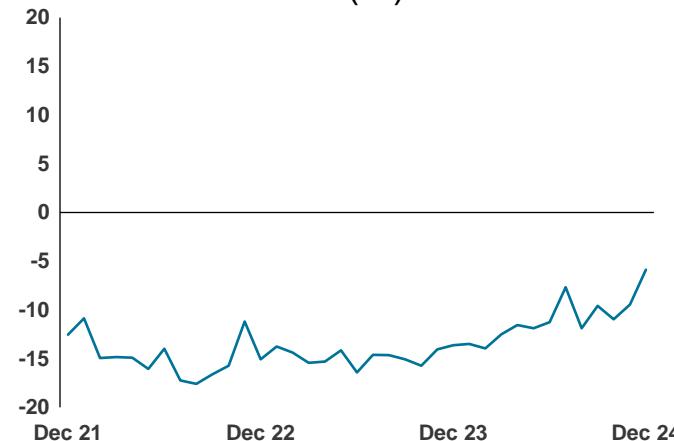
## Find out more

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

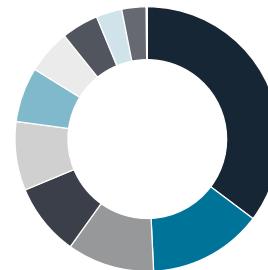
Top 10 holdings(%)

Van Lanschot Kempen	3.1
TKH Group	2.5
IG Group	2.3
KSB	1.9
SUESS MicroTec	1.8
Criteo	1.7
AlzChem Group	1.7
eDreams ODIGEO	1.6
Renewi	1.6
Stroer	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.

Germany 20.1%

France 13.0%

Sweden 11.5%

Netherlands 9.4%

Switzerland 8.7%

Spain 7.0%

Belgium 4.5%

Norway 4.4%

Italy 4.3%

United Kingdom 4.3%

Industrials 35.3%

Technology 14.0%

Consumer Services 10.7%

Core Financials 8.8%

Consumer Goods 8.4%

Basic Materials 6.7%

Financial Services 5.4%

Health Care 4.5%

Real Estate 3.1%

Energy 3.0%

Telecoms 0.1%

**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

**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.

**How to invest**

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

**Customer services**

0800 832 832

## Fund Manager commentary

### Investment environment

European equity markets remained unsettled in December. The performance of European shares was affected by the sell-off in global equities during the month. This followed hawkish comments from the US Federal Reserve (Fed), which indicated it would make fewer interest rate cuts than previously expected in 2025.

US President-elect Donald Trump's threat to implement trade tariffs against the European Union continued to worry investors.

Political upheaval in Germany and France also sapped investor morale. Germany faces a general election in February after Chancellor Olaf Scholz lost a confidence motion, and French President Macron appointed Francois Bayrou as prime minister after his previously appointed prime minister Michel Barnier also lost a confidence vote.

In China, there were concerns that stimulus measures would fail to deliver the expected economic boost.

The European Central Bank (ECB) reduced its deposit rate by 25 basis points (bps) to 3.00%. It was its fourth reduction since June, and while the ECB left the door open to further cuts in 2025, it warned of a weaker economic outlook.

Meanwhile, the Fed cut interest rates by 25 bps during the month.

### Portfolio review

The Spain-based online travel agency eDreams was the top positive contributor in December. The company delivered good results in November, particularly in its prime membership segment where members can save money on flights and hotels.

Dutch industrial technology conglomerate TKH Group also contributed positively. The company won some orders in its offshore cable business, where it has been experiencing some manufacturing issues. We believe the company is attractively valued (at the time of writing) when considering each of its business units in isolation, and we hope it will further improve its prospects in 2025.

Avolta, the Swiss-based operator of duty-free shops and airport convenience stores, also contributed positively to performance due to the expectation that consumer spending on holidays is holding up, despite consumer weakness in the wider retail space. The company also demonstrated good growth in its most recent quarterly report.

Swiss company R&S Group, which produces power products such as transformers, was the top detractor in December. After some strong performance over the last two years, a sell-down by longer-term shareholders resulted in the company's share price falling during the month.

Carl Zeiss, the German manufacturer of medical technology for premium eye testing and laser eye surgery equipment, also detracted from performance in December. The company continued to lower its guidance after disappointing performance over the past couple of years, particularly in China, where the country's declining economy has stopped consumers from spending on corrective eye surgery. Despite the negative performance in December, we remain confident in Carl Zeiss and continue to hold its shares.

The German advertising company Ströer suffered during the month. The uncertain political environment in Germany affected its share price. The company has also found it difficult to sell its beauty business segment Asambeauty in the struggling consumer environment. Despite these factors, we believe the company's share price has been punished unfairly by the market and we continue to hold the position.

During the month, we opened a new position in GVS, which sells filters for use in the healthcare, automotive and industrial industries. The company has recently strengthened its balance sheet by paying off its €75 million shareholder loan with a capital increase. Alongside its filter business, GVS has acquired Haemonetics Corporation's transfusion medicine business. Although the blood transfusion market is mature – people have been giving blood for a long time – we believe this acquisition could have interesting synergies for GVS.

Elsewhere, we opened a small position in Biogaia, the leading supplier of probiotics for gut health for children. And we sold Alimak, the vertical access equipment company, after it performed well and delivered on its promise of improved margins after it acquired Tractel.

#### Manager outlook

In our view, the two main factors that have been holding back the performance of small-cap stocks are high interest rates and fears surrounding the economic cycle, both of which we believe are set to improve from here.

We continue to think the US election will act as a clearing event for markets, allowing activity to accelerate again. On the threat of US tariffs, European small-cap companies have approximately 12% of revenues exposed to the US, much of which will be services related (tariff exempt). Thus, we think the real-world impact is likely to be less than what is currently priced in.

As we enter 2025, we would hope that the political landscapes of France and Germany do not worsen. We will be paying close attention to France's new government under Francois Bayrou and Germany's parliamentary election in February. We hope that the German election will lead to an improved political situation and that Germany may start to focus on tax cuts, deregulation and increased productivity.

Further potential catalysts to the performance of small-cap companies include improving consumer sentiment, signs of which we have already seen in Sweden, and further Chinese stimulus measures, which we believe would benefit Europe.

All considered, we believe we could soon be looking at a very different economic backdrop, defined by a coordinated global upswing in which we would expect small-cap stocks to participate.

## 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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