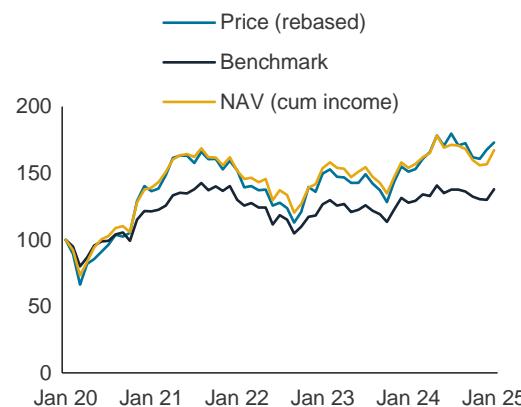
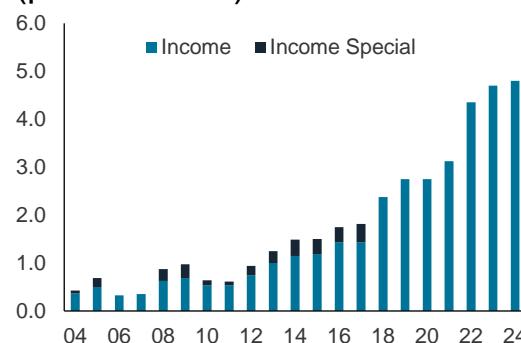


Share price performance (total return)



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)	-3.7	14.4	13.7	73.0	236.0
NAV (Total return)	-2.4	8.6	10.2	67.3	213.8
Benchmark (Total return)	0.1	7.9	6.1	37.9	144.5
Relative NAV (Total return)	-2.5	0.7	4.1	29.4	69.3

Commentary at a glance

Performance

In the month under review the Company's NAV total return was 6.8% and the MSCI Europe ex UK Small Cap Index total return was 6.2%.

Contributors/detractors

Positive contributors included Ströer, Van Lanschot Kempen and Carl Zeiss. Detractors from performance included DFDS, Suess Microtec and Cint Group.

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.

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)

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 31/01/25. © 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)	195.3p
NAV (ex income)	194.3p
Share price	177.4p
Discount(-)/premium(+) (%)	-9.1%
Yield	2.7%
Net gearing	12%
Net cash	-
Total assets	£863m
Net assets	£769m
Market capitalisation	£699m
Total voting rights	393,815,298
Total number of holdings	126
Ongoing charges (year end 30 Jun 2024) (%)	0.67%
Benchmark	MSCI Europe ex UK Small Cap Index
Overall Morningstar Rating™	★★★★
As of 31/01/2025	

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	3.1
TKH Group	2.6
IG Group	2.2
KSB	2.0
Stroer	1.8
AlzChem Group	1.7
Criteo	1.6
Gaztransport Et Technigaz	1.6
Avolta	1.6
SUESS MicroTec	1.6

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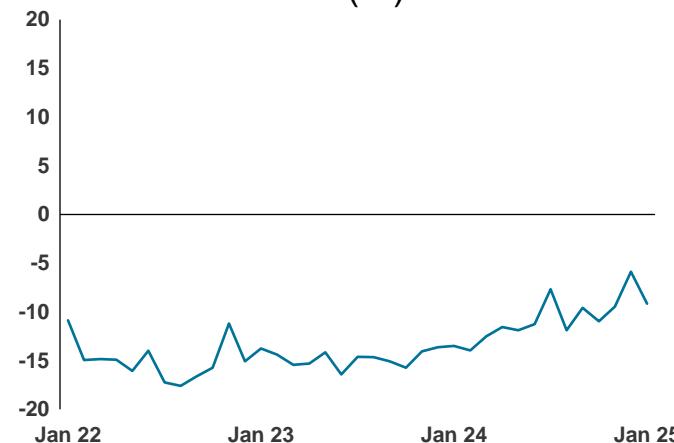
Geographical focus (%)

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.

Industrials	35.6%
Technology	13.2%
Consumer Services	11.1%
Consumer Goods	8.6%
Core Financials	8.1%
Basic Materials	6.6%
Health Care	5.4%
Financial Services	5.2%
Real Estate	3.7%
Energy	2.5%

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

How to invest

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Customer services

0800 832 832

Fund Manager commentary

Investment environment

European equity markets performed strongly in January. The main drivers were a benign start to the corporate earnings season, a relatively calm start to Donald Trump's presidency with regard to European trade tariffs, and a slightly more dovish tone from the European Central Bank (ECB).

The ECB cut its key deposit rate by 25 basis points (bps) to 2.75% as it warned of a weak economic outlook. The eurozone economy achieved no growth in the fourth quarter, which was worse than predicted and followed the third quarter's 0.4% expansion. Political turmoil in Germany and France also weighed on the eurozone's performance.

In terms of sectors, the month was marked by a major wobble in technology shares after the cost-efficient Chinese artificial intelligence (AI) model DeepSeek was released. This prompted questions surrounding the large-scale investment in AI infrastructure.

Energy and financial sectors led performance in January, with the financial sector performing strongly due to the potential for 'higher for longer' interest rates.

Portfolio review

DFDS, the Danish ferry operator, detracted from performance in January after the company lowered its guidance (forecasts) due to competition in the Mediterranean.

The semiconductor capital equipment company Suess Microtec detracted, despite raising its guidance above consensus for 2025. The company suffered due to the more general sell-off in technology stocks after the release of DeepSeek in China. However, we do not believe that AI infrastructure spending will halt and we maintain the holding.

Cint Group, which runs a leading platform for market research panels, also saw its share price fall in January. The company announced it would raise equity during the month through a rights issue to help refinance its balance sheet – news the market took badly. However, we continue to be supportive of the company due to the strength of its media measurement business, which measures the success of the company's market research panels.

The German outdoor advertising company Ströer contributed positively to performance. The discussion around the company being taken private boosted its share price during January.

Van Lanschot Kempen also performed well during the month. The company is a wealth manager, so it benefited from strong equity market performance in January. The company's share price also benefited from its confirmation that there will be at least a 10% cash return via a dividend.

Finally, Carl Zeiss, the German manufacturer of medical technology for premium eye testing and laser eye

surgery equipment, also contributed positively. The company suffered in 2024 due to economic weakness in China, but its share price bounce in January may indicate the beginning of an improvement in corporate profits in the country, driven by stimulus measures.

During the month, we opened a position in SFC Energy, the German fuel cell company. SFC Energy is seeing several new orders, particularly from the Indian military, and a lot of internal share buying by its managers and board members. We believe the company was significantly undervalued at the time of purchase. We also opened a position in BHG Group. The company's new management team has been able to improve the company's prospects. We are also hopeful that Swedish consumer appetite will increase again. Elsewhere, we took profits in Spanish bank Bankinter, as the shares were close to our target valuation given the positive performance of the financial sector.

Manager outlook

At the end of January, US President Trump threatened tariffs on Canada, Mexico and China, initially set to begin in early February. We believe tariffs for continental Europe are likely to follow, which could cause volatility in markets. Despite this, we still envisage underlying improving growth in both the US and China, which should prove supportive for Europe. We also think we could see a ceasefire in Ukraine. Therefore, although we expect volatility and a possible risk-off scenario in the near future, the underlying trends for European small-cap companies remain positive in our view.

We are aware that we will need to navigate through the German election in February, where it is not clear whether there will be a clear-cut result leading to an easy coalition – predominantly due to the problem of the extreme right-wing party Alternative for Germany (AfD). As other German political parties have refused to form a coalition with the AfD, there is the risk that coalition discussions could take time. On the positive side, there is a consensus in Germany that reform and improved productivity are necessary, which could still act as a positive catalyst for the country after the election.

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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