

February 2010



**Crispin Longden**  
Fund Manager

## Trust aims

To achieve growth of capital through investment in quoted medium-sized companies in Europe, excluding the United Kingdom. A high distribution policy has been adopted and dividends have been paid mainly out of capital reserves.

## Trust highlights

- Diversified portfolio of small to mid-cap growth businesses across Continental Europe.
- This area of the market is less well researched, allowing value to be added from stock selection.
- Admission of new Euro member countries will boost economic dynamism.

## Benchmark

HSBC Europe (ex-UK) Smaller Companies Index

## Average annual return

Average annual return figure over 5 years 6.24%

## Key details

Fund Type	Investment Trust
Launch Date	1972
Total assets	£95.8 million
Share price	561.50p
NAV	628.73p
Discount/Premium(-/+)	-10.7%
Dividend Payment Dates	Jan, May, Aug
Net dividend yield	6.7%
Actual gearing**	97.4
Management fee rate***	0.80%
Total expenses	1.77%
Year end	31 December
Sector	European Smaller Companies
Currency	Euros
Website	www.europeanassets.eu

## Standardised performance

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
<b>Fund</b>	47.5%	-41.2%	-18.4%	33.8%	42.9%

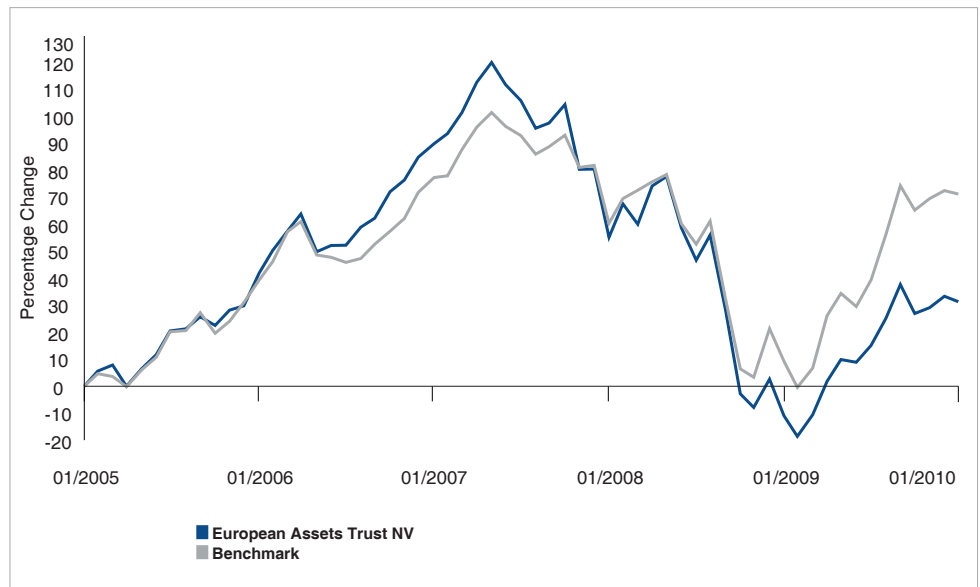
## Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
<b>Fund</b>	-1.5%	-1.5%	47.5%	-29.2%	35.4%
<b>Benchmark</b>	-0.7%	-0.7%	56.7%	-3.5%	71.3%

Source: Datastream & Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance to the regulations of the FSA.

Past performance is not a guide to future performance. The standardised performance table refers to 12 month periods ending 31 January. The cumulative performance table refers to cumulative periods ending 31.01.2010

## Fund performance



## Top ten holdings

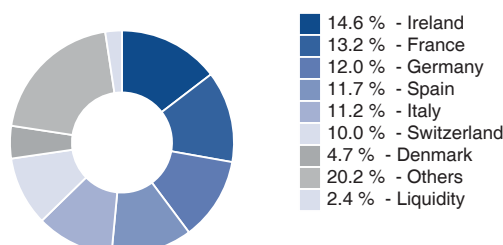
Holdings	Sector/Country	%
<b>Norkom Group</b>	Ireland	5.2%
<b>Indra Sistemas</b>	Spain	4.3%
<b>Partners Group</b>	Switzerland	3.7%
<b>Andritz</b>	Austria	3.5%
<b>Tod's</b>	Italy	3.4%
<b>DCC</b>	Ireland	3.3%
<b>Faively</b>	France	3.3%
<b>Meda</b>	Sweden	3.2%
<b>Rhoen Klinikum</b>	Germany	3.1%
<b>TiGenix</b>	Belgium	3.0%
<b>Total</b>		<b>36.0%</b>

# European Assets Trust NV

Continued

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## Trust geographical breakdown



## Manager's commentary

The buoyant start to January soon fizzled out with Sovereign risk, bank regulation and Chinese policy tightening all causing concern. Tough talking by the ECB President Trichet only compounded investors' fears in regard of Greece's already precarious position and that of other countries such as Portugal and Spain.

The HSBC European Smaller Index (ex UK) fell 0.7% in Sterling total return terms (source: HSBC). European Assets Trust NV outperformed on a relative basis with a fall in Net Asset Value, Sterling total return terms of 0.1% (source: F&C). Norkom the Irish, anti money laundering software company had another strong month. However the best performing stock in the portfolio was SEB, the French based manufacturer of small household equipment, whose strength lies in its portfolio of internationally recognised brands which include Rowenta, Moulinex and Tefal.

Trading activity continued to be quiet over the month of January. We made no new purchases over the month nor did we increase the size of any of our existing holdings. Sales were limited to just three companies, two of which were exited. Following a disappointing meeting with management our decision to switch out of VastNed Office, a Dutch property fund has been implemented and the stock exited. We also exited Zardoya Otis the Spanish manufacturer and installer of elevators and escalators. With a troubled economy and a lacklustre construction sector Zardoya is finding the current climate extremely difficult with considerable pressure on new equipment orders. The slow process of selling out of Goldbach Media continues.

## Trust codes

Sedol	
F&C EAT - GBP	0322566

All data as at 31.01.10 unless otherwise stated.

The yield is calculated on an historic basis using the actual dividends paid during the company's last financial year and the closing share price as at the end of the relevant month.

All information is sourced from F&C, unless otherwise stated. All percentages are based on gross assets. \* Total assets / shareholders' funds. \*\* (total assets - cash) / shareholders' funds. \*\*\* Management fee and expenses information as at the end of December 2006 and expressed as a percentage of average shareholders funds. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the 'Key Features' document for the relevant product. Stock market and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment. If markets fall, gearing can magnify the negative impact on performance. The fact sheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority (FSA). Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895.