

TR EUROPEAN GROWTH TRUST PLC

Report for the half-year ended 31 December 2018 *(unaudited)*

TR EUROPEAN GROWTH TRUST PLC

Unaudited results for the half-year ended 31 December 2018

This announcement contains regulated information

Investment Objective

The Company seeks capital growth by investing in smaller and medium sized companies which are quoted, domiciled, listed or have operations in Europe.

Performance for the six months to 31 December 2018

- Net Asset Value ('NAV') per share total return was -21.6% compared to a total return from the benchmark index of -13.2%
- Share price total return was -22.9% compared to the sector average of -17.9%
- The shares were trading at discount of 12.6% at the period end
- Interim dividend of 7.50p per ordinary share declared (2017: 5.00p)

Total return performance (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	-21.6	-24.5	29.6	57.5	247.1
Benchmark index ²	-13.2	-12.7	32.7	52.7	200.0
Average sector NAV ³	-15.7	-13.9	28.0	56.5	251.8
Share price ⁴	-22.9	-34.5	23.5	54.9	241.2
Average sector share price	-17.9	-20.0	21.3	54.2	254.8

Financial highlights

	At 31 December 2018	At 30 June 2018
Shareholders' funds		
Net assets (£'000)	443,967	574,591
NAV	886.01p	1,146.70p
Share price	774.00p	1,020.00p
	Half-year ended	Year ended
	31 December 2018	30 June 2018
Total return to equity shareholders		
Revenue return after taxation (£'000)	695	11,025
Capital return after taxation (£'000)	(124,304)	(1,089)
Total return	(123,609)	9,936
Total return per ordinary share		
Revenue	1.39p	22.06p
Capital	(248.07p)	(2.18p)
Total return per ordinary share	(246.68p)	19.88p

1. Net Asset Value per ordinary share total return (including dividends reinvested and excluding the cost of reinvestment)
2. Euromoney Smaller European Companies index (ex UK) expressed in Sterling
3. The sector is the AIC European Smaller Companies sector
4. Share price total return using mid-market closing price

Sources: Janus Henderson, Morningstar for the AIC, Datastream

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

Performance

The first half of the Company's financial year has not been good for equities, and worse still for Europe, with rising US central bank interest rates and the European Central Bank having ended its quantitative easing programme in December 2018. Europe's economies continued to decelerate and estimates predicted that the German economy might even contract. Cyclical stocks posted 2018's biggest losses with investments in the Financial sector delivering double digit underperformances. Our exposure to micro-cap companies which contributed to significant outperformance in prior years - 18.2% ahead of the benchmark for the year ended 30 June 2017 - had the reverse effect as markets began slowing.

Over the six months to 31 December 2018 the Company produced a net asset value per share total return of -21.6% compared to the benchmark of -13.2%. The share price total return was -22.9%, as the shares moved to a wider discount partly reflecting the deterioration in the rating of European equities. However, performance over the five year period remained solid with the net asset value per share total return at 57.5%, outperforming the benchmark by 4.8% and the AIC European Smaller companies sector by 1.0%.

Interim dividend

Despite the challenging global markets, the Company has maintained the level of revenue generated by its portfolio and the Board was pleased to declare an interim dividend of 7.50p per ordinary share (2017: 5.00p). The dividend will be paid on 12 April 2019 to shareholders on the register on 15 March 2019.

Outlook

The backdrop of a slowing global economy, many years into an economic recovery has led to fears of recession and a flight from assets perceived to be more risky. However, valuations of European smaller companies have become far more appealing as a result.

We do not discount economic risk, but believe that it should not be overstated. A key benefit of close ended vehicles is the fact that we are not obliged to sell good companies in falling markets in order to meet redemptions. Our managers therefore have the opportunity to use the current contracting market to buy mispriced companies that have strong structural growth or self-help characteristics, and which our open-ended competitors may be compelled to sell as investors seek to place their funds elsewhere. Current conditions present interesting opportunities for the patient investor.

Audley Twiston-Davies
Chairman

FUND MANAGER'S REPORT

The Company had a very disappointing six months, underperforming the benchmark by 8.4% in a turbulent period for stock markets. The underperformance resulted from too much cyclicality in the portfolio combined with gearing in a falling market. This was exacerbated by poor stock selection: being valuation aware in a market focused on 'earnings momentum at any price' was a disadvantage, as was our skew towards the lower end of the market capitalisation spectrum. We did, though, achieve our ambition of disposing of our unquoted investments, most notably with the sale of the Company's position in BrainLab.

We underestimated the extent to which a rising cost of capital, combined with an escalating trade war, would weigh on global markets. This left the portfolio exposed to fears of a recession which hit sentiment and stock prices. The political backdrop remained noisy, from President Trump's aggressive trade stance with China/Europe and Italy's belligerent position, to Brexit uncertainty. There were plenty of other less tangible concerns as well, with Germany undergoing political transition as Angela Merkel steps back from the Chancellorship, France once again showing herself to be very hard to govern and Sweden now months without a government. These factors combined with a fear that the US Federal Reserve and European Central Bank would implement quantitative tightening ('QT') too early.

In this environment, positive contributors to performance included French engineering tech firm **Gaztransport et Technigaz**, and Swedish firms **Ambea** and **JM Gaztransport et Technigaz** continued to pick up orders as it benefited from the large potential market for Liquefied Natural Gas ('LNG') as a fuel. **Ambea** outperformed analyst forecasts and delivered a compelling acquisition to help drive shares up. **JM** added value as the Swedish housing market began to stabilise. Elsewhere, **Dialog Semiconductor** resolved its relationship with Apple, Finnish electronic invoicing software company **Basware** received a bid and Italian HVAC control software company **Carel Industrial** contributed positively after a successful initial public offering ('IPO').

Less positively, Finnish construction company **Lehto** suffered after shifting away from its core modular construction competency into loss-making refurbishment. Finnish mining service company **Outotec** fell after a troublesome legacy contract resurfaced. Norwegian sports retailer **XXL** saw sales impacted by bad weather compounded by self-inflicted management problems. Dutch oil services company **Fugro** was hit by market worries over its balance sheet and the pace of recovery in the oil market. Finally, German online lifestyle retailer **Westwing** performed poorly after a badly handled IPO, exaggerated by fears that mild weather would negatively affect sales.

We took a new position in Norwegian LNG shipper **Flex LNG**, which has the most technologically advanced LNG carrier fleet in an industry in the early stages of an enormous growth phase. We reopened a position in Portuguese paper company **Navigator**, which has terrific capital discipline and should benefit from a re-evaluation of US tariffs. We also added Italian non-performing loan servicer **DoBank** on valuation grounds.

We exited the position in **XXL** as we developed reservations about management's control of the business and the sustainability of the balance sheet. We closed the position in Finnish weather equipment business **Vaisala** as we took the view that management were not earning a sufficiently high return on research and development investment. German 3D printing machinery firm **SLM Solutions** was sold as the company persistently failed to deliver upon the growth they promised.

We consider the economic backdrop to be weak, but not that different to most of the period since the global financial crisis, where anaemic growth has been the norm. It is far from certain that the global economy will see a recession in 2019 or that the pace of interest rate rises and QT will be aggressive enough to be a policy mistake. A trade deal between the US and China seems probable. The backdrop for European smaller companies is not bad in such an environment, not least with valuations looking so appealing.

After recent market moves European smaller companies, especially towards the lower end of the market capitalisation spectrum, seem attractively valued. We believe this is particularly the case in our portfolio which contains (in our view) cheap stocks, generating healthy returns on exceedingly low multiples. In addition, the underlying dividend yield on the portfolio is extremely healthy. While pockets of the European economy have been faltering recently, we are confident, but not complacent, that there remains ample opportunity to deliver better performance in the coming months.

Ollie Beckett and Rory Stokes

Sector Exposure (*% of portfolio excluding cash*)

	As at 31 December 2018	As at 30 June 2018
	%	%
Industrial Goods	26.2	22.7
Technology	17.0	16.4
Financial	15.1	15.2
Basic Materials	14.2	15.9
Business Providers	11.3	10.7
Consumer Goods	8.7	11.0
Retail Providers	5.7	7.5
Natural Resources	1.8	0.6
	-----	-----
Totals	100.0	100.0
	=====	=====

Geographical Exposure (*% of portfolio excluding cash*)

	As at 31 December 2018	As at 30 June 2018
	%	%
Austria	1.9	2.1
Belgium	3.7	4.3
Denmark	3.4	2.4
Finland	8.5	11.1
France	12.2	12.0
Germany	19.7	19.0
Greece	0.9	0.6
Ireland	2.3	2.5
Italy	9.9	8.5
Netherlands	11.7	12.5
Norway	6.5	6.3
Portugal	1.8	0.8
Spain	0.0	0.7
Sweden	8.5	8.9
Switzerland	9.0	8.3
	-----	-----
Totals	100.0	100.0
	=====	=====

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Investment activity and performance risks;
- Portfolio and market price risks;
- Tax and regulatory risks; and
- Operational risks.

Information on these risks and how they are managed is given in the Annual Report for the year ended 30 June 2018. In the view of the Board these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Each of the Directors (as set out in note 13) confirms, to the best of their knowledge, that:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting', gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by Disclosure Guidance and Transparency Rule ('DTR') 4.2.4 R;
- the interim management report includes a fair review of the information required:
 - by DTR 4.2.7 R (indication of important events during the first six months and a description of principal risks and uncertainties for the remaining six months of the year); and
 - by DTR 4.2.8 R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Audley Twiston-Davies
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended 31 December 2018 (unaudited)			Half-year ended 31 December 2017 (unaudited)			Year ended 30 June 2018 (audited)		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	1,543	-	1,543	1,266	-	1,266	13,669	-	13,669
(Losses)/gains on investments held at fair value through profit or loss	-	(122,836)	(122,836)	-	36,329	36,329	-	3,694	3,694
Total income/(loss)	1,543	(122,836)	(121,293)	1,266	36,329	37,595	13,669	3,694	17,363
Expenses									
Management and performance fees (note 7)	(302)	(1,208)	(1,510)	(361)	(4,140)	(4,501)	(701)	(4,103)	(4,804)
Other operating expenses	(334)	-	(334)	(350)	-	(350)	(715)	-	(715)
Profit/(loss) before finance costs and taxation	907	(124,044)	(123,137)	555	32,189	32,744	12,253	(409)	11,844
Finance costs	(65)	(260)	(325)	(87)	(348)	(435)	(170)	(680)	(850)
Profit/(loss) before taxation	842	(124,304)	(123,462)	468	31,841	32,309	12,083	(1,089)	10,994
Taxation	(147)	-	(147)	(125)	-	(125)	(1,058)	-	(1,058)
Profit/(loss) for the period and total comprehensive income	695	(124,304)	(123,609)	343	31,841	32,184	11,025	(1,089)	9,936
Return per ordinary share – basic and diluted (note 2)	1.39p	(248.07p)	(246.68p)	0.69p	63.85p	64.54p	22.06p	(2.18p)	19.88p

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS, as adopted by the European Union. The revenue and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

All income is attributable to the equity holders of TR European Growth Trust PLC, the Parent Company. There are no minority interests.

The net loss of the Parent Company for the half-year was £123,609,000 (31 December 2017: profit of £32,184,000; 30 June 2018: profit of £9,936,000).

The Group does not have any other comprehensive income and hence the net profit for the period as disclosed above is the same as the Group's total comprehensive income.

The accompanying notes are an integral part of these condensed financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2018 (unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 July 2018	6,264	120,364	13,964	406,013	27,986	574,591
Total comprehensive income:						
(Loss)/profit for the period	-	-	-	(124,304)	695	(123,609)
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(7,015)	(7,015)
Total equity at 31 December 2018	6,264	120,364	13,964	281,709	21,666	443,967
Half-year ended 31 December 2017 (unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 July 2017	6,214	115,451	13,964	407,102	26,728	569,459
Total comprehensive income:						
Profit for the period	-	-	-	31,841	343	32,184
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(7,261)	(7,261)
Proceeds from issue of ordinary shares	49	4,913	-	-	-	4,962
Total equity at 31 December 2017	6,263	120,364	13,964	438,943	19,810	599,344
Year ended 30 June 2018 (audited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 July 2017	6,214	115,451	13,964	407,102	26,728	569,459
Total comprehensive income:						
(Loss)/profit for the year	-	-	-	(1,089)	11,025	9,936
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(9,767)	(9,767)
Proceeds from issue of ordinary shares	50	4,913	-	-	-	4,963
Total equity at 30 June 2018	6,264	120,364	13,964	406,013	27,986	574,591

The accompanying notes are an integral part of these condensed financial statements.

CONSOLIDATED BALANCE SHEET

	At 31 December 2018 (unaudited) £'000	At 31 December 2017 (unaudited) £'000	At 30 June 2018 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	505,818	677,807	626,057
	-----	-----	-----
Current assets			
Receivables	1,989	1,324	2,170
Cash and cash equivalents	3	53	121
	-----	-----	-----
	1,992	1,377	2,291
	-----	-----	-----
Total assets	507,810	679,184	628,348
	-----	-----	-----
Current liabilities			
Payables	(1,957)	(4,117)	(7,627)
Bank overdrafts	(61,886)	(75,723)	(46,130)
	-----	-----	-----
	(63,843)	(79,840)	(53,757)
	-----	-----	-----
Net assets	443,967	599,344	574,591
	=====	=====	=====
 Equity attributable to equity shareholders of the parent company			
Called up share capital (note 3)	6,264	6,263	6,264
Share premium account	120,364	120,364	120,364
Capital redemption reserve	13,964	13,964	13,964
Retained earnings:			
Other capital reserves	281,709	438,943	406,013
Revenue reserve	21,666	19,810	27,986
	-----	-----	-----
Total equity	443,967	599,344	574,591
	=====	=====	=====
 Net asset value per ordinary share – basic and diluted (note 4)	886.01p	1,196.09p	1,146.70p
	=====	=====	=====

The accompanying notes are an integral part of these condensed financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Half-year ended 31 December 2018 (unaudited) £'000	Half-year ended 31 December 2017 (unaudited) £'000	Year ended 30 June 2018 (audited) £'000
Operating activities			
(Loss)/profit before taxation	(123,462)	32,309	10,994
Add back: interest payable	325	435	850
Less: losses/(gains) on investments held at fair value through profit or loss	122,836	(36,329)	(3,694)
Sales of investments held at fair value through profit or loss	195,527	167,027	389,344
Purchases of investments held at fair value through profit or loss	(196,863)	(186,572)	(390,048)
Withholding tax on dividends deducted at source	(175)	(237)	(1,689)
Decrease in prepayments and accrued income	245	273	66
Decrease in amounts due from brokers	2	2,128	1,840
Decrease in accruals and deferred income	(784)	(1,113)	(2,472)
(Decrease)/increase in amounts due to brokers	(4,886)	(1,094)	3,739
	-----	-----	-----
Net cash (outflow)/inflow from operating activities before interest and taxation	(7,235)	(23,173)	8,930
	-----	-----	-----
Interest paid	(325)	(468)	(850)
Taxation recovered	24	100	266
	-----	-----	-----
Net cash (outflow)/inflow from operating activities	(7,536)	(23,541)	8,346
	-----	-----	-----
Financing activities			
Proceeds from issue of ordinary shares	-	4,962	4,963
Equity dividends paid	(7,015)	(7,261)	(9,767)
Net drawdown/(repayment) of bank overdraft	14,433	25,836	(3,478)
	-----	-----	-----
Net cash inflow/(outflow) from financing activities	7,418	23,537	(8,282)
	-----	-----	-----
(Decrease)/increase in cash and cash equivalents	(118)	(4)	64
Cash and cash equivalents at the start of the period	121	57	57
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Cash and cash equivalents at the period end	3	53	121
	=====	=====	=====

The accompanying notes are an integral part of these condensed financial statements.

Notes to the condensed financial statements

1. Accounting policies

a) Basis of preparation

The condensed consolidated financial statements comprise the unaudited results of the Company and its subsidiary, TREG Finance Limited, for the half-year ended 31 December 2018. They have been prepared on a going concern basis and in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and with the Statement of Recommended Practice for Investment Trusts ("SORP") issued by the Association of Investment Companies in November 2014 and updated in February 2018, where the SORP is consistent with the requirements of IFRS. The Company has adopted IFRS 9 Financial Instruments, which is effective for periods beginning on or after 1 January 2018. This has had no impact on the accounting policies or disclosures in these unaudited half-year results.

For the period under review the Company's accounting policies have not varied from those described in the Annual Report for the year ended 30 June 2018. These financial statements have not been audited or reviewed by the Company's auditors.

The Group financial statements comprise the accounts of the Company and its subsidiary drawn up to the balance sheet date. The Statement of Comprehensive Income is only presented in consolidated form, as provided by Section 408 of the Companies Act 2006.

b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and of its sole subsidiary undertaking, TREG Finance Limited.

2. Return per ordinary share

The return per ordinary share is based on the loss for the half-year of £123,609,000 (half-year ended 31 December 2017: profit £32,184,000; year ended 30 June 2018: profit £9,936,000) and on 50,108,397 ordinary shares (half-year ended 31 December 2017: 49,868,098; year ended 30 June 2018: 49,987,260), being the weighted average number of ordinary shares in issue during the period.

The return per ordinary share detailed above can be further analysed between revenue and capital, as below.

	Half-year ended 31 December 2018 (unaudited) £'000	Half-year ended 31 December 2017 (unaudited) £'000	Year ended 30 June 2018 (audited) £'000
Net revenue profit	695	343	11,025
Net capital (loss)/profit	(124,304)	31,841	(1,089)
	-----	-----	-----
Net (loss)/profit	(123,609)	32,184	9,936
	=====	=====	=====
Weighted average number of ordinary shares in issue during the period	50,108,397	49,868,098	49,987,260
	Half-year ended 31 December 2018 (unaudited) pence	Half-year ended 31 December 2017 (unaudited) pence	Year ended 30 June 2018 (audited) pence
Revenue return per ordinary share	1.39	0.69	22.06
Capital return per ordinary share	(248.07)	63.85	(2.18)
	-----	-----	-----
Total return per ordinary share	(246.68)	64.54	19.88
	=====	=====	=====

3. Share capital

At 31 December 2018 there were 50,108,397 ordinary shares in issue (31 December 2017 and 30 June 2018: 50,108,397).

During the half-year ended 31 December 2018 the Company did not issue any ordinary shares (31 December 2017 and 30 June 2018: 395,000 for a total consideration of £4,963,000).

In the current financial year to date, the Company has not repurchased any shares for cancellation.

Notes to the financial statements continued.....

4. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £443,967,000 (31 December 2017: £599,344,000; 30 June 2018: £574,591,000) and on 50,108,397 ordinary shares (31 December 2017 and 30 June 2018: 50,108,397), being the number of ordinary shares in issue at the period end.

5. Dividends

The Company has declared an interim dividend of 7.50p per ordinary share (31 December 2017: 5.00p) payable on 12 April 2019 to members on the register as at 15 March 2019. The ex-dividend date will be 14 March 2019.

A final dividend of 14.00p per ordinary share was paid on 30 November 2018 from the Company's revenue account in respect of the year ended 30 June 2018.

6. Transaction costs

Purchase transaction costs for the half-year ended 31 December 2018 were £148,000 (half-year ended 31 December 2017: £130,000; year ended 30 June 2018: £327,000). These comprise mainly stamp duty and commission. Sales transaction costs for the half-year ended 31 December 2018 were £79,000 (half-year ended 31 December 2017: £112,000; year ended 30 June 2018: £206,000).

7. Management and performance fees

The base management fee payable to the Manager for the first quarter of the year ending 30 June 2019 is 0.6% per annum, charged quarterly in arrears. With effect from 1 October 2018, the base fee for assets over £500m was reduced to 0.5%. Management fees are allocated 20% to revenue and 80% to capital.

The Manager may also be eligible to receive a performance related fee. In order to determine whether a performance is payable, performance is measured against, and expressed relative to, the benchmark, the Euromoney Smaller European Companies index (ex UK) expressed in Sterling. Performance of both the Company and the benchmark is measured on a NAV total return (with gross income reinvested) basis and is measured over three years.

No performance fee has been accrued as at 31 December 2018 (31 December 2017: £2,694,000; 30 June 2018: £1,300,000).

8. Financial instruments

At the period end the carrying value of financial assets and financial liabilities approximates their fair value.

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in fair value hierarchy based on the inputs to valuation techniques used. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset or liability. The different levels are defined as follows:

Level 1: Valued using quoted prices in active markets for identical assets;

Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1; and

Level 3: Valued by reference to valuation techniques that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies set out in the Company's annual report for the year ended 30 June 2018.

Financial assets and financial liabilities at fair value through profit or loss at 31 December 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
Equity securities designated at fair value through profit or loss	505,714	-	104	505,818
	-----	-----	-----	-----
Total financial assets and liabilities carried at fair value	505,714	-	104	505,818
	=====	=====	=====	=====

Notes to the financial statements continued.....

Level 3 investments at fair value through profit or loss

	£'000
Opening balance	18,649
Acquisitions	-
Disposal proceeds	(18,897)
Transferred into Level 3	-

	(248)

Total losses included in the Statement of Comprehensive Income	
On assets sold	363
On assets held at period end	(11)

	352

Closing balance	104
	=====

There have been no transfers between levels of fair value hierarchy during the period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

9. Going concern

Having reassessed the principal risks and uncertainties, the Directors consider that it is appropriate to continue to adopt the going concern basis and confirm that there are no material uncertainties of which they are aware. The assets of the Group consist mainly of securities, most of which are readily realisable and, accordingly, the Group has adequate financial resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

10. Related party transactions

The Company's transactions with related parties in the period were with the Directors, the subsidiary and Janus Henderson. There have been no material transactions between the Company and its Directors during the period and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the period end. In relation to the provision of services by Janus Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services there have been no material transactions with Janus Henderson affecting the financial position of the Company during the period under review.

11. Post balance sheet event

The Company, as a past shareholder in Fortis (now renamed Ageas), took part in a class action lawsuit seeking damages based on alleged violations of the U.S. securities laws. In January 2019, the Company received confirmation from the recovery agents that €469,000 will be received as compensation. No provision for the receipt of these funds has been made in these condensed financial statements.

12. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-years ended 31 December 2018 and 31 December 2017 have not been audited or reviewed by the Company's auditors. The figures and financial information for the year ended 30 June 2018 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Independent Auditors' Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

13. General

Company Status

TR European Growth Trust PLC is registered in England and Wales, No. 2520734, has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange.

Notes to the financial statements continued.....

SEDOL/ISIN: 0906692/GB0009066928

London Stock Exchange (TIDM) code: TRG

Global Intermediary Identification Number (GIIN): JX9KYH.99999.SL.826

Legal Entity Identifier (LEI): 213800N1B1HCQG2W4V90

Directors and Secretary

The Directors of the Company are Audley Twiston-Davies (Chairman), Christopher Casey (Chairman of the Audit Committee), Andrew Martin Smith, Alexander Mettenheimer and Simona Heidempergher. The Corporate Secretary is Henderson Secretarial Services Limited.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.treuropeangrowthtrust.com

Half-year Report

The half-year report will be available in typed format on the Company's website or from the Company's registered office, 201 Bishopsgate, London EC2M 3AE. An update extracted from the Company's report for the half-year ended 31 December 2018, will be posted to shareholders in March and will be available on the website thereafter.

Top 40 investments as at 31 December 2018

Rank	Company	Sector	Geographical area	Valuation £'000	Percentage of portfolio
1	Van Lanschot	Financial	Netherlands	11,805	2.3
2	DFDS	Business Providers	Denmark	10,048	2.0
3	Gaztransport et Technigaz	Industrial Goods	France	9,163	1.8
4	Nexans	Industrial Goods	France	8,872	1.8
5	S.O.I.T.E.C	Technology	France	8,282	1.6
6	TKH	Industrial Goods	Netherlands	8,185	1.6
7	Banca Farmafactoring	Financial	Italy	7,885	1.6
8	OC Oerlikon	Industrial Goods	Switzerland	7,060	1.4
9	Dermapharmaceutical	Consumer Goods	Germany	6,849	1.4
10	BE Semiconductor	Technology	Netherlands	6,800	1.3
	10 largest			84,949	16.8
11	Aareal Bank	Financial	Germany	6,660	1.3
12	Boskalis Westminster	Basic Materials	Netherlands	6,264	1.2
13	SAES Getters Di Risp	Technology	Italy	6,242	1.2
14	Criteo	Technology	France	6,066	1.2
15	Conzzeta	Industrial Goods	Switzerland	5,935	1.2
16	Flex LNG	Natural Resources	Norway	5,789	1.1
17	Westwing	Consumer Goods	Germany	5,555	1.1
18	JM	Financial	Sweden	5,460	1.1
19	EDAG Engineering	Industrial Goods	Germany	5,382	1.1
20	Navigator	Basic Materials	Portugal	5,327	1.1
	20 largest			143,629	28.4
21	Dialog Semiconductor	Technology	Germany	5,292	1.0
22	Tarkett	Basic Materials	France	5,276	1.0
23	CTS Eventim	Retail Providers	Germany	5,271	1.0
24	Caverion	Basic Materials	Finland	5,076	1.0
25	DoBank	Financial	Italy	4,971	1.0
26	Credito Emiliano	Financial	Italy	4,968	1.0
27	Zur Rose	Retail Providers	Switzerland	4,943	1.0
28	Grafton	Technology	Ireland	4,937	1.0
29	Metall Zug	Consumer Goods	Switzerland	4,867	1.0
30	Anima	Financial	Italy	4,807	1.0
	30 largest			194,037	38.4
31	Lenzing	Basic Materials	Austria	4,802	0.9
32	Tikehau Capital	Financial	France	4,700	0.9
33	Evotec	Consumer Goods	Germany	4,658	0.9
34	Bonava	Basic Materials	Sweden	4,636	0.9
35	CFE	Basic Materials	Belgium	4,610	0.9
36	Wallenius Wilhelmsen Logistics	Business Providers	Norway	4,421	0.9
37	FLSmidth & Co	Industrial Goods	Denmark	4,370	0.9
38	Borregaard	Basic Materials	Norway	4,369	0.9
39	PVA	Technology	Germany	4,250	0.9
40	Mersen	Industrial Goods	France	4,240	0.8
	40 largest			239,093	47.3