

TR EUROPEAN GROWTH TRUST PLC

REPORT
for the half year ended 31 December 2012
(unaudited)

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

INTERIM MANAGEMENT REPORT

Chairman's Statement

Performance

The six month period to 31 December 2012 was better for European equities as the European Central Bank introduced a framework of measures to address the Eurozone debt crisis. Our NAV total return per share was +16.2% over the period compared to +14.7% for our benchmark. Our share price total return was +22.4%, as our discount narrowed to -20.1% over the period. Over the three years to 31 December 2012 our NAV total return was +2.2% compared to a +5.5% return for the benchmark.

Gearing

During the period gearing averaged 7.9% (calculated as investments as a percentage of net assets) to benefit from the improved market sentiment. Gearing finished the period at 9.4% (as at 31 December 2012).

Share buy-backs

We have carried out no buy-backs over the last six months. We will intervene if we believe it is in the interests of our long term shareholders. However, the key to the reduction of the discount to net asset value is good performance and an improving sentiment towards European equities.

Prospects

We are confident that European equities will make further progress in 2013, supported by the abundant liquidity provided by central banks. Valuations continue to be undemanding but investors will rightfully be looking for improvements in the real economy and growth in corporate earnings. In the short term we also have the Italian elections which are causing some market uncertainty at the time of writing, as well as German elections later in the year, but overall Europe seems to be moving in the right direction. We continue to find a number of attractive opportunities and I look forward to reporting on our progress in our annual report.

Audley Twiston-Davies

Chairman

28 February 2013

TR EUROPEAN GROWTH TRUST PLC

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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 risk
- Portfolio and market price risks
- Tax and regulatory risks
- Operational risks

Information on these risks and how they are managed is given in the annual report to 30 June 2012. 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.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with the Accounting Standard's Board statement 'Half-Yearly Financial Report';
- (b) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.27R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- (c) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.28R (disclosure of related party transactions and changes therein)

For and on behalf of the Board

Audley Twiston-Davies

Chairman

28 February 2013

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HIGHLIGHTS

31 December 2011 (Unaudited) £'000		31 December 2012 (Unaudited) £'000	30 June 2012 (Audited) £'000	%
				change
195,930	Total assets	234,683	204,572	+14.7
178,561	Total net assets	213,441	185,006	+15.4
%	divided between:	%	%	
101.2	Quoted equities	103.4	103.3	
8.3	Unquoted equities	6.0	6.2	
(9.5)	Net current liabilities	(9.4)	(9.5)	
-----		-----	-----	
100.0		100.0	100.0	
=====		=====	=====	
352.82p	Net asset value per ordinary share	427.09p	370.19p	+15.4
	Net asset value total return⁽¹⁾			+16.2
273.50p	Ordinary share price	340.00p	283.00p	+20.1
	Share price total return⁽¹⁾			+22.4
447.25	Benchmark	523.10	455.90	+14.7
	HSBC Smaller Europe (ex UK) Index ⁽²⁾			

1. Source: Morningstar for the AIC

2. Source: Datastream (on a total return basis)

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Manager's Report

During our last report we identified the political progress in Europe as a 'reason for optimism' and this certainly proved to be the case in the second half of 2012. During the summer Mario Draghi's pledge to do 'whatever it takes' to preserve the euro was followed by the announcement of outright monetary transactions (OMTs). The positive tone was perpetuated by a much-anticipated German constitutional court ruling on the legality of the European Stability Mechanism (ESM) and Dutch elections, which saw pro-European candidates prevail over eurosceptic parties. Later in the period the latest aid deal for Greece and the results of the US election – both adding to the market's positive tone. Alongside these political milestones leading economic indicators have signalled an improvement in global GDP growth. This backdrop has resulted in strong returns for European equity markets.

The improved sentiment saw those areas of the market that have been unloved in recent years produce the strongest gains. Our financial holdings, **EFG International** and **Azimut**, performed well. EFG private bank has reverted to focusing on its core wealth management business while Italian asset manager Azimut is benefiting from the improved sentiment toward equities. Alongside these holdings we have added Dutch insurance company **Delta Lloyd**, predominantly due to the company's strong capital ratios and healthy dividend.

In recent months an improvement in sentiment towards the Chinese economy post the leadership transition has been very helpful. This is a significant positive for many of Europe's industrial companies that export a great deal to the region and is an area where the Company is well positioned. I have added to our exposure here with the inclusion of **OC Oerlikon** in the portfolio. The company is involved in a wide range of industrial markets (textiles, process industries, electronics, automotive to name a few) throughout the world. As the cost of labour increases in the emerging world companies are looking to automate their production lines – OC Oerlikon stands to benefit.

Other purchases include **Wincor Nixdorf** and Greek holding **Folli Follie**. Despite the country's debt problems the Greek exchange was the best performing European market in 2012, highlighting that one must be open minded about where good investments reside. Folli Follie has repaired its balance sheet and now has a number of interesting retail assets including the jeweller Links of London. Wincor Nixdorf manufactures cash machines for banks; the worst of the company's problems now look to be behind it and it has good momentum after winning orders in the US. I also bought chemicals company **Tessenderlo Chemie**. Management have done a good job in recent years to restructure the business and focus on the high margin areas of the group, namely liquid fertilizer and gelatin. Overall, my stock picking approach has caused me to add stocks from a variety of sectors and regions.

The main disposal was of longstanding position **Andritz**. This machinery manufacturer for the pulp and fibre board industry has been a stellar performer, returning over 1,000% since it entered the portfolio nine years ago. I now believe the company to be fully valued. Other disposals included **Ingenico**, **D'Ieteren** and **gategroup**. Ingenico manufactures retail payment terminals and although I expect growth at the company to remain robust the valuation now seems in line with events. D'Ieteren and gategroup have been disappointing holdings for the Company and I have decided the capital is better used elsewhere.

TR EUROPEAN GROWTH TRUST PLC**Unaudited Results for the Half Year ended 31 December 2012****Manager's Report** (continued)

The positive mood has continued into 2013 although, at the time of writing, it is not clear what effect both the Italian elections results and German elections due later in the year, will have on markets. We have seen a sharp reduction in the bond yields of peripheral Europe. There are clear signs that investor sentiment is warming to European equities. This is hardly surprising given the unusually large discounts at which European smaller companies trade compared to their UK and US peers. For investors that are willing to look beyond short term volatility and take a long term view I would expect European smaller companies to produce attractive returns. I am hopeful that as sentiment improves towards Europe the discount of the Company to net asset value will narrow. I will continue our search for individual companies that can generate good returns for our shareholders.

Ollie Beckett
Fund Manager
28 February 2013

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Geographical distribution (% of portfolio)

	31 December 2012	31 December 2011
Austria	3.3	5.3
Belgium	4.0	3.9
Denmark	1.2	-
Finland	1.6	1.7
France	14.1	15.9
Germany	28.4	30.1
Greece	0.6	-
Ireland	4.3	1.2
Italy	10.8	8.3
Luxembourg	-	0.6
Netherlands	4.7	5.9
Norway	5.3	6.0
Portugal	0.5	-
Spain	4.0	3.0
Sweden	4.7	2.9
Switzerland	12.0	14.3
Ukraine	0.4	0.4
Other	0.1	0.5
	-----	-----
	100.0	100.0
	=====	=====

Sector distribution (% of portfolio)

	31 December 2012	31 December 2011
Basic Materials	10.2	12.1
Business Providers	14.0	14.0
Consumer Goods	15.0	10.2
Financials	13.9	11.8
Industrial Goods	18.8	16.9
Natural Resources	3.7	5.9
Retail Providers	7.9	10.7
Technology	16.5	18.4
	-----	-----
	100.0	100.0
	=====	=====

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Consolidated Statement of Comprehensive Income

for the half year ended 31 December 2012

	Half year ended 31 December 2012 (Unaudited)			Half year ended 31 December 2011 (Unaudited)			Year ended 30 June 2012 (Audited)		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Investment income	829	-	829	566	-	566	4,722	-	4,722
Other income	5	-	5	2	-	2	2	-	2
Gains/(losses) on investments held at fair value through profit or loss	-	31,861	31,861	-	(83,165)	(83,165)	-	(77,519)	(77,519)
Total income /(loss)	834	31,861	32,695	568	(83,165)	(82,597)	4,724	(77,519)	(72,795)
Expenses									
Management fees	(102)	(409)	(511)	(91)	(362)	(453)	(190)	(761)	(951)
Performance fees	-	(321)	(321)	-	-	-	-	-	-
Other expenses	(223)	-	(223)	(226)	-	(226)	(512)	-	(512)
Profit/(loss) before finance costs and taxation	509	31,131	31,640	251	(83,527)	(83,276)	4,022	(78,280)	(74,258)
Finance costs	(33)	(131)	(164)	(42)	(169)	(211)	(87)	(350)	(437)
Profit/(loss) before taxation	476	31,000	31,476	209	(83,696)	(83,487)	3,935	(78,630)	(74,695)
Taxation	(42)	-	(42)	(135)	-	(135)	(454)	-	(454)
Profit/(loss) for the period	434	31,000	31,434	74	(83,696)	(83,622)	3,481	(78,630)	(75,149)
Return per ordinary share (note 2)	0.87p	62.03p	62.90p	0.15p	(165.33p)	(165.18p)	6.89p	(155.73p)	(148.84p)

The total column of this statement represents the Consolidated Income Statement, prepared in accordance with IFRS. The revenue return 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 profit of the Company for the half year was £31,434,000 (31 December 2011: loss £83,622,000; 30 June 2012: loss £75,149,000).

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 financial statements.

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2012

Half year ended 31 December 2012 (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 30 June 2012	6,247	115,451	13,931	31,735	17,642	185,006
Total comprehensive income:						
profit for the period	-	-	-	31,000	434	31,434
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(2,999)	(2,999)
Total equity at 31 December 2012	6,247	115,451	13,931	62,735	15,077	213,441
	=====	=====	=====	=====	=====	=====
Half year ended 31 December 2011 (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 30 June 2011	6,329	115,451	13,849	112,472	16,313	264,414
Total comprehensive income:						
(Loss)/profit for the period	-	-	-	(83,696)	74	(83,622)
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(2,152)	(2,152)
Buy-backs of ordinary shares	(3)	-	3	(79)	-	(79)
Total equity at 31 December 2011	6,326	115,451	13,852	28,697	14,235	178,561
	=====	=====	=====	=====	=====	=====
Year ended 30 June 2012 (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 30 June 2011	6,329	115,451	13,849	112,472	16,313	264,414
Total comprehensive income:						
(Loss)/profit for the period	-	-	-	(78,630)	3,481	(75,149)
Transactions with owners, recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(2,152)	(2,152)
Buy-backs of ordinary shares	(82)	-	82	(2,107)	-	(2,107)
Total equity at 30 June 2012	6,247	115,451	13,931	31,735	17,642	185,006
	=====	=====	=====	=====	=====	=====

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

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Consolidated Balance Sheets

at 31 December 2012

	31 December 2012 (Unaudited) £'000	31 December 2011 (Unaudited) £'000	30 June 2012 (Audited) £'000
Non current assets			
Investments held at fair value through profit or loss	233,520	195,424	202,543
Current assets			
Sales for future settlement	5	92	1,452
Taxation recoverable	379	208	370
Other receivables	73	56	204
Cash and cash equivalents	706	150	3
	1,163	506	2,029
Total assets	234,683	195,930	204,572
Current liabilities			
Purchases for future settlement	(136)	-	(293)
Accruals	(719)	(369)	(373)
Unrealised loss on forward exchange contracts	-	-	(124)
Bank overdrafts	(20,387)	(17,000)	(18,776)
	(21,242)	(17,369)	(19,566)
Net assets	213,441	178,561	185,006
Equity attributable to equity shareholders			
Called up share capital (note 3)	6,247	6,326	6,247
Share premium account	115,451	115,451	115,451
Capital redemption reserve	13,931	13,852	13,931
Retained earnings:			
Other capital reserves	62,735	28,697	31,735
Revenue reserve	15,077	14,235	17,642
Total equity	213,441	178,561	185,006
Net asset value per ordinary share (note 4)	427.09p	352.82p	370.19p

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

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Consolidated Cash Flow Statement

for the half year ended 31 December 2012

	Half year ended 31 December 2012 (Unaudited) £'000	Half year ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Net cash inflow/(outflow) before use of financing (note 5)	2,490	(7,946)	(7,800)
Net cash outflow from financing activities	(2,999)	(2,231)	(4,259)
	-----	-----	-----
Net decrease in cash and cash equivalents	(509)	(10,177)	(12,059)
Cash and cash equivalents at the start of the period	(18,773)	(8,357)	(8,357)
Exchange movements	(399)	1,684	1,643
	-----	-----	-----
Cash and cash equivalents at the period end	(19,681)	(16,850)	(18,773)
	=====	=====	=====

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Notes

1. Accounting policies

a) Basis of preparation

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's annual report and financial statements for the year ended 30 June 2012 and in accordance with IAS 34.

The condensed set of financial statements has not been either audited or reviewed by the Company's auditors.

b) Basis of consolidation

The Group's financial statements consolidate the accounts of the Company and of its wholly owned subsidiary undertaking, TREG Finance Limited.

2. Return per ordinary share

The return per ordinary share is based on the profit for the half year of £31,434,000 (half year ended 31 December 2011: loss £83,622,000; year ended 30 June 2012: loss £75,149,000) and on 49,975,897 (half year ended 31 December 2011: 50,624,039; year ended 30 June 2012: 50,489,161) ordinary shares, 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 2012 (Unaudited) £'000	Half year ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Net revenue profit	434	74	3,481
Net capital profit / (loss)	31,000	(83,696)	(78,630)
	-----	-----	-----
Net total profit / (loss)	31,434	(83,622)	(75,149)
	=====	=====	=====
Weighted average number of ordinary shares in issue during the period	49,975,897	50,624,039	50,489,161

	Half year ended 31 December 2012 (Unaudited) Pence	Half year ended 31 December 2011 (Unaudited) Pence	Year ended 30 June 2012 (Audited) Pence
Revenue return per ordinary share	0.87	0.15	6.89
Capital return per ordinary share	62.03	(165.33)	(155.73)
	-----	-----	-----
Total return per ordinary share	62.90	(165.18)	(148.84)
	=====	=====	=====

TR EUROPEAN GROWTH TRUST PLC

Unaudited Results for the Half Year ended 31 December 2012

Notes (continued)

3. Ordinary share capital

At 31 December 2012 there were 49,975,897 ordinary shares in issue (31 December 2011: 50,609,229; 30 June 2012: 49,975,897). During the half year ended 31 December 2012 the Company did not buy any of its own issued ordinary shares for cancellation (31 December 2011: 25,000; 30 June 2012: 658,332). The cost of the share buy-backs, including stamp duty, amounted to £nil (31 December 2011: £79,000; 30 June 2012: £2,107,000.)

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 £213,441,000 (31 December 2011: £178,561,000; 30 June 2012: £185,006,000) and on 49,975,897 (31 December 2011: 50,609,229; 30 June 2012: 49,975,897) ordinary shares, being the number of ordinary shares in issue at the period end.

5. Net cash (outflow)/inflow from operating activities

	Half year ended 31 December 2012 (Unaudited) £'000	Half year ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Profit / (loss) before taxation	31,476	(83,487)	(74,695)
(Less) / add, (gains) / losses (on investments held at fair value through profit or loss	(31,861)	83,165	77,519
Decrease / (increase) in prepayments and accrued income	131	91	(57)
Increase / (decrease) in accruals and deferred income	346	(120)	(116)
Taxation on overseas investment income	(51)	33	(448)
Decrease in amounts due from brokers	1,447	1,913	553
(Decrease) / increase in amounts due to brokers	(157)	(68)	225
Net sales / (purchases) of investments	1,159	(9,473)	(10,781)
	----- 2,490 =====	----- (7,946) =====	----- (7,800) =====

6. Dividends

The Company has not declared an interim dividend (2011: nil). A final dividend of 4.50p and a special dividend of 1.50p were paid on 5 November 2012.

7. Transaction costs

Purchase transaction costs for the half year ended 31 December 2012 were £76,000 (half year ended 31 December 2011: £118,000; year ended 30 June 2012: £214,000). These comprise mainly stamp duty and commission. Sales transaction costs for the half year ended 31 December 2012 were £53,000 (half year ended 31 December 2011: £79,000; year ended 30 June 2012: £141,000).

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Unaudited Results for the Half Year ended 31 December 2012

Notes (continued)

8. Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. 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 the foreseeable future.

9. Related party transactions

Details of related parties are contained in the annual report. Other than the relationship between the Company and its Directors, the provision of services by Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business, there have been no material transactions with this related party affecting the financial position or performance of the Group during the six months to 31 December 2012.

10. 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 information for the year ended 30 June 2012 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 30 June 2012 have been filed with the Registrar of Companies. The report of the auditors on those financial statements contained no qualification or statement under section 498(2) or 498(3) of the Companies Act 2006.

11. General

a) Investment Objective

The Company seeks to achieve capital growth, aiming for a net asset value total return, greater than our benchmark index.

b) 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. The SEDOL/ISIN number is GB0009066928/0906692.

c) Directors and Secretary

The Directors of the Company are Audley Twiston-Davies (Chairman), Christopher Casey (Chairman of the Audit Committee), Robert Jeens, Andrew Martin Smith, Alexander Mettenheimer and Jane Tufnell. The Secretary is Henderson Secretarial Services Limited, represented by David Rice ACIS.

d) Website

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

e) Half year report

An update extracted from the Company's report for the half year ended 31 December 2012 will be posted to shareholders by in mid-March and will be available on our website thereafter. Copies can also be requested from the Secretary at the Registered Office, 201 Bishopsgate, London EC2M 3AE.

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List of Investments as at 31 December 2012

	Valuation £'000	% of total portfolio		Valuation £'000	% of total portfolio
Austria			Germany		
AMAG Austria Metal	1,692		Aareal Bank	3,393	
Lenzing	2,013		Aixtron	1,721	
Schoeller-Bleckmann	2,615		Aurelius	1,633	
Zumbotel	1,366		Axel Springer	1,831	
	-----	-----	Bauer	2,248	
	7,686	3.3	Bechtle	1,346	
	=====	=====	Brainlab*	6,979	
Belgium			Carl Zeiss Meditec	2,270	
EVS Broadcast Equipment	2,916		Evotec	596	
Nyrstar	1,811		Gerresheimer	1,039	
Sipef	1,071		GFK	2,354	
Tessenderlo Chemie	3,408		Kinghero	863	
	-----	-----	Krones	2,622	
	9,206	4.0	KSB	1,848	
	=====	=====	LPKF Laser & Electronics	1,596	
Denmark			Manz	686	
Pandora	2,828		Norma	2,999	
	-----	-----	Powerland	990	
	2,828	1.2	Rib Software	1,465	
	=====	=====	SAF-Holland	2,794	
Finland			SHW	2,195	
Cargotec	2,343		Sky Deutschland	2,043	
Outotec	1,351		SNP Schneider-Neureuther & partner	1,245	
	-----	-----	Stratec Biomedical	2,688	
	3,694	1.6	Stroer Out-of-Home Media	1,359	
	=====	=====	Suess Microtec	1,991	
France			Tom Tailor	2,730	
21 Centrale Partners III *	5,512		United Internet	2,463	
Altran	3,369		Uzin Utz	2,108	
Batla Minerals	977		Wincor Nixdorf	2,163	
Cafom	344		Wirecard	4,087	
CFI	1,453			-----	-----
Dietswell	798			66,345	28.4
Eiffage	2,152			=====	=====
Faiveley Transport	3,457		Greece		
Haulotte	1,179		Folli Follie	1,459	
Hi-Media	1,762			-----	-----
Inside Secure	410			1,459	0.6
Medica	2,567			=====	=====
Naturex	2,125		Ireland		
Nexity	3,014		C&C Group	3,448	
Parrot	671		DCC	2,809	
Rubis	2,574		Irish Continental Group	1,396	
STS Group	571		United Drug	2,441	
	-----	-----		-----	-----
	32,935	14.1		10,094	4.3
	=====	=====		=====	=====

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Unaudited Results for the Half Year ended 31 December 2012

List of Investments as at 31 December 2012 (continued)

	Valuation £'000	% of total portfolio		Valuation £'000	% of total portfolio
Italy			Sweden		
Amplifon	2,778		Byggmax	1,386	
Azimut	4,797		Lindab	2,269	
Credito Emiliano	1,607		SAAB	2,747	
Danieli & C Risp	1,795		Trelleborg	2,336	
Delclima	947		Unibet	2,319	
De'Longhi	2,306			-----	-----
Indesit	952			11,057	4.7
Saes Getters Di Risp	965			=====	=====
Salvatore Ferragamo	1,568		Switzerland		
Sorin	2,925		Acino	2,403	
Trevi Finanziaria Industrial	1,887		Clariant	2,662	
Yoox	2,547		Compagnie Financière Tradition	656	
	-----	-----	Daetwyler	2,100	
	25,074	10.8	Dufry	2,372	
	=====	=====	EFG International	3,184	
Netherlands			Inficon	4,249	
ASM International	3,671		Kuoni	2,348	
Delta Lloyd	1,966		Myriad	810	
Fugro	2,701		OC Oerlikon	2,665	
TKH	2,710		Partners Group	3,357	
	-----	-----	Schmolz & Bickenbach	1,232	
	11,048	4.7		-----	-----
	=====	=====		28,038	12.0
				=====	=====
Norway			Ukraine		
BWG Homes	1,293		Avangardco	921	
Discovery Offshore	514			-----	-----
Northland Resources	2,302			921	0.4
Prospector Offshore	300			=====	=====
Q-Free	911		Other		
Stolt-Nielsen	2,455		Doughty Hanson & Co Fund III *	289	
Storebrand	2,485			-----	-----
Tomra	2,192			289	0.1
	-----	-----		=====	=====
	12,452	5.3	Total Portfolio	233,520	100.0
	=====	=====		=====	=====
Portugal					
Portucel	1,073				
	-----	-----			
	1,073	0.5			
	=====	=====			
Spain					
Fluidra	1,119				
Grupo Gowex	171				
Indra Sistemas	3,001				
Lets Gowex	1,093				
Pescanova	2,503				
Vueling	1,434				
	-----	-----			
	9,321	4.0			
	=====	=====			

* Unquoted investments