

TR EUROPEAN GROWTH TRUST PLC

Report for the half-year ended 31 December 2020 *(unaudited)*

TR EUROPEAN GROWTH TRUST PLC**Unaudited results for the half-year ended 31 December 2020***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 (ex UK).

Performance highlights for the six months to 31 December 2020

- Net asset value per share total return¹ was 37.1% compared to a total return from the benchmark index² of 23.2%
- Share price total return³ was 54.4% compared to the sector average⁴ of 41.2%
- The shares were trading at a discount⁵ of 9.1% at the period end, narrowing from 19.2% at 30 June 2020
- Interim dividend of 8.20 pence per ordinary share declared (2019: 7.80p), an increase of 5.1%

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

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	37.1	33.2	26.0	116.3	230.9
Benchmark index ²	23.2	18.9	25.2	90.4	168.2
Average sector ⁴ NAV	30.3	30.0	38.9	107.0	228.4
Share price ³	54.4	36.4	14.5	115.9	277.5
Average sector ⁴ share price	41.2	32.6	38.9	109.1	267.9

Financial highlights

	at 31 December 2020	at 30 June 2020
Shareholders' funds		
Net assets (£'000)	708,689	523,374
Net asset value per ordinary share	1,414.31p	1,044.48p
Mid-market price per ordinary share	1,285.00p	844.00p
	Half-year ended 31 December 2020 £'000	Year ended 30 June 2020⁶ £'000
Total return to equity shareholders		
Revenue return after taxation	680	6,954
Capital return after taxation	191,750	6,571
Total return	192,430	13,525
Total return per ordinary share		
Revenue	1.36p	13.88p
Capital	382.67p	13.11p
Total return per ordinary share	384.03p	26.99p

1. Net asset value per share total return (including dividends reinvested and excluding the cost of reinvestment)

2. The benchmark index is the Euromoney Smaller European Companies Index (ex UK) expressed in Sterling

3. Share price total return (with dividends reinvested) using mid-market closing price

4. The sector is the AIC European Smaller Companies sector

5. The discount is calculated using published daily net asset values including current year revenue

6. The figures have been prepared on a Company only basis following the liquidation of the Company's subsidiary during the year ended 30 June 2020. These figures have previously been reported on a consolidated basis.

Sources: Janus Henderson, Morningstar Direct, Refinitiv Datastream

INTERIM MANAGEMENT REPORT

Chairman's statement

Performance

The six month period to 31 December 2020 has been a strong one for your Company. The NAV total return performance for the period was 37.1% against the benchmark of 23.2% for the same period. The share price increased by 54.4% on a total return basis over the period, ending the calendar year at £12.85 having started the six months at £8.44 per share.

The backdrop of the Covid-19 pandemic has dominated the period and sadly a large second wave of infection swamped the Continent in the latter months of the half-year. The stock market continued its bifurcation into very expensive 'quality growth' names and cheap 'value' names, but with significant bouts of style rotation occasionally happening. Our Fund Manager's balanced approach to investing, with a combination of sensibly priced growth and self-help cheap stocks has navigated these tricky waters very well.

Dividend

Having considered performance over the period, the Company's overall financial position and the outlook for the remainder of the financial year, the Board has declared an interim dividend of 8.20 pence per ordinary share. This will be paid on 23 April 2021 to shareholders on the register on 26 March 2021, with shares trading ex-dividend on 25 March 2021.

Outlook

The opening weeks of 2021 showed some alarming developments in the progress of Covid-19. Winter plus new and more infectious variants of the virus have driven the substantial second wave of infection and a distressing increase in deaths. However, with the advent of multiple vaccines potentially offering a light out of the darkness of the pandemic, it is a reasonable supposition that the market will increasingly begin to worry about the inflationary effects of stimulus and that valuation may well matter once again. A constructive US administration will make for a more stable backdrop. Positively, the uncertainties of Brexit are largely behind us. There is definite cause for cautious optimism. Although our Fund Manager is wary of valuation in certain pockets of the market, his team continue to find undervalued investment opportunities in which to invest your capital.

Christopher Casey

Chairman

22 February 2021

Fund Manager's report

The first half of the financial year saw the Company outperform the benchmark in a market that was recovering from the shock of the Covid-19 pandemic, aided by an enormous monetary and fiscal response. Performance was driven by a combination of structural growth stories that have benefited from the accelerant of the coronavirus, early cycle value names anticipating a recovery, the rerating of hidden ESG stories in the portfolio and the resolution of the Brexit dilemma.

The impact of the pandemic will be with us for some time to come. There are, however, notes of optimism, despite the mixed handling of the health crisis across Europe; the Next Generation EU recovery fund breaks the taboo of fiscal transfers within the European Union, the mantra of austerity economics has been dealt a serious blow which should provide relief to southern EU members and the Trump Twitter account will no longer cause the market volatility and trans-Atlantic trade tensions that characterised much of the last few years. The strong technology offering in the European small cap market has been highlighted by the discovery of the vaccine by German (formerly) small cap BioNtech which, to our shame, we did not own!

The volatility of 2020 has highlighted the benefits of investing across the corporate lifecycle, with a mix of early stage growth businesses, quality growth, mature cash cows and turnaround stories. **Westwing**, an extremely cheap early stage growth investment in the portfolio saw a share price increase of 352.9% in the period when its online interior living offer saw enormous growth as consumers stayed at home and purchased online. Similarly, more mature Swedish-listed online DIY and furniture store **BHG Group** was a big contributor to performance as Covid-19 accelerated the shift to online. The contribution of these growth names was supplemented with good performance from the more value-oriented names in the portfolio. **Van Lanschot Kempen**, a very attractively priced Dutch bank/wealth manager, was a contributor to performance as the market rotated into more value names and the potential prospect of inflation highlighted the attraction of well capitalised financials. The end of the Brexit drama helped with the rerating of Danish listed channel ferry operator, **DFDS**. Some of the neglected 'hidden ESG' names in the portfolio saw substantial rerating as the broader market woke up to the contribution made by stocks such as circular economy waste recycling company **Befesa**.

Detractors from performance were a combination of stock specific errors and not owning some of the winners in the period. While it is unusual for non-holdings to impact performance to such a large extent, seven out of ten of the biggest detractors in the portfolio versus the index were names that we did not own. Of the seven, one (Swedish listed cloud communication platform **Sinch AB**) was a name that we held, but sold too soon. Two were active decisions which detracted from performance. German-listed specialist pharmaceutical distributor, **Medios**, which having historically been a source of terrific return for the Company, had a profit warning after struggling to access the drug ingredients it needed during the pandemic. The market has now looked past the one-off impact and the shares are back to where they were before the profit warning. **VIA Optronics** was a poorly executed initial public offering that fell dramatically but has subsequently recovered.

We opened new positions in German-listed wind farm developer **EnergieKontor**, that has a materially undervalued pipeline of onshore projects to execute upon. We purchased Danish housebuilder **HusCompagniet** that is exploiting its scale economies to take market share in its domestic market. We reopened a position in Dutch-listed seismic data specialist, **Fugro**, that is increasingly being driven by the transition to renewable energy.

We exited positions in French semiconductor materials supplier **S.O.I.T.E.C** and Swiss-listed online pharmacy **Zur Rose** due to valuation concerns. We sold into the takeover approaches for specialist paper manufacturer **Ahlstrom-Munksjo**, French-listed media company **Mediawan** and Italian capital equipment provider **IMA**. All three takeover bids were validation of our focus on valuation.

As we head into 2021, we see opportunity in a vaccine-driven, stimulus loaded, global economic recovery, though have reservations about pockets of valuation in the market and the risk of unanticipated events relating to the Covid-19 virus. We continue to find exciting opportunities across the investment universe in which we operate, but remain disciplined on the price we pay for companies.

Ollie Beckett and Rory Stokes

22 February 2021

Sector Exposure (*% of portfolio excluding cash*)

	at 31 December 2020	at 30 June 2020
	%	%
Industrial Goods	25.2	25.2
Consumer Goods	23.0	19.5
Technology	15.8	17.2
Financial	14.8	15.1
Business Providers	7.6	7.4
Basic Materials	6.8	8.6
Retail Providers	3.3	5.1
Natural Resources	2.6	1.1
Telecommunications	0.9	0.8
	100.0	100.0

Geographical Exposure (*% of portfolio excluding cash*)

	at 31 December 2020	at 30 June 2020
	%	%
Austria	0.8	0.7
Belgium	4.0	4.3
Denmark	3.2	2.3
Finland	3.8	5.0
France	11.5	13.6
Germany	22.4	22.4
Greece	0.8	0.6
Ireland	3.7	1.5
Italy	8.8	10.6
Netherlands	9.0	9.1
Norway	4.8	3.5
Portugal	1.2	1.6
Spain	4.5	2.6
Sweden	12.9	12.0
Switzerland	8.6	10.2
	100.0	100.0

Top 40 investments at 31 December 2020

Rank	Company	Sector	Geographical area	Valuation £'000	Percentage of portfolio
1	Van Lanschot Kempen	Financial	Netherlands	18,746	2.5
2	DFDS	Business Providers	Denmark	17,714	2.3
3	TKH	Industrial Goods	Netherlands	16,458	2.1
4	Aareal Bank	Financial	Germany	15,451	2.0
5	Westwing	Consumer Goods	Germany	14,874	2.0
6	Recticel	Basic Materials	Belgium	12,802	1.7
7	Nexans	Industrial Goods	France	11,421	1.5
8	eDreams ODIGEO	Consumer Goods	Spain	11,290	1.5
9	HelloFresh	Retail Providers	Germany	10,682	1.4
10	Befesa	Industrial Goods	Germany	10,321	1.3
10 largest				139,759	18.3
11	Criteo	Technology	France	10,146	1.3
12	Kindred	Retail Providers	Sweden	9,737	1.3
13	Cerved Information Solutions	Industrial Goods	Italy	9,660	1.3
14	Kaufman & Broad	Consumer Goods	France	9,648	1.3
15	Banca Farmafactoring	Financial	Italy	9,426	1.2
16	Deutz	Industrial Goods	Germany	9,401	1.2
17	PVA	Technology	Germany	8,788	1.2
18	Basware	Technology	Finland	8,766	1.1
19	Karnov	Consumer Goods	Sweden	8,660	1.1
20	Nobia	Consumer Goods	Sweden	8,067	1.1
20 largest				232,058	30.4
21	Conzzetta	Industrial Goods	Switzerland	7,879	1.0
22	Bonava	Consumer Goods	Sweden	7,678	1.0
23	OC Oerlikon	Industrial Goods	Switzerland	7,673	1.0
24	Boskalis Westminster	Basic Materials	Netherlands	7,661	1.0
25	EnergieKontor	Natural Resources	Germany	7,645	1.0
26	ALSO	Business Providers	Switzerland	7,475	1.0
27	Mersen	Industrial Goods	France	7,404	1.0
28	Credito Emiliano	Financial	Italy	7,176	1.0
29	Gaztransport et Technigaz	Industrial Goods	France	7,127	0.9
30	Vertropack	Industrial Goods	Switzerland	7,000	0.9
30 largest				306,776	40.2
31	HusCompagniet	Consumer Goods	Denmark	6,929	0.9
32	Fincobank	Financial	Italy	6,767	0.9
33	Fugro	Business Providers	Netherlands	6,656	0.9
34	Manz	Technology	Germany	6,580	0.9
35	Grafton	Technology	Ireland	6,553	0.9
36	Daetwyler	Industrial Goods	Switzerland	6,403	0.8
37	Plastic Omnium	Consumer Goods	France	6,295	0.8
38	FLEX LNG	Natural Resources	Norway	6,154	0.8
39	Nobina	Industrial Goods	Sweden	6,128	0.8
40	Fjordkraft	Industrial Goods	Norway	6,076	0.8
40 largest				371,317	48.7

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company, and the action taken to mitigate these, are set out below:

Investment strategy and objective

Risk: The investment objective or policy is not appropriate in the prevailing market or sought by investors, leading to a wide discount and hostile shareholders. Investment performance over an extended period of time is poor.

Mitigation: The Board with the assistance of the Manager periodically reviews the investment objective and policy in line with best practice and taking account of investor appetites. The Board maintains oversight of performance and investor sentiment by reviewing the Key Performance Indicators, movements on the share register and the brokers report at each Board meeting. The Board also receives updates on professional and retail investor activity and interest. The Fund Manager maintains a diversified portfolio with a view to spreading risk and balancing performance.

Operational

Risk: Failure of, disruption to or inadequate service levels provided by principal third-party service providers leading to loss of shareholder value or reputational damage.

Mitigation: The Board engages reputable third-party service providers and formally evaluates their performance, and terms of appointment, at least annually. The Manager provides dedicated professionals to coordinate the provision of services provided by the Company's third-party service providers, monitoring delivery to agreed service levels and flagging issues to the Board for decision.

Legal & regulatory

Risk: Loss of approved investment trust status or changes to existing tax regimes leading to loss of shareholder value. Breach of the Companies Act 2006, Listing Rules, Prospectus Rules and/or Disclosure Guidance and Transparency Rules leading to criminal proceedings, suspension of the Company's shares and/or financial and reputational damage.

Mitigation: The Manager provides investment, company secretarial, marketing, sales and day-to-day administration services, as well as fund accounting and administration services through qualified professionals and to agreed service levels. The Board maintains oversight of the control environment in place at third-party service providers by reviewing the independently audited reports on the effectiveness of these controls and receives quarterly reports on the operation of the Manager's internal control environment.

Financial

Risk: Market risk (market price risk, currency risk, interest rate risk), credit risk and valuation risk leading to loss of shareholder value.

Mitigation: The Board determines the investment parameters within the Company's overall risk appetite and monitors compliance with these at each meeting. The Board reviews the portfolio liquidity, the Company's financial position and the valuation of the portfolio at each meeting. The Board, supported by the Audit Committee, receives regular reporting from the Company's principal third-party service providers on the effectiveness of the internal controls in place which seek to ensure that transactions are undertaken with reputable counterparties and the Company's assets are appropriately valued.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Each director (as set out in note 16) confirms, to the best of their knowledge, that:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Disclosure 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
Christopher Casey
Chairman

STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended 31 December 2020 (unaudited)			Half-year ended 31 December 2019 (unaudited)			Year ended 30 June 2020 (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	1,640	-	1,640	3,078	-	3,078	9,123	-	9,123
Other income	-	-	-	-	-	-	1	-	1
Gains on investments held at fair value through profit or loss	-	194,547	194,547	-	29,701	29,701	-	9,464	9,464
Total income	1,640	194,547	196,187	3,078	29,701	32,779	9,124	9,464	18,588
Expenses									
Management and performance fees (note 7)	(371)	(2,539)	(2,910)	(312)	(1,248)	(1,560)	(582)	(2,329)	(2,911)
Other operating expenses	(367)	-	(367)	(373)	-	(373)	(716)	-	(716)
Profit before finance costs and taxation	902	192,008	192,910	2,393	28,453	30,846	7,826	7,135	14,961
Finance costs	(63)	(258)	(321)	(76)	(306)	(382)	(141)	(564)	(705)
Profit before taxation	839	191,750	192,589	2,317	28,147	30,464	7,685	6,571	14,256
Taxation	(159)	-	(159)	(146)	-	(146)	(731)	-	(731)
Profit for the period and total comprehensive income	680	191,750	192,430	2,171	28,147	30,318	6,954	6,571	13,525
Return per ordinary share – basic and diluted (note 2)	1.36p	382.67p	384.03p	4.33p	56.18p	60.51p	13.88p	13.11p	26.99p

The total column of this statement represents the 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 the Company.

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

The figures have been prepared on a Company only basis following the liquidation of the Company's subsidiary during the year ended 30 June 2020. For the year ended 30 June 2020 and half-year ended 31 December 2019, these figures have previously been reported on a consolidated basis. The accompanying notes are an integral part of these condensed financial statements.

STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2020 (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 2020	6,264	120,364	13,964	358,759	24,023	523,374
Total comprehensive income:						
Profit for the period	-	-	-	191,750	680	192,430
Transactions with owners recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(7,115)	(7,115)
Total equity at 31 December 2020	6,264	120,364	13,964	550,509	17,588	708,689
Half-year ended 31 December 2019 (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 2019	6,264	120,364	13,964	352,188	28,243	521,023
Total comprehensive income:						
Profit for the period	-	-	-	28,147	2,171	30,318
Transactions with owners recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(7,266)	(7,266)
Total equity at 31 December 2019	6,264	120,364	13,964	380,335	23,148	544,075
Year ended 30 June 2020 (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 2019	6,264	120,364	13,964	352,188	28,243	521,023
Total comprehensive income:						
Profit for the year	-	-	-	6,571	6,954	13,525
Transactions with owners recorded directly to equity:						
Ordinary dividends paid	-	-	-	-	(11,174)	(11,174)
Total equity at 30 June 2020	6,264	120,364	13,964	358,759	24,023	523,374

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

BALANCE SHEET

	at 31 December 2020 (unaudited) £'000	at 31 December 2019 (unaudited) £'000	at 30 June 2020 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	762,635	595,572	573,086
	-----	-----	-----
Current assets			
Receivables	3,730	1,700	4,453
Cash and cash equivalents	-	-	57
	-----	-----	-----
	3,730	1,700	4,510
	-----	-----	-----
Total assets	766,365	597,272	577,596
	-----	-----	-----
Current liabilities			
Payables	(4,511)	(1,146)	(5,941)
Bank overdrafts	(53,165)	(52,051)	(48,281)
	-----	-----	-----
	(57,676)	(53,197)	(54,222)
	-----	-----	-----
Net assets	708,689	544,075	523,374
	=====	=====	=====
 Equity attributable to equity shareholders			
Called up share capital (note 3)	6,264	6,264	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	550,509	380,335	358,759
Revenue reserve	17,588	23,148	24,023
	-----	-----	-----
Total equity	708,689	544,075	523,374
	=====	=====	=====
 Net asset value per ordinary share – basic and diluted (note 4)	1,414.31p	1,085.80p	1,044.48p
	=====	=====	=====

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

CASH FLOW STATEMENT

	Half-year ended 31 December 2020 (unaudited) £'000	Half-year ended 31 December 2019 (unaudited) £'000	Year ended 30 June 2020 (audited) £'000
Operating activities			
Profit before taxation	192,589	30,464	14,256
Add back: interest payable	321	382	705
Less: gains on investments held at fair value through profit or loss	(194,547)	(30,670)	(10,433)
Sales of investments held at fair value through profit or loss	220,075	153,981	341,928
Purchases of investments held at fair value through profit or loss	(215,858)	(142,072)	(324,358)
Withholding tax on dividends deducted at source	(232)	(225)	(1,354)
Decrease/(increase) in prepayments and accrued income	578	525	(35)
Decrease in amounts due from brokers	138	2,488	559
Increase/(decrease) in accruals and deferred income	1,506	(34)	687
Decrease in amounts due to brokers	(2,936)	(5,537)	(1,464)
	-----	-----	-----
Net cash inflow from operating activities before interest and taxation	1,634	9,302	20,491
	-----	-----	-----
Interest paid	(321)	(382)	(705)
Taxation recovered	2	(42)	271
	-----	-----	-----
Net cash inflow from operating activities	1,315	8,878	20,057
	-----	-----	-----
Financing activities			
Equity dividends paid (net of refund of unclaimed dividends)	(7,115)	(7,266)	(11,174)
Net drawdown/(repayment) of bank overdraft	5,743	(1,612)	(8,826)
	-----	-----	-----
Net cash outflow from financing activities	(1,372)	(8,878)	(20,000)
	-----	-----	-----
(Decrease)/increase in cash and cash equivalents	(57)	-	57
Cash and cash equivalents at the start of the period	57	-	-
	-----	-----	-----
Cash and cash equivalents at the period end	-	-	57
	=====	=====	=====

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 financial statements comprise the unaudited results of the Company, for the half-year ended 31 December 2020. 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"), 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued in October 2019 where the SORP is consistent with the requirements of IFRS.

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 2020. These financial statements have not been audited or reviewed by the Company's auditors.

The figures have been prepared on a Company only basis following the liquidation of the Company's subsidiary during the year ended 30 June 2020. For the year ended 30 June 2020 and half-year ended 31 December 2019, these figures have previously been reported on a consolidated basis.

2. Return per ordinary share

The return per ordinary share is based on the profit for the half-year of £192,480,000 (half-year ended 31 December 2019: profit of £30,318,000; year ended 30 June 2020: profit of £13,525,000) and on 50,108,397 ordinary shares (half-year ended 31 December 2019 and year ended 30 June 2020: same), 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 2020 (unaudited) £'000	Half-year ended 31 December 2019 (unaudited) £'000	Year ended 30 June 2020 (audited) £'000
Net revenue profit	680	2,171	6,954
Net capital profit/(loss)	191,750	28,147	6,571
	-----	-----	-----
Net profit/(loss)	192,430	30,318	13,525
	=====	=====	=====
Weighted average number of ordinary shares in issue during the period	50,108,397	50,108,397	50,108,397

	Half-year ended 31 December 2020 (unaudited) pence	Half-year ended 31 December 2019 (unaudited) pence	Year ended 30 June 2020 (audited) pence
Revenue return per ordinary share	1.36	4.33	13.88
Capital return per ordinary share	382.67	56.18	13.11
	-----	-----	-----
Total return per ordinary share	384.03	60.51	26.99
	=====	=====	=====

3. Share capital

At 31 December 2020 there were 50,108,397 ordinary shares in issue (31 December 2019 and 30 June 2020: same).

During the half-year ended 31 December 2020 the Company did not issue any ordinary shares (31 December 2019 and 30 June 2020: same).

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

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 £708,739,000 (31 December 2019: £544,075,000; 30 June 2020: £523,374,000) and on 50,108,397 ordinary shares (31 December 2019 and 30 June 2020: same), being the number of ordinary shares in issue at the period end.

5. Dividends

The Company has declared an interim dividend of 8.20 pence per ordinary share (31 December 2019: 7.80p) payable on 23 April 2021 to members on the register as at 26 March 2021. The shares will trade ex-dividend on 25 March 2021.

A final dividend of 14.20p per ordinary share was paid on 27 November 2020 from the Company's revenue account in respect of the year ended 30 June 2020.

6. Transaction costs

Purchase transaction costs for the half-year ended 31 December 2020 were £275,000 (half-year ended 31 December 2019: £132,000; year ended 30 June 2020: £282,000). These comprise mainly stamp duty and commission. Sales transaction costs for the half-year ended 31 December 2020 were £86,000 (half-year ended 31 December 2019: £60,000; year ended 30 June 2020: £131,000).

7. Management and performance fees

The base management fee payable to Janus Henderson Investors is 0.6% of net assets up to £500m, reducing to 0.5% thereafter. Fees are charged quarterly in arrears. 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 fee 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.

In any given year in which a performance fee is payable, the performance fee rate is 15% of the positive difference between the average annual NAV total return and the average annual total return of the benchmark. The upper limit on the total fee, including the base fee and any performance fee, for any given accounting year is 2.0% of the NAV of the Company as at the last day of the relevant calculation period. A performance fee hurdle over the benchmark of 1.0% has to be reached before any performance fee can be earned. For clarity, performance is measured solely on the basis of NAV total return relative to the total return of the benchmark index; no account is taken of whether the NAV grows or shrinks in absolute terms. Any performance fee payable is allocated to capital.

A performance fee of £1,055,000 has been accrued as at 31 December 2020 (31 December 2019: £nil; 30 June 2020: £nil).

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.

Financial assets and financial liabilities at fair value through profit or loss at 31 December 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
Equity securities designated at fair value through profit or loss	762,560	-	75	762,635
	-----	-----	-----	-----
Total financial assets and liabilities carried at fair value	762,560	-	75	762,635
	=====	=====	=====	=====
Level 3 investments at fair value through profit or loss				£'000
Opening balance				77
Acquisitions				-
Disposal proceeds				-
Transferred into Level 3				-

				77

Total losses included in the Statement of Comprehensive Income

On assets sold	-
On assets held at period end	(2)

	(2)

Closing balance	75
	=====

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

The assets of the Company consist of securities that are readily realisable. The directors have considered the impact of the Covid-19 pandemic, including cash flow forecasting, a review of covenant compliance covering the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. Having done so, the directors have concluded that the Company has adequate resources to meet its financial obligations, including the repayments of the bank overdraft, as they fall due for a period of at least twelve months from the date of approval of the financial statements. Taking account of these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis and confirm that there are no uncertainties of which they are aware that should be conveyed to shareholders.

10. Related party transactions

The Company's transactions with related parties in the period were with the directors and Janus Henderson Investors. There were no material transactions between the Company and its directors during the period, with the only amounts paid to them being 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 Investors, other than fees payable by the Company in the ordinary course of business and the provision of marketing services there have been no material transactions with Janus Henderson Investors affecting the financial position of the Company during the period under review.

During the year to 30 June 2020, the wholly owned subsidiary, TREG Finance Limited, paid a dividend to the Company of £969,000 from its reserves prior to being placed in liquidation.

11. 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 2020 and 31 December 2019 have not been audited or reviewed by the Company's auditors. The figures and financial information for the year ended 30 June 2020 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.

12. Voting at Annual General Meeting

At the 30th Annual General Meeting held on 23 November 2020, the Company received votes against Resolution 5, relating to the reappointment of Mr Christopher Casey, representing 23.8% of the shares voted at the meeting and 10.3% of the voting rights in issue. At that time, the Board stated that it understood the majority of the votes against this resolution were from a single shareholder and related to the number of directorships held by the Chairman of the Board. The Board has engaged with this shareholder to understand its concerns and explained that the Board is aware of the Chairman's other commitments, all of which are non-executive and the majority of which relate to investment company board positions, and believe that he has sufficient capacity to devote to the Company's affairs. The Board has agreed to continue to engage with this shareholder in advance of the next annual general meeting and will provide a further update in the Company's next annual report.

13. 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

14. Half-year report

The Company's half-year report will be available on the Company's website. An update extracted from the Company's report for the half-year ended 31 December 2020, will be posted to shareholders in March 2021 and will be available

on the website thereafter.

15. 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.

SEDOL/ISIN: 0906692/GB0009066928

London Stock Exchange (TIDM) code: TRG

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

Legal Entity Identifier (LEI): 213800N1B1HCQG2W4V90

16. Directors and Secretary

At the date of this report, the directors of the Company are Christopher Casey (Chairman), Daniel Burgess (Chairman of the Audit Committee), Ann Grevelius, Simona Heidempergher, Andrew Martin Smith and Alexander Mettenheimer. The Corporate Secretary is Henderson Secretarial Services Limited.