



CRAIG ARMOUR

Incorporated

28 June 1972

Investment Manager

Edinburgh Partners

Lead Manager

Craig Armour

Year End

30 September

Total Assets

£366.6m

NAV per Share

907.6p

Share Price¹

796.00p

Discount to NAV

12.3%

Active Share²

80.9%

Turnover³

21%

Gearing (Net)⁴

3.4%

Number of Holdings

39

Annual Management Fee

0.55% to £500m, 0.50% above
(based on market cap)

Ongoing Charges⁵

0.61%

Dividends

Paid twice yearly - January
(final)/July (interim)

Stock Identifiers

SEDOL Code - 0329501

TIDM - EUT

ISIN - GB0003295010

Listing

London Stock Exchange

¹ Quoted is the mid-market closing price on the London Stock Exchange on 29 Mar 2019.

² The Active Share is calculated by taking 100% less Coverage. Coverage is the total of the portfolio of investments that overlaps with the benchmark index

³ Turnover is calculated by dividing the total of purchases and sales of investments in a year by two, then dividing by the average monthly net assets of the Company in a year.

⁴ Net current liabilities divided by the net assets, expressed as a %

⁵ Based on total expenses for the year to 30 September 2018 and average monthly net asset value

Investment Objective

The objective of The European Investment Trust plc is to achieve attractive investment returns over the long term from a diversified portfolio of European securities.

Manager's Commentary

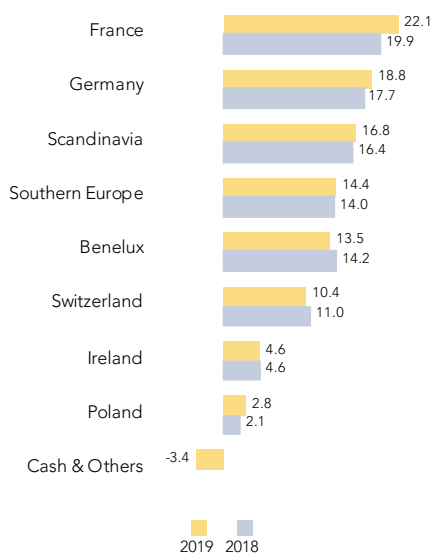
In March, European equities continued their recovery from the declines of the fourth quarter of 2018. However, with US interest rate rises being put on hold and no tangible news emerging from the US/China trade talks concerns about global economic growth resurfaced. Economic data from Europe highlighted ongoing weakness in the industrial sectors exposed to global trade, especially in Germany, although domestic demand remained firm. Bond yields in Europe fell sharply and economically sensitive stocks such as banks and industrials were out of favour, giving up some of the gains made in January and February. In some ways this was a re-run of late 2018 when valuations of many cyclical stocks started to price-in a recession.

We remain of the view that growth will be subdued but that the risk of a sustained downturn in the short term is unlikely. Accordingly, the portfolio is balanced with broadly equal exposure to companies with stable and cyclical end-demand. During the month we made minimal portfolio changes, trimming our positions in stocks which have performed well recently such as Dutch retailer Ahold Delhaize and Norwegian bank DNB.

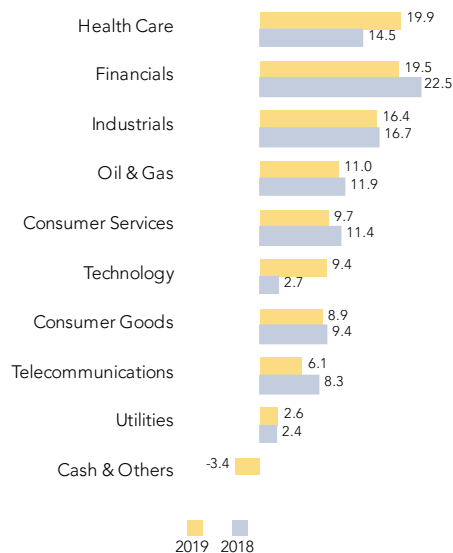
Top 10 Holdings

Company	Sector	% of Total Assets
Roche Holdings	Health Care	4.2
Sanofi	Health Care	4.0
Telefonica SA	Telecoms	3.5
Novartis 'R'	Health Care	3.5
Royal Dutch Shell A	Oil & Gas	3.5
Nokia	Technology	3.4
Deutsche Post	Industrial Goods & Services	3.2
Getinge	Health Care	3.2
ING Groep Certs.	Banks	3.1
ENI	Oil & Gas	3.1
Total		34.7

Geographical Analysis (%)



Industrial Analysis (%)



Philosophy

Edinburgh Partners has a simple and clear investment philosophy. Through disciplined and intensive research they identify stocks which they consider are clearly undervalued. It is their belief that such undervaluation arises because the stock market's investment horizon is too short. They aim to provide an absolute return and therefore stocks are not held by reference to an index weighting. As long-term investors, they stress the need for patience in investing.

Periodic Performance (%)

	1 Mth	3 Mths	12 Mths	2 Yrs*	3 Yrs*	5 Yrs*
Share Price	-1.4	3.6	-7.5	0.2	10.0	3.2
Net Asset Value (NAV) per share	0.6	7.2	-5.6	-0.6	9.7	3.5
FTSE All-World Europe Index ex UK	2.6	8.0	2.8	3.6	11.3	7.2

Past performance is no guide to future performance.

*NAV returns are sourced from Edinburgh Partners and include dividends reinvested and current period income. Share price and index performance figures are calculated using total return figures sourced from Datastream from Refinitiv. Share price returns are calculated on a closing mid-price basis. Returns shown in the table alongside for periods greater than 12 months are annualised.

Discrete Performance* (%)

	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18	31 Mar 16 - 31 Mar 17	31 Mar 15 - 31 Mar 16	31 Mar 14 - 31 Mar 15
Share Price	-7.5	8.6	32.6	-17.5	6.5
Net Asset Value (NAV) per share	-5.6	4.7	33.4	-12.8	3.5
FTSE All-World Europe Index ex UK	2.8	4.3	28.5	-3.9	6.8

Dividends

	2018	2017	2016	2015	2014
Interim	9.0p	8.0p	-	-	-
Final	18.0p	13.5p	16.0p	14.0p	14.0p
Special	-	1.5p	6.0p	2.0p	1.0p
Total	27.0p	23.0p	22.0p	16.0p	15.0p

Dividends are shown in this table once announced.

The final and any special final dividend require shareholder approval at the AGM.

Risk Warnings

- The value of the shares and any income derived from them can fall as well as rise, and investors may not get back the full value of their investment
- As the Company invests in overseas securities, fluctuations in exchange rates may also cause the value of the shares (and any income from them) to fall as well as rise
- The Company can borrow money to make further investments. This is known as 'gearing'. The effect of gearing can enhance returns in a rising market, but if the value of the investments falls, any borrowing will increase the amount of the loss
- The Company can buy back and cancel its own shares. The risks from borrowing referred to above, are increased when a Company buys back and cancels its shares
- The portfolio is likely to be more concentrated than that of other similar companies and the share price and NAV are therefore likely to be more volatile than other more diversified portfolios
- The Company charges two-thirds of management fees and finance costs to capital and one-third to income. Where income is low, expenses may exceed the total income received and the capital value would be reduced

ENQUIRIES

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