



CRAIG ARMOUR

Incorporated

28 June 1972

Investment Manager

Edinburgh Partners

Lead Manager

Craig Armour

Year End

30 September

Total Assets

£381.1m

NAV per Share

946.8p

Share Price¹

832.00p

Discount to NAV

12.1%

Active Share²

82.3%

Turnover³

22%

Gearing (Net)⁴

0.1%

Number of Holdings

38

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 30 Apr 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

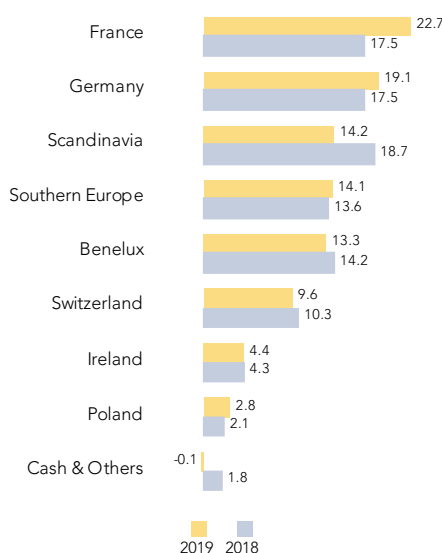
April saw European equities continue their recovery from the weakness of late 2018. Sentiment was lifted by the combination of a solid reporting season, some positive economic data and optimism over the US/China trade talks. Fears of recession continue to abate although the persistence of low interest rates is acting as a support to the valuations of growth stocks.

We made some portfolio changes during the month, mainly related to our Scandinavian holdings. After a period of good performance which was helped by the recovery in energy prices, we sold our holding in Norwegian bank DNB. We also sold our holding in pan Nordic bank Nordea which has exposure to the risks from potential money laundering activities in its Baltic businesses. Finally, we purchased a holding in Stora Enso, an integrated paper and packaging producer based in Finland. The company has shifted its operations from the declining paper market to the growing packaging market and provides clear exposure to structural growth in demand for sustainable products for the consumer sector. Stora has a strong balance sheet and a well-supported dividend.

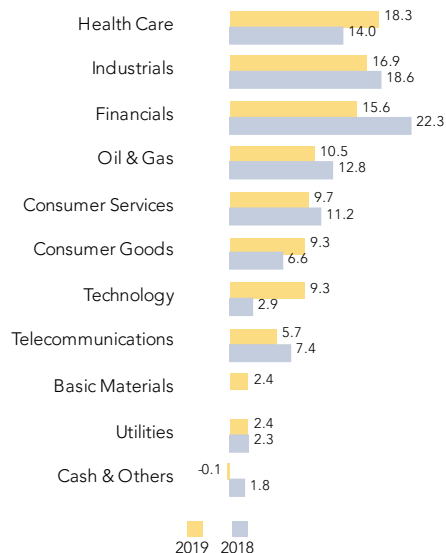
Top 10 Holdings

| Company | Sector | % of Total Assets |
|---------------------|-----------------------------|-------------------|
| Roche Holdings | Health Care | 3.8 |
| Sanofi | Health Care | 3.8 |
| Royal Dutch Shell A | Oil & Gas | 3.4 |
| Telefonica SA | Telecoms | 3.3 |
| Deutsche Post | Industrial Goods & Services | 3.3 |
| Sopra Steria | Technology | 3.2 |
| ING Groep Certs. | Banks | 3.2 |
| Nokia | Technology | 3.0 |
| Getinge | Health Care | 3.0 |
| Indra Sistemas SA | Technology | 3.0 |
| Total | | 33.0 |

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 | 4.5 | 4.5 | -5.9 | 1.6 | 10.1 | 4.0 |
| Net Asset Value (NAV) per share | 4.3 | 7.6 | -6.0 | 1.2 | 10.5 | 4.5 |
| FTSE All-World Europe Index ex UK | 4.0 | 8.7 | 3.0 | 5.2 | 12.6 | 8.0 |

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 |

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 Periodic Performance table for periods greater than 12 months are annualised. Discrete Performance is updated quarterly.

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

Contact: Robert Coulter

T: +44 (0) 131 270 3800

F: +44 (0) 131 270 3801

E: info@edpam.com

W: www.eitplc.com

27-31 Melville Street
Edinburgh EH3 7JF

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