



CRAIG ARMOUR

Incorporated

28 June 1972

Investment Manager

Edinburgh Partners

Lead Manager

Craig Armour

Year End

30 September

Total Assets

£356.9m

NAV per Share

886.7p

Share Price¹

776.00p

Discount to NAV

12.5%

Active Share²

82.3%

Turnover³

20%

Gearing (Net)⁴

None

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 31 May 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

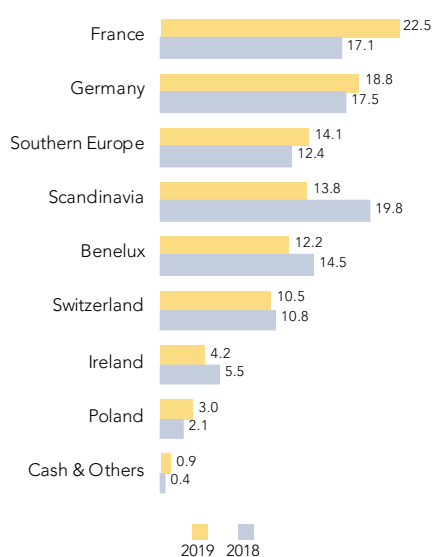
Equity markets fell back in May as the trade dispute between the world's two largest economies escalated. Both the US and China appear to be taking more entrenched positions, particularly regarding technology transfer. The consensus view is that a compromise is likely but the US ban on Huawei equipment was an aggressive move which has raised the temperature and increased the risk of further escalation.

Increased uncertainty weighs heavily on confidence and investment. In this environment we have seen a sharp divergence in relative valuations, with many investors shunning cyclical sectors and looking for safe havens such as Consumer Staples and other sectors perceived as being defensive in a downturn. Government bond yields have fallen sharply, reinforcing concerns about economic growth. Our portfolio has struggled in this environment and the valuations of some of our cyclical stocks have fallen to levels which signal that a sharp economic downturn is likely. We acknowledge the risks but our central case remains one of subdued growth rather than a recession. The portfolio trades on a current year PE multiple of c 12 and a dividend yield of 4.1%, which we believe offers good value.

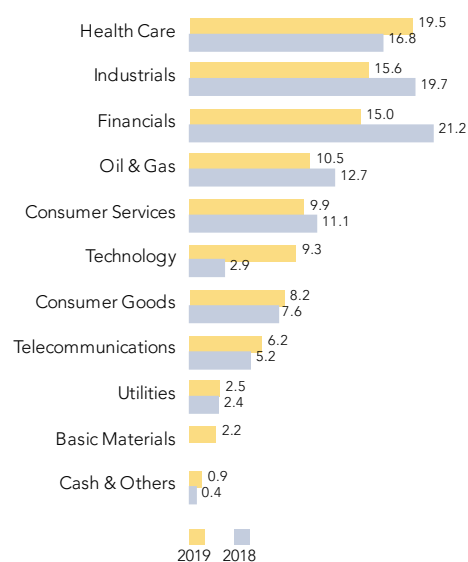
Top 10 Holdings

Company	Sector	% of Total Assets
Roche Holdings	Health Care	4.2
Sanofi	Health Care	3.9
Royal Dutch Shell A	Oil & Gas	3.7
Telefonica SA	Telecoms	3.5
Novartis 'R'	Health Care	3.3
Getinge	Health Care	3.2
Nokia	Technology	3.2
Sopra Steria	Technology	3.2
Deutsche Post	Industrial Goods & Services	3.1
Cyfrowy Polsat	Media	3.0
Total		34.3

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	-6.7	-3.8	-11.2	-5.2	8.4	2.4
Net Asset Value (NAV) per share	-6.3	-1.7	-10.0	-4.8	8.2	3.0
FTSE All-World Europe Index ex UK	-1.4	5.2	2.4	1.8	12.1	7.2

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

The Company is not authorised or regulated by the Financial Conduct Authority. This factsheet does not constitute an offer, invitation or solicitation to deal in securities. The factsheet contains information and opinions which may change without notice. Any information on investments does not constitute independent research and is therefore not subject to the protections afforded to independent research. The Directors of the Company and employees of the investment manager may have dealt or have positions in the securities mentioned. Further details of the risks associated with investment in the Company and information about how charges are applied can be obtained by contacting the number or email address alongside.

Edinburgh Partners AIFM Limited (Financial Services Register 613473), 27-31 Melville Street, Edinburgh EH3 7JF. Registered in Scotland Number SC460631. Edinburgh Partners AIFM Limited is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN

