



CRAIG ARMOUR

Incorporated

28 June 1972

Investment Manager

Edinburgh Partners

Lead Manager

Craig Armour

Year End

30 September

Total Assets

£377.5m

NAV per Share

938.0p

Share Price¹

819.00p

Discount to NAV

12.7%

Active Share²

82.5%

Turnover³

20%

Gearing (Net)⁴

1.3%

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 31 Jul 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

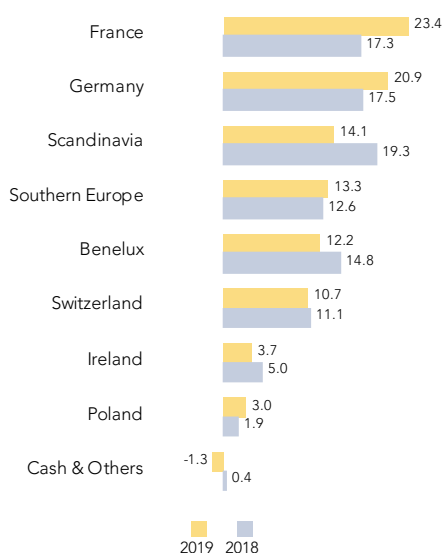
Equity markets continued to advance in July in the face of growing risks to growth. The US/China trade dispute continues to undermine confidence and the effects are starting to be seen in company earnings. Against this backdrop central banks are resuming monetary stimulus measures which should continue to support asset prices and contain the risk of a slowdown turning into a recession. Fiscal stimulus in Europe is unlikely to find sufficient political consensus, so growth is likely to be dependent on monetary support until the trade tensions abate.

We have initiated a position in United Internet, the German telecoms and internet services provider. Its key subsidiary, 1 & 1 Drillisch, has carved out a solid competitive position in the German telecoms market, and this is underpinned by a long-term wholesale access agreement with Telefonica Deutschland. It is now planning to establish a physical 5G network which will gradually replace its wholesale access costs. The company's valuation has fallen sharply on fears that this transition will be poorly executed, despite the strong track record of the experienced management team.

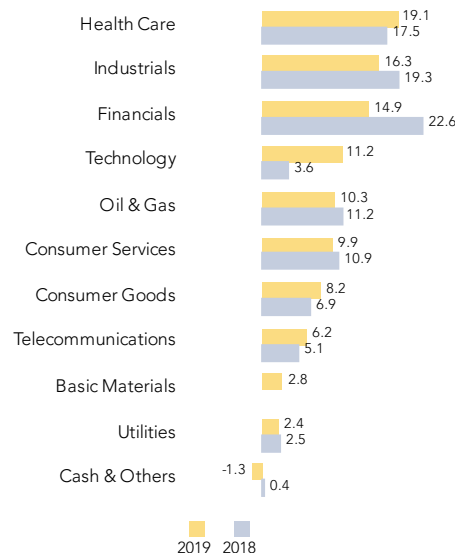
Top 10 Holdings

Company	Sector	% of Total Assets
Roche Holdings	Health Care	4.2
Sanofi	Health Care	4.0
Royal Dutch Shell A	Oil & Gas	3.6
Sopra Steria	Technology	3.5
Novartis 'R'	Health Care	3.5
Nokia	Technology	3.4
Deutsche Post	Industrial Goods & Services	3.4
Telefonica SA	Telecoms	3.3
Gerresheimer	Health Care	3.2
Adecco	Industrial Goods & Services	3.0
Total		35.1

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	0.5	-0.4	-9.6	-2.3	9.6	4.9
Net Asset Value (NAV) per share	0.9	0.1	-8.6	-2.1	8.2	5.7
FTSE All-World Europe Index ex UK	2.0	7.1	5.5	5.9	11.7	10.3

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 Refinitiv Datastream. 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.

Discrete Performance* (%)

	30 Jun 18 - 30 Jun 19	30 Jun 17 - 30 Jun 18	30 Jun 16 - 30 Jun 17	30 Jun 15 - 30 Jun 16	30 Jun 14 - 30 Jun 15
Share Price	-5.1	-0.9	51.7	-19.3	4.2
Net Asset Value (NAV) per share	-4.2	1.9	36.2	-6.1	0.3
FTSE All-World Europe Index ex UK	8.6	3.0	28.7	6.3	0.4

Dividends

	2019	2018	2017	2016	2015
Interim	9.5p	9.0p	8.0p	-	-
Final	-	18.0p	13.5p	16.0p	14.0p
Special	-	-	1.5p	6.0p	2.0p
Total		27.0p	23.0p	22.0p	16.0p

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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