



**CRAIG ARMOUR**

**Incorporated**

28 June 1972

**Investment Manager**

Edinburgh Partners

**Lead Manager**

Craig Armour

**Year End**

30 September

**Total Assets**

£362.6m

**NAV per Share**

900.9p

**Share Price**<sup>1</sup>

770.00p

**Discount to NAV**

14.5%

**Active Share**<sup>2</sup>

82.4%

**Turnover**<sup>3</sup>

21%

**Gearing (Net)**<sup>4</sup>

None

**Number of Holdings**

40

**Annual Management Fee**

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

**Ongoing Charges**<sup>5</sup>

0.61%

**Dividends**

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

**Stock Identifiers**

SEDOL Code - 0329501

TIDM - EUT

ISIN - GB0003295010

**Listing**

London Stock Exchange

<sup>1</sup> Quoted is the mid-market closing price on the London Stock Exchange on 30 Aug 2019.

<sup>2</sup> 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

<sup>3</sup> 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.

<sup>4</sup> Net current liabilities divided by the net assets, expressed as a %

<sup>5</sup> 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.

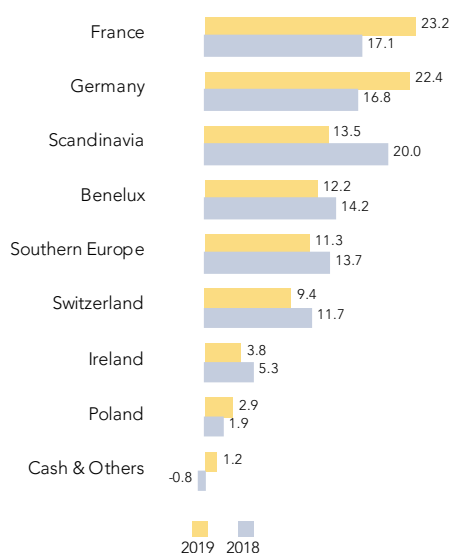
**Manager's Commentary**

At the end of a volatile month equity markets finished lower. The unresolved US/China trade war continues to weigh on sentiment and raise the fear of a global recession. Arguably there is already an industrial recession in Germany, witness the difficulties in the auto and chemicals sectors. Central bank stimulus is proving increasingly ineffective and investors are crowding into areas of the market which are regarded as defensive. We remain of the view that valuations are the most important anchor and continue to make changes to the portfolio where we see better balance of risk and reward. We have sold our holding in Italian bank Mediobanca, whose shares have recovered this year despite weak domestic growth and a highly unstable political situation. We have replaced this holding with a position in Fresenius Medical Care, a leading provider of equipment and services for kidney dialysis patients. The company provides treatment in c 3,750 clinics worldwide and is seeing rapid growth in emerging markets, although the US remains its core market. This trade should be viewed as reducing the risk profile of the portfolio.

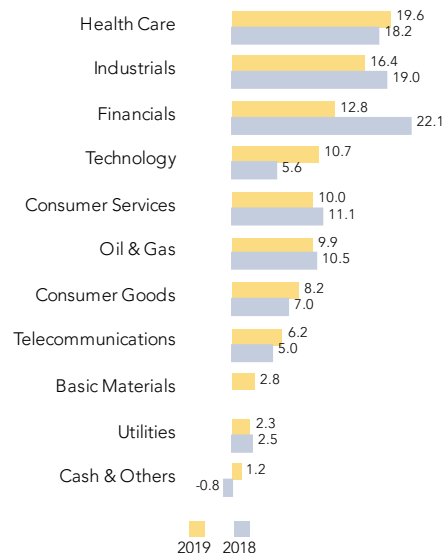
**Top 10 Holdings**

Company	Sector	% of Total Assets
Sanofi	Health Care	4.2
Deutsche Post	Industrial Goods & Services	3.5
Roche Holdings	Health Care	3.4
Royal Dutch Shell A	Oil & Gas	3.3
Nokia	Technology	3.2
Gerresheimer	Health Care	3.2
Telefonica SA	Telecoms	3.1
Orange	Telecoms	3.1
Novartis 'R'	Health Care	3.0
Adecco	Industrial Goods & Services	3.0
<b>Total</b>		<b>33.0</b>

**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	-6.0	0.4	-12.6	-6.2	5.9	3.8
Net Asset Value (NAV) per share	-4.0	2.6	-8.9	-4.8	6.0	4.4
FTSE All-World Europe Index ex UK	-1.5	7.0	5.6	3.5	10.5	9.5

**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
<b>Total</b>		<b>27.0p</b>	<b>23.0p</b>	<b>22.0p</b>	<b>16.0p</b>

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

