

EP Global Opportunities Trust plc

Half-Yearly Report

30 June 2019

FINANCIAL SUMMARY

	30 June 2019	31 December 2018	Change
Shareholders' funds	£135,317,000	£131,799,000	2.7%
Net asset value per ordinary share ("NAV")	323.7p	308.8p	4.8%
Share price per ordinary share	307.0p	301.5p	1.8%
Share price discount to NAV	5.2%	2.4%	

Past performance is not a guide to future performance.

OBJECTIVE

The investment objective of the Company is to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities. The portfolio is managed without reference to the composition of any stock market index.

INVESTMENT POLICY

The Company invests in a focused portfolio of approximately 30 to 40 securities of issuers throughout the world, predominantly in quoted equities. The Company may also invest in unquoted securities, which are not anticipated to exceed 10% of the Company's total assets at the time of investment. No investment in the Company's portfolio may exceed 15% of the Company's total assets at the time of investment.

The Company has the ability to invest in other investment companies or funds but will invest no more than 15% of its gross assets in other listed investment companies (including investment trusts).

The Company may also invest a substantial portion of its assets in debt instruments, cash or cash equivalents when the Investment Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities for the portfolio or to maintain liquidity. In addition, the Company may purchase derivatives for the purposes of efficient portfolio management.

It is intended that, from time to time, when deemed appropriate, the Company will borrow for investment purposes up to the equivalent of 25% of its total assets. By contrast, the Company's portfolio may from time to time have substantial holdings of debt instruments, cash or short-term deposits.

The investment objective and policy are intended to distinguish the Company from other investment vehicles which have relatively narrow investment objectives and which are thus constrained in their decision making and asset allocation. The objective and policy allow the Company to be constrained in its investment selection only by valuation and to be pragmatic in portfolio construction by only investing in securities which the Investment Manager considers to be undervalued on an absolute basis.

CORPORATE INFORMATION

Directors (all non-executive)

Teddy Tulloch (Chairman)
David Hough
David Ross
Tom Walker (appointed 1 April 2019)

Company Secretary and Registered Office

Kenneth J Greig
27-31 Melville Street
Edinburgh
EH3 7JF

www.epgot.com

Alternative Investment Fund Manager

Edinburgh Partners AIFM Limited
27-31 Melville Street
Edinburgh
EH3 7JF

Investment Manager

Edinburgh Partners Limited
27-31 Melville Street
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Tel: 0131 270 3800

email: enquiries@edpam.com
www.edinburghpartners.com

Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registrar and Transfer Office

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Tel: 0370 889 4069

email: web.queries@computershare.co.uk
www.investorcentre.co.uk

Solicitor and Sponsor

Dickson Minto W.S.
16 Charlotte Square
Edinburgh
EH2 4DF

Depositary

Northern Trust Global Services PLC
50 Bank Street
Canary Wharf
London
E14 5NT

Custodian and Banker

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Registered in Scotland No. 259207

An investment company as defined under Section 833 of the Companies Act 2006

The Company is a member of the Association of Investment Companies

CHAIRMAN'S STATEMENT

Results

At 30 June 2019, our NAV was 323.7p, an increase of 4.8% from the 31 December 2018 NAV of 308.8p. The 2018 final dividend of 5.5p per share and special dividend of 1.0p per share, a total of 6.5p per share, were paid in May 2019 and this resulted in a total return for the six months of 6.9%. The total return of the FTSE All-World Index over the same period was 16.4%, while the FTSE All-Share Index total return was 13.0%.

Our Investment Manager aims to identify and invest in companies where it believes their share prices do not capture their long-term earnings potential and are hence undervalued in absolute terms. Our Investment Manager avoids shares that appear fully or overvalued relative to their potential. This investment strategy may lead to considerable variation in performance relative to any index. This is particularly true when any investment theme becomes overly fashionable as has been the case with growth stocks in the period under review. The Investment Manager's Report on pages 6 to 8 contains detailed commentary on the portfolio and performance.

Share price

The share price at the end of June 2019 was 307.0p, an increase of 1.8% on the year-end share price of 301.5p. At 30 June 2019, the Company's shares were trading at a discount of 5.2% to the NAV, compared to a 2.4% discount at the previous year end. The share price total return, including dividends reinvested, was 4.0%.

Share buy backs

The Company has continued to buy back its own shares and in the first six months of 2019, we bought back 880,000 shares. The share buy backs made during the period represented 2.1% of the shares in circulation at the start of the period and were purchased at a total cost of £2.7 million. Shares bought back have not been cancelled, but instead are held in treasury with the intention of re-issuing them when demand warrants doing so.

Revenue account

The Income Statement on page 12 shows revenue per share of 5.3p for the first six months of 2019, which was a 12.8% increase on the 4.7p generated in the same period last year. The revenue per share for the full year in 2018 was 6.9p. The value-focused investment strategy pursued by the Investment Manager has recently resulted in purchases of higher-yielding shares, particularly within the Telecommunications sector.

As we have regularly stated in previous annual and half-yearly reports, the decision on which shares we own is driven by our Investment Manager's well-defined investment philosophy of focusing on value regardless of the dividend yield of the shares and can result in volatility in our revenue per share from year to year.

CHAIRMAN'S STATEMENT – continued

The Board

As detailed in the Annual Report for the year ended 31 December 2018, the Company announced a number of changes to the Board during the period under review.

Following the conclusion of the Annual General Meeting held on 24 April 2019, Giles Weaver retired as a non-executive Director of the Company. He became a Director of the Company in March 2011 when it merged with Anglo & Overseas plc, having served as a director of that company since its launch in 2005. He subsequently became Chairman of the Audit and Management Engagement Committee of the Company in April 2014.

The Board wishes to thank Giles for his wise counsel, experience and commitment to the Company over his eight years of service. His investment experience and knowledge of investment trusts have been of great benefit to the Board and I personally have greatly appreciated his input and advice. Following the retirement of Giles Weaver from the Board, David Ross became the Chairman of the Audit and Management Engagement Committee.

Following an extensive review process, in conjunction with an experienced independent external search consultancy, a number of potential candidates were interviewed, and Tom Walker was appointed as a new non-executive Director and member of the Audit and Management Engagement Committee of the Company with effect from 1 April 2019.

Tom Walker has recently retired as a portfolio manager from Martin Currie Investment Management Limited where latterly, he headed up their Global Long-Term Unconstrained equity team. As part of his responsibilities, he managed an investment trust, Martin Currie Global Portfolio Trust plc, as well as other global segregated portfolios. He joined Martin Currie in 1996, initially to lead their Pacific Basin investment team and subsequently moving to head their North America team. Tom Walker qualified as a chartered accountant with Thomson McLintock, now KPMG, then moved into investment management with Edinburgh Fund Managers and subsequently worked in Hong Kong with Baring Asset Management, before joining Martin Currie. Given his extensive investment management experience and detailed knowledge of the investment trust sector, the Board is delighted that Tom Walker has agreed to become a Director of the Company.

CHAIRMAN'S STATEMENT – continued

Outlook

A number of geo-political tensions have impacted equity markets. These include US/ China trade tariffs, increasing political tensions in the Middle East and continued uncertainty surrounding the UK's exit from the European Union, with the new Prime Minister, Boris Johnson, set to take a more hard-line stance. They have the potential to continue to unsettle equity markets.

Our Investment Manager's investment approach is long-term and focused on absolute valuation, believing that adequately diversified, concentrated portfolios have the highest probability of generating absolute returns. It aims to identify and buy undervalued companies and has the patience to hold them until their share prices reflect their long-term earnings potential.

The recent downgrading of forecasts for global growth and the relatively high valuation of equity markets has resulted in our Investment Manager both adopting a more defensive position in the portfolio and holding a higher level of cash balances, despite a slight reduction in the period under review, than would normally be anticipated. It has done this successfully in the past and is following a similar strategy again, as it awaits the opportunity to invest in stocks which it considers to be undervalued.

Teddy Tulloch

Chairman

22 August 2019

Past performance is not a guide to future performance.

INVESTMENT MANAGER'S REPORT

Economic and stock market review and investment performance

The Company's NAV total return was 6.9% during the six-month period to 30 June 2019. After weakness in 2018, particularly in the final quarter of the year, there was a rebound in equity markets in the first half of 2019. In developed markets the rally was led by the US – although other markets also rose robustly – with Japan the major laggard. Despite lingering economic and Brexit concerns, equity markets in Europe advanced strongly.

The Company's return was affected by having a substantial underweighting to US equities, as we consider US equity market valuations to be excessive, when compared to other global equity markets. The Company held a higher level of cash balances, where only minimal returns are currently achieved, which has also impacted the overall return achieved in the period under review.

During the half-year, market expectations of interest rate decreases gained ground as political pressure on the US Federal Reserve continued to rise. Central banks have been exceptionally cautious in tightening monetary policy, conditioned by concerns over the profile of economic growth. Within equity markets, this resulted in the outperformance of Growth stocks relative to Value stocks in the period under review.

With the US equity market being the best performing major equity market in the period under review, the two stocks that made the most significant absolute contribution to portfolio returns were both US based. They were the US consumer financial services group, Synchrony Financial, and the technology group, Cirrus Logic. Several of the Company's Health Care stocks also contributed positively to returns, including the Switzerland-based stocks, Roche and Novartis, as well as AstraZeneca in the UK. Singapore Telecommunications, which was purchased in 2018, also performed well. The principal detractors from performance during the period were Vodafone in the UK, Nokia in Finland, Alps Alpine in Japan and PostNL in the Netherlands. We took the decision to add to the Vodafone position during the half year, in a period of share price weakness, given our view of its inherent undervaluation. Following a reassessment, Alps Alpine was disposed of subsequent to the half-year end. Both Nokia and PostNL have recently issued positive results announcements.

Portfolio activity

Overall there was relatively little change in the structure of the portfolio during the first six months of 2019. Based on valuation factors, the key geographic change was an increase in the Company's European exposure by 4.7% to 37.0%. This was principally financed by a reduction in the Japanese exposure of 2.7% to 13.8% and a reduction in cash and other net assets of 2.6% from 11.3% to 8.7%. The most significant increase in sector exposure was in Telecommunications, where there was an increase of 2.9% to 15.6%. The most substantial sector reduction was in Consumer Services of 4.1% to 5.0%.

In Europe we acquired a holding in the France-based telecommunications group, Orange, where it is the market leader. With a sound balance sheet and an above average dividend yield, we considered the shares an attractive investment opportunity. As detailed above, within the Telecommunications sector, we also took the opportunity to add to the Company's holding in the UK-based Vodafone.

The portfolio's exposure to Japan reduced during the period as commodity price strength caused the Mitsubishi Corporation share price to reach our target level, at which point the holding was sold. Similarly, in the Netherlands the continued rise in the share price of the retailer, Ahold Delhaize, prompted a disposal of the shareholding.

Cirrus Logic, the US technology stock, is primarily an Apple supplier where volumes are moderating and hence the risks were increasing. The holding was sold after strong share price appreciation resulted in the stock achieving our target level. Samsung SDI, based in South Korea, was purchased as we believe continued demand for electric vehicles will be positive for battery manufacturers. In Japan, we initiated a position in Rohm, the semiconductor and electrical components group, as we believe it will also benefit from increasing demand for electric vehicles.

Although there was a small increase in the exposure to the Financials sector of 2.1% to 22.7%, there was a switch from banks where the share prices have been resilient, to others, where there had been share price weakness and we considered greater upside exists. Bank Mandiri of Indonesia and DNB of Norway were both sold and replaced with the European banks BBVA and BNP Paribas. BBVA is the second largest Spanish Bank with significant exposure to emerging markets, including Mexico, Turkey and Latin America. A strong commitment to digital transformation should allow the bank to better weather the longer-term pressures facing traditional banking operators. BNP Paribas is a global bank, with its primary markets in the Eurozone, and a significant presence in the US. It is demonstrating resilience in a low interest rate environment, its capital base has recovered to adequate levels, the dividend pay-out ratio has risen, it has a low price to earnings ratio and a high discount to net asset value.

INVESTMENT MANAGER'S REPORT – continued

Outlook

The trade dispute between China and the US has continued to impact the economic outlook, with notable declines seen in US business surveys and signs of weakness in Germany's manufacturing sector. With downside risks to the economic outlook, central banks have once again adopted a dovish stance, implying the prospect of further monetary stimulus to boost demand.

Despite a slight lowering of global growth forecasts, labour markets continue to look reasonably robust with wage growth becoming increasingly evident. This would not normally be a backdrop for a loosening of monetary policy. We expect that inflation will start to emerge which should inevitably bring with it a rise in interest rates and a reassessment of equity market valuations.

There has been an extensive period of Value stocks underperforming Growth stocks. In our view, it is a direct result of the cost of money being at and staying close to zero in real terms. We believe this is unsustainable and that we are closer to the point where equity and bond markets will recognise this. We intend to continue with our long-term strategy which is focused on valuation, utilising the current higher level of cash balances only when suitable investment opportunities arise.

Dr Sandy Nairn

Investment Manager

22 August 2019

Past performance is not a guide to future performance.

PORTFOLIO OF INVESTMENTS

as at 30 June 2019

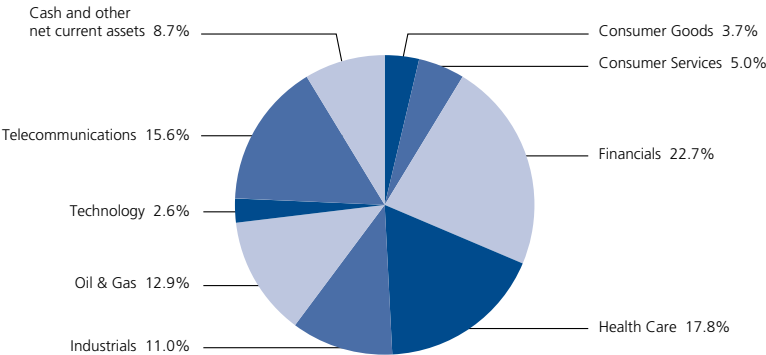
Company	Sector	Country	Valuation £'000	% of Net Assets
Equity investments				
Roche*	Health Care	Switzerland	5,983	4.4
AstraZeneca	Health Care	United Kingdom	4,832	3.6
Novartis	Health Care	Switzerland	4,230	3.1
Singapore Telecommunications	Telecommunications	Singapore	3,903	2.9
Swire Pacific A	Industrials	Hong Kong	3,900	2.9
Royal Dutch Shell A	Oil & Gas	Netherlands	3,841	2.8
Verizon	Telecommunications	United States	3,758	2.8
Synchrony Financial	Financials	United States	3,709	2.7
Vodafone	Telecommunications	United Kingdom	3,607	2.7
Orange	Telecommunications	France	3,590	2.7
Sanofi	Health Care	France	3,529	2.6
Total	Oil & Gas	France	3,417	2.5
ING	Financials	Netherlands	3,408	2.5
Tesco	Consumer Services	United Kingdom	3,400	2.5
BP	Oil & Gas	United Kingdom	3,392	2.5
Sumitomo Mitsui Financial	Financials	Japan	3,353	2.5
Galaxy Entertainment	Consumer Services	Hong Kong	3,344	2.5
China Mobile	Telecommunications	China	3,343	2.5
East Japan Railway	Industrials	Japan	3,334	2.5
ENI	Oil & Gas	Italy	3,327	2.5
Sumitomo Mitsui Trust	Financials	Japan	3,301	2.4
Bangkok Bank**	Financials	Thailand	3,278	2.4
Commerzbank	Financials	Germany	3,271	2.4
Edinburgh Partners Emerging Opportunities Fund	Financials	Other	3,261	2.4
Nokia	Technology	Finland	2,933	2.2
BNP Paribas	Financials	France	2,845	2.1
Samsung SDI	Industrials	South Korea	2,770	2.0
Telefonica	Telecommunications	Spain	2,749	2.0
BBVA	Financials	Spain	2,625	1.9
Panasonic	Consumer Goods	Japan	2,562	1.9
Bayer	Health Care	Germany	2,523	1.9
Shanghai Fosun Pharmaceutical H	Health Care	China	2,462	1.8
Japan Tobacco	Consumer Goods	Japan	2,375	1.8
CK Hutchison	Industrials	Hong Kong	2,296	1.7
Nomura	Financials	Japan	1,933	1.4
Apache	Oil & Gas	United States	1,767	1.3
Halliburton	Oil & Gas	United States	1,738	1.3
PostNL	Industrials	Netherlands	1,379	1.0
Alps Alpine	Industrials	Japan	1,149	0.9
Alcon	Health Care	Switzerland	572	0.4
Rohm	Technology	Japan	543	0.4
Total equity investments			123,532	91.3
Cash and other net current assets			11,785	8.7
Net assets			135,317	100.0

* The investment is in non-voting shares

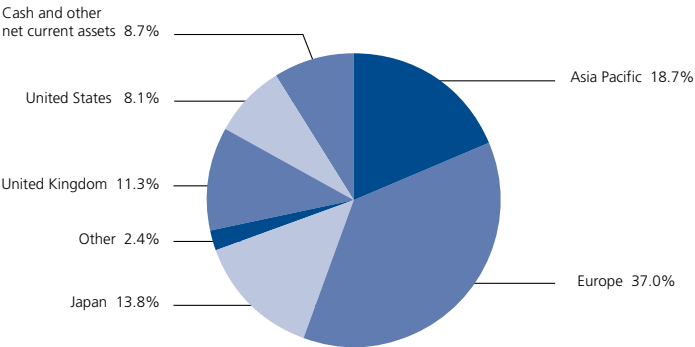
** The investment is in non-voting depositary receipts

DISTRIBUTION OF INVESTMENTS
as at 30 June 2019 (% of net assets)

Sector distribution



Geographical distribution



DIRECTORS' STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The important events that have occurred during the period under review and the key factors influencing the Financial Statements are set out in the Chairman's Statement and Investment Manager's Report on pages 3 to 8. The principal factors that could impact the remaining six months of the financial year are also detailed in the Chairman's Statement and Investment Manager's Report.

The Board considers that the following are the principal risks associated with investing in the Company: investment and strategy risk, key manager risk, discount volatility risk, market risk, foreign currency risk and regulatory risk. Other risks associated with investing in the Company include, but are not limited to, liquidity risk, credit risk, interest rate risk, gearing risk, operational risk and other financial risks. These risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and uncertainties" within the Strategic Report in the Company's Annual Report and Financial Statements for the year ended 31 December 2018. The Company's principal risks and uncertainties are unchanged since the date of that report.

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors confirm that to the best of their knowledge:

- The condensed set of Financial Statements, prepared in accordance with Financial Reporting Standard ("FRS") 104: "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- This Half-Yearly Report includes a fair review of the information required by:
 - (a) 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

This Half-Yearly Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Teddy Tulloch
Chairman
22 August 2019

INCOME STATEMENT

for the six months to 30 June 2019

			Six months to 30 June 2019	
	Note	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value through profit or loss	6	–	6,583	6,583
Foreign exchange gains on capital items		–	121	121
Income	2	3,087	–	3,087
Management fee		(451)	–	(451)
Other expenses		(201)	–	(201)
Net return before finance costs and taxation		2,435	6,704	9,139
Finance costs				
Interest payable and other charges		–	–	–
Net return before taxation		2,435	6,704	9,139
Taxation	3	(193)	–	(193)
Net return after taxation		2,242	6,704	8,946
		pence	pence	pence
Return per ordinary share	5	5.3	15.9	21.2

All revenue and capital items in the above statement derive from continuing operations.

The total column of this statement is the profit and loss account of the Company.

The revenue and capital columns are prepared in accordance with guidance issued by the Association of Investment Companies ("AIC").

A separate Statement of Comprehensive Income has not been prepared as all gains and losses are included in the Income Statement.

INCOME STATEMENT – continued

for the six months to 30 June 2019

Six months to 30 June 2018			Year to to 31 December 2018		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	(2,084)	(2,084)	–	(13,994)	(13,994)
–	217	217	–	576	576
2,904	–	2,904	4,676	–	4,676
(469)	–	(469)	(950)	–	(950)
(193)	–	(193)	(406)	–	(406)
<hr/>			<hr/>		
2,242	(1,867)	375	3,320	(13,418)	(10,098)
<hr/>			<hr/>		
–	–	–	–	–	–
2,242	(1,867)	375	3,320	(13,418)	(10,098)
(220)	–	(220)	(330)	–	(330)
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2,022	(1,867)	155	2,990	(13,418)	(10,428)
<hr/>			<hr/>		
pence	pence	pence	pence	pence	pence
4.7	(4.3)	0.4	6.9	(31.0)	(24.1)
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BALANCE SHEET

as at 30 June 2019

		30 June 2019	30 June 2018	31 December 2018
	Note	£'000	£'000	£'000
Fixed asset investments				
Investments at fair value through profit or loss	6	123,532	131,128	116,969
Current assets				
Debtors		854	414	503
Cash at bank and short-term deposits		11,063	12,917	14,473
		11,917	13,331	14,976
Current liabilities				
Creditors		132	231	146
		132	231	146
Net current assets		11,785	13,100	14,830
Net assets		135,317	144,228	131,799
Capital and reserves				
Called-up share capital		645	645	645
Share premium		1,597	1,597	1,597
Capital redemption reserve		14	14	14
Special reserve		47,953	52,508	50,662
Capital reserve		80,721	85,568	74,017
Revenue reserve		4,387	3,896	4,864
Total Shareholders' funds		135,317	144,228	131,799
		pence	pence	pence
Net asset value per ordinary share	7	323.7	333.2	308.8

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the six months to 30 June 2019

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months to 30 June 2019							
At 31 December 2018	645	1,597	14	50,662	74,017	4,864	131,799
Net return after taxation	–	–	–	–	6,704	2,242	8,946
Dividends paid	–	–	–	–	–	(2,719)	(2,719)
Share purchases for treasury	–	–	–	(2,709)	–	–	(2,709)
At 30 June 2019	645	1,597	14	47,953	80,721	4,387	135,317
Six months to 30 June 2018							
At 31 December 2017	645	1,597	14	54,952	87,435	4,175	148,818
Net return after taxation	–	–	–	–	(1,867)	2,022	155
Dividends paid	–	–	–	–	–	(2,301)	(2,301)
Share purchases for treasury	–	–	–	(2,444)	–	–	(2,444)
At 30 June 2018	645	1,597	14	52,508	85,568	3,896	144,228
Year ended 31 December 2018							
At 31 December 2017	645	1,597	14	54,952	87,435	4,175	148,818
Net return after taxation	–	–	–	–	(13,418)	2,990	(10,428)
Dividends paid	–	–	–	–	–	(2,301)	(2,301)
Share purchases for treasury	–	–	–	(4,290)	–	–	(4,290)
At 31 December 2018	645	1,597	14	50,662	74,017	4,864	131,799

NOTES TO THE FINANCIAL STATEMENTS

for the six months to 30 June 2019

1 Accounting policies

Basis of accounting

The Company's Financial Statements for the six months to 30 June 2019 have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements of the Company for the year ended 31 December 2018 and in accordance with FRS 104: "Interim Financial Reporting". The Company has elected to remove the Cash Flow Statement from the Half-Yearly Report, as permitted by FRS 102 section 7.1A.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business. The Company primarily invests in listed companies.

2 Income

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
UK net dividend income	371	385	649
Overseas dividend income	<u>2,678</u>	<u>2,517</u>	<u>4,004</u>
Income from investments	3,049	2,902	4,653
Bank interest	<u>38</u>	<u>2</u>	<u>23</u>
Total income	<u>3,087</u>	<u>2,904</u>	<u>4,676</u>

3 Taxation

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
UK corporation tax	—	—	—
Overseas withholding tax	<u>193</u>	<u>220</u>	<u>330</u>
	<u>193</u>	<u>220</u>	<u>330</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2019

4 Dividends

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Declared and paid			
2018 final dividend of 5.5p per ordinary share paid in May 2019	2,301	–	–
2018 special dividend of 1.0p per ordinary share paid in May 2019	418	–	–
2017 final dividend of 5.3p per ordinary share paid in May 2018	–	2,301	2,301
	<u>2,719</u>	<u>2,301</u>	<u>2,301</u>

5 Return per ordinary share

	Six months to 30 June 2019		Six months to 30 June 2018		Year to 31 December 2018	
	Net return £'000	Per share pence	Net return £'000	Per share pence	Net return £'000	Per share pence
Revenue return after taxation	2,242	5.3	2,022	4.7	2,990	6.9
Capital return after taxation	6,704	15.9	(1,867)	(4.3)	(13,418)	(31.0)
Total return	<u>8,946</u>	<u>21.2</u>	<u>155</u>	<u>0.4</u>	<u>(10,428)</u>	<u>(24.1)</u>

The returns per share for the six months to 30 June 2019 are based on 42,129,408 shares (six months to 30 June 2018: 43,603,333 shares; year to 31 December 2018: 43,335,274 shares), being the weighted average number of ordinary shares, excluding shares held in treasury, in circulation during the period.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2019

6 Investments at fair value through profit or loss	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Analysis of investment portfolio movements			
Opening bookcost	113,751	113,098	113,098
Opening investment holding gains	3,218	31,565	31,565
Opening valuation	116,969	144,663	144,663
Movements in the period:			
Purchases at cost	14,625	26,527	40,091
Sales – proceeds	(14,645)	(37,978)	(53,791)
– realised gains on sales	2,577	12,189	14,353
Changes in fair value of investments	4,006	(14,273)	(28,347)
Closing valuation	123,532	131,128	116,969
Closing bookcost	116,308	113,836	113,751
Closing investment holding gains	7,224	17,292	3,218
Closing valuation	123,532	131,128	116,969

All of the investments detailed above for the six months to 30 June 2019 are listed investments and include the Company's investment in the Edinburgh Partners Emerging Opportunities Fund, a sub-fund of an Irish domiciled open-ended investment company listed on Euronext Dublin, which was valued at £3,261,000 at 30 June 2019. As at 31 March 2019, the most recent half-year end of the Edinburgh Partners Emerging Opportunities Fund, the aggregate amount of capital and reserves was US\$11,345,000. For the six months to 31 March 2019, the loss for the period after tax and distributions was US\$103,000.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2019

6 Investments at fair value through profit or loss – continued

Analysis of capital gains and losses	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Realised gains on sales	2,577	12,189	14,353
Changes in fair value of investments	4,006	(14,273)	(28,347)
Gains/(losses) on investments	6,583	(2,084)	(13,994)

Fair value hierarchy

In accordance with FRS 102 and FRS 104, the Company must disclose the fair value hierarchy of financial instruments.

The different levels of the fair value hierarchy are as follows:

- 1 Quoted price for an identical asset in an active market.
- 2 The price of a recent transaction for an identical asset, as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.
- 3 A valuation technique:
 - a) using observable market data; or
 - b) using non-observable market data.

All of the Company's financial investments for the six months to 30 June 2019 were level 1 financial instruments.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2019

7 Net asset value per ordinary share and share capital

The NAV is based on net assets at 30 June 2019 of £135,317,000 (30 June 2018: £144,228,000; 31 December 2018: £131,799,000) and on 41,807,725 ordinary shares (30 June 2018: 43,287,725 ordinary shares; 31 December 2018: 42,687,725 ordinary shares), being the number of ordinary shares, excluding shares held in treasury, in circulation at the period end. NAVs include current period revenue.

During the six month period to 30 June 2019, 880,000 ordinary shares were repurchased for treasury at a total cost of £2,709,000.

No ordinary shares were sold from treasury during the six months to 30 June 2019.

As a result of the transactions detailed above, there were 64,509,642 ordinary shares in issue as at 30 June 2019, of which 22,701,917 ordinary shares were held in treasury, resulting in there being 41,807,725 ordinary shares in circulation.

8 Related party transactions

There were no related party transactions during the period.

9 Financial information

The financial information for the six months to 30 June 2019 and for the six months to 30 June 2018 have not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The financial information contained in this report does not constitute statutory accounts as defined in the Companies Act 2006.

The latest published audited Financial Statements which have been delivered to the Registrar of Companies are the Annual Report and Financial Statements for the year ended 31 December 2018; the report of the independent Auditor thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The information for the year ended 31 December 2018 is an extract from that Annual Report and Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2019

10 Status of the Company

It is the intention of the Directors to conduct the affairs of the Company so that it continues to satisfy the conditions for approval as an investment trust company, as set out in sections 1158 and 1159 of the Corporation Tax Act 2010.

11 Going concern

The Company's business activities, together with factors likely to affect its future development and financial performance, are set out in the Chairman's Statement and Investment Manager's Report on pages 3 to 8 and the Directors' Statement of Responsibilities in respect of the Financial Statements on page 11. The Company's principal risks are listed in the Directors' Statement of Principal Risks and Uncertainties on page 11.

The Company's assets consist principally of a diversified portfolio of listed global equity shares, which in most circumstances are realisable within a short period of time and exceed its current liabilities by a significant amount. The Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date this Half-Yearly Report is approved. For this reason, they have adopted the going concern basis in preparing the Financial Statements.

12 Post balance sheet events

Subsequent to the half-year end and up to 22 August 2019, the date of this report, the Company bought back 85,000 ordinary shares into treasury at a cost of £255,000.

SHAREHOLDER INFORMATION

Investing in the Company

The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The ordinary shares are eligible for inclusion in Individual Savings Accounts ("ISAs") and Self-Invested Personal Pensions ("SIPPs"). The Company's shares are available on various share trading platforms.

Frequency of NAV publication

The Company's NAV is released daily to the London Stock Exchange and published on the Company's website at www.epgot.com and on the website of Edinburgh Partners at www.edinburghpartners.com.

Portfolio updates

The Company's portfolio holdings report, detailing a list of all investments, including sectoral and geographical analyses, is released on a monthly basis to the London Stock Exchange. It is also published on the Company's website at www.epgot.com and on the website of Edinburgh Partners at www.edinburghpartners.com.

Share price and sources of further information

The Company's ordinary share price is quoted daily in the Financial Times and the Daily Telegraph under "Investment Companies". Previous day closing price, daily NAV and other portfolio information is published on the Company's website at www.epgot.com and on the website of Edinburgh Partners at www.edinburghpartners.com. Other useful information on investment trusts, such as prices, NAVs and company announcements, can be found on the websites of the London Stock Exchange at www.londonstockexchange.com and the AIC at www.theaic.co.uk.

Share register enquiries

The register for the ordinary shares is maintained by Computershare Investor Services PLC. In the event of queries regarding your holding, please contact the Registrar on 0370 889 4069 or email: web.queries@computershare.co.uk. Changes of name and/or address can be made online at www.investorcentre.co.uk or by contacting the Registrar by telephone. Alternatively, you can notify changes in name and/or address in writing to the Registrar, supported by appropriate documentation, at the address on page 2. You can check your shareholding and find practical help on transferring shares or updating your details at www.investorcentre.co.uk. Shareholders may choose to receive dividend payments directly into their bank accounts instead of by cheque. Shareholders wishing to do so should contact the Registrar.

Key dates

Company's half-year end	30 June
Half-yearly results announced	August
Company's year end	31 December
Annual results announced	March
Annual General Meeting	April
Dividend paid	May

RISK FACTORS

This document is not a recommendation, offer or invitation to buy, sell or hold shares of the Company. If you wish to deal in the shares of the Company, you may wish to contact an authorised professional investment adviser.

An investment in the Company should be regarded as long term and is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment.

The market value of, and the income derived from, the ordinary shares can fluctuate. The Company's share price may go down as well as up. Past performance is not a guide to future performance. There is no guarantee that the market price of the ordinary shares will fully reflect their underlying NAV. Fluctuations in exchange rates will affect the value of overseas investments (and any income received) held by the Company. Investors may not get back the full value of their investment. There can be no guarantee that the investment objective of the Company will be met. The levels of, and reliefs from, taxation may change.

This Half-Yearly Report contains "forward-looking statements" with respect to the Company's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events that are beyond the Company's control. As a result, the Company's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. The Company undertakes no obligation to update the forward-looking statements contained within this Half-Yearly Report or any other forward-looking statements it makes.

The Company is a public company. It is registered in Scotland with company number 259207 and its shares are traded on the London Stock Exchange. The Company is not regulated or authorised by the Financial Conduct Authority.

The Directors of the Company, the directors of Edinburgh Partners AIFM Limited and the directors and employees of Edinburgh Partners Limited may (subject to applicable laws and regulations) hold shares in the Company and may buy, sell or offer to deal in the Company's shares from time to time.

GLOSSARY OF INVESTMENT TRUST TECHNICAL TERMS

A glossary of investment trust technical terms is detailed in the 2018 Annual Report and Financial Statements on page 65.

