



EP Global Opportunities Trust plc

Interim Report 30 June 2006



INVESTMENT OBJECTIVE & POLICY

The Company's objective 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 stockmarket index.

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, in other listed investment companies (including investment trusts) and in debt instruments, cash or short term deposits where the Investment Manager believes it is appropriate in the prevailing market or economic conditions.

It is intended that, from time to time, and when deemed appropriate, the Company will borrow for investment purposes up to the equivalent of 25 per cent 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 will 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 Edinburgh Partners considers to be undervalued on an absolute basis.

CHAIRMAN'S STATEMENT

Investment performance

The net asset value per share at the end of June 2006 was 158.8p. This was 1.7 per cent above the level at the end of December 2005. While it is an unexciting result in absolute terms, it is encouraging that, having strongly outperformed markets when they were rising, we have not given back any of the outperformance in the more turbulent environment towards the end of the first half of 2006. For comparison purposes the FTSE All World Index declined by 2.9 per cent (total return minus 1.6 per cent).

The share price was down 1.9 per cent to 151.5p in the six months to the end of June. The slightly lower share price is a result of the discount to the net asset value widening from 1.1 per cent at the end of 2005 to 4.6 per cent at the end of June. We believe this was only a temporary widening resulting from the increased volatility of equity markets, as the share price has consistently traded around net asset value. The Board monitors the discount level carefully and it is our intention to limit any discount that develops. We intend to take action to buy-in shares if there is an imbalance of supply over demand for our shares in the market place, just as we have issued new shares when there has been an excess demand for shares.

The first half of 2006 proved to be a mixed period for equity markets. After a strong performance to the end of April, markets fell sharply. It is not surprising that share prices were vulnerable to profit taking after a long period of rising prices. The US market was the laggard in terms of performance in the rising markets and, as a consequence, was less vulnerable to profit taking in the down turn. While the US equity market fell by slightly more than 7 per cent from its May peak to the low in June, other major markets typically declined by double this percentage. Most Asian markets, including Japan, fell back by between 15 and 20 per cent. Despite the set back in May and June, European markets, including the UK, ended June at levels higher than they were at the end of 2005. The FTSE All-Share Index in the UK gained 4.2 per cent (total return 6.1 per cent) over the six month period. Japan, which had been by far the best performing major market in 2005, put in the poorest performance of the major markets in the first half of 2006, with the Topix Index dropping by almost 8 per cent in sterling terms.

Investment policy

While we have enjoyed firm equity markets over the last few years, there have been significant variations in the size of the gains in share prices in different geographical regions. When the Company started in late 2003, we invested virtually nothing in North America, while up to 30 per cent of the assets were invested in Japan. At that time, share valuations in the US were expensive, while those in Japan looked particularly good value. The good performance of your Company since the launch has followed from the composition of the portfolio which reflects these valuation differences.

CHAIRMAN'S STATEMENT (continued)

The excellent performance of the Japanese market in 2005 resulted in Japanese shares becoming increasingly less attractive. By contrast, the underperformance of the US market resulted in better value appearing in some US shares. Valuation analysis is the driving factor behind our investment policy. This caused us to make significant changes to the portfolio in the run up in equity markets in the early part of this year. Japanese equities were reduced to nearer 10 per cent of assets and the investment in the US was increased to just over 20 per cent. Profits were also taken in some of the holdings in other parts of Asia, as their valuations started to look more expensive and, in particular, their risk/reward potential looked less appealing than opportunities elsewhere.

Revenue account

The revenue account for the first half of 2006 shows a healthy increase compared to the same period last year. This is partly due to a steady increase in the dividends paid by the companies held but it has also been helped by changes made to the portfolio. The overseas income has benefited from the reduced level of investment in Japan where yields are particularly low.

The dividends received are a function of the investment policy, which in turn is driven by where our Investment Manager, Edinburgh Partners, perceives the best value to be. In 2006, increasingly better value has been found in higher yielding investments. Should this change, we would not hesitate to invest in lower yielding shares if that is where the value is, even if this means curtailing our own dividend. This year, however, we are hopeful of being able to recommend a further increase in the dividend.

Outlook

Equity markets that offered good value a couple of years ago had begun to look on the expensive side by early 2006. The set back in May and June began to price risk more sensibly and the hardest hit areas were those where the euphoria had been most apparent. By late June, valuations were almost back to being as attractive as they were two years ago. While it may take some time for the excesses to be fully worked off, we believe that patience and sound stock selection, based on value, will in due course prove to be rewarding.

Teddy Tulloch

Chairman

17 August 2006

INCOME STATEMENT

for the 6 months to 30 June 2006

	6 months to 30 June 2006			6 months to 30 June 2005		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	534	534	–	2,594	2,594
Income	1,043	–	1,043	552	–	552
Investment management fee	(202)	–	(202)	(99)	–	(99)
Other expenses	(128)	–	(128)	(118)	–	(118)
Net return before taxation	713	534	1,247	335	2,594	2,929
Taxation	(139)	–	(139)	(50)	–	(50)
Net return after taxation	574	534	1,108	285	2,594	2,879
	pence	pence	pence	pence	pence	pence
Return per ordinary share*	1.70	1.58	3.28	1.25	11.41	12.66

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

* The revenue return per ordinary share for the six months to 30 June 2006 is based on earnings of £574,000 and on 33,747,811 ordinary shares being the weighted average number of ordinary shares in issue during the period.

The capital return per ordinary share for the six months to 30 June 2006 is based on net capital gains of £534,000 and on 33,747,811 ordinary shares being the weighted average number of ordinary shares in issue during the period.

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

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the 6 months to 30 June 2006

	6 months to 30 June 2006 £'000	Year to 31 December 2005 £'000	6 months to 30 June 2005 £'000
Opening Shareholders' funds	52,241	26,130	26,130
Issue of shares	4	110	7
Premium on issues of shares	655	16,350	750
Expenses of share issues	–	(343)	–
Net return after taxation for the period	1,108	10,085	2,879
Dividends paid	(271)	(91)	(91)
Closing Shareholders' funds	53,737	52,241	29,675

BALANCE SHEET

as at 30 June 2006

	30 June 2006 £'000	31 December 2005 £'000	30 June 2005 £'000
Fixed assets			
Investments	51,757	49,812	29,406
Current assets			
Debtors	151	112	151
Cash at bank	2,039	2,479	219
	2,190	2,591	370
Current liabilities			
Creditors – amounts falling due within one year	210	162	101
Net current assets	1,980	2,429	269
Total net assets	53,737	52,241	29,675
Capital and reserves			
Called up share capital	338	334	231
Capital redemption reserve	1	1	1
Share premium account	17,754	17,099	1,842
Special reserve	20,506	20,506	20,506
Capital reserve – realised	8,887	5,439	1,373
– unrealised	5,635	8,549	5,397
Revenue reserve	616	313	325
Total Shareholders' funds	53,737	52,241	29,675
	pence	pence	pence
Net asset value per ordinary share including current period revenue (note 1)	158.8	156.2	128.7

STATEMENT OF CASH FLOWS

for the 6 months to 30 June 2006

	6 months to 30 June 2006		6 months to 30 June 2005	
	£'000	£'000	£'000	£'000
Operating activities				
Investment income received	869		417	
Bank deposit interest received	24		9	
Investment management fee paid	(185)		(91)	
Secretarial fees paid	(32)		(30)	
Other cash payments	(94)		(110)	
Net cash inflow from operating activities		582		195
Capital expenditure and financial investment				
Purchases of investments	(15,025)		(6,494)	
Sales of investments	13,635		5,026	
Exchange losses on settlement	(20)		–	
Net cash outflow from capital expenditure and financial investment		(1,410)		(1,468)
Dividends paid (note 2)		(271)		(91)
Net cash outflow before financing		(1,099)		(1,364)
Financing				
Proceeds of share issues net of issue expenses		659		757
Net cash inflow from financing		659		757
Decrease in cash		(440)		(607)

NOTES

The unaudited interim financial information does not constitute statutory accounts. This information has been prepared on the basis of the accounting policies used in the statutory accounts of the Company for the year ended 31 December 2005. The statutory accounts for the year ended 31 December 2005 received an unqualified audit opinion.

1. **Net asset value per ordinary share**

The net asset value per ordinary share is based on total net assets at 30 June 2006 of £53,737,000 (31 December 2005: £52,241,000, 30 June 2005: £29,675,000) and on 33,848,180 ordinary shares (31 December 2005: 33,444,010, 30 June 2005: 23,065,339) being the issued share capital at that date. Net asset values calculated include current period revenue.

2. **Dividends paid**

The Company issued 404,170 ordinary shares after 31 December 2005. These issues were prior to the record date for the final dividend for the year ended 31 December 2005 and therefore were entitled to receive that dividend. The total amount paid by the Company was therefore £271,000, £3,000 higher than the amount recorded as proposed in the annual report.

3. **Status of Company**

It is the intention of the Directors to conduct the affairs of the Company so that they satisfy the conditions for approval as an investment trust company set out in Section 842 of the Income and Corporation Taxes Act 1988.

20 LARGEST INVESTMENTS

as at 30 June 2006

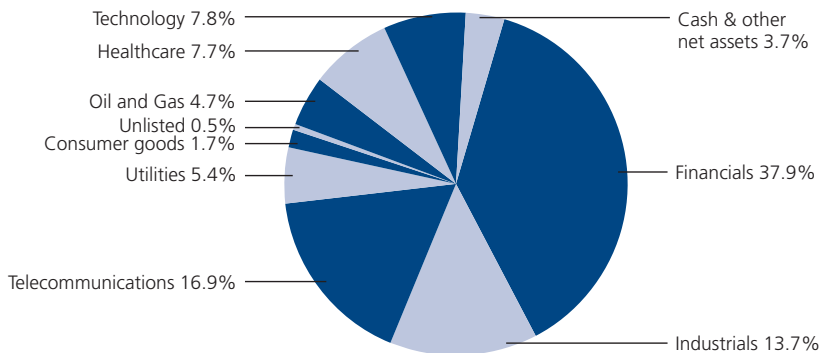
Company	Sector	Country	Valuation £'000
Royal Bank of Scotland	Banks	United Kingdom	2,169
Vodafone	Mobile Telecommunications	United Kingdom	1,982
AGFA Gevaert	Electronic & Electrical Equipment	Belgium	1,964
Deutsche Post	Industrial Transportation	Germany	1,700
Dell	Technology & Hardware Equipment	United States	1,639
Swiss Life	Life Insurance	Switzerland	1,540
KDDI	Mobile Telecommunications	Japan	1,513
Nexity	Real Estate	France	1,505
Philippine Long Distance	Fixed Line Telecommunications	Philippines	1,493
GlaxoSmithKline	Pharmaceuticals & Biotechnology	United Kingdom	1,466
Banco Popular	Banks	Spain	1,465
Bank of America	Banks	United States	1,454
Foreningssparbank	Banks	Sweden	1,447
Itochu	Support Services	Japan	1,443
Centrica	Gas, Water & Multi Utilities	United Kingdom	1,441
E.On	Gas, Water & Multi Utilities	Germany	1,439
Portugal Telecom	Fixed Line Telecommunications	Portugal	1,434
Johnson & Johnson	Pharmaceuticals & Biotechnology	United States	1,425
Lloyds TSB	Banks	United Kingdom	1,398
UBS	Banks	Switzerland	1,390
Total – Top 20 Investments (58.3% of total net assets)			<u>31,307</u>

DISTRIBUTION OF INVESTMENTS

(% of total assets)

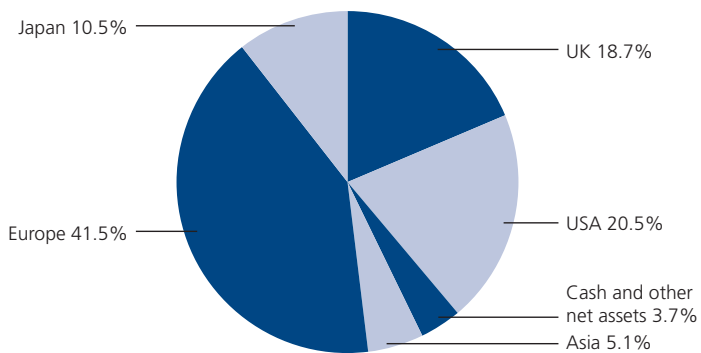
Sector distribution

as at 30 June 2006



Geographical distribution

as at 30 June 2006



SHAREHOLDER INFORMATION

Financial calendar

Company's year end	31 December
Annual results announced	February
Company's half-year	30 June
Interim results announced	August

NAV

The Company's unaudited ordinary share net asset value (capital only) is released to the London Stock Exchange weekly.

Share price

The Company's ordinary shares are listed on the London Stock Exchange. The mid-market price is quoted daily in the *Financial Times* under 'Investment Companies' and previous day closing price, weekly net asset value and other portfolio information is published on Edinburgh Partners' website: www.edinburghpartners.com and on the Company's website: www.epgot.com

Investing in the Company

You can buy or sell shares through your stockbroker, bank or other professional investment adviser. Shares in the Company may also be bought and held in an ISA, PEP or Share Plan through the Edinburgh Partners Investment Trust Savings Scheme. Further information is available on the Edinburgh Partners' website: www.edinburghpartners.com and on the Company's website: www.epgot.com or by telephone on 0845 850 0181.

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 0870 702 0010 or email web.queries@computershare.co.uk. Changes of name and/or address must be notified in writing to the Registrar.

RISK FACTORS

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 necessarily a guide to future performance. There is no guarantee that the market price of the ordinary shares will fully reflect their underlying net asset value. Fluctuations in exchange rates will affect the value of overseas investments held by the Company. Investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be met. The levels of, and reliefs from, taxation may change.

The Company is a UK Public Limited Company. Its shares are listed on the London Stock Exchange. The Company is not regulated or authorised by the Financial Services Authority.

Employees of Edinburgh Partners may hold shares in the Company and may buy, sell or offer to deal in the Company's shares from time to time.

DIRECTORS AND ADVISERS

Directors (all non-executive)	Teddy Tulloch (Chairman) Richard Burns David Hough Ian McBean
Secretary and Registered Office	Kenneth J Greig 12 Charlotte Square Edinburgh EH2 4DJ
Investment Manager	Edinburgh Partners Limited 12 Charlotte Square Edinburgh EH2 4DJ
Auditors	Ernst & Young LLP 10 George Street Edinburgh EH2 2DZ
Registrar and Transfer Office	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Marketing Adviser	G&N Collective Funds Services Limited 14 Alva Street Edinburgh EH2 4QG
Solicitor and Sponsor	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF
Bankers and Custodian	The Bank of New York One Canada Square Canary Wharf London E14 5AL

Registered in Scotland No. 259207

*An investment company as defined under section 266 of the
Companies Act 1985*

