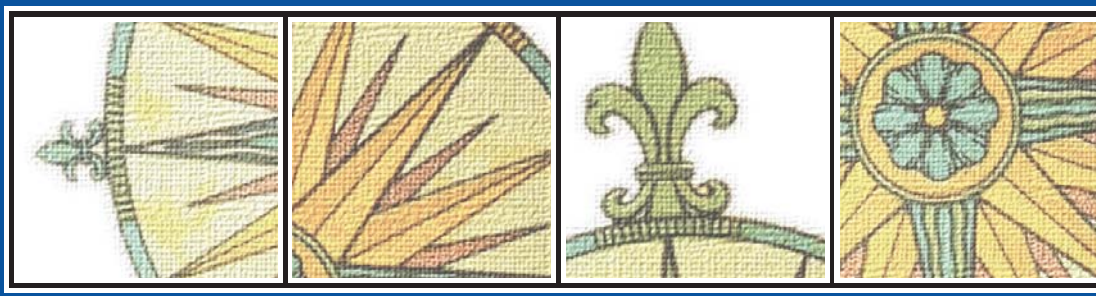

# EP Global Opportunities Trust plc

Annual Report and Financial Statements
31 December 2008

Edinburgh Partners

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This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in EP Global Opportunities Trust plc, please forward this document, together with the accompanying document, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# COMPANY SUMMARY

| | |
|---|---|
| **Commencement** | The Company was incorporated on 13 November 2003. It commenced operations on the admission of its shares to listing on the London Stock Exchange on 15 December 2003. |
| **Investment objective** | 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. |
| **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, 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.<br><br>It is intended that, from time to time, 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.<br><br>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 Edinburgh Partners considers to be undervalued on an absolute basis.<br><br>The complete investment policy is set out in the Directors' Report on pages 10 and 11. |
| **Shareholders' funds** | £46,353,000 at 31 December 2008. |
| **Market capitalisation** | £40,842,000 at 31 December 2008. |
| **Capital structure** | At 31 December 2008, the Company's authorised share capital comprised 150,000,000 ordinary shares of 1p each, of which 33,998,180 were issued and fully paid. As at the date of this report, the Company had 33,998,180 ordinary shares in issue. |
| **Shares held in treasury** | At 31 December 2008, the Company held 3,174,000 ordinary shares in issue in treasury, resulting in the total number of shares in circulation being 30,824,180 ordinary shares. |
| **Savings plans** | The Company's ordinary shares are fully eligible for inclusion in ISAs and SIPPs. Savings plans and ISA transfers are available through the Edinburgh Partners Investment Trust Savings Scheme, both for lump sum investments and regular contributions. Details may be obtained from Edinburgh Partners, as described on page 42. |
| **AIC** | The Company is a member of the Association of Investment Companies. |
| **Investment Manager** | **Edinburgh Partners Limited**<br>Edinburgh Partners Limited ("Edinburgh Partners") was founded in 2003 as a specialist investment management firm focusing exclusively on achieving returns for investors based on global investment analysis of the highest quality. The founders of Edinburgh Partners include experienced investment professionals with strong investment performance records who believe rigorous fundamental research allied to patience is the basis of long-term investment success. The investment professionals have specific responsibilities for sector and regional research in addition to their fund management role.<br><br>Edinburgh Partners is committed to investment trusts as flexible, long-term savings vehicles and intends that they should form an important component of its business offering. |

# FINANCIAL SUMMARY

| Results for year | **31 December 2008** | 31 December 2007 | Change |
|---|---|---|---|
| Shareholders' funds | **£46,353,000** | £57,705,000 | (19.7)% |
| Net asset value per ordinary share ("NAV") | **150.4p** | 177.2p | (15.1)% |
| Share price per ordinary share | **132.5p** | 160.0p | (17.2)% |
| Discount to NAV | **11.9%** | 9.7% | |
| Revenue return per ordinary share* | **3.9p** | 2.7p | 44.4% |
| Dividend per ordinary share** | **3.1p** | 2.3p | 34.8% |

* Based on the weighted average number of shares in issue during the year.
** Proposed dividend for the year.

| Year's high/low | **Ordinary share** | Ordinary share |
|---|---|---|
| Share price – high | **158.0p** | 176.0p |
| – low | **112.5p** | 142.5p |
| NAV – high | **174.0p** | 179.6p |
| – low | **124.4p** | 166.3p |
| Share price (discount)/premium to NAV | | |
| – high | **(1.3)%** | 2.3% |
| – low | **(18.5)%** | (13.9)% |

**Cost of running the Company**

| | | |
|---|---|---|
| Total expense ratio* | **1.1%** | 1.1% |

* Based on total expenses for the year and average monthly net asset value.

**Performance record**

| Year ended 31 December | Shareholders' funds | Net asset value per ordinary share | Share price per ordinary share | Discount to net asset value | Revenue return per ordinary share | Dividend per ordinary share |
|---|---|---|---|---|---|---|
| 2004* | £26.1m | 116.4p | 110.5p | 5.1% | 0.6p | 0.4p |
| 2005 | £52.2m | 156.2p | 154.5p | 1.1% | 1.1p | 0.8p |
| 2006 | £58.8m | 172.8p | 170.0p | 1.6% | 2.1p | 1.8p |
| 2007 | £57.7m | 177.2p | 160.0p | 9.7% | 2.7p | 2.3p |
| 2008 | £46.4m | 150.4p | 132.5p | 11.9% | 3.9p | 3.1p** |

* Period 13 November 2003 to 31 December 2004. The Company commenced operations on the admission of its shares to listing on the London Stock Exchange on 15 December 2003.
** Proposed dividend for the year.

# CHAIRMAN'S STATEMENT

**Results**

2008 was the most challenging year for your Company since its launch five years ago. It is the first year that the net asset value per share has declined. At the end of the year, the net asset value was 150.4p, a fall of 15.1 per cent from the value at the end of 2007. This is an uncomfortable message for any Chairman to have to give to Shareholders. However, I cannot but feel some relief that the result was not much worse. Indeed, I am grateful that our Investment Manager avoided many of the pitfalls that were so plentiful in 2008. It was a torrid year for equity investors, with the FTSE All-World Index declining by 21.7 per cent, in sterling terms, and the UK FTSE All-Share Index dropping by 32.8 per cent. Moreover, world equity markets were exceptionally volatile with frequent two or three per cent moves in the major stock market indices in a day and occasionally even greater moves.

The share price closed the year at 132.5p, 17.2 per cent below the price at the end of 2007. The slightly greater decline in the share price than in the net asset value per share is a result of the discount to the net asset value widening to 11.9 per cent. During the year we bought in 1,734,000 shares and these are held in treasury. We regard the level of discount as unsatisfactory and, when appropriate, will continue to buy in shares at a discount to the net asset value per share.

**Stock market performance**

At the beginning of the year, the main themes in financial markets revolved around inflation, with energy and grain prices rising rapidly. This was despite the development of the sub-prime mortgage crisis in the United States and the collapse of Northern Rock in the UK. What a difference a few months can make. 2008 witnessed a rapid change in perception, from worries about inflation to concerns about recession and even fears of a depression. The financial crisis evolved from the banking sector to the entire world economy. Western governments were forced to construct rescue packages for many of the major banks, house prices dropped sharply and commodity prices collapsed. As a consequence, bank, property and construction shares suffered badly, as did shares in those sectors that had performed best in 2007, such as mining and emerging markets.

While a setback in equity prices did not come as a surprise, the speed and magnitude of the setback was more dramatic than even the most negative commentators were expecting. Stock markets were under pressure in the first half of the year but in the second half panic set in. Massive reflationary measures were introduced both in the UK and overseas as governments tried to halt the financial panic and limit the damage done to the economy. There was a real fear that the financial system would collapse under the weight of debt in the system.

The increased volatility in financial markets also began to affect the currency markets. Sterling came under pressure as the Bank of England aggressively cut interest rates. It was down 41 per cent against the yen over the year, 28 per cent versus the US dollar and 24 per cent against the euro. For UK investors, the degree of the decline in overseas share prices in 2008 was masked by the fall in the value of the pound. The S&P Composite Index in the United States fell 38.5 per cent but was down only 14.8 per cent when adjusted into sterling and the FTSE AW Europe ex UK Index fell 45.7 per cent in euros but was down 28.6 per cent in sterling terms.

**Investment performance**

Our Investment Manager correctly took a cautious view of equity markets at the start of the year, when we held 13.4 per cent of Shareholders' funds in cash and short-term government bonds. By mid-year, this had been increased to 19.4 per cent. The portfolio was also positioned relatively defensively with an emphasis on shares in healthcare and telecommunication companies. Both are sectors where valuations were not stretched and where profits are perceived to be less vulnerable to an economic downturn. We avoided those areas that had become highly fashionable during 2007 and, as a result, were looking increasingly overvalued; in particular, we avoided commodity shares and the emerging markets in Asia and elsewhere. The good relative performance compared to the major stock market indices was a result of this strategy.

Performance also benefitted from over 20 per cent of Shareholders' funds being invested in the United States. While US shares suffered in the overall bear market, the strength of the dollar versus sterling mitigated the falls in their share prices when converted into sterling. We did suffer from our holdings in banks. While we reduced our exposure considerably in 2007, the Investment Manager underestimated the depth of the problems in the banking sector.

**Revenue account**
The revenue account has again shown a healthy increase. After tax, revenue per share was 3.9p, a 44 per cent rise over the level for the previous year. The Board is pleased to recommend a 35 per cent increase in the dividend to 3.1p per share. Subject to Shareholders' approval at the Annual General Meeting, the dividend will be paid on 18 May 2009.

The higher level of income is mainly due to the defensive investment strategy followed during the year, which included the significant holding in cash and short-term fixed interest securities. Income is likely to be at a lower level in 2009. Many companies are likely to reduce their dividend with some, like the banks, paying none at all and any cash held will be earning a much lower rate of return.

We also expect to move to a less defensive portfolio during 2009 which is likely to result in us owning shares in companies with a lower average yield than the current portfolio. As we have stated a number of times, our investment policy will be driven by where our Investment Manager perceives the best value to be. This may result in us reducing the dividend at some stage.

**Holding in Edinburgh Partners**
In May 2008, we elected to exercise our option on 71,294 shares in Edinburgh Partners, our Investment Manager. This represents 1.79 per cent of the issued ordinary share capital of Edinburgh Partners. The option was exercisable at a price of £3 per share at any time up to 15 December 2008, a total cost of £214,000. We exercised early in order to receive Edinburgh Partners' first ever dividend of 50p per share which was paid in September 2008.

When the option was exercised, we increased the valuation of our holding in Edinburgh Partners to £1,100,000. We review the valuation regularly and, despite the fall in equity markets, decided to leave the value unchanged at the year end. Edinburgh Partners has performed exceptionally well and funds under management at the end of 2008 were £4.6bn, up from £3.2bn at the end of 2007. This is quite an achievement given the bear market we have experienced. Edinburgh Partners is also in an excellent position to attract new clients as the overall investment performance, since we became its first client five years ago, has been excellent.

**Outlook**
There is a very real concern that the excessive level of debt throughout the major world economies will lead to a prolonged period of deflation. However, attempts to rekindle economic growth are greater than they have ever been. Bank bail outs, tax cuts, increased government spending and interest rates reduced to record low levels, even printing more money, are all being applied in an attempt to limit the depth of the economic downturn.

Even if the stimulus works, it is likely that both consumers and companies will be much more cautious about the amount of debt that they will be prepared to take on in the future. This would tend to indicate that the potential for economic growth will be at a lower level than it has been in recent years. It is also unclear as to what the longer term consequences of all these stimulative measures will be.

Despite the gloom around at the end of 2008 with the papers full of depressing news of companies in trouble and people being laid off, we find ourselves becoming more positive on the outlook for equities. There is plenty to be concerned about but stock markets normally anticipate any improvement in the economic outlook well before that improvement becomes visible. We are certainly seeing much more realistic valuations than were available a year ago. With interest rates on cash deposits virtually at zero and very low yields available on government securities, the relative attraction of equities has become more appealing. By the year end, our cash reserves had been reduced to 5 per cent of Shareholders' funds and we expect to be moving away from our defensively orientated portfolio as 2009 unfolds.

**Teddy Tulloch**
Chairman

26 February 2009

# MANAGER'S REPORT AND PORTFOLIO ANALYSIS

Given the volatility we have seen in equity markets it is with some trepidation that I write this manager's report. Prices and valuations are changing with such rapidity that it is entirely possible that much of any outlook written here may be redundant by the time the report reaches investors' hands. However, there is much to be said both on the positive and the negative side. Reflection on what has happened over 2008 contains most of the negative elements. On the other hand, whilst the economic outlook for 2009 and much of 2010 remains poor, the overwhelmingly positive counterpoint is that we are now finding many more companies on highly attractive valuations than we have for the last five years.

However negative we felt throughout 2007 about the lack of attention being paid to risk, experience in 2008 showed that this concern was not enough. Our views on the global economy and the overvalued nature of many equities proved to be broadly correct, but with one critical caveat. This caveat applied to the level of off balance sheet financing being conducted by the financial sector in general and banks in particular. We had substantially reduced our holdings in the banking sector since we felt that for many banks the valuation did not discount the level of bad debts that was sure to arise in the coming recession. We did have some concerns over the transparency of their balance sheets and, as a consequence, were careful to ensure that the portfolio did not become over exposed to this risk. Nevertheless, the past year has revealed how little we had grasped of the magnitude of the potential asset destruction. It is scant consolation that we were not alone in this and that the group also included, amongst others, the management teams of the banks themselves. On a more positive note, the 'defensive' portion of the portfolio performed its task well as the year unfolded, so that the negative impact of the decline in some bank share prices was offset by good relative performance in other areas of the portfolio. The performance of the 'defensive' segments of the portfolio was most evident in the second half of the year, when markets could no longer remain in denial about the unfolding recession.

All of this uncertainty contributed to the extraordinary volatility which characterised the year. As market levels fell, this volatility began to present real investment opportunities. Companies with excellent long-term prospects were periodically hit by concerns over short-term trading conditions. As a consequence, the activity in the portfolio followed two distinct phases. During the first half of the year, we took the opportunities presented by periods of optimism to sell out of holdings where we felt the risk/reward profile had deteriorated sharply.

The two most notable holdings in this category were Pulte Homes and Nexity. Pulte Homes is one of the leading house builders in the US. The shares had appreciated by over 50 per cent since the beginning of the year, after a substantial fall in 2007. It was clear that the level of inventory build in the US provided little room for any respite from the downturn and that Pulte was going to face serious profitability problems for an extended period. Nexity is a French house builder which had merged with Credit Foncier to provide a business with a 'one stop shop' approach to owning a property. 'One stop shop' is normally a term which should strike fear into the hearts of investors and this, combined with the complete lack of transparency in the combined entity generated by the merger, resulted in what we perceived as an unattractive investment. Both holdings were sold.

During the second half of the year pessimism grew and many companies saw share price falls, with some particularly badly hit. Many of these shares had been overvalued and the falls only brought them back into a range of more appropriate valuation. As the year progressed some of these valuations became more and more attractive. Technology was one such area. Cisco Systems is a very good example, where an initial holding was purchased when technology stocks fell to a fundamentally attractive long-term valuation level. We were aware that further share price falls could occur, which did indeed happen, and used the opportunity to acquire additional shares, reducing our average purchase price. Cisco Systems is one of the world's largest technology companies whose principal products form the backbone for modern telecommunications and the internet. Whilst it will undoubtedly see slower growth and even sales decline as the recession bites, we remain convinced that the company can grow substantially faster than the global economy for an extended period. With the additions to this investment Cisco Systems is now one of our largest holdings.

For an extended period the emerging markets managed to hang on to the 'decoupling' myth and share prices remained high as a consequence. When this ended, it did so with a vengeance and price falls of 70-80 per cent were not uncommon. We had thought that this might happen and a number of our analysts had spent 2008 visiting companies to prepare for any opportunities which might present themselves. By the end of the year share prices were coming into range and positions were initiated in companies such as China Mobile and Baidu.com in China.

Both companies are set to benefit from rising consumption in China that will come from the sharp contraction of exports which is currently underway. China has been an unbalanced exporting economy for an extended period and the global recession will sharply cut economic growth. The authorities are well aware of this and are set to encourage the natural trend of seeing more of the wealth that has been generated being consumed by the general population. In the case of China Mobile, handset penetration is not yet at saturation and one can expect reasonable sales growth and better still profits growth, once capital expenditure peaks. For Baidu.com, the trends are all favourable. Rising consumption will create more advertising demand. Advertising is proportionately moving to the internet and Baidu.com has the dominant market share in China despite Google's advances.

We see more opportunities appearing every day for companies with strong growth prospects. To make room for these opportunities, we are reducing and selling those holdings where growth is mediocre at best and where the market is beginning to attach too high a premium to the security of earnings. Hence, the shareholdings in telecoms and pharmaceuticals are being gradually reduced.

We expect that through 2009 these trends will continue and the portfolio will continue to evolve away from its defensive characteristics. As we look at the portfolio now, we see the potential total return characteristics being higher than at any time in the past five years. While the short term looks blighted by economic concerns, the negative sentiment that this is evoking is creating a fertile investment landscape.

**Dr Sandy Nairn**
Edinburgh Partners Limited

26 February 2009

# PORTFOLIO OF INVESTMENTS
as at 31 December 2008

| Company | Sector | Country | Valuation £'000 | % of net assets |
|---|---|---|---|---|
| **Equity Investments** | | | | |
| Sanofi-Aventis | Health Care | France | 1,843 | 4.0 |
| Cisco Systems | Technology | United States | 1,778 | 3.8 |
| Belgacom | Telecommunications | Belgium | 1,744 | 3.8 |
| Vodafone | Telecommunications | United Kingdom | 1,599 | 3.5 |
| KPN | Telecommunications | Netherlands | 1,525 | 3.3 |
| Roche | Health Care | Switzerland | 1,497 | 3.2 |
| ENI | Oil & Gas | Italy | 1,476 | 3.2 |
| E.ON | Utilities | Germany | 1,460 | 3.2 |
| Nokia | Technology | Finland | 1,459 | 3.1 |
| Unilever | Consumer Goods | Netherlands | 1,458 | 3.1 |
| Novartis | Health Care | Switzerland | 1,446 | 3.1 |
| GlaxoSmithKline | Health Care | United Kingdom | 1,390 | 3.0 |
| Pfizer | Health Care | United States | 1,232 | 2.7 |
| Deutsche Telekom | Telecommunications | Germany | 1,224 | 2.6 |
| SK Telecom | Telecommunications | South Korea | 1,197 | 2.6 |
| TeliaSonera | Telecommunications | Sweden | 1,177 | 2.5 |
| Fanuc | Industrials | Japan | 1,124 | 2.4 |
| China Mobile | Telecommunications | Hong Kong | 1,110 | 2.4 |
| Gazprom | Oil & Gas | Russia | 1,108 | 2.4 |
| Edinburgh Partners | Unlisted | United Kingdom | 1,100 | 2.4 |
| **Total – 20 largest equity investments** | | | **27,947** | **60.3** |
| Dell | Technology | United States | 1,066 | 2.3 |
| Yamaha Motor | Consumer Goods | Japan | 1,050 | 2.3 |
| Baidu.com | Technology | China | 1,041 | 2.2 |
| Samsung Electronic | Technology | South Korea | 994 | 2.1 |
| Abercrombie & Fitch | Consumer Goods | United States | 984 | 2.1 |
| Home Depot | Consumer Services | United States | 977 | 2.1 |
| UBS | Financials | Switzerland | 959 | 2.1 |
| Intel | Technology | United States | 949 | 2.0 |
| Symantec | Technology | United States | 911 | 2.0 |
| Intesa Sanpaolo | Financials | Italy | 906 | 2.0 |
| General Electric | Industrials | United States | 900 | 1.9 |
| Ericsson | Technology | Sweden | 891 | 1.9 |
| Aviva | Financials | United Kingdom | 865 | 1.9 |
| Mizuho | Financials | Japan | 734 | 1.6 |
| Turkiye Is Bankasi | Financials | Turkey | 684 | 1.5 |
| Bank of America | Financials | United States | 660 | 1.4 |
| Citigroup | Financials | United States | 489 | 1.1 |
| LDK Solar | Energy | China | 475 | 1.0 |
| Royal Bank of Scotland | Financials | United Kingdom | 453 | 1.0 |
| **Total – 39 investments** | | | **43,935** | **94.8** |
| **Cash and other net assets** | | | **2,418** | **5.2** |
| **Total net assets** | | | **46,353** | **100.0** |

The geographic distribution is based on each investment's principal stock exchange listing, except in instances where this would not give a proper indication of where its activities predominate.

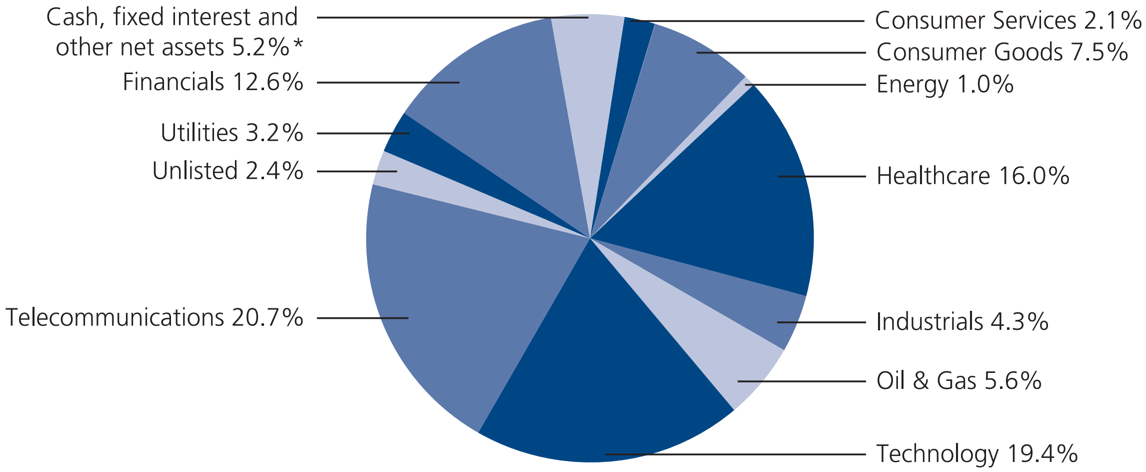
Of the ten largest portfolio investments as at 31 December 2008, the valuations at the previous year end, 31 December 2007, were Sanofi-Aventis £1,943,000; Belgacom £1,635,000; Vodafone £2,160,000; KPN £2,127,000; Roche £1,821,000; ENI £1,507,000; E.ON £1,924,000; and Nokia £1,266,000. The remaining two investments Cisco Systems and Unilever were new purchases during the year ended 31 December 2008.

## DISTRIBUTION OF INVESTMENTS

as at 31 December 2008 (% of net assets of £46,353,000)

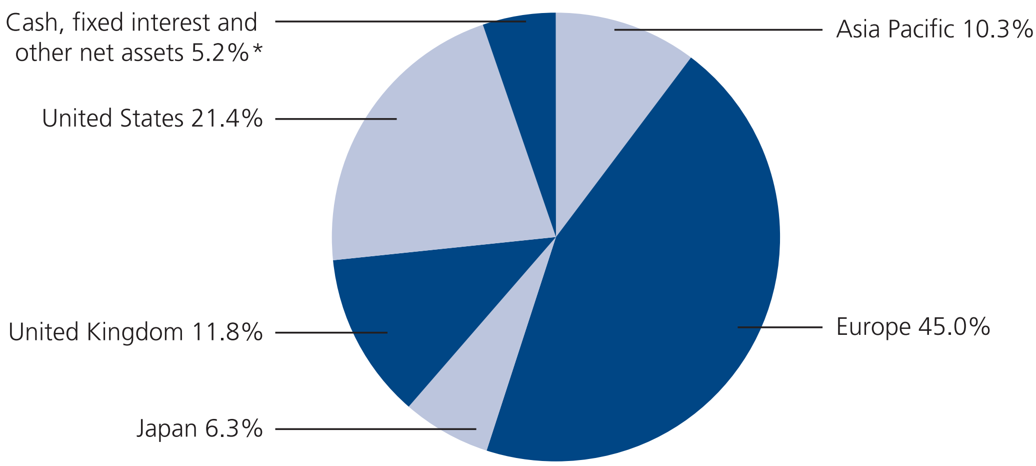
**Sector distribution**

as at 31 December 2008




**Geographical distribution**

as at 31 December 2008




* Cash, fixed interest and other net assets includes foreign currency balances of £1,374,000 (3%). The figures detailed in the geographical distribution pie chart represent the Company's equity exposure to these countries or regional areas.

# DIRECTORS AND CORPORATE INFORMATION

All of the Directors are non-executive and independent of the Investment Manager.

**Teddy Tulloch (Chairman)**
Teddy Tulloch, aged 62, was with Hoare Govett stockbrokers from 1968 until 1970. In 1972 he joined Stewart Ivory & Company and became a director in 1977. He was investment manager of The Scottish American Investment Company plc from 1987 to 1999. He is chairman of Amoebics Limited.

**Richard Burns**
Richard Burns, aged 62, became a partner of Baillie Gifford & Co in 1977 and was joint senior partner from 1999 to 2006. He was the manager of Mid Wynd International Investment Trust PLC from the time of its listing in 1981 until he became head of Baillie Gifford's Pension Fund Department in 1989 and the manager of The Monks Investment Trust PLC from 1999 to 2006. He was a director of Scottish Life Assurance Company from 2000 to 2002 and a member of the Executive Committee of the Association of Investment Trust Companies (now the Association of Investment Companies) and a director following the Association's incorporation from 1999 to 2006. He is a director of The Bankers Investment Trust PLC, JPMorgan Indian Investment Trust plc, Mid Wynd International Investment Trust PLC and Standard Life Equity Income Trust PLC.

**David Hough**
David Hough, aged 47, joined Laurence Keen in 1987, being a director from incorporation of Laurence Keen Holdings Limited in 1992 until 1999. He became a director of Rathbone Investment Management Limited on the acquisition of Laurence Keen by Rathbone Brothers in 1999.

**Ian McBean**
Ian McBean, aged 63, was an investment analyst with Wood, Mackenzie & Co. from 1967 to 1981 when he became deputy head of research. In 1986 he became head of research and in 1988, upon the sale of Wood, Mackenzie & Co. to National Westminster Bank, head of UK equity research for County NatWest Securities. He was an investment manager with Templeton Investment Management between 1990 and 1991 and an investment adviser with Torrie & Co. from 1992 to 1999. He has served as a director of Wood, Mackenzie & Co, Hill Samuel & Co. and County NatWest Limited.

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**Bankers and Custodian**
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Canary Wharf
London E14 5AL

# DIRECTORS' REPORT

The Directors present their Annual Report and Financial Statements for the year to 31 December 2008.

**Business review**

*Status of Company*

The Company is registered as a public limited company and is an investment company within the terms of Section 833 of the Companies Act 2006. The Company has received approval from HM Revenue & Customs an authorised investment trust under Section 842 of the Income and Corporation Taxes Act 1988 for the period from inception to 31 December 2007. In the opinion of the Directors, the Company has subsequently directed its affairs so as to enable it to continue to qualify for such approval and the Company will continue to seek approval under Section 842 each year.

*Activities*

The principal activity of the Company is to carry on business as an investment trust.

A review of the Company's activities is given in the Chairman's Statement on pages 3 and 4 and in the Manager's Report and Portfolio Analysis on pages 5 and 6.

*Net asset valuation*

The net asset value per ordinary share at 31 December 2008, after deducting the 2.3p dividend paid in May 2008 for the year to 31 December 2007, was 150.4p (2007:177.2p).

*Results*

The results for the year are set out in the Income Statement on page 24 and the Reconciliation of Movements in Shareholders' Funds on page 26.

*Dividends*

The Directors recommend the payment of a final dividend of 3.1p per ordinary share. This is subject to the approval of Shareholders at the Annual General Meeting on 30 April 2009 and will be payable on 18 May 2009 to Shareholders on the register at the close of business on 17 April 2009. The ex-dividend date will be 15 April 2009.

*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 per cent of the Company's total assets at the time of investment (excluding shares held in Edinburgh Partners Limited).

The Company has no present intention to invest in other investment companies or funds but retains the ability to invest no more than 15 per cent 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 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 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.

*Investment strategy*

The Company's portfolio is managed without reference to any stock market index. Investments are selected for the portfolio only after extensive research by the Investment Manager. The process through which an equity must pass in order to be included in the portfolio is rigorous. Only a security where the Investment Manager believes that the price will be significantly higher in the future will pass the selection process. The key to successful stock selection is to identify the long-term value of a company's shares and to have the patience to hold the shares until that value is appreciated by other investors. Identifying long-term value involves detailed analysis of a company's earning prospects over a five year time horizon. Further details of the investment strategy can be found in the Chairman's Statement on pages 3 and 4 and the Manager's Report and Portfolio Analysis on pages 5 and 6.

The Company's Investment Manager is Edinburgh Partners Limited which is an independent specialist investment manager focusing exclusively on achieving returns for investors based on global investment analysis of the highest quality. The founders of Edinburgh Partners Limited include experienced investment professionals with strong investment performance records and who believe rigorous fundamental research allied to patience is the basis of long-term investment success. Each of the investment professionals has specific responsibilities for sector and regional research in addition to their fund management role.

*Principal risks*

The Board considers that the following are the principal risks associated with investing in the Company: investment and strategy, discount volatility, market risk, liquidity risk, credit risk, interest rate risk, foreign currency risk, gearing, regulatory risk, operational risk and financial risk. An explanation of these risks and how they are managed is contained in note 21 on pages 37 to 40.

*Key Performance Indicators*

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objective.

The Key Performance Indicators used to measure progress and performance of the Company over time are established industry measures and are as follows:

- Net asset value per ordinary share.
- Share price per ordinary share.
- Share price discount/premium to net asset value per ordinary share.
- Revenue return per ordinary share.
- Total expense ratio.

The Financial Summary on page 2 provides information for the year ended 31 December 2008 on the Key Performance Indicators noted above.

*Current and future developments*
A review of the main features of the year ended 31 December 2008 is to be found in the Chairman's Statement on pages 3 and 4 and the Manager's Report and Portfolio Analysis on pages 5 and 6. The Board's main focus is on the investment return and approach. Attention is paid to the integrity and success of the investment approach and on factors which may have an impact on this approach. Due regard is paid to the promotion of the Company including communication with Shareholders and other external parties. The Board is regularly updated on wider investment trust industry issues. Detailed papers are presented to the Board which lead to extensive discussion on development and strategy.

**Purchase of own shares**
At the Annual General Meeting held on 16 April 2008 the Directors were granted the authority to purchase up to 14.99 per cent of the Company's ordinary shares in issue (excluding treasury shares) at that date, being 4,828,755 shares. During the year ended 31 December 2008 the Company purchased 1,734,000 ordinary shares (with a nominal value of £17,340) into treasury for an aggregate amount of £2,417,000. The total number of own shares held in treasury as at 31 December 2008 and as at the date of this report, including those shares bought back in the prior accounting period, totalled 3,174,000 ordinary shares (with a nominal value of £31,740, representing 10.3 per cent of the issued ordinary share capital (excluding treasury shares)).

Therefore, as at the date of this report, the Company may purchase up to 3,094,755 shares under this authority. The Directors will seek to renew this authority at the forthcoming Annual General Meeting which will give the Directors the flexibility to either cancel the purchased shares or hold them in treasury. The renewed authority will authorise the Company to make market purchases of up to 4,620,544 ordinary shares, being 14.99 per cent of the Company's voting shares as at the date of this report, or if less, 14.99 per cent of the ordinary shares in issue (excluding treasury shares) immediately following the passing of the renewed authority.

The maximum number of own shares held in treasury during the year was 3,174,000 shares (with a nominal value of £31,740), representing 9.3 per cent of the issued share capital of 33,998,180 ordinary shares at the time they were held in treasury.

**Issue of shares from treasury**
In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, the Company is permitted to hold up to 10 per cent of its issued ordinary shares in treasury at any one time. Holding shares in treasury enables a company to issue shares cost effectively that might otherwise have been cancelled quickly. The Company will only sell shares from treasury at a price at or above the prevailing net asset value per share.

**Share issues**
On 11 October 2005 the Company applied for a block listing of 1,300,000 ordinary shares. As at 31 December 2008 and at the date of this report a balance of 745,830 shares may be issued under this block listing.

The Company made no share issues during the year ended 31 December 2008.

A Special Resolution was passed at the Company's Annual General Meeting held on 16 April 2008 enabling it to allot ordinary shares, without first having to offer shares to existing Shareholders. This authority covers both issues of new ordinary shares and sales of ordinary shares from treasury and will expire at the 2009 Annual General Meeting. A Special Resolution to renew this authority to issue up to an aggregate nominal value of £33,998, being approximately 10 per cent of the issued share capital at the date of this report, will be put to Shareholders at the Annual General Meeting on 30 April 2009. The Company will only issue new ordinary shares at a price at or above the prevailing net asset value per share.

**Management Agreement**

The Company's investments are managed by Edinburgh Partners under an Investment Management Agreement dated 21 November 2003. The Investment Manager receives a management fee of 0.75 per cent per annum of the market capitalisation of the issued ordinary shares (excluding treasury shares), payable quarterly in arrears, plus an administration fee (£69,000 for the year ended 31 December 2008), payable quarterly in arrears and adjusted annually in line with changes in the Retail Price Index. The Investment Management Agreement may be terminated by either party giving 12 months' written notice. No additional compensation is payable to Edinburgh Partners on the termination of this agreement other than the fees payable during the 12 month notice period.

An option agreement existed between the Company and Edinburgh Partners, dated 21 November 2003, whereby the Investment Manager had granted to the Company an option to subscribe for 71,294 ordinary shares of the Investment Manager. The exercise price of the option was £3 per share and the option was exercisable at any time prior to 15 December 2008. No consideration was paid by the Company to Edinburgh Partners on the grant of the option. The Company exercised its option in April 2008 in order to receive Edinburgh Partners' first ever dividend of 50p per share which was paid in September 2008.

**Continuing appointment of the Investment Manager**

The Board keeps the performance of the Investment Manager under review. It is the opinion of the Directors that the continuing appointment of Edinburgh Partners on the terms agreed is in the interests of Shareholders as a whole. The reasons for this view are that the investment performance of the Company is satisfactory relative to that of the markets in which the Company invests and because the remuneration of the Investment Manager is reasonable both in absolute terms and compared to that of managers of comparable investment companies. The Directors believe that by paying the investment management fee calculated on a market capitalisation basis, rather than a percentage of assets basis, the interests of the Investment Manager are more closely aligned with those of Shareholders.

**Directors**

The Directors in office during the year and at the date of this Report are as shown below:

Teddy Tulloch (appointed on 19 November 2003)
Richard Burns (appointed on 19 November 2003)
David Hough (appointed on 19 November 2003)
Ian McBean (appointed on 19 November 2003)

The Chairman of the Company is Teddy Tulloch. He does not have any significant other commitments that would affect his Chairmanship of the Company. All of the Directors are non-executive and independent of the Investment Manager. Other than their letters of appointment as Directors, none of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year. These letters of appointment are available for inspection on request.

The Company's Articles of Association require that each Director is to retire at the third Annual General Meeting after the Annual General Meeting at which he was last elected, which reflects the AIC Code requirement for all Directors to retire at least once every three years. At the forthcoming Annual General Meeting, Mr Tulloch will offer himself for re-election. The Board strongly recommends the re-election of Mr Tulloch to Shareholders on the basis of his expertise and experience in investment matters and his continuing effectiveness and commitment to the Company.

A process of performance evaluation has been undertaken by which the performance of the Chairman, each Director and the Board as a whole has been evaluated. This process consisted of a series of appraisal meetings and discussions between the Chairman and each of the other Directors. The performance of the Chairman was similarly evaluated by the other Directors.

The Directors of the Company meet formally at least four times a year to review (and receive reports from Edinburgh Partners on) a full range of relevant matters, including investments, marketing, administration and risks. During the calendar year 2008, four such scheduled meetings were held. All Directors attended all four meetings. In addition to the formal Board meeting structure during the calendar year 2008 all Directors met once to review strategic matters.

**Directors' interests**
The interests of the Directors in the ordinary shares of the Company are set out below:

| | **31 December 2008 Beneficial** | 31 December 2007 Beneficial |
|---|---|---|
| **Ordinary shares:** | | |
| Teddy Tulloch | **60,000** | 60,000 |
| Richard Burns | **827,000** | 377,000 |
| David Hough | **40,000** | 35,000 |
| Ian McBean | **175,000** | 175,000 |

In addition Teddy Tulloch has a connected interest in 24,000 ordinary shares and David Hough has a connected interest in 9,000 ordinary shares.

There have been no changes to these holdings between 31 December 2008 and the date of this report.

**Substantial share interests**
At the date of this report, the Company has been informed of the following substantial notifiable interests in the voting rights of the Company:

| | **No of shares** | **% of voting rights** |
|---|---|---|
| Brewin Dolphin Securities Ltd | 3,019,756 | 9.79 |
| Rathbone Brothers PLC | 2,689,009 | 8.72 |
| Noble Grossart Investments Ltd | 1,900,114 | 6.16 |
| Rensburg Sheppards Investment Management Ltd | 1,804,687 | 5.85 |
| Deutsche Bank AG Tilney Investment Management | 1,628,332 | 5.28 |
| Adam & Company Investment Management Ltd | 1,523,321 | 4.94 |
| Dr Sandy Nairn | 1,261,697 | 4.09 |

**Corporate governance**

**Statement of Compliance with the AIC Code of Corporate Governance and Guide ("the AIC Code")**
The Board has noted the Financial Reporting Council's ("FRC") announcement on 14 February 2007 endorsing the Association of Investment Companies ("AIC") Code. The terms of the FRC's endorsement mean that AIC Members who report against the AIC Code meet fully their obligations under the Combined Code on Corporate Governance ("Combined Code") and the related disclosure requirements of paragraph 9.8.6 of the Listing Rules. The Company has elected to report on its corporate governance arrangements in accordance with the AIC Code, as it recognises it as the code of best practice for the investment trust sector and the most relevant statement of principles for the Company to follow when formulating its corporate governance arrangements.

The Board considers that it has managed its affairs in compliance with the AIC Code and the Combined Code, as applicable, throughout the year ended 31 December 2008, except where it has concluded that adherence or compliance with any particular principle or recommendation of any of the Codes would not have been appropriate to the Company's circumstances. Similar to the Combined Code, the AIC Code specifies a "comply or explain" basis and the Board's report under this section explains any deviation from its recommendations. As set out in the AIC Guide accompanying the AIC Code, the Board considers that the Combined Code's recommendations with respect to the role of the chief executive and executive directors' remuneration (there are no executive directors) as well as the need for an internal audit function are not relevant to the Company's circumstances.

*Board of Directors*
The Chairman and each of the Directors is independent of the Investment Manager. Each member of the Board is non-executive.

The Board does not consider it necessary for a senior independent director to be appointed, as all of the Directors are independent. Further, given the number of Directors, the Board does not consider it necessary for the Company to establish separate audit, nomination, remuneration and management engagement committees and all of the matters that can be delegated to such committees are considered by the Board as a whole. The Board has agreed terms of reference for itself. These terms of reference, including those matters normally delegated to those committees, are available for inspection on request. The Board considers that the combined knowledge and experience of its members enables it to successfully fulfil the role of the audit, nomination, remuneration and management engagement committees.

The Board reviews the annual report, financial statements and half-yearly report, the scope and results of the audit, its cost effectiveness and the Auditors' terms of appointment and their remuneration. The Board has considered the independence and objectivity of the Auditors and has conducted a review of non-audit services which the Auditors have provided. It is satisfied in these respects that Ernst & Young LLP has fulfilled its obligations to the Company and its Shareholders.

Representatives from the Investment Manager attend Board meetings and provide reports on investments, marketing, operational and administrative matters.

The Directors have adopted a formal schedule of matters reserved for the Board that cannot be delegated to a committee or to any other party. These reserved matters include approval of annual and half-yearly reports and financial statements, circulars and other Shareholder communications, appointment and removal of Board members and officers of the Company, changes to the Company's objectives and accounting policies and the use of gearing and derivative instruments for investment purposes.

The Board delegates decisions regarding the day-to-day investment of the Company's portfolio to the Investment Manager. The Investment Manager is also authorised by the Board to exercise the Company's voting rights in respect of those companies held in its portfolio.

*Independent professional advice and insurance*
The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the expense of the Company. The Company also maintains directors' and officers' liability insurance to cover legal defence expenses.

*Directors' remuneration*
All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board. Full details of Directors' remuneration are given in the Directors' Remuneration Report on pages 19 and 20. No Director is entitled to options to acquire shares in the Company.

*Internal control review*
The Directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing their effectiveness.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal controls, has been implemented for identifying, evaluating and managing risks faced by the Company. This process has been in place throughout the year ended 31 December 2008 and up to the date the financial statements were approved. Key procedures established with a view to providing effective financial control have also been in place for the year ended 31 December 2008 and up to the date the financial statements were approved.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objective. It should be recognised that such systems can only provide reasonable, not absolute assurance against material misstatement or loss.

*Internal control assessment process*
Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming a reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company and third parties operating the relevant controls.

Against this background, the Board has split the review of risk and associated controls into four sections reflecting the nature of the risks being addressed. These sections are as follows:

- corporate strategy;
- published information, compliance with laws and regulations;
- relationship with service providers; and
- investment and business activities.

The Company has appointed agents (including Edinburgh Partners) to provide administrative services to the Company. In performing its functions, Edinburgh Partners delegates certain administrative tasks to third parties. The Company has obtained from Edinburgh Partners and the other service providers assurances and information relating to their internal systems and controls to enable the Board to make an appropriate risk and control assessment, including the following:

- details of the control environment in operation;
- identification and evaluation of risks and control objectives;
- assessment of communication procedures;
- assessment of the control procedures; and
- details of the "whistle blowing" policy in place.

The key procedures which have been established to provide internal financial controls are as follows:

- investment management is provided by Edinburgh Partners. The Board is responsible for setting the overall investment policy and monitors the actions of the Investment Manager at regular Board meetings;
- administration and company secretarial duties for the Company are performed by Edinburgh Partners. Kenneth J Greig, a director of Edinburgh Partners, is the Company Secretary and Capita Sinclair Henderson Limited provides certain accounting, administrative and secretarial support services to Edinburgh Partners Limited;
- custody of assets is undertaken by The Bank of New York Mellon;
- the duties of investment management, accounting and the custody of assets are segregated. The procedures of the individual parties are designed to complement one another;
- the Board clearly defines the duties and responsibilities of their agents and advisers. The appointment of agents and advisers to the Company is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- mandates for authorisation of investment transactions and expense payments are set by the Board; and
- the Board reviews financial information provided by Edinburgh Partners and Capita Sinclair Henderson Limited in detail on a regular basis.

The Company does not have an internal audit function. All of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board or on its behalf by Edinburgh Partners Limited. It is therefore felt that there is no need for the Company to have an internal audit function. However, this need is reviewed annually.

In accordance with guidance issued to directors of listed companies, the Directors confirm that they have carried out a review of the effectiveness of the system of internal financial control during the year ended 31 December 2008, as set out above.

*The Company Secretary*
The Board has direct access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that the applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and also for compliance with the statutory obligations of the Company.

*Relations with Shareholders*
Communication with Shareholders is given a high priority by both the Board and the Investment Manager. The Directors have a policy of maintaining regular contact with major Shareholders and are always available to enter into dialogue with Shareholders in general. All Shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board and Investment Manager are available to discuss issues affecting the Company.

**Going concern**
After due consideration, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

**Payment of suppliers**
It is the Company's payment policy to obtain the best possible terms for all business and, therefore, there is no consistent policy as to terms used. The Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by those terms.

There were no trade creditors at the year end.

**Social, environmental & ethical policy**
EP Global Opportunities Trust plc seeks to invest in companies that are well managed, with high standards of corporate governance. The Directors believe this creates the proper conditions to enhance long-term value for Shareholders. In aiming to achieve a high level of corporate performance the Company adopts a positive approach to corporate governance and engagement with companies.

In pursuit of the above objective, the Directors believe that proxy voting is an important part of the corporate governance process and considers seriously its obligation to manage the voting rights of companies in which it is invested, for which it has delegated responsibility to its Investment Manager. It is the policy of the Company to vote, as far as is practicable, at all Shareholder meetings of investee companies. The Company follows the relevant applicable regulatory and legislative requirements in the UK, with the guiding principles being to make proxy voting decisions which favour proposals that will lead to maximising Shareholder value while avoiding any conflicts of interest. Voting decisions are taken on a case by case basis, with the key issues on which the Investment Manager focuses being corporate governance, including disclosure and transparency, board composition and independence, control structures, remuneration and social and environmental issues.

**Auditors**
A resolution to re-appoint Ernst & Young LLP as Auditors to the Company will be put to Shareholders at the forthcoming Annual General Meeting.

**Special business at the Annual General Meeting**
Resolution 6 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to purchase (either for cancellation or to hold in treasury) 4,620,544 ordinary shares (being 14.99 per cent of the voting shares (shares in issue less shares held in treasury) as at the date of this report, or if less, 14.99 per cent of the voting shares immediately following the passing of the resolution). No more than 10 per cent of the ordinary shares in issue will be held in treasury at any time. The price paid for shares will be not less than 1p per ordinary share, and not more than the higher of (1) 5 per cent above the average middle market quotations of those shares as derived from the Daily Official List of the London Stock Exchange for the five business days before the shares are purchased and (2) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. The authority, if given, will lapse at the Company's Annual General Meeting in 2010 or, if earlier, on 31 July 2010. The authority will be used when supply exceeds demand and where the Directors consider it to be in the best interests of Shareholders and the Company.

Resolution 7 (an Ordinary Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to issue up to an aggregate nominal value of £102,747 representing 10,274,700 ordinary shares (being approximately one-third of the issued share capital (excluding treasury shares) as at the date of this report), in accordance with statutory pre-emption rights. As at the date of this report, the Company holds 3,174,000 ordinary shares in treasury, representing 10.3% of the issued share capital (excluding treasury shares). This authority, if given, will expire at the Annual General Meeting in 2010 or, if earlier, on 31 July 2010. The authority will be used where Directors consider it to be in the best interests of Shareholders. The Directors will only issue new ordinary shares at a price at or above the prevailing net asset value per share.

Resolution 8 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to issue up to an aggregate nominal value of £33,998, representing 3,399,800 ordinary shares (being approximately 10 per cent of the issued share capital as at the date of this report) without first having to offer these shares to existing Shareholders. This authority covers both issues of new ordinary shares and sales of ordinary shares from treasury and, if given, will lapse at the Company's Annual General Meeting in 2010 or, if earlier, on 31 July 2010. The authority will be used where Directors consider it to be in the best interests of Shareholders. The Directors will only issue new ordinary shares at a price at or above the prevailing net asset value per share.

**Notice period for general meetings**

At last year's Annual General Meeting, new articles of association were adopted which include a provision allowing general meetings of the Company to be called on the minimum notice period provided for in the Companies Act 2006. For meetings other than annual general meetings this is currently a period of 14 clear days.

The provisions in the Companies Act 2006 relating to meetings are due to be amended with effect from 3 August 2009 as a result of the implementation of the EU Shareholder Rights Directive (2007/36/EC) (the "Directive") in the UK.

The government has still to finalise the detail of the amendments that are to be made and is not expected to publish the final draft of the amendments until late Spring 2009. One of the amendments to be made will, in accordance with the Directive, be to increase the minimum notice period for listed company general meetings to 21 clear days, but with an ability for companies to reduce this period back to 14 clear days (other than for annual general meetings), provided that two conditions are met:

(i) that the company offers facilities for shareholders to vote by electronic means. It is not yet clear what this will require and the details will be set out in the final regulations when published; and

(ii) that there is an annual resolution of shareholders approving the reduction in the minimum period for notice of general meetings (other than annual general meetings) from 21 clear days to 14 clear days.

Although the final form of the regulations are unlikely to be known before the Annual General Meeting, the Board believes that it should ensure that the minimum period for notice of general meetings of the Company (other than annual general meetings) remains at 14 clear days after August 2009. The Board is therefore proposing Resolution 9 as a Special Resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The notice period for annual general meetings will remain 21 clear days.

**Directors' Recommendation**

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of Shareholders as a whole and they unanimously recommend that all Shareholders vote in favour of them, as they intend to do so in respect of their own beneficial shareholdings.

By order of the Board
**Kenneth J Greig**
Secretary

26 February 2009

# DIRECTORS' REMUNERATION REPORT

The Directors submit this Report in accordance with the requirements of Schedule 7A to the Companies Act 1985. An Ordinary Resolution will be put to the members to approve this report at the forthcoming Annual General Meeting.

The law requires your Company's Auditors to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 22 and 23.

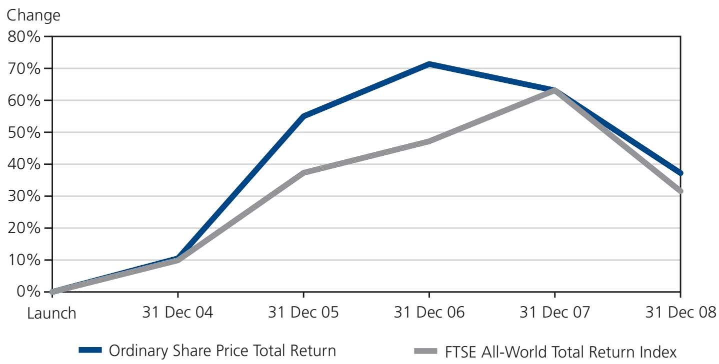
**Remuneration Committee**
The Board consists entirely of non-executive Directors and it is therefore not considered appropriate for the Company to establish a separate remuneration committee.

**Policy on Directors' fees**
The Company follows the recommendation of the AIC Code that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent. The Board's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments. It is intended that this policy will continue for the year ending 31 December 2009 and for subsequent financial years.

The fees of the Directors are determined within the limits set out in the Company's Articles of Association, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

**Directors' service contracts**
Other than letters of appointment governing their appointment as Directors, none of the Directors has a contract of service with the Company, nor has there been any contract or arrangement between the Company and any Director at any time during the year. The terms of their appointment provide that a Director shall retire and be subject to election at the first Annual General Meeting after his appointment and re-election at least every three years after that.

**Your Company's performance**
The graph below compares the total return (assuming all dividends are reinvested) to Shareholders, compared to the total Shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the FTSE All-World Index is calculated. Although the Company has no formal benchmark, this index has been selected as it is considered to represent a broad equity market index against which the performance of the Company's assets may be adequately compared.




*Source: Edinburgh Partners*

**Directors' emoluments for the year (audited)**
The Directors who served in the year received the following emoluments in the form of fees:

| | **1 January 2008 to 31 December 2008** | 1 January 2007 to 31 December 2007 |
|---|---|---|
| | £ | £ |
| Teddy Tulloch (Chairman) | **17,000** | 17,000 |
| Richard Burns | **13,000** | 13,000 |
| David Hough | **13,000** | 13,000 |
| Ian McBean | **13,000** | 13,000 |

There is no notice period and no provision for compensation upon early termination of appointment.

Fees in respect of the services of David Hough are paid to his principal employer, Rathbone Brothers plc.

**Approval**
The Directors' Remuneration Report was approved by the Board on 26 February 2009.

**Teddy Tulloch**
Chairman

# MANAGEMENT REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

**Management Report**
Listed companies are required by the FSA's Disclosure and Transparency Rules (the "Rules") to include a management report within their annual report and financial statements.

The information required to be included in the management report for the purpose of these Rules is included in the Chairman's Statement on pages 3 and 4, the Manager's Report and Portfolio Analysis on pages 5 to 6 and the Business Review contained in the Directors' Report on pages 10 to 12. Therefore no separate management report has been included.

The financial statements have been reviewed by the Company's Auditors.

**Statement of Directors' Responsibilities in relation to the Annual Report and Financial Statements**
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Chairman's Statement, the Manager's Report and Portfolio Analysis and the Directors' Report include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that ought to have been taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1985 and 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Teddy Tulloch**
Chairman
26 February 2009

# INDEPENDENT AUDITORS' REPORT

to the members of EP Global Opportunities Trust plc
for the year ended 31 December 2008

We have audited the financial statements of EP Global Opportunities Trust plc for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Statement of Cash Flow and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the annual report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Company Summary, Financial Summary, Chairman's Statement, Managers' Report and Portfolio Analysis, Portfolio of Investments, Distribution of Investments, Directors and Corporate Information, Directors' Report, unaudited part of the Directors' Remuneration Report, Management Report, Glossary of Investment Trust Technical Terms, Shareholder Information, Investment Manager, Notice of Annual General Meeting and Form of Proxy. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements , and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its net return for the year then ended;

- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

**Ernst & Young LLP**
Registered Auditor
Edinburgh

26 February 2009

# INCOME STATEMENT

for the year ended 31 December 2008

| | | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|---|
| | | **Revenue** | **Capital** | **Total** | Revenue | Capital | Total |
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| (Losses)/gains on investments at fair value | 8 | **–** | **(10,444)** | **(10,444)** | – | 1,083 | 1,083 |
| Foreign exchange gains/(losses) on capital items | | **–** | **1,027** | **1,027** | – | (153) | (153) |
| Income | 2 | **2,067** | **–** | **2,067** | 1,726 | – | 1,726 |
| Investment management fee | 3 | **(325)** | **–** | **(325)** | (410) | – | (410) |
| Other expenses | 4 | **(239)** | **–** | **(239)** | (254) | – | (254) |
| **Net return before finance costs and taxation** | | **1,503** | **(9,417)** | **(7,914)** | 1,062 | 930 | 1,992 |
| **Finance costs** | | | | | | | |
| Interest payable and similar charges | | **(3)** | **–** | **(3)** | (5) | – | (5) |
| **Net return before taxation** | | **1,500** | **(9,417)** | **(7,917)** | 1,057 | 930 | 1,987 |
| Taxation | 5 | **(275)** | **–** | **(275)** | (141) | – | (141) |
| **Net return after taxation** | | **1,225** | **(9,417)** | **(8,192)** | 916 | 930 | 1,846 |
| | | pence | pence | pence | pence | pence | pence |
| **Return per ordinary share** | 7 | **3.9** | **(29.7)** | **(25.8)** | 2.7 | 2.8 | 5.5 |

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 return columns are prepared under guidance published by the Association of Investment Companies ("AIC").

A separate Statement of Total Recognised Gains and Losses has not been prepared as all such gains and losses are included in the Income Statement.

**Dividend information**

A dividend for the year of 3.1p per ordinary share (2007: 2.3p) is proposed. This is subject to the approval of Shareholders at the Annual General Meeting on 30 April 2009 and will be payable on 18 May 2009 to Shareholders on the register at the close of business on 17 April 2009. The ex-dividend date will be 15 April 2009. Based on 30,824,180 ordinary shares, being the current number of ordinary shares in issue excluding shares held in treasury, the total proposed dividend payment will amount to £956,000. In accordance with FRS 21, final dividends proposed by the Company are accounted for in the period in which the dividend is approved by Shareholders at an Annual General Meeting. Further information on dividend distributions can be found in note 6 on page 31.

The notes on pages 28 to 40 form part of these financial statements.

# BALANCE SHEET
as at 31 December 2008

| | Note | 2008 £'000 | 2007 Restated* £'000 |
|---|---|---|---|
| **Fixed asset investments:** | | | |
| Investments at fair value through profit or loss | 8 | **43,935** | 53,952 |
| **Current assets:** | | | |
| Debtors | 10 | **251** | 222 |
| Cash at bank and short-term deposits | | **2,734** | 3,931 |
| | | **2,985** | 4,153 |
| **Creditors: amounts falling due within one year** | 11 | **567** | 400 |
| **Net current assets** | | **2,418** | 3,753 |
| **Net assets** | | **46,353** | 57,705 |
| **Capital and reserves:** | | | |
| Called-up share capital | 15 | **340** | 340 |
| Capital redemption reserve | | **1** | 1 |
| Share premium account | | **17,991** | 17,991 |
| Special reserve | 16 | **15,795** | 18,212 |
| Capital reserve | | **10,701** | 20,118 |
| Revenue reserve | | **1,525** | 1,043 |
| **Total Shareholders' funds** | | **46,353** | 57,705 |
| | | pence | pence |
| **Net asset value per ordinary share** | 17 | **150.4** | 177.2 |

* The cost of own shares held in treasury is now shown as a deduction from distributable profits in accordance with the AIC Statement of Recommended Practice issued in January 2009.

These financial statements were approved and authorised for issue by the Board of Directors on 26 February 2009 and were signed on its behalf by:

**Teddy Tulloch**
Chairman

The notes on pages 28 to 40 form part of these financial statements.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2008

| | Share capital £'000 | Capital redemption reserve £'000 | Share premium account £'000 | Special reserve £'000 | Own shares held in treasury £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2008** | | | | | | | | |
| At 31 December 2007 | 340 | 1 | 17,991 | 20,506 | (2,294) | 20,118 | 1,043 | 57,705 |
| Transfer of cost of own shares held in treasury* | – | – | – | (2,294) | 2,294 | – | – | – |
| At 31 December 2007 (restated) | 340 | 1 | 17,991 | 18,212 | – | 20,118 | 1,043 | 57,705 |
| Net return after taxation for the year | – | – | – | – | – | (9,417) | 1,225 | (8,192) |
| Dividends paid | – | – | – | – | – | – | (743) | (743) |
| Share purchase costs | – | – | – | (2,417) | – | – | – | (2,417) |
| **At 31 December 2008** | **340** | **1** | **17,991** | **15,795** | **–** | **10,701** | **1,525** | **46,353** |
| **Year ended 31 December 2007** | | | | | | | | |
| At 31 December 2006 | 340 | 1 | 17,991 | 20,506 | – | 19,188 | 739 | 58,765 |
| Net return after taxation for the year | – | – | – | – | – | 930 | 916 | 1,846 |
| Dividends paid | – | – | – | – | – | – | (612) | (612) |
| Share purchase costs | – | – | – | – | (2,294) | – | – | (2,294) |
| **At 31 December 2007** | 340 | 1 | 17,991 | 20,506 | (2,294) | 20,118 | 1,043 | 57,705 |

* The cost of own shares held in treasury is now shown as a deduction from distributable profits in accordance with the AIC Statement of Recommended Practice issued in January 2009.

The notes on pages 28 to 40 form part of these financial statements.

## STATEMENT OF CASH FLOW
for the year ended 31 December 2008

| | Note | 2008<br>£'000 | 2007<br>£'000 |
|---|---|---|---|
| **Operating activities:** | | | |
| Investment income received | | **1,863** | 1,647 |
| Bank deposit interest received | | **1** | 1 |
| Investment management fees paid | | **(350)** | (422) |
| Secretarial fees paid | | **(69)** | (66) |
| Other cash payments | | **(60)** | (49) |
| **Net cash inflow from operating activities** | 18 | **1,385** | 1,111 |
| **Servicing of finance** | | **(3)** | (5) |
| **Taxation** | | | |
| Income tax paid | | **(249)** | (177) |
| **Capital expenditure and financial investment:** | | | |
| Purchases of investments | | **(20,864)** | (33,463) |
| Sales of investments | | **20,664** | 38,168 |
| Exchange gains on settlement | | **157** | 15 |
| **Net cash (outflow)/inflow from investing activities** | | **(43)** | 4,720 |
| **Net cash inflow before equity dividend and financing** | | **1,090** | 5,649 |
| **Equity dividend paid** | | **(743)** | (612) |
| **Financing:** | | | |
| Ordinary shares purchased and held in treasury | | **(2,498)** | (2,213) |
| **Net cash outflow from financing** | | **(2,498)** | (2,213) |
| **(Decrease)/increase in cash** | 19 | **(2,151)** | 2,824 |

The notes on pages 28 to 40 form part of these financial statements

## 1 Accounting policies

**Accounting convention**
The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and with the AIC Statement of Recommended Practice issued in January 2009 relating to the Financial Statements of Investment Trust Companies and Venture Capital Trusts.

**Income recognition**
Dividend and other investment income is included as revenue when the investments concerned are quoted 'ex-dividend'. Income arising on holdings of fixed income securities is recognised on a time apportionment basis so as to reflect the effective interest rate on that security. Deposit interest and underwriting commission receivable is included on an accruals basis.

**Management expenses and finance costs**
All expenses are accounted for on an accruals basis. All operating expenses are charged through the revenue account in the Income Statement except costs that are incidental to the acquisition or disposal of investments, which are charged to the capital account in the Income Statement.

**Investments**
All investments held by the Company are classified as 'fair value through profit or loss'. Investments are initially recognised at cost, being the fair value of the consideration given. Interest accrued on fixed interest rate securities at the date of purchase or sale is accounted for separately as accrued income, so that the value or purchase price or sale proceeds is shown net of such items.

After initial recognition, investments are measured at fair value, with unrealised gains and losses on investments and impairment of investments recognised in the Income Statement and allocated to capital. Realised gains and losses on investments sold are calculated as the difference between sales proceeds and cost.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the Balance Sheet date, without adjustment for transaction costs necessary to realise the asset. Unlisted investments will be valued by the Directors at fair value, using the guidelines on valuation published by the International Private Equity and Venture Capital Association. This represents the Directors' view of the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have any intention to sell their holding in the near future.

**Foreign currency**
Transactions denominated in foreign currencies are converted to sterling at the actual exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

**Taxation**
The charge for taxation is based on the net revenue for the year. In accordance with Financial Reporting Standard No.16: Current Tax, franked investment income is shown net of the associated tax credit, therefore no tax credits are included within the charge for taxation.

**1 Accounting policies – continued**

The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not been reversed by the Balance Sheet date, unless such provision is not permitted by Financial Reporting Standard No. 19: Deferred Tax. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

**Dividends payable to Shareholders**

Dividends to Shareholders are recognised as a liability in the period in which they have been declared and paid. The annual dividend is proposed by the Board and is not declared until approved by Shareholders at the Annual General Meeting following the year end.

**2 Income**

| | **2008** | 2007 |
|---|---|---|
| | £'000 | £'000 |
| **Income from investments:** | | |
| UK net dividend income | **317** | 414 |
| Overseas dividends | **1,528** | 1,155 |
| Fixed interest | **132** | 21 |
| Deposit funds | **89** | 135 |
| | **2,066** | 1,725 |
| **Other income:** | | |
| Bank interest | **1** | 1 |
| | **2,067** | 1,726 |
| **Total income comprises:** | | |
| Dividends | **1,934** | 1,704 |
| Interest | **133** | 22 |
| | **2,067** | 1,726 |

**3 Investment management fee**

| | **2008** | 2007 |
|---|---|---|
| | **Total** | Total |
| | £'000 | £'000 |
| Investment management fee | **325** | 410 |

The investment management fee is paid quarterly in arrears, at the rate of 0.75 per cent per annum of the market capitalisation of the issued ordinary shares (excluding treasury shares) of the Company. At 31 December 2008 there was £73,000 outstanding (2007: £98,000).

In addition the Investment Manager received an administration fee of £69,000 as detailed in note 4 (2007: £67,000). At 31 December 2008 there was £17,000 outstanding (2007: £17,000).

## 4 Other expenses

| | 2008 | 2007 |
|---|---|---|
| | £'000 | £'000 |
| Administration and secretarial fees | **69** | 67 |
| Auditors' remuneration for: | | |
| Audit | **16** | 20 |
| Directors' remuneration | **56** | 56 |
| Other | **98** | 111 |
| | **239** | 254 |

The Auditors' remuneration comprises audit fees of £16,000 (2007: £15,000) and expenses of £nil (2007: £5,000). The expenses charge of £5,000 for 2007 includes expenses relating to the 2006 audit and the accrual for expenses relating to the 2007 audit.

## 5 Taxation

a) Analysis of charge in year

| | 2008 | 2007 |
|---|---|---|
| | £'000 | £'000 |
| **Current tax:** | | |
| UK Corporation Tax | **275** | 186 |
| Overseas tax suffered | **171** | 141 |
| Double taxation relief | **(171)** | (186) |
| | **275** | 141 |
| **Deferred tax:** | | |
| Timing differences | **4** | 6 |
| Double taxation relief | **(4)** | (6) |
| | **–** | – |
| Taxation on ordinary activities | **275** | 141 |

b) The current taxation charge for the year is lower than the standard rate of Corporation Tax in the UK of 30% to 31 March 2008 and 28% from 1 April 2008. The differences are explained below:

| | 2008 | 2007 |
|---|---|---|
| | £'000 | £'000 |
| Revenue return on ordinary activities before taxation | **1,500** | 1,057 |
| Theoretical tax at UK Corporation Tax effective rate of 28.5% (2007: 30%) | **427** | 317 |
| Effects of: | | |
| – UK dividends that are not taxable | **(91)** | (124) |
| – Brought forward eligible unrelieved foreign tax utilised | **(61)** | – |
| – Overseas taxation not recoverable | **–** | (45) |
| – Marginal relief adjustment | **–** | (7) |
| – Overseas tax suffered | **171** | – |
| – Double taxation relief | **(171)** | – |
| | **275** | 141 |

**5 Taxation – continued**

The tax charge has been reconciled to the revenue return rather than to the total return as the capital return is not subject to tax.

c) Factors that may affect future tax charges
After allowing for accrued taxable income at the year end, the Company has no eligible unrelieved foreign tax (2007: £61,000) that is available to offset against tax chargeable on future taxable overseas revenue. No deferred tax asset was recognised in respect of the 2007 amount as it would only be recoverable to the extent that there would be sufficient future taxable overseas revenue, not relieved by future eligible foreign tax suffered.

d) The Chancellor of the Exchequer, in his Budget statement on 21 March 2007, announced a number of proposed changes to the tax legislation, including a reduction in the rate of UK Corporation Tax from 30% to 28% with effect from April 2008.

**6 Dividends**

| | 2008 | 2007 |
|---|---|---|
| **Declared and paid** | £'000 | £'000 |
| 2007 dividend of 2.3p per ordinary share paid in May 2008 (2006: dividend of 1.8p paid in May 2007) | **743** | 612 |
| | **743** | 612 |
| **Net revenue return after taxation** | **1,225** | 916 |
| **Proposed** | | |
| 2008 dividend of 3.1p (2007: 2.3p) per ordinary share | **956** | 746 |
| | **956** | 746 |

A dividend for the year of 3.1p per ordinary share (2007: 2.3p) is proposed. This is subject to the approval of Shareholders at the Annual General Meeting on 30 April 2009 and will be payable on 18 May 2009 to Shareholders on the register at the close of business on 17 April 2009. The ex-dividend date will be 15 April 2009. Based on 30,824,180 ordinary shares, being the current number of ordinary shares in issue excluding shares held in treasury, the total proposed dividend payment will amount to £956,000.

**7 Return per ordinary share**

| | **2008** | | | 2007 | | |
|---|---|---|---|---|---|---|
| | **Net return £'000** | **Ordinary shares*** | **Per share pence** | Net return £'000 | Ordinary shares* | Per share pence |
| Revenue return after taxation | **1,225** | **31,758,186** | **3.9** | 916 | 33,601,801 | 2.7 |
| Capital return after taxation | **(9,417)** | **31,758,186** | **(29.7)** | 930 | 33,601,801 | 2.8 |
| Total return | **(8,192)** | **31,758,186** | **(25.8)** | 1,846 | 33,601,801 | 5.5 |

* Weighted average number of ordinary shares, excluding shares held in treasury, in issue during the year.

**8 Investments**

| | **2008** | 2007 |
|---|---|---|
| | **£'000** | £'000 |
| Listed investments | **42,835** | 53,052 |
| Unlisted investments | **1,100** | 900 |
| | **43,935** | 53,952 |

| | Unlisted | Listed | **2008 Total** | 2007 Total |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| *Analysis of investment portfolio movements* | | | | |
| Opening book cost | – | 52,966 | **52,966** | 51,890 |
| Opening unrealised appreciation | 900 | 86 | **986** | 5,684 |
| Opening valuation | 900 | 53,052 | **53,952** | 57,574 |
| Movements in the year: | | | | |
| Purchases at cost | 214 | 20,877 | **21,091** | 33,463 |
| Sales – proceeds | – | (20,664) | **(20,664)** | (38,168) |
| – realised (losses)/gains on sales | – | (2,616) | **(2,616)** | 5,781 |
| Changes in fair value of investments | (14) | (7,814) | **(7,828)** | (4,698) |
| Closing valuation | 1,100 | 42,835 | **43,935** | 53,952 |
| Closing book cost | 214 | 50,563 | **50,777** | 52,966 |
| Closing unrealised appreciation/(depreciation) | 886 | (7,728) | **(6,842)** | 986 |
| | 1,100 | 42,835 | **43,935** | 53,952 |

| | Unlisted | Listed | **2008 Total** | 2007 Total |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| *Analysis of capital gains and losses* | | | | |
| Realised (losses)/gains on sales | – | (2,616) | **(2,616)** | 5,781 |
| Changes in fair value of investments | (14) | (7,814) | **(7,828)** | (4,698) |
| Losses on investments | (14) | (10,430) | **(10,444)** | 1,083 |

The unlisted investment is in relation to the 71,294 shares in Edinburgh Partners as disclosed in the Chairman's Statement on page 4 and the Directors' Report on page 13.

**Transaction costs**

During the year the Company incurred transaction costs of £36,000 (2007: £81,000) and £82,000 (2007: £77,000) on purchases and sales of investments respectively. These amounts are included in (losses)/gains on investments at fair value, as disclosed in the Income Statement on page 24.

**9 Significant holdings**

The Company had no holdings of 3% or more of the share capital of any portfolio companies.

**10 Debtors**

| | 2008 £'000 | 2007 £'000 |
|---|---|---|
| Dividends receivable | **86** | 61 |
| Prepayments and accrued income | **9** | 81 |
| Taxation recoverable | **156** | 80 |
| | **251** | 222 |

**11 Creditors: amounts falling due within one year**

| | 2008 £'000 | 2007 £'000 |
|---|---|---|
| Due to brokers | **227** | – |
| Other creditors and accruals | **154** | 319 |
| Purchase of shares held in treasury | **–** | 81 |
| Bank overdraft | **84** | – |
| Corporation Tax | **102** | – |
| | **567** | 400 |

The bank overdraft arises as a result of timing differences in the transfer of cash from the liquidity funds.

**12 Provision for liabilities and charges**

No provision for liabilities and charges is considered necessary at the Company's year end (2007: £nil). There were no amounts unprovided in respect of deferred taxation (2007: £nil).

**13 Contingent assets**

Following the judgement that VAT is not chargeable on investment management fees and some administration fees payable by investment trusts such as EP Global Opportunities Trust plc, the Investment Manager has submitted a claim for VAT previously charged to the Company that has not been reclaimed under partial exemption rules.

**14 Contingent liabilities**

At the year end there were no contingent liabilities and no outstanding commitments in respect of investments carrying an obligation for future subscriptions (2007: £nil).

**15 Share capital**

| | 2008 £'000 | 2007 £'000 |
|---|---|---|
| *Authorised:* | | |
| 150,000,000 (2007: 150,000,000) ordinary shares of 1p each | **1,500** | 1,500 |
| *Allotted, called up and fully paid:* | | |
| 33,998,180 (2007: 33,998,180) ordinary shares of 1p each (includes 3,174,000 (2007: 1,440,000) shares held in treasury. See notes 16 and 17) | **340** | 340 |

**Duration of the Company**

The Company does not have a termination date or the requirement for any periodic continuation votes.

## 16 Special reserve

As set out in the Directors' Report on page 12, from time to time the Company buys in shares and holds them in treasury for re-issue at a later date. In accordance with FRS 25, the consideration paid for these shares held in treasury is presented as a deduction in Shareholders' funds and, in accordance with the AIC Statement of Recommended Practice issued in January 2009, has been allocated to the special reserve. Details of own shares held in treasury are shown below:

| | **Number of shares** | **2008 £'000** | Number of shares | 2007 £'000 |
|---|---|---|---|---|
| Summary | | | | |
| At 1 January | **1,440,000** | **2,294** | – | – |
| Additions | **1,734,000** | **2,417** | 1,440,000 | 2,294 |
| At 31 December | **3,174,000** | **4,711** | 1,440,000 | 2,294 |
| Nominal value of own shares held in treasury | | **32** | | 14 |

## 17 Net asset value per share

The net asset value per share, calculated in accordance with the Articles of Association, is as follows:

| | **2008 pence** | 2007 pence |
|---|---|---|
| Ordinary share | **150.4** | 177.2 |

The net asset value per ordinary share is based on net assets of £46,353,000 (2007: £57,705,000) and on 30,824,180 (2007: 32,558,180) ordinary shares being the number of ordinary shares, excluding shares held in treasury, in issue at the year end.

## 18 Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

| | 2008 | 2007 |
|---|---|---|
| | £'000 | £'000 |
| Net return before finance costs and taxation | **(7,914)** | 1,992 |
| Net losses/(gains) on capital items | **9,417** | (930) |
| (Decrease)/increase in creditors | **(165)** | 96 |
| Decrease/(increase) in debtors and accrued income | **47** | (47) |
| Net cash inflow from operating activities | **1,385** | 1,111 |

## 19 Reconciliation of net cash flow to movement in net funds

| | 2008 | 2007 |
|---|---|---|
| | £'000 | £'000 |
| (Decrease)/increase in cash for the year | **(2,151)** | 2,824 |
| Realised exchange gains/(losses) | **870** | (168) |
| | **(1,281)** | 2,656 |
| Net funds at 1 January | **3,931** | 1,275 |
| Net funds at 31 December | **2,650** | 3,931 |

| | At 1 January 2008 | Cash Flows | Exchange Gains | At 31 December 2008 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank | 3,931 | (2,067) | 870 | 2,734 |
| Bank overdraft | – | (84) | – | (84) |
| | **3,931** | **(2,151)** | **870** | **2,650** |

| | At 1 January 2007 | Cash Flows | Exchange Losses | At 31 December 2007 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank | 1,275 | 2,824 | (168) | 3,931 |
| | 1,275 | 2,824 | (168) | 3,931 |

## 20 Analysis of financial assets and liabilities

**Interest rate and currency profile**
The interest rate and currency profile of the Company's financial assets was:

| | 2008 Total £'000 | 2008 No interest rate exposure £'000 | 2008 Cash flow interest rate risk exposure £'000 | 2008 Fair value interest rate risk exposure £'000 | 2007 Total £'000 | 2007 No interest rate exposure £'000 | 2007 Cash flow interest rate risk exposure £'000 | 2007 Fair value interest rate risk exposure £'000 |
|---|---|---|---|---|---|---|---|---|
| **Equity shares** | | | | | | | | |
| Euro | **13,097** | **13,097** | **–** | **–** | 15,820 | 15,820 | – | – |
| US dollar | **13,765** | **13,765** | **–** | **–** | 17,106 | 17,106 | – | – |
| Sterling | **5,406** | **5,406** | **–** | **–** | 7,341 | 7,341 | – | – |
| Japanese yen | **2,908** | **2,908** | **–** | **–** | 2,089 | 2,089 | – | – |
| Swiss franc | **3,902** | **3,902** | **–** | **–** | 3,721 | 3,721 | – | – |
| Swedish kroner | **2,069** | **2,069** | **–** | **–** | 2,709 | 2,709 | – | – |
| Korean wan | **994** | **994** | **–** | **–** | – | – | – | – |
| Turkish lira | **684** | **684** | **–** | **–** | 1,166 | 1,166 | – | – |
| Hong Kong dollar | **1,110** | **1,110** | **–** | **–** | – | – | – | – |
| **Gilts** | | | | | | | | |
| Sterling* | **–** | **–** | **–** | **–** | 4,000 | – | – | 4,000 |
| **Cash at bank and short-term deposits** | | | | | | | | |
| Sterling | **1,360** | **–** | **1,360** | **–** | 1,978 | – | 1,978 | – |
| US dollar | **–** | **–** | **–** | **–** | 13 | – | 13 | – |
| Japanese yen | **1,374** | **–** | **1,374** | **–** | 1,940 | – | 1,940 | – |
| **Debtors**** | | | | | | | | |
| Euro | **48** | **48** | **–** | **–** | 17 | 17 | – | – |
| US dollar | **90** | **90** | **–** | **–** | 54 | 54 | – | – |
| Sterling | **52** | **52** | **–** | **–** | 117 | 117 | – | – |
| Japanese yen | **21** | **21** | **–** | **–** | 8 | 8 | – | – |
| Swiss franc | **27** | **27** | **–** | **–** | 15 | 15 | – | – |
| Danish krone | **6** | **6** | **–** | **–** | 4 | 4 | – | – |
| | **46,913** | **44,179** | **2,734** | **–** | 58,098 | 50,167 | 3,931 | 4,000 |

* The maturity date profile of these assets was less than one year and the effective average interest rate was 5%.
** Debtors exclude prepayments which under FRS 25 are not classed as financial assets.

At 31 December 2008 the Company had no financial liabilities other than short-term creditors (2007: £nil). All financial assets and liabilities of the Company are held at fair value.

## 21 Risk analysis

**Risks**
The principal risks the Company faces are:

- Investment and strategy
- Discount volatility
- Market risk
- Liquidity risk
- Credit risk
- Interest rate risk
- Foreign currency risk
- Gearing
- Regulatory risk
- Operational risk
- Financial risk

The Investment Manager monitors the financial risks affecting the Company on an ongoing basis within the policies and guidelines determined by the Board. The Directors receive financial information, which is used to identify and monitor risk, quarterly. The Company may enter into derivative contracts to manage risk but has not done so to date. A description of the principal risks the Company faces is detailed below.

**Investment and strategy**
There can be no guarantee that the objective of the Company will be achieved.

The Investment Manager meets regularly with the Board to discuss the portfolio performance and strategy. The Board receives quarterly reports from the Investment Manager detailing all portfolio transactions and any other significant changes in the market or stock outlooks.

**Discount volatility**
The Board recognises that it is in the long-term interests of Shareholders to reduce discount volatility and believes that the prime driver of discounts over the longer term is investment performance. The Company is permitted to employ gearing, a process whereby funds are borrowed principally for the purpose of purchasing securities should the Board feel that it is appropriate to do so. The use of gearing can magnify discount volatility.

The Board actively monitors the discount for EP Global Opportunities Trust plc, but it does not intend to issue a precise discount target at which shares will be bought back as it believes that the announcement of specific targets is likely to hinder rather than help the successful execution of a buyback policy. Equally the Company will issue shares in order to meet demand as it arises.

During the year ended 31 December 2008 the Company bought back 1,734,000 (2007: 1,440,000) ordinary shares into treasury.

During the year ended 31 December 2008 the Company issued nil (2007: nil) ordinary shares.

**21 Risk analysis – continued**

**Market risk**

The Company is exposed to market risk due to fluctuations in the market prices of its investments. Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Investment Manager monitors the prices of financial instruments held by the Company on an ongoing basis.

The Investment Manager actively monitors market and economic data and reports to the Board which considers investment policy on a regular basis. The net asset value per share of the Company is issued weekly to the London Stock Exchange and is also available on the Company's website, www.epgot.com.

Details of the Company's investment portfolio as at 31 December 2008 are disclosed on page 7 of these financial statements.

If the investment portfolio valuation fell by 1 per cent from the amount detailed in the financial statements as at 31 December 2008 it would have the effect, with all other variables held constant, of reducing the net capital return before taxation by £439,000 (2007: £540,000). An increase of 1 per cent in the investment portfolio valuation would have an equal and opposite effect on the net capital return before taxation.

**Liquidity risk**

The Company's policy with regard to liquidity is to ensure continuity of funding. Short-term flexibility is achieved through cash management.

The Company's assets comprise mainly of readily realisable securities which can be sold freely to meet funding requirements if necessary. Securities listed on a recognised stock exchange have been valued at bid prices and exchange rates ruling at the close of business on 31 December 2008. In certain circumstances, the market prices at which investments are valued may not represent the realisable value of those investments, taking into account both the size of the Company's holding and the frequency with which such investments are traded.

**Credit risk**

Credit risk is the risk of financial loss to the Company if the contractual party to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the Balance Sheet date. The Company's listed investments are held on its behalf by The Bank of New York Mellon acting as the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the custodian's internal controls reports.

Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered in its obligations before any transfer of cash or securities away from the Company is completed.

Cash is only held at banks and in money market funds that have been identified by the Board as reputable and of high credit quality.

The maximum exposure to credit risk as at 31 December 2008 was £46,920,000 (2007: £58,105,000). The calculation is based on the Company's credit risk exposure as at 31 December 2008 and this may not be representative of the year as a whole.

None of the Company's assets are past due or impaired.

## 21 Risk analysis – continued

### Interest rate risk

The Company's assets and liabilities, excluding short-term debtors and creditors, may comprise financial instruments which include investments in fixed interest securities.

Details of the Company's interest rate exposure as at 31 December 2008 are disclosed in note 20 on page 36 of these financial statements.

The majority of the Company's assets were non-interest bearing as at 31 December 2008. There was limited exposure to interest bearing liabilities during the year ended 31 December 2008. Surplus cash is invested in liquidity funds.

If interest rates had reduced by 1 per cent from those obtained as at 31 December 2008 it would have the effect, with all other variables held constant, of reducing the net revenue return before taxation on an annualised basis by £27,000 (2007: £39,000). If there had been an increase in interest rates of 1 per cent there would have been an equal and opposite effect in the net revenue return before taxation. The calculations are based on cash at bank and short-term deposits as at 31 December 2008 and these may not be representative of the year as a whole.

### Foreign currency risk

The base currency of the Company is sterling. The international nature of the Company's investment activities gives rise to a currency risk which is inherent in the performance of its overseas investments. The Company's overseas income is also subject to currency fluctuations.

It is not the Company's policy to hedge this risk on a continuing basis.

Details of the Company's foreign currency risk exposure as at 31 December 2008 is disclosed in note 20 on page 36 of these financial statements.

If sterling had strengthened by 1 per cent against all other currencies on 31 December 2008, with all other variables held constant, it would have the effect of reducing the net capital return before taxation by £401,000 (2007: £446,000). If sterling had weakened by 1 per cent against all other currencies there would have been an equal and opposite effect on the net capital return before taxation.

### Gearing

Gearing is used to enhance long-term returns to Shareholders. The Company is permitted to employ gearing should the Board feel it appropriate to do so up to a maximum of 25 per cent of total assets. The use of gearing can cause both gains and losses in the asset value of the Company to be magnified.

The Company did not have any gearing as at 31 December 2008.

### Regulatory risk

Failure to qualify under the terms of Section 842 of the Income and Corporation Taxes Act 1988 may lead to EP Global Opportunities Trust plc being subject to capital gains tax. A breach of the rules of the London Stock Exchange may result in censure by the Financial Services Authority ("FSA") and/or the Company's suspension from listing.

The Board has agreed service levels with the Secretary and Investment Manager which include active and regular review of compliance with these requirements. These checks are reviewed at each Board meeting.

## 21 Risk analysis – continued

### Operational risk

There are a number of operational risks associated with the fact that third parties undertake the Company's administration and custody. The main risk is that third parties may fail to ensure that statutory requirements such as Companies Act and London Stock Exchange requirements are met.

The Board regularly receives and reviews management information on third parties which the Secretary compiles. In addition each of the third parties provides a copy of its report on internal controls (AAF 01/06 or equivalent) to the Board each year.

### Financial risk

Inappropriate accounting policies or failure to comply with current or new accounting standards may lead to a breach of regulations.

The Board employs independent administrators to prepare all financial statements and meets with the independent auditors at least once a year to discuss all financial matters including appropriate accounting policies.

The Company is a member of the Association of Investment Companies ("AIC"), a trade body intended to promote investment trusts which also develops best practice for all of its members.

The Board undertakes an annual assessment and review of all the risks stated above together with a review of any new risks which may have arisen during the year. This risk is formalised within the Company's risk assessment matrix.

### Capital management policies

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to provide Shareholders with an attractive real long-term total return in accordance with its investment policy.

The Company's capital comprises:

| | **2008** | **2007** |
|---|---|---|
| | £'000 | £'000 |
| Called-up share capital | **340** | 340 |
| Capital redemption reserve | **1** | 1 |
| Share premium account | **17,991** | 17,991 |
| Special reserve | **15,795** | 18,212 |
| Capital reserve | **10,701** | 20,118 |
| Revenue reserve | **1,525** | 1,043 |
| Total Shareholders' funds | **46,353** | 57,705 |

The Company's objectives for managing capital are the same as the previous year and have been complied with throughout the year.

## 22 Transactions with the Investment Manager

Information with respect to transactions with the Investment Manager is provided in note 3 on page 29 of these financial statements and on page 13 in the Directors' Report.

## 23 Post balance sheet events

As at 20 February 2009 (being the latest practicable date prior to publication of this report) the net assets of the Company were £38,754,000, the net asset value per share was 125.7p and the share price was 124.0p.

# GLOSSARY OF INVESTMENT TRUST TECHNICAL TERMS

**Discount**
If the share price of an investment trust is lower than the net asset value ("NAV") per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium.

**Gearing**
Gearing is the process whereby changes in the total assets of a company have an exaggerated effect on the net assets of that company's ordinary shares due to the presence of borrowings.

**ISAs and SIPPs**
Individual Savings Accounts and Self-Invested Personal Pensions.

**Net asset value per share**
The NAV per share is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of a company's assets, at current market value, having deducted all prior charges at their par value (or at their market value).

**Total assets**
Total assets less current liabilities before deducting prior charges. Prior charges include all loans used for investment purposes.

**Total expense ratio**
The total operating expenses incurred by a company, including any charged to capital (excluding interest costs) as a percentage of average total shareholders' funds.

**Total return**
The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares of the trust at the time the shares go ex-dividend (the share price total return) or in the assets of the investment trust at its NAV per share (the NAV total return). Total return per share statistics are calculated on the basis of the weighted average number of shares in issue.

**Treasury shares**
Shares previously issued by a company that have been bought back from shareholders to be held by a company for potential re-issue at a later date or cancellation.

# SHAREHOLDER INFORMATION

**Investing in the Company**

The Company's ordinary shares are traded on the London Stock Exchange. 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 or Share Plan through the Edinburgh Partners Investment Trust Savings Scheme. Further information is available on the Company's website www.epgot.com or on the Edinburgh Partners' website www.edinburghpartners.com or by telephone on 0845 850 0181.

**Frequency of NAV publication**

The Company's ordinary share net asset value is released weekly to the London Stock Exchange and published on the Company's website www.epgot.com and on the Edinburgh Partners' website www.edinburghpartners.com.

**Sources of further information**

The Company's ordinary share price is quoted daily in the Financial Times under "Investment Companies". Previous day closing price, weekly net asset value and other portfolio information is published on the Company's website www.epgot.com and on the Edinburgh Partners' website www.edinburghpartners.com. Other useful information on investment trusts, such as prices, net asset values and company announcements, can be found on the websites of the London Stock Exchange www.londonstockexchange.com and the AIC 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 0870 889 4069 or email: web.queries@computershare.co.uk. Changes of name and/or address must be notified in writing to the Registrar, at the address shown on page 9.

**Key dates**

| | |
|---|---|
| Company's year end | 31 December |
| Annual results announced | February |
| Annual General Meeting | April |
| Annual dividend paid | May |
| Company's half-year end | 30 June |
| Interim results announced | August |

In accordance with the Disclosure and Transparency Rules, the Company will be releasing Interim Management Statements ("IMS") for the quarters ending 31 March 2009 and 30 September 2009. These will be released to the London Stock Exchange and may be viewed at the Company's website.

This document is not a recommendation, offer or invitation to buy, sell or hold shares of the Company. If you wish to deal in shares of the Company, you may wish to contact an authorised professional investment adviser. The value of the Company's shares may fluctuate and investors may not get back the full value of their investment. Past performance is no guarantee of future performance. The Company invests in overseas securities; changes in the rates of exchange may also cause the value of your investment (and any income received) to go down or up.

Registered in Scotland No. 259207
An investment company as defined under Section 833 of the Companies Act 2006

# INVESTMENT MANAGER

The Executive Directors of Edinburgh Partners are Dr Sandy Nairn, Graham Campbell, Kenneth Greig, who is also Company Secretary of the Company, and Sam Bleakney. The biographical details of the Executive Directors and Investment Partners of Edinburgh Partners are as follows:

**Sandy Nairn (48) BSc, PhD, ASIP, CFA** Sandy is one of the founders, an Investment Partner and Chief Executive of Edinburgh Partners. He is responsible for researching the global telecommunications sector and manages international and global equity portfolios. Previously he was chief investment officer of Scottish Widows Investment Partnership and spent ten years with Templeton Investment Management, latterly as director of global equity research.

**Graham Campbell (48) BA, MBA, ASIP** Graham is one of the founders, an Investment Partner and a Director of Edinburgh Partners. He is responsible for company research into the global pharmaceutical sector and is lead manager of all UK equity portfolios. He was previously head of retail funds at Scottish Widows Investment Partnership from 2001 to 2003. Prior to that he spent ten years with Edinburgh Fund Managers as an investment director.

**Kenneth Greig (49) BA (Hons)** Kenneth is one of the founders and the Legal Partner and Director of Edinburgh Partners, responsible for all legal, compliance and secretarial functions. He has held a series of senior legal positions in fund management firms, including AXA Investment Managers, Morgan Stanley Asset Management and Templeton Investment Management. Prior to joining Edinburgh Partners he was head of the legal and technical team at Scottish Widows Investment Partnership.

**Sam Bleakney (46) BSSc FCA** Sam is one of the founders, Finance Partner and Director of Edinburgh Partners, responsible for all finance and back office support functions. He has held a number of senior financial positions in financial services companies, including Templeton Investment Management, where he was latterly European Chief Financial Officer and Stocktrade, where he was Finance Director.

**Stephen Anderson (47) BSc** Stephen is a founder and an Investment Partner of Edinburgh Partners. He is responsible for Edinburgh Partner's portfolio risk appraisal and control functions. From 2001 until 2003 he was head of the research analysis group at Scottish Widows Investment Partnership. Prior to 2001 he held a variety of senior posts at Murray Johnstone.

**Ian Cormack (41) BA, ASIP** Ian is an Investment Partner with Edinburgh Partners. He is responsible for the global buildings and chemical sectors and is a manager of UK portfolios. Ian was previously an investment director at Scottish Widows Investment Partnership from 2002 to 2004. Prior to that, he spent thirteen years with Standard Life Investments, where he had experience in managing both UK large cap and small cap portfolios.

**Anthony Mather (41) BA, ASIP** Tony is an Investment Partner with Edinburgh Partners. He is responsible for research of global utilities, media and tobacco sectors, is a member of the UK equity team and manager of UK equity income portfolios. He was a member of the UK equity team at Scottish Widows Investment Partnership where he was a senior investment manager responsible for several retail funds. Prior to that he worked for Edinburgh Fund Managers for six years as a fund manager and had responsibility of several income and growth retail funds.

**Christine Montgomery (47)** Christine is an Investment Partner with Edinburgh Partners. She has research responsibility for the global insurance sector. From 2001 to 2007 at Franklin Templeton she helped build the institutional separate account business in Europe and the Middle East. Prior to that she spent twelve years at Aegon, where she held a number of positions including head of equities and head of fixed interest.

**George Ritchie (45)** George is an Investment Partner with Edinburgh Partners. He has responsibility for researching the global industrials sector. From 1996 to 2007 at Franklin Templeton he managed a range of institutional and retail funds as well as having research responsibilities. Prior to that he spent eleven years at Standard Life, where he was responsible for UK equity research and the management of both segregated pension funds and the UK life fund.

**Dale Robertson (38) BComm, CA, ASIP** Dale is an Investment Partner with Edinburgh Partners. He has research responsibility for the global banking sector and manages Edinburgh Partners' European portfolios. Previously he spent two years at Scottish Widows Investment Partnership where he managed European equity growth funds. Prior to that he worked for Edinburgh Fund Managers.

**Robin Weir (42) BA (Hons)** Robin is an Investment Partner with Edinburgh Partners and has responsibility for global and international portfolios and for researching the global resources sector. He was previously a European equity research manager at Scottish Widows Investment Partnership. Prior to that he spent ten years at Murray Johnstone, where he was UK equity investment director. He began his investment career with Nomura International in London and Tokyo.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at The Bonham Hotel, 35 Drumsheugh Gardens, Edinburgh EH3 7RN on Thursday, 30 April 2009, at 12:00 noon to transact the business set out in the resolutions below.

| | Resolution on Form of Proxy |
|---|---|
| **Ordinary business** | |
| 1 To receive and, if thought fit, to accept the Reports of the Directors and Auditors and the audited financial statements for the year ended 31 December 2008. | Resolution 1 |
| 2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2008. | Resolution 2 |
| 3 To reappoint Ernst & Young LLP as Auditors to the Company and to authorise the Directors to determine their remuneration. | Resolution 3 |
| 4 To re-elect Mr Tulloch as a Director of the Company. | Resolution 4 |
| 5 To declare a dividend of 3.1p per ordinary share for the year ended 31 December 2008. | Resolution 5 |
| **Special business** | |
| 6 To consider and, if thought fit, pass the following resolution as a Special Resolution: | Resolution 6 |

THAT the Company be and is generally and unconditionally authorised for the purposes of Section 166 of the Companies Act 1985 (as amended) (the "Act") to make one or more market purchases (within the meaning of Section 163(3) of the Act) on the London Stock Exchange of ordinary shares of 1 pence each ("Shares") in the capital of the Company provided that:

(a) the maximum aggregate number of Shares hereby authorised to be purchased is 4,620,544 Shares, or if less, 14.99 per cent of the voting shares (shares in issue less shares held in treasury) immediately following the passing of this resolution;

(b) the minimum price which may be paid for such shares is 1 pence per Share;

(c) the maximum price which may be paid for a Share shall not be more than the higher of (1) 5 per cent above the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the relevant Share for the five business days immediately preceding the date on which the relevant Share is purchased and (2) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and

(d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting to be held in 2010 or, if earlier, 31 July 2010, save that the Company may prior to such expiry, enter into a contract or arrangement to purchase Shares under such authority after such expiry which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares pursuant to any such contract or arrangement as if the authority conferred hereby had not expired.

7 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution: Resolution 7

THAT in substitution for any existing power under Section 80 of the Companies Act 1985 (as amended) (the "Act") but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Act, to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £102,747 (being approximately one-third of the issued share capital (excluding treasury shares) as at 26 February 2009), such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, 31 July 2010, save that the Company may make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

8 To consider and, if thought fit, pass the following resolution as a Special Resolution: Resolution 8

THAT in substitution for any existing power under Section 95 of the Companies Act 1985 (as amended) (the "Act") but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) to Section 94(3A) of the Act) wholly for cash pursuant to any existing authority given in accordance with Section 80 of the Act as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of such securities by way of rights to holders of ordinary shares of 1 pence each ("Shares") in the capital of the Company in proportion (as nearly as may be practicable) to their respective holdings of such Shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems arising in connection with the laws of any territory, or the requirements of any regulatory body or stock exchange; and

(b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £33,998,

and shall expire at the conclusion of the Company's next Annual General Meeting to be held in 2010 or, if earlier, 31 July 2010, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements notwithstanding that the power conferred by this resolution has expired.

This power applies in relation to a sale of Shares which is an allotment of equity securities by virtue of Section 94(3A) of the Act as if in the first paragraph of this Resolution 9 the words "pursuant to any existing authority given in accordance with Section 80 of the Act" were omitted.

9 To consider and, if thought fit, pass the following resolution as a Special Resolution: Resolution 9

THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company or 31 July 2010, whichever is the earlier (all dates inclusive).

By order of the Board:
**Kenneth J Greig**,
Secretary
EP Global Opportunities Trust plc
Registered Office: 12 Charlotte Square, Edinburgh EH2 4DJ

26 February 2009

Note 1: A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, the Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time of the meeting. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder.

To appoint more than one proxy, Shareholders will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

Note 2: CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in Note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Note 3: A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

Note 4: As at 26 February 2009 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 33,998,180 ordinary shares carrying one vote each. After deducting 3,174,000 ordinary shares held in treasury, which do not have voting rights, the total voting rights in the Company as at 26 February 2009 were 30,824,180 votes.

Note 5: Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered on the Register of Members of the Company as at 6.00pm on 28 April 2009 (or in the event that the meeting is adjourned, only those Shareholders registered on the Register of Members of the Company as at 6.00pm on the day which is two days prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Note 6: In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that: (i) if a corporate Shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that corporate Shareholder present at the meeting then, on a poll, those corporate representatives will give voting directions to the Chairman of the meeting and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives in attendance on behalf of the corporate Shareholder who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in paragraph (i) of this Note 6.

Note 7: The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The Bonham Hotel, 35 Drumsheugh Gardens, Edinburgh E43 7RN from 11.45am until the conclusion of the meeting:

a) Copies of all letters of appointment of the Directors of the Company.

b) A copy of the Articles of Association of the Company.

## NOTES