The European Investment Trust plc

Annual Report and Financial Statements
for the year ended 30 September 2015

Contents

Registered in England and Wales Number 1055384

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

Corporate Information

Directors (all non-executive)
Douglas C P McDougall OBE (Chairman)
William D Eason
Michael B Moule
Dr Michael T Woodward

Company Secretary and Registered Office
Kenneth J Greig
Beaufort House
51 New North Road
Exeter
EX4 4EP

Alternative Investment Fund Manager
Edinburgh Partners AIFM Limited
27-31 Melville Street
Edinburgh
EH3 7JF

Investment Manager
Edinburgh Partners Limited
27-31 Melville Street
Edinburgh
EH3 7JF

Tel: 0131 270 3800
Fax: 0131 270 3801
e-mail: enquiries@edpam.com
www.edinburghpartners.com

Independent Auditors
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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

Tel: 0370 889 4086
email: web.queries@computershare.co.uk
www.computershare.co.uk

Registrar – New Zealand
Computershare Investor Services Limited
Private Bag 92119, Victoria Street West
Auckland 1142, New Zealand

Level 2, 159 Hurstmere Road, Takapuna
Auckland 0622, New Zealand

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

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

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

Stockbroker
J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London
E14 5JP

Bankers
JPMorgan Chase Bank, NA
1 Chaseside
Bournemouth
BH7 7DA

Company Summary

Investment objective

To achieve long-term capital growth through a diversified portfolio of Continental European securities. A detailed description of the Company's investment policy is set out in the Strategic Report on page 11.

Shareholders' funds

£312,239,000 at 30 September 2015.

Market capitalisation

£283,127,000 at 30 September 2015.

Capital structure

As at 30 September 2015 and at the date of this report, the Company had 42,069,371 ordinary shares of 25p each in issue.

Investing in the Company

The Company's ordinary shares are traded on the London Stock Exchange and the New Zealand Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The ordinary shares are eligible for inclusion in ISAs, Junior ISAs and SIPPs. These are available through Alliance Trust Savings, who also offer the opportunity to invest in the Company through a dealing account. The Company's shares are also available on other share trading platforms.

AIC

The Company is a member of the Association of Investment Companies ("AIC").

Alternative Investment Fund Manager

Edinburgh Partners AIFM Limited (the "AIFM").

Investment Manager

The AIFM has delegated the function of managing the Company's investment portfolio to Edinburgh Partners Limited ("Edinburgh Partners" or the "Investment Manager").

Management fee

0.55% per annum of the Company's equity market capitalisation payable monthly in arrears.

Ten Year Record

Performance (rebased to 100 at 30 September 2005)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
NAV per share	100.0	117.0	143.6	95.9	101.5	104.1	89.6	97.6	122.9	128.1	**118.8**
Share price	100.0	118.7	145.1	92.5	98.9	97.3	82.6	90.7	122.2	133.7	**120.2**
Earnings per share	100.0	125.3	115.4	205.2	190.0	197.8	243.5	220.7	258.5	213.1	**228.8**
Dividends per share	100.0	120.0	110.7	198.7	181.3	186.7	213.3	213.3	240.0	200.0	**213.3**
Retail price index	100.0	103.6	107.7	113.1	111.5	116.7	123.2	126.5	130.5	133.4	**134.4**

Financial Summary

Results for year	30 September 2015	30 September 2014	Change
Shareholders’ funds	**£312.24m**	£336.73m	(7.3)%
Net asset value per ordinary share (“NAV”)	**742.20p**	800.41p	(7.3)%
Share price per ordinary share	**673.00p**	748.75p	(10.1)%
Share price discount to NAV	**9.3%**	6.5%	

	Year to 30 September 2015	Year to 30 September 2014
Revenue return per ordinary share*	**15.95p**	14.85p
Capital return per ordinary share*	**(59.16)p**	35.26p
Total return per ordinary share*	**(43.21)p**	50.11p
Final dividend per ordinary share**	**14.00p**	14.00p
Special dividend per ordinary share**	**2.00p**	1.00p
Total dividend per ordinary share**	**16.00p**	15.00p

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

** Proposed dividend for the year.

Year’s high/low		Year to 30 September 2015	Year to 30 September 2014
NAV	– high	**909.07p**	870.31p
	– low	**729.12p**	777.76p
Share price	– high	**843.50p**	794.50p
	– low	**665.00p**	690.00p
Share price discount to NAV			
	– low	**1.7%**	6.4%
	– high	**11.4%**	12.4%

Performance	Year to 30 September 2015	Year to 30 September 2014
NAV Total Return	**(5.5)%**	6.4%
FTSE All-World Europe ex UK Index Total Return*	**(1.8)%**	5.3%

* In sterling.

The NAV Total Returns are sourced from Edinburgh Partners and include dividends reinvested. The index performance figures are sourced from Thomson Reuters Datastream. Past performance is not a guide to future performance.

Cost of running the Company	Year to 30 September 2015	Year to 30 September 2014
Ongoing charges*	**0.63%**	0.61%

* Based on total expenses, excluding finance costs and certain non-recurring items, for the year and average monthly net asset value.

Portfolio of Investments

as at 30 September 2015

Rank 2015	Rank 2014	Company	Sector	Country	Valuation £'000	% of Net Assets 2015	% of Net Assets 2014
1	3	BNP Paribas	Financials	France	11,399	3.7	3.2
2	2	Roche*	Health Care	Switzerland	11,253	3.6	3.2
3	18	United Internet	Technology	Germany	11,080	3.5	2.6
4	–	Bayer	Basic Materials	Germany	10,880	3.5	–
5	6	PostNL	Industrials	Netherlands	10,732	3.4	3.1
6	5	Novartis	Health Care	Switzerland	10,649	3.4	3.1
7	13	Ryanair	Consumer Services	Ireland	10,446	3.3	2.7
8	10	ENI	Oil and Gas	Italy	10,037	3.2	2.9
9	27	Total	Oil and Gas	France	10,021	3.2	2.2
10	26	KPN	Telecommunications	Netherlands	9,675	3.1	2.3
11	17	GAM	Financials	Switzerland	9,596	3.1	2.6
12	8	Sanofi	Health Care	France	9,373	3.0	2.9
13	14	Prysmian	Industrials	Italy	9,301	3.0	2.7
14	11	Royal Dutch Shell A	Oil and Gas	Netherlands	8,999	2.9	2.9
15	–	DIA	Consumer Services	Spain	8,355	2.7	–
16	–	Stora Enso	Basic Materials	Finland	8,325	2.7	–
17	–	Telecom Italia	Telecommunications	Italy	8,294	2.7	–
18	28	Swedbank A	Financials	Sweden	8,244	2.6	2.1
19	12	Valeo	Consumer Goods	France	8,198	2.6	2.7
20	25	Unipol Gruppo Finanziario	Financials	Italy	8,157	2.6	2.3
21	38	Leoni	Industrials	Germany	8,064	2.6	1.5
22	–	Commerzbank	Financials	Germany	7,937	2.5	–
23	15	BBVA	Financials	Spain	7,804	2.5	2.7
24	–	E.ON	Utilities	Germany	7,699	2.5	–
25	–	DNB	Financials	Norway	7,532	2.4	–
26	–	Rocket Internet	Financials	Germany	7,485	2.4	–
27	29	SAP	Technology	Germany	7,482	2.4	2.1
28	–	Petroleum Geo-Services	Oil and Gas	Norway	7,350	2.4	–
29	31	Hexagon B	Technology	Sweden	7,268	2.3	2.1
30	30	ABB	Industrials	Switzerland	7,062	2.3	2.1
31	34	Aryzta	Consumer Goods	Switzerland	6,675	2.1	2.0
32	22	Piaggio	Consumer Goods	Italy	6,019	1.9	2.4
33	36	TDC	Telecommunications	Denmark	5,945	1.9	1.8
34	9	Delta Lloyd	Financials	Netherlands	5,916	1.9	2.9
35	24	Orange	Telecommunications	France	5,770	1.8	2.4
36	37	Outotec	Industrials	Finland	4,675	1.5	1.8
37	39	Ipsos	Consumer Services	France	4,531	1.5	1.5
Prior year investments sold during the year							30.3
Total equity investments					**308,228**	**98.7**	99.1
Cash and other net assets					**4,011**	**1.3**	0.9
Net assets					**312,239**	**100.0**	100.0

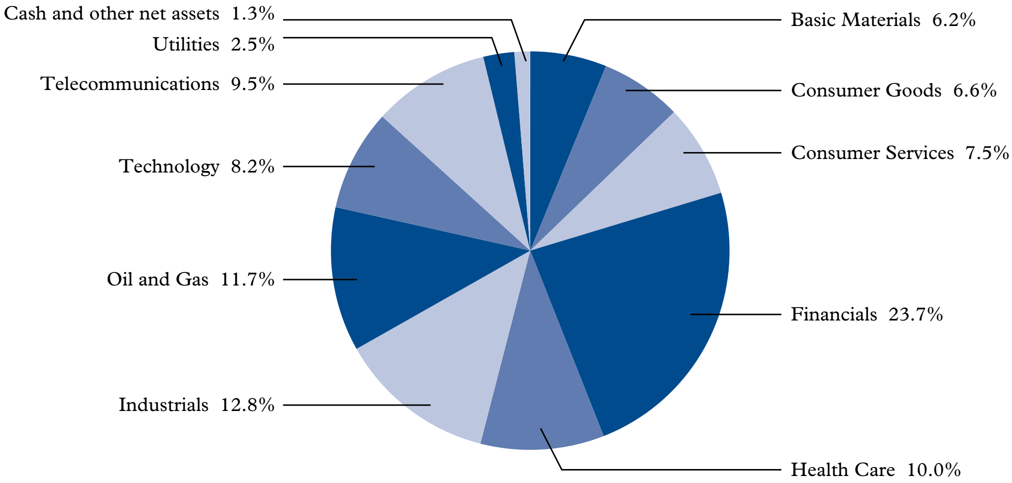
* The investment is in non-voting shares.

Of the ten largest portfolio investments as at 30 September 2015, the valuations at the previous year-end, 30 September 2014, were BNP Paribas £10,739,000; Roche £10,819,000; United Internet £8,704,000; Post NL £10,438,000; Novartis £10,482,000; Ryanair £9,036,000; ENI £9,747,000; Total £7,480,000; and KPN £7,778,000. Bayer was a new purchase made during the year ended 30 September 2015.

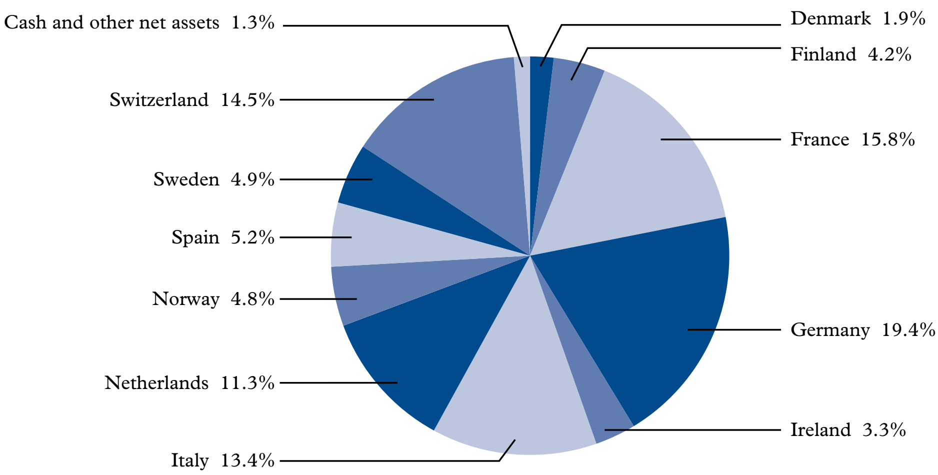
Distribution of Investments

as at 30 September 2015 (% of net assets)

Sector distribution



Geographical distribution



Directors and Investment Manager

Directors

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

Douglas C P McDougall OBE (Chairman)

Douglas McDougall is chairman of The Independent Investment Trust PLC and The Scottish Investment Trust PLC. He is a non-executive director of Herald Investment Trust plc, Pacific Horizon Investment Trust PLC and The Monks Investment Trust PLC. He was previously the chairman of The Law Debenture Corporation plc. He is a former senior partner of Baillie Gifford and Co and former chairman of IMRO and The Association of Investment Companies. He was appointed a Director of the Company in 1999, and became Chairman that year.

William D Eason

William Eason is Director of Charities at Quilter Cheviot Limited. He has been involved in the fund management business and private client investment management for over 30 years, mainly at Laing & Cruickshank. He is a director of Henderson International Income Trust plc and Regional REIT Limited and is a former chairman of Henderson High Income Trust plc. He was appointed a Director of the Company in 2007.

Michael B Moule (Senior Independent Director)

Michael Moule was an investment trust manager at Henderson Global Investors, where he managed two investment trusts until his retirement in 2003. He is chairman of Polar Capital Technology Trust plc and a member of the investment committee of the British Heart Foundation and The Open University. Previously he was a director of The Bankers Investment Trust PLC, Lowland Investment Company plc and Montanaro UK Smaller Companies Investment Trust PLC. He was appointed a Director of the Company in 2004.

Dr Michael T Woodward

Michael Woodward has worked in the investment trust industry for over 30 years, both as a European portfolio manager with Ivory & Sime and as the individual with responsibility for the management of the investment trust business at Martin Currie and F&C Asset Management. He is a non-executive director of R&H Fund Services Limited, a provider of administrative services to investment trusts and other collective funds. He was appointed a Director of the Company in 2013.

Investment Manager

Edinburgh Partners

The Investment Manager of the Company is Edinburgh Partners. Edinburgh Partners was founded in 2003 as a specialist investment management firm. It manages over £6 billion from institutional clients, including two investment trusts.

Dale Robertson BComm, CA, ASIP

The portfolio manager of the Company is Dale Robertson.

Dale Robertson has been an Investment Partner with Edinburgh Partners since its launch in 2003. He has research responsibility for the global chemical 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 for five years where he had responsibility for managing retail and institutional funds.

Strategic Report

The Strategic Report has been prepared in accordance with Section 414A of the Companies Act 2006 (the "Act"). Its purpose is to inform members of the Company and help them assess how the Directors have performed their legal duty under Section 172 of the Act to promote the success of the Company.

Chairman's Statement

Results

After the positive return seen in the prior year, the year under review was a more challenging period for investing in European equities, with much weaker markets in the final six months of our year, together with a currency headwind from a weaker euro. In the year to 30 September 2015, the net asset value ("NAV") per share of your Company decreased by 7.3% from 800.41p to 742.20p. After taking account of dividends paid in the year of 15.0p, the NAV total return was -5.5%. This compares with the total return of -1.8% from the FTSE All-World Europe ex UK Index, adjusted to sterling.

During the year, the Company's share price decreased by 10.1% from 748.75p to 673.00p. The share price discount to NAV per share, which had been over 18% within the previous two years, rose in the year under review from 6.5% to 9.3%. The share price total return, taking account of the 15.0p dividend paid in the year, was -8.3%.

From the appointment of Edinburgh Partners as Investment Manager on 1 February 2010, the share price total return to 30 September 2015 was 47.9% and the NAV total return 38.2%. This compares with the total return of 36.8% from the FTSE All-World Europe ex UK Index, adjusted to sterling.

Revenue

There was a 1.10p increase in revenue return per share in the year to 30 September 2015 from 14.85p to 15.95p, an increase of 7.4%. The Company continues to have a low ongoing charges ratio, despite there being an increase from 0.61% last year to 0.63% in the year to 30 September 2015.

Dividends

The Board recommends a final dividend of 14.0p per share and a special dividend of 2.0p per share, a total of 16.0p per share. The proposed total dividend of 16.0p compares with the prior year total dividend of 15.0p. For the prior year, the final dividend was 14.0p and a special dividend of 1.0p was paid. Our aim is to pay a final dividend which we regard as likely to be sustainable and to distribute any further earnings by way of a special dividend.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, these dividends will be paid on 29 January 2016 to shareholders on the register at the close of business on 8 January 2016. The ex-dividend date will be 7 January 2016.

Share buybacks

The Board has continued to monitor the discount at which the shares trade relative to the NAV per share. As detailed above in the Results section, there was an increase in the share price discount to NAV per share during the year under review. No share buybacks were made during the year.

The Directors will again propose at the forthcoming Annual General Meeting that the Company's powers to make purchases of up to 14.99% of its shares in issue be renewed.

Portfolio activity

The most significant sector change was in the consumer goods sector, where exposure was reduced from 15.9% to 6.6%. There was relatively little change in the country exposure of the portfolio. The most significant change was in Norway where, at the prior year-end, there was no exposure and there is now a 4.8% weighting, following the purchases of DNB and Petroleum Geo-Services.

The Company remained almost fully invested throughout the year and cash and other net assets remained at low levels, marginally increasing from 0.9% to 1.3% of net assets during the year. There was a reduction in the number of investments held from 41 to 37. For further commentary on portfolio activity, see the Investment Manager's Report on pages 9 and 10.

The Board

In reviewing Board composition during the year, the Board agreed that the appointment of an additional Director would assist with succession planning. After consideration of potential candidates, the Board is pleased to announce the appointment of Mr Michael MacPhee with effect from 1 January 2016. Mr MacPhee was until 2014 an investment partner in Baillie Gifford & Co., heading the firm's European Department from 2003 to 2008 and thereafter co-managing a global investment strategy. Having been called to the English Bar in 1987, he joined the firm in 1989 and from 1998 to 2014 he was the manager of Mid Wynd International Investment Trust plc. He therefore has an extensive knowledge of financial markets and of investment trusts in particular. The Board recommends a vote in favour of resolution number 5 contained in the Notice of Annual General Meeting for the election of Mr MacPhee as a Director of the Company.

Annual General Meeting

We hope that as many shareholders as possible will attend the Annual General Meeting, which will be held at 11.00 am on Tuesday, 26 January 2016 at Brewers' Hall, Aldermanbury Square, London EC2V 7HR. We look forward to meeting all shareholders who are able to attend.

Outlook

For much of the year under review, European equity markets favoured companies which have the lowest perceived earnings risk. The outperformance of these stocks was fuelled not by any material changes to their profits outlook, but by their valuations returning to historic relative peaks; this constituted a headwind for our relative performance. However, the Investment Manager believes that a significant number of the stocks within the portfolio remain undervalued and should rebound. We have therefore maintained or added to our positions in the majority of our underperforming stocks and are close to being fully invested.

Douglas McDougall
Chairman

25 November 2015

Investment Manager's Report

Economic and Market Overview

A consistent theme of the protracted recovery from the global financial crisis and the Eurozone crisis has been fragility. Immediately after these combined crises, the very construct of the Eurozone was vulnerable and it did not take much, either internally or externally, to damage economic and market confidence. However, in the first half of 2015, the Eurozone economy achieved close to trend economic growth at 1.8%. One encouraging aspect of Europe's economic performance is that, with Greek risks very much to the fore, the economy appeared to shrug off these concerns and respond to the stimulus which is in place. This stimulus comes primarily from monetary policy but is also aided by the lower oil price and currency. There was therefore optimism that the Eurozone was showing signs of increased resilience to the various risks it faces.

However, as the year progressed and with equity market valuations becoming elevated, worries about global economic growth started to appear. Although these concerns originated with China, they also encompassed the US economy, by now quite far advanced into its own economic growth cycle. The net effect of these factors is that Europe will end the year with a reasonable, albeit slightly sub-trend, year of economic growth. However, there is now more confidence in its ability to withstand negative influences.

In aggregate, European stock markets responded well to the improving growth but gave up these gains as the risks to growth became more apparent. Throughout the year, the markets continued to reward stocks which were delivering stable, predictable growth with ever higher valuations. This has led to what we regard as a significant valuation anomaly and, therefore, an opportunity.

Portfolio Strategy and Activity

At the heart of our investment approach at Edinburgh Partners is a very strong valuation discipline, an approach based on a traditional style of investing. In the current European stock market environment, a significant proportion of the market is trading at a valuation level which we feel is inconsistent with the profit growth these companies are able to sustain. This is the opportunity. We continued to rotate your portfolio away from companies with these characteristics towards companies where we feel expectations have become too depressed. This is usually due to a lack of visibility over the immediate future. A number of examples of portfolio activity during the year are detailed below.

Heineken is a solid company. It has a 60/40 sales exposure to developing/developed markets. Developed beer markets are not growing, but developing markets are. All things considered, we think it can grow its sales at 4% per annum. It operates in competitive markets, not just from other beer brands but also from spirits manufacturers. The company has been reporting the highest operating margins in its history. The valuation you are being asked to pay for this set of factors is a PE ratio of 22x consensus earnings. Quite simply, we think this is too high and this is why we sold the shares earlier in the year. During the period of our ownership of Heineken, the shares rose 99% and contributed 1.6% to the net asset value.

In the year under review, the disposals of BB Biotech, Danske Bank, GEA, Gerresheimer, Nutreco and Pirelli shared the same characteristics as the Heineken sale, namely a significant contribution to performance but the valuation had become too rich for the expected profit growth. As a consequence of these and other changes, health care sector exposure fell from 17.9% to 10.0% and consumer goods exposure from 15.9% to 6.6% during the year.

In October 2014, we purchased the shares of Rocket Internet when they became a public company. Rocket Internet gives the portfolio a diversified exposure to online consumer companies targeting the disruption of existing distribution channels. As many of its individual investments are at an early stage, they are still loss-making. This fact, combined with some poor communication and reporting to the stock market, contributed to a difficult year for the shares. However, the constant throughout is that their underlying businesses grew considerably and thus became more valuable as the year progressed. By the year-end, the shares were sitting at over a 40% discount to what we consider to be a conservative asset value. We bought shares throughout the year and consider the market's assessment of the company's value to be wrong.

A sector which has been out of favour but which we believe offers a very attractive risk/reward profile is oil and gas. The heart of the investment case in this sector is that a supply shortage of oil over the next few years looks to be possible. This could cause a sharp rise in the oil price and a rebound in the earnings of most companies operating in the sector. The reasons why we think this is probable include natural decline rates in oil wells, significant capital expenditure cuts, withdrawal of funding and the consequent reduction in productive capacity.

Throughout the year we added to our existing positions in the sector as well as buying two new oil-related positions, both in Norwegian companies. DNB is the largest bank in Norway and is a barometer of the health of the petro-dependent Norwegian economy. Petroleum Geo-Services provides marine seismic testing services for its clients. This is a cyclical service as customer spending depends on exploration activity. If the company can recover its margins back to normalised levels, it would be trading on a PE ratio of 4x potential recovered earnings. These positions will provide indirect and very direct exposure respectively to any recovery in the oil price and the Norwegian krone. The combined portfolio exposure to the sector at the year-end, including DNB, was 14.7%, compared to 8.0% at the previous year-end. It is worth noting the valuation disparity of Petroleum Geo-Services to Heineken, as this is illustrative of the valuation opportunities currently available in European stock markets.

Rocket Internet, our oil and gas sector exposure, and other positions initiated during the year have some form of nearer-term uncertainty over their outlook. However, our process compels us to take a longer-term view as well as providing us with an anchor on the valuation of a company. This gives us the confidence to keep buying when the market is taking a different short-term view.

One share where we realised a significant loss during the year was Volkswagen. As was widely reported, Volkswagen disclosed the fraudulent manipulation of emissions tests. The implications for the company go far beyond unquantifiable litigation and regulatory fines. The company will have to increase its research and development spending, provide additional dealer support and augment capital in its financial services arm as well as face challenges with its diesel engine line-up and general brand perception. In our estimation, the combined effect of these issues will significantly lower the long-term profit potential of the group and this is why we sold the shares.

Outlook

Whilst there is still significant monetary stimulus in place around the world, as well as a significant debt overhang, we expect conditions to be favourable for growth and the eventual return of inflation. This should be positive for the performance of the portfolio, which we have positioned for the value opportunities currently available within European stock markets. Your portfolio continues to be relatively fully invested.

Dale Robertson
Edinburgh Partners

25 November 2015

Other Statutory Information

Objective

The objective of the Company is to achieve long-term capital growth through a diversified portfolio of Continental European securities.

Strategy and business model

Investment policy

The Board believes that investment in the diverse and increasingly accessible markets of this region provides opportunities for capital growth over the long-term. At the same time, it considers the structure of the Company as a UK-listed investment trust, with fixed capital and an independent Board of Directors, to be well-suited to investors seeking longer-term returns.

The Board recognises that investment in some European countries can be riskier than in others. Investment risks are diversified through holding a wide range of securities in different countries and industrial sectors. No more than 10% of the value of the portfolio in aggregate may be held in securities in those countries which are not included in the FTSE All-World European indices.

The Board has the authority to hedge the Company's exposure to movements in the rate of exchange of currencies, principally the euro, in which the Company's investments are denominated, against sterling, its reporting currency. However, it is not generally the Board's practice to do this and the portfolio is not currently hedged.

No investments in unquoted stocks can be made without the prior approval of the Board. The level of gearing within the portfolio is agreed by the Board and should not exceed 20% in normal market conditions.

No more than 10% of the total assets of the Company may be invested in other listed investment companies (including investment trusts) except in such other investment companies which themselves have stated that they will invest no more than 15% of their total assets in other listed investment companies, in which case the limit is 15%.

The Investment Manager's compliance with the limits set out in the investment policy is monitored by the Board and the AIFM.

Investment strategy

Investments are selected for the portfolio only after extensive research, which the Investment Manager believes to be key. The whole process through which an equity must pass in order to be included in the portfolio is very 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 Company's Investment Manager believes 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. The portfolio will normally consist of 40 to 50 investments.

Business and status of the Company

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

The Company is registered as a public limited company and is an investment company within the terms of Section 833 of the Act. The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 ("CTA"), subject to there being no subsequent serious breaches of the regulations. In the opinion of the Directors, the Company has directed its affairs so as to enable it to continue to qualify for such approval.

The Company's shares have a premium listing on the Official List of the UK Listing Authority and are traded on the main market of the London Stock Exchange. The Company has a secondary listing on the New Zealand Stock Exchange.

The Company is a member of the AIC, a trade body which promotes investment companies and also develops best practice for its members.

Portfolio analysis

A detailed review of how the Company's assets have been invested is contained in the Investment Manager's Report on pages 9 and 10. A detailed list of all the Company's investments is contained in the Portfolio of Investments on page 4. The Portfolio of Investments details that the Company held 37 investments, excluding cash and other net assets, as at 30 September 2015, with the largest representing 3.7% of net assets, thus ensuring that the Company has a suitable spread of investment risk. A sector and geographical distribution of investments is shown on page 5.

Results and dividends

The results for the year are set out in the Income Statement on page 38 and the Reconciliation of Movements in Shareholders' Funds on page 40.

For the year ended 30 September 2015, the net revenue return attributable to shareholders was £6.7 million (2014: £6.2 million) and the net capital return was -£24.9 million (2014: £14.8 million). Total shareholders' funds decreased by 7.3% to £312.2 million (2014: £336.7 million).

Details of the dividends recommended by the Board are set out on page 7 and below.

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

In the year to 30 September 2015, the net asset value per share decreased by 7.3% from 800.41p to 742.20p. After taking account of dividends paid in the year of 15.0p, the net asset value total return was -5.5%. This compares with the total return of -1.8% from the FTSE All-World Europe ex UK Index, adjusted to sterling.

The net asset value total return since the appointment of Edinburgh Partners as Investment Manager on 1 February 2010 to 30 September 2015 was 38.2%. This compares with the total return of 36.8% from the FTSE All-World Europe ex UK Index, adjusted to sterling.

Share price

In the year to 30 September 2015, the Company's share price decreased by 10.1% from 748.75p to 673.00p. The share price total return, taking account of the 15.0p dividend paid in the year, was -8.3%.

Share price premium/discount to net asset value per share

The share price discount to net asset value per share widened from 6.5% to 9.3% in the year to 30 September 2015.

Revenue return per ordinary share

There was an increase in the revenue per share in the year to 30 September 2015 of 7.4% from 14.85p to 15.95p.

Dividends per ordinary share

The Directors are recommending a final dividend of 14.0p per ordinary share and a special dividend of 2.0p per ordinary share, making a total dividend of 16.0p per ordinary share. This compares with a prior year total dividend of 15.0p per ordinary share.

Ongoing charges

The Company continues to have low expenses. The ongoing charges ratio was 0.63% (2014: 0.61%) in the year to 30 September 2015.

The longer-term records of the key performance indicators are shown in the Ten Year Record on pages 55 and 56.

The Board also takes into consideration how the Company performs compared to other investment trusts investing in Europe.

Management Agreement

In order to comply with the Alternative Investment Fund Managers' Directive ("AIFMD"), the Company appointed Edinburgh Partners AIFM Limited as its AIFM with effect from 17 July 2014. Edinburgh Partners AIFM Limited has been approved as an AIFM by the UK's Financial Conduct Authority ("FCA"). With the approval of the Directors of the Company, the AIFM appointed Edinburgh Partners as Investment Manager to the Company pursuant to a delegation agreement with effect from 17 July 2014.

The AIFM receives a management fee of 0.55% per annum of the Company's equity market capitalisation, payable monthly in arrears.

The Management Agreement may be terminated by either party giving three months' written notice. No additional compensation is payable to the AIFM on the termination of this agreement other than the fees payable during the notice period. No performance fee will be paid. Further details relating to the agreement are detailed in note 3 of the Financial Statements on page 44.

The AIFM is required to make remuneration disclosures in respect of the AIFM's first relevant reporting period, the year ending 29 February 2016, and these will be made available in the Company's Annual Reports and Financial Statements issued after that date. The remuneration policy of the AIFM is available on request.

Continuing appointment of the AIFM

The Board keeps the performance of the AIFM under review through the Audit and Management Engagement Committee. As the AIFM has delegated the investment management function to Edinburgh Partners, the performance of the Investment Manager is also regularly reviewed. It is the opinion of the Directors that the continuing appointment of the AIFM on the terms agreed is in the interests of shareholders as a whole. The reasons for this view are that the long-term investment performance is satisfactory relative to that of the markets in which the Company invests and the approach of the Investment Manager is convincing. The remuneration of the AIFM is reasonable both in absolute terms and compared to that of managers of comparable investment companies. The Directors believe that by paying the management fee calculated on a market capitalisation basis, rather than a percentage of assets basis, the interests of the AIFM are more closely aligned with those of shareholders.

Risk management by the AIFM

As required under the AIFMD, the AIFM has established and maintains a permanent and independent risk management function to ensure that there is a comprehensive and effective risk management policy in place and to monitor compliance with risk limits. This risk policy covers the risks associated with the management of the investment portfolio, and the AIFM reviews and approves the adequacy and effectiveness of the policy on at least an annual basis, including the risk management processes and controls and limits for each risk area.

The AIFM sets risk limits that take into account the risk profile of the Company's investment portfolio, as well as its investment objectives and strategy. The AIFM monitors the risk limits, including leverage, and periodically assesses the portfolio's sensitivity to key risks.

The AIFM reviews risk limit reports at regular meetings of its Risk Committee.

Principal risks and uncertainties

The Board considers that the following are the principal financial risks associated with investing in the Company: investment and strategy risk, discount volatility risk, market risk (comprising interest rate risk, currency risk and price risk), liquidity risk, credit risk and gearing risk. An explanation of these risks and how they are managed and the policy and practice with regard to financial instruments are contained in note 18 of the Financial Statements on pages 51 to 54.

In addition, the Board also considers the following as principal risks:

Regulatory risk
Relevant legislation and regulations which apply to the Company include the Act, the CTA, the Listing Rules of the FCA and the AIFMD. A breach of the CTA could result in the Company losing its status as an investment trust and becoming subject to capital gains tax, whilst a breach of the Listing Rules of the FCA might result in censure by the FCA and suspension of the listing of the Company's shares on the London Stock Exchange.

At each Board meeting the status of the Company is considered and discussed, so as to ensure that all regulations are being adhered to by the Company and its service providers.

The Board is not aware of any breaches of laws or regulations during the year under review and up to the date of this report.

Operational risk
In common with most other investment companies, the Company has no employees. The Company therefore relies upon the services provided by third parties. There are a number of operational risks associated with the fact that third parties undertake the Company's administration, depositary and custody functions. The main risk is that the third parties may fail to ensure that statutory requirements, such as compliance with the Act and the Listing Rules of the FCA, are met.

The Board regularly receives and reviews management information from third parties which the Company Secretary compiles. In addition, each of the third parties provides a copy of its report on internal controls (ISAE 3402, SSAE 16 or equivalent) to the Board, through the Audit and Management Engagement Committee, each year to ensure that adequate controls are in place and are operating satisfactorily.

Other financial risk
It is possible that inappropriate accounting policies or failure to comply with current or new accounting standards may lead to a breach of regulations.

The AIFM employs independent administrators to prepare all financial statements and the Audit and Management Engagement Committee meets with the independent auditors at least once a year to discuss annual audit issues, including appropriate accounting policies.

The Board undertakes a robust annual assessment and review of all the risks stated above and in note 18 of the Financial Statements on pages 51 to 54, together with a review of any new risks which may have arisen during the year, including those that would threaten its business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk assessment matrix.

Internal financial control
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 systems of internal financial control during the year ended 30 September 2015, as set out on pages 27 and 28. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Leverage
Leverage is defined in the AIFMD as any method by which the Company increases its exposure, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The Company did not have any borrowings or use any derivative instruments during the year ended 30 September 2015.

In accordance with the detailed requirements of the AIFMD, leverage has been measured in terms of the Company's exposure, and is expressed as a ratio of net asset value. The AIFMD requires this ratio to be calculated in accordance with both the Gross Method and the Commitment Method. Details of these methods of calculation can be found by referring to the AIFMD. In summary, these methods express leverage as a ratio of the exposure of debt, non-sterling currency, equity or currency hedging and derivatives exposure against the net asset value. The principal difference between the two methods is that the Commitment Method enables derivative instruments to be netted off to reflect hedging arrangements and the exposure is effectively reduced, while the Gross Method aggregates the exposure.

The AIFMD introduced a requirement for the AIFM to set maximum levels of leverage for the Company. The Company's AIFM has set a maximum limit of 1.20 for both the Gross and Commitment Methods of calculating leverage. However, the AIFM anticipates that the figures are likely to be lower than this under normal market conditions. At 30 September 2015, the Company's Gross ratio was 1.02 and its Commitment ratio was 1.02. In accordance with the AIFMD, any changes to the maximum level of leverage set by the Company will be communicated to shareholders.

Depositary Agreement

The Board appointed Northern Trust Global Services Limited to act as its depositary (the "Depositary") under an agreement dated 22 July 2014 (the "Depositary Agreement"), to which the AIFM is also a party. The Depositary is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority. Custody services are provided by The Northern Trust Company (as a delegate of the Depositary). A fee of 0.01% per annum of the net assets of the Company, plus fees in relation to safekeeping and other activities undertaken to facilitate the investment activity of the Company, are payable to the Depositary. The Company and the Depositary may terminate the Depositary Agreement at any time by giving six months' written notice. The Depositary may only be removed from office when a new depositary is appointed by the Company.

Main trends and future development

A review of the main features of the year and the outlook for the coming year is to be found in the Chairman's Statement on pages 7 and 8 and the Investment Manager's Report on pages 9 and 10. The Board's main focus is on the investment return and approach, with attention paid to the integrity and success of the investment approach and on factors which may have an impact on this approach.

Forward-looking statements

This Strategic Report contains "forward-looking statements" with respect to the Company's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events that are beyond the Company's control. Factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to:

- Global economic conditions and equity market performance and prices, particularly those in Europe
- Changes in Government policies and monetary and interest rate policies worldwide, particularly those in Europe
- Changes to regulations and taxes worldwide, particularly in Europe
- Currency exchange rates
- Use of gearing
- The Company's success in managing its assets and business to manage the above factors.

As a result, the Company's actual future condition, performance and results may differ materially from the plans set out in the Company's forward-looking statements. The Company undertakes no obligation to update the forward-looking statements contained within this review or any other forward-looking statements it makes.

Employees, human rights and community issues

The Board recognises the requirement under Section 414C of the Act to detail information about employees, human rights and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply to the Company as it has no employees, all the Directors are non-executive and it has outsourced all its functions to third party service providers. The Company has therefore not reported further in respect of these provisions.

Gender diversity

As at 30 September 2015, the Board of Directors of the Company comprised four male Directors. The appointment of any new Director is made on the basis of merit.

Social, environmental and ethical policy

The Company seeks to invest in companies that are well-managed, with high standards of corporate governance, as the Directors believe this creates the proper conditions to enhance long-term value for shareholders. 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. 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 regulatory and legislative requirements, 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. To this end, voting decisions take into account corporate governance, including disclosure and transparency, board composition and independence, control structures, remuneration, social and environmental issues.

The day-to-day management of the Company's business has been delegated by the AIFM to the Company's Investment Manager, Edinburgh Partners, which has an Environmental, SRI and Corporate Governance ("ESG") policy in place, which can be found on its website at www.edinburghpartners.com.

The assessment of the quality of investee companies in relation to environmental considerations, socially responsible investment and corporate governance is embedded in the Investment Manager's stock selection process.

On behalf of the Board
Douglas McDougall
Chairman

25 November 2015

Directors' Report

Directors
The Directors in office during the year and at the date of this report are as shown on page 6.

Dividends
Details of the dividends recommended by the Board are set out in the Strategic Report on page 7.

Corporate governance
The Company's corporate governance statement is set out on pages 24 to 28, and includes details of the directors' and officers' liability insurance on page 28.

Share capital
The Company neither issued shares nor bought back shares for cancellation during the year ended 30 September 2015. As at 30 September 2015, and as at the date of this report, the Company had 42,069,371 ordinary shares of 25p each in issue.

At general meetings of the Company, on a poll, one vote is attached to each ordinary share in issue.

Substantial share interests
The Company has been informed of the following notifiable interests in the voting rights of the Company:

	30 September 2015		25 November 2015	
	No of shares	% of voting rights	No of shares	% of voting rights
Investec Wealth & Investment Limited	6,442,471	15.31	6,442,471	15.31
Wells Capital Management, Inc.	4,274,301	10.16	4,274,301	10.16
1607 Capital Partners, LLC	4,197,669	9.98	4,197,669	9.98

Related parties
The Directors' fees for the year are detailed in the Directors' Remuneration Report on page 21. Under the Statement of Recommended Practice issued by the AIC in January 2009 ("AIC SORP"), an investment manager is not considered to be a related party of the Company.

Information about securities carrying voting rights
The following information is disclosed in accordance with the Large and Medium-sized Companies and Groups (Accounting and Reports) Regulations 2008 and DTR 7.2.6 of the FCA's Disclosure and Transparency Rules.

- The Company's capital structure and voting rights are summarised on page 2 and above.
- Details of the substantial shareholders in the Company are listed above.
- An amendment to the Company's Articles of Association and the giving of powers to issue or buy back the Company's shares require the relevant resolutions to be passed by shareholders. The Board's current powers to issue and buy back shares and proposals for their renewal are detailed on pages 19 and 20.
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Requirements of the Listing Rules
Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 7 to 16. In addition, notes 18 and 19 of the Financial Statements on pages 51 to 54 include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its risk exposure. The Company's principal risks are detailed in the Strategic Report on pages 13 and 14. The Company's assets consist principally of a diversified portfolio of listed European equity shares, which in most circumstances are realisable within a short period of time and exceed its liabilities to creditors by a significant amount.

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.

Long-term Viability Statement

In accordance with the February 2015 revision to the AIC Code, the Directors have assessed the prospects of the Company over a longer period than the one year required by the 'Going Concern' provision of the Code. The Board considers that, for a company with an investment objective to achieve long-term capital growth through a diversified portfolio of Continental European securities, a period of five years is an appropriate period to consider for the purpose of the Long-term Viability Statement.

The Board has undertaken an assessment of its future prospects in order that the Directors may state that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

In making its assessment, the Board considered a number of factors, including those detailed below:

- the Company's current financial position;
- the principal risks the Company faces, as detailed on pages 13 and 14 of the Strategic Report;
- that the portfolio comprises principally of investments traded on major European stock markets and that there is a satisfactory spread of investments. There is no expectation that the nature of the investments held within the portfolio will be materially different in the future;
- that the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position;
- that the Company has no employees except for the Directors, who are all non-executive and consequently do not have redundancy or other employment-related liabilities or responsibilities;
- that European stock markets will continue to be a significant component of international stock markets and that investors will still wish to have an exposure to such investments;
- that there will continue to be a demand for closed-ended investment trusts from investors;
- that regulation will not increase to a level that makes the running of the Company uneconomical in comparison to other competitive products; and
- that the performance of the Company will continue to be satisfactory and, should performance be less than the Board considers to be acceptable, it has appropriate powers to replace the AIFM.

As a consequence of its assessment, the Board considers that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

Independent Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as independent Auditors to the Company and to authorise the Board to determine their remuneration will be put to shareholders at the forthcoming Annual General Meeting to be held on 26 January 2016.

The Directors confirm that, so far as they are each aware, there is no relevant 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.

Financial risk management

Information about the Company's financial risk management objectives and policies is set out in the Strategic Report on pages 13 and 14 and in note 18 of the Financial Statements on pages 51 to 54.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission-producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Annual General Meeting

The Notice of the forty-third Annual General Meeting to be held on 26 January 2016 is set out on pages 59 to 64.

Ordinary business

Shareholders are being asked to vote on various items of ordinary business, as listed below:

Resolution 1 – the receipt and adoption of the Strategic Report, Directors' Report and Auditors' Report and the audited Financial Statements for the year ended 30 September 2015;

Resolution 2 – the receipt and approval of the Directors' Remuneration Report;

Resolution 3 – the re-appointment of PricewaterhouseCoopers LLP as Auditors;

Resolution 4 – the authorisation of the Directors to determine the remuneration of the Auditors;

Resolutions 5 to 9 – the election/re-election of Directors; and

Resolutions 10 and 11 – the approval of the final and special dividends recommended by the Board.

Special business

In addition to the ordinary business, there are a number of items of special business, which are detailed below.

At the Annual General Meeting held on 20 January 2015, the Company was granted authority to purchase up to 14.99% of the Company's ordinary shares in issue at that date, being 6,306,198 ordinary shares. No shares have been bought back under this authority.

Resolution 12 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to purchase for cancellation up to 6,306,198 ordinary shares (being 14.99% of the issued share capital as at 25 November 2015, or if less, 14.99% of the issued share capital immediately following the passing of the resolution). In accordance with the Listing Rules of the FCA, the price paid for shares will be not less than 25p per ordinary share, and not more than the higher of (i) 5% above the average mid-market prices 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 (ii) the amount stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulations 2003 (being a price higher than the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out).

It is the Board's policy that purchases of shares will only be made through the market for cash at prices below the prevailing net asset value of the shares. The authority will be used where the Directors consider it to be in the best interests of shareholders and the Company. Shares purchased will be cancelled. The authority, if given, will lapse at the conclusion of the Company's next Annual General Meeting after the passing of this resolution (which must be held no later than 31 March 2017).

Resolution 13 (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 £3,505,780, representing 14,023,120 ordinary shares (being approximately one-third of the issued share capital as at 25 November 2015) in accordance with statutory pre-emption rights. In addition, in accordance with the guidance from the Investment Association on the expectations of institutional investors in relation to the authority of directors to allot shares, paragraph (b) of Resolution 13 will authorise the Directors to allot additional ordinary shares up to a maximum nominal amount of £3,505,780, which is approximately a further one-third of the issued share capital as at the date of this report. However, the Directors will only be able to allot those shares for the purpose of a rights issue in which the new shares are offered to shareholders in proportion to their then shareholdings. The Company holds no shares in treasury. The authority, if given, will lapse at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 March 2017). 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 14 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to issue shares (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions), and (iii) to persons other than existing shareholders up to an aggregate nominal value of £525,867, representing 2,103,468 ordinary shares (being approximately 5% of the issued share capital as at 25 November 2015) without first having to offer such shares to existing shareholders. The authority, if given, will lapse at the conclusion of the Company's next Annual General Meeting after the passing of this resolution (which must be held no later than 31 March 2017). 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 15 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the approval to convene all general meetings of the Company, other than annual general meetings, on a minimum of 14 clear days' notice. The notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's next Annual General Meeting, when it is intended that renewal will be sought. The Directors will only call general meetings on 14 clear days' notice where they consider it in the best interests of shareholders to do so and the relevant matter requires to be dealt with expediently.

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
Company Secretary

25 November 2015

Directors' Remuneration Report

The Directors submit this Report in accordance with the requirements of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Report) (Amendment) Regulations 2013.

The law requires the 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 32 to 37.

Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2015.

The Board consists of independent non-executive Directors. Given the size of the Board, it is not considered appropriate for the Company to establish a separate remuneration committee, and the matter of remuneration of the Directors is therefore dealt with by the Board as a whole.

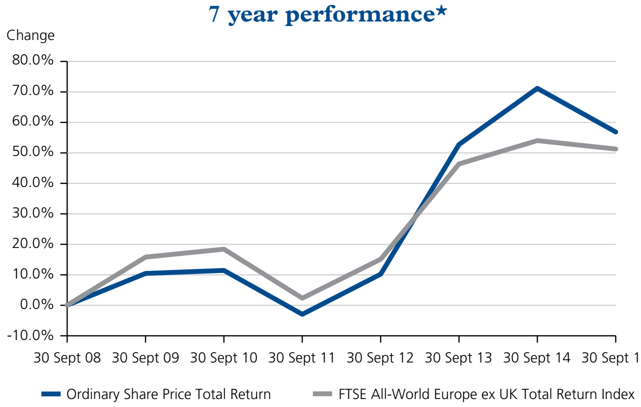
During the year ended 30 September 2015, the annual fees were set at the rate of £30,000 for the Chairman and £20,000 for the other Directors, with an additional payment of £1,500 to the Chairman of the Audit and Management Engagement Committee. The fees payable to the Directors in respect of subsequent financial periods will be determined following an annual review, as detailed in the Directors' Remuneration Policy on page 23. Directors' fees were last increased on 1 October 2014. Following the annual review, no increase to Directors' fees is proposed for the year ending 30 September 2016.

An Ordinary Resolution will be put to shareholders at the forthcoming Annual General Meeting to receive and approve the Directors' Remuneration Report.

Your Company's performance

The graph below compares the share price total return (assuming all dividends are reinvested) to shareholders, compared to the FTSE All-World Europe ex UK Total Return Index, adjusted to sterling. This index is considered to be an appropriate and relevant benchmark against which the Company's long-term performance is measured.

7 year performance*



Source: Edinburgh Partners

* Prior to 1 February 2010, the Investment Manager was F&C Management Limited.

Directors' emoluments for the year ended 30 September 2015 (audited)

The Directors who served in the year were entitled to the following emoluments in the form of fees:

	Fees		Total	
	Year to 30 September 2015	Year to 30 September 2014	**Year to 30 September 2015**	Year to 30 September 2014
Douglas McDougall (Chairman)	**£31,500**	£29,500	**£31,500**	£29,500
William Eason	**£20,000**	£19,000	**£20,000**	£19,000
Michael Moule	**£20,000**	£19,000	**£20,000**	£19,000
Michael Woodward	**£20,000**	£19,000	**£20,000**	£19,000
	£91,500	£86,500	**£91,500**	£86,500

Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 30 September 2015 and the preceding financial year:

a) the remuneration paid to the Directors; and

b) the distributions made to shareholders by way of dividend.

	Year ended 30 September 2015	Year ended 30 September 2014	Change
Total remuneration	**£91,500**	£86,500	5.8%
Dividend	**£6,310,406**	£7,572,487	(16.7)%

Directors' interests (audited)

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

The interests of the Directors and any connected persons in the ordinary shares of the Company are set out below:

	30 September 2015	30 September 2014
	Beneficial	Beneficial
Douglas McDougall	**10,000**	10,000
William Eason	**10,000**	10,000
Michael Moule	**7,500**	7,500
Michael Woodward	**5,000**	3,634

There have been no changes to these holdings between 30 September 2015 and the date of this report.

None of the Directors nor any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

Voting

The Directors' Remuneration Report for the year ended 30 September 2014 and the Directors' Remuneration Policy were approved by shareholders at the Annual General Meeting held on 20 January 2015 and on 14 January 2014 respectively. The votes cast by proxy were as follows:

	Directors' Remuneration Report (2015 AGM)		**Directors' Remuneration Policy (2014 AGM)**	
	Number of votes	**% of votes cast**	**Number of votes**	**% of votes cast**
For	18,186,410	97.74%	18,010,263	98.19%
Against	370,448	1.99%	283,719	1.55%
At Chairman's discretion	50,881	0.27%	48,187	0.26%
Total votes cast	**18,607,739**	**100.00%**	**18,342,169**	**100.00%**
Number of votes withheld	140,785		55,853	

The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting held on 14 January 2014. It will be put to shareholders' vote at least once every three years and in any year if there is to be a change in the Directors' Remuneration Policy. There is no change in the way the Directors' Remuneration Policy will be implemented during the course of the next financial year, the year ending 30 September 2016. Fees for any new Director will be made on the basis of the below Directors' Remuneration Policy.

Directors' Remuneration Policy

The Company follows the recommendation of the AIC Code of Corporate Governance that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent on the Company's affairs. The Board's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, and be determined with reference to comparable organisations and appointments.

The Board has set three levels of fees: one for the Chairman, one for other Directors, and an additional fee that is paid to the Director who chairs the Audit and Management Engagement Committee. Fees are reviewed annually in accordance with the above policy.

	Expected fees for year to 30 September 2016	Fees for year to 30 September 2015
Chairman basic fee	**£30,000**	£30,000
Non-executive Director basic fee	**£20,000**	£20,000
Additional fee for chairman of the Audit and Management Engagement Committee	**£1,500**	£1,500
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	**£150,000**	£150,000

The total aggregate annual fees payable to the Directors in respect of any financial period shall not exceed £150,000, as set out in the Company's Articles of Association. Any increase in this limit would require approval of shareholders.

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits, as the Board does not consider such arrangements or benefits necessary or appropriate for non-executive Directors.

It is intended that the Company's policy when determining the duration of notice periods and termination payments under the Directors' letters of appointment will be based on prevailing best practice guidelines. Under the Directors' letters of appointment, there is a notice period of one month and no compensation is payable to a Director on leaving office.

Directors' service contracts

The Company does not enter into service contracts with its Directors. Instead, the Company has a policy of entering into a letter of appointment with each of its Directors, as detailed above, copies of which are available on request from the Company Secretary. No compensation is payable in the event of a takeover bid.

Approval

The Directors' Remuneration Report was approved by the Board on 25 November 2015 and signed on its behalf by:

Douglas McDougall
Chairman

Corporate Governance

Statement of Compliance with the AIC Code of Corporate Governance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"), published in February 2015, both of which can be found on the AIC website: www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles detailed in the UK Corporate Governance Code, published in September 2014 and applicable for financial years beginning on or after 1 October 2014, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment trust. The Board considers that reporting by reference to the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. A copy of the UK Corporate Governance Code can be found at www.frc.org.uk. Investors in New Zealand should note that the corporate governance rules and principles applicable to the Company in the UK may differ materially from those of the New Zealand Stock Exchange's Corporate Governance Best Practice Code.

The Financial Reporting Council ("FRC"), the UK's independent regulator for corporate reporting and governance responsible for the UK Corporate Governance Code, has endorsed the AIC Code and the AIC Guide. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code and the AIC Guide meet fully their obligations under the UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

The Board considers that it has managed its affairs throughout the year ended 30 September 2015 in compliance with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, to the extent they are relevant to the Company's business, except as set out below:

- The Audit and Management Engagement Committee comprises all Directors of the Company. Given the small size of the Board, it is deemed both proportionate and practical for all Directors to be on the Audit and Management Engagement Committee.
- The Board believes it is appropriate for the Chairman of the Company, Douglas McDougall, to chair the Audit and Management Engagement Committee because it does not believe that the provisions of the AIC Code relating to Audit Committees are appropriate to an investment company with a small Board comprised wholly of independent, non-executive Directors. It believes that Douglas McDougall provides a valuable contribution to the Audit and Management Engagement Committee and that his chairmanship enhances the operation of the Committee.
- The Company has no executive Directors and no employees and consequently does not have a remuneration committee. The Directors' Remuneration Report on pages 21 to 23 provides information on the remuneration arrangements for the Directors of the Company. If required, the Chairman will engage with shareholders on issues relating to Directors' remuneration.
- The Board is formed entirely of non-executive Directors and, being small in size, operates without a nomination committee.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive; and
- executive directors' remuneration.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment trust. The Company has therefore not reported further in respect of these provisions.

Board of Directors

Under the leadership of the Chairman, the Board is responsible for the effective stewardship of the Company's affairs, including corporate strategy, corporate governance, risk assessment and overall investment policy. The Board consists of four non-executive Directors whose individual knowledge and experience provide a balance of skills and expertise relevant to the Company and they consider that they commit sufficient time to the Company's affairs. Michael Moule is the Senior Independent Director. Brief biographical details of the Directors can be found on page 6.

The Chairman is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. Mr McDougall considers himself to have sufficient time to commit to the Company's affairs.

A process of performance evaluation, including a review of the independence of the Directors, has been undertaken by which the performance of the Chairman, each Director, the Audit and Management Engagement Committee and the Board as a whole has been evaluated in respect of the year ended 30 September 2015. 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 and was led by the Senior Independent Director. As a result of the evaluation, the Board considers that all the current Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company. The performance evaluation process is carried out on an annual basis. The Board does not consider that in this case the use of external consultants to conduct this evaluation is likely to provide any meaningful advantage over the process that has been adopted. However, the option of doing so will be regularly reviewed.

The Board regularly reviews its composition and effectiveness. As part of its review, it considers succession planning, identifying the skills and experience required to meet the future opportunities and challenges facing the Company and those individuals who might best provide them. The appointment of a new Director would be on the basis of a candidate's merits. The Company does not have a specific diversity policy, but diversity is one of the factors that would be taken into account when making a new appointment.

The Board has determined that some refreshment of the Board would be beneficial and the Directors considered the desired background and expertise to complement the skills currently on the Board. As explained in the Chairman's Statement on page 8, after evaluating a number of prospective candidates, the Board is recommending the election of Mr MacPhee by shareholders at the forthcoming Annual General Meeting. The Board did not consider it necessary to advertise nor to employ the services of an external recruitment consultant.

The Board has agreed a procedure for the induction and training of new Board appointees and training is provided as required.

The Directors of the Company meet formally at least five times a year to review and receive reports on a full range of relevant matters, including investments, marketing, administration and risks. In addition, meetings are held on an ad-hoc basis as required. 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.

The Board delegates decisions regarding the day-to-day investment of the Company's portfolio to the AIFM, which has delegated this responsibility to the Investment Manager. Representatives from the AIFM and the Investment Manager are invited to Board meetings to provide reports on investments, financial, marketing, operational and administrative matters. The AIFM is authorised by the Board to exercise the Company's voting rights in respect of those investments held in the portfolio. The AIFM has delegated this responsibility to the Investment Manager.

Election/re-election of Directors

Mr MacPhee will be standing for election at the forthcoming Annual General Meeting. The Board believes that Mr MacPhee has the skills and experience required to meet the future opportunities and challenges facing the Company and therefore recommends that shareholders vote in favour of his election.

It is the Company's policy for all Directors to stand for re-election annually. Each of the Directors has made a valuable and effective contribution to your Company and the Board therefore recommends that shareholders vote in favour of their re-election.

Directors' independence

The Board regularly reviews the independence of its members in accordance with current guidelines. The Board considers that length of service does not necessarily compromise the independence or contribution of directors of investment trust companies, where experience and continuity can be a significant strength. Therefore no limit has been imposed on the length of service of any Director. The Board believes that its four non-executive Directors, including Douglas McDougall and Michael Moule, who have served as Directors for 16 years and 11 years respectively, are independent in character and judgement.

Board Committees

The Board has established an Audit and Management Engagement Committee to assist with its operations. The terms of the delegated responsibilities are clearly defined in formal terms of reference, copies of which are available from the Company's Registered Office and on the Company's website. The Committee meets formally at least twice a year and consists of William Eason, Michael Moule, Michael Woodward and Douglas McDougall, who is Chairman. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit and Management Engagement Committee.

The Report from the Audit and Management Engagement Committee is set out on pages 29 and 30.

Meeting attendance

	Board		Audit and Management Engagement Committee	
	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended
Douglas McDougall	5	5	3	3
William Eason	5	4	3	2
Michael Moule	5	5	3	3
Michael Woodward	5	5	3	3

Mr Eason was unable to attend one Board meeting and one Audit and Management Engagement Committee meeting, held on the same day, due to illness.

In addition to the above formal meetings of the Board and Audit and Management Engagement Committee, additional ad-hoc meetings have been held as required.

Conflicts of interest

A Director must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict"). The Company's Articles of Association give the Directors authority to approve such situations, where appropriate. It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from properly performing his duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

Internal control review

The Directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing their effectiveness on an annual basis.

In accordance with the guidance of the FRC on risk management and internal controls, a process has been implemented for identifying, evaluating and managing risks faced by the Company. This process has been in place throughout the year ended 30 September 2015 and up to the date the Financial Statements were approved, and is regularly reviewed. Key procedures established with a view to providing effective financial control have also been in place for the year ended 30 September 2015 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 the AIFM, to provide administrative services to the Company. In performing its functions, the AIFM delegates certain administrative tasks to third parties. The Company has obtained from the AIFM 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;
- details of the "whistle blowing" policy in place; and
- assurances that appropriate bribery risk and anti-corruption policies are in place to ensure compliance with the Bribery Act 2010.

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

- investment management is provided by Edinburgh Partners. The Board is responsible for setting the overall investment policy and, together with the AIFM, monitors the actions of the Investment Manager at regular Board meetings;
- administration and company secretarial duties for the Company are performed by the AIFM. Kenneth J Greig, a director of the AIFM and the Investment Manager, is the Company Secretary, and Capita Sinclair Henderson Limited provides certain accounting, administrative and secretarial support services to the AIFM;
- depositary services are provided by Northern Trust Global Services Limited and custody of assets is undertaken by The Northern Trust Company;
- 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 and the Board monitors their 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 the AIFM and Capita Sinclair Henderson Limited in detail on a regular basis.

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 the AIFM.

Independent professional advice, insurance and indemnity

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, which includes cover of defence expenses. Directors' and officers' liability insurance was in force during the year ended 30 September 2015 and at the date of this report.

The Company's Articles of Association provide the Directors of the Company, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. On 14 December 2006, the Company entered into a deed poll providing the Directors with indemnities against liability to third parties arising in connection with any negligence, default, breach of duty or breach of trust by the Directors (such indemnities being qualifying third party indemnities and providing for the funding of defence costs, in each case as permitted under the Act). No such indemnity is provided in relation to a liability incurred by a Director to the Company in respect of proceedings in which he is convicted or a liability to pay a fine is imposed in criminal proceedings or by a regulatory authority. Any funding provided to a Director who is not exonerated must be repaid. Save for these, there are no qualifying third party indemnity provisions in force.

The Company Secretary

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

The Depositary

As detailed on page 15, the Company's Depositary is Northern Trust Global Services Limited under an agreement dated 22 July 2014. The Depositary is responsible for the safekeeping of all custodial assets of the Company, for verifying ownership and maintaining a record of all other assets of the Company and for the collection of income that arises from those assets. It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the FCA's Investment Funds Sourcebook ("FUND") and the Company's Articles of Association.

Dialogue with shareholders

Communication with shareholders is given a high priority by both the Board and the AIFM. A regular dialogue is maintained with the Company's institutional shareholders and private client asset managers through the AIFM, which regularly reports to the Board on any such contact, the views of shareholders and any changes to the composition of the share register. All shareholders are encouraged to attend and vote at the Annual General Meeting and at any general meetings, during which the Board and the Investment Manager are available to discuss issues affecting the Company. Details of all the resolutions being proposed at this year's Annual General Meeting are set out in the Notice on pages 59 to 64. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the Registered Office address. The Chairman is available throughout the year to respond to shareholders and to visit them in their offices if shareholders wish to speak with him in person.

Copies of the Half-Yearly Reports and Annual Reports and Financial Statements are dispatched to shareholders by mail and are also available for downloading from the Company's website: www.theeuropeaninvestmenttrust.com.

By order of the Board
Kenneth J Greig
Company Secretary

25 November 2015

Report from the Audit and Management Engagement Committee

The Audit and Management Engagement Committee Report for the year ended 30 September 2015 is set out below.

Role of the Audit and Management Engagement Committee

The primary responsibilities of the Committee are:

- to review the integrity and contents of the Company's Annual Report and Financial Statements and accounting policies;
- to advise the Board, where requested, on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to consider compliance with regulatory and financial reporting requirements;
- to review the Company's internal control and risk management systems;
- to review annually the need for the Company to have its own internal audit function;
- to consider the independence and objectivity of the Auditors and the effectiveness of the audit;
- to make recommendations to the Board in relation to the appointment and remuneration of the Auditors; and
- to review annually the performance of third party service providers.

Matters considered during the year

During the year ended 30 September 2015, the Committee met three times and each Director's attendance at these meetings is set out in the table on page 26. The Committee has:

- reviewed the internal controls and risk management systems of the Company and its third party service providers;
- agreed the audit plan with the Auditors, including the principal areas of focus;
- received and discussed with the Auditors their report on the results of the audit; and
- reviewed the Company's Annual Report and Financial Statements and advised the Board accordingly.

The Committee has direct access to the Auditors, PricewaterhouseCoopers LLP, who attend the relevant Committee meeting to report on the audit of the Company and its review of the Annual Report and Financial Statements. The Committee has the opportunity to meet with the Auditors without the AIFM and the Investment Manager being present.

The significant issues considered by the Committee in relation to the Annual Report and Financial Statements were:

(a) *Valuation of investments*

During the year, the Committee held discussions with the AIFM and the Investment Manager about the valuation process of the Company's investments and the systems in place to ensure the accuracy of these valuations, particularly in view of the fact that investments represent the principal element of the net asset value as detailed in the Balance Sheet on page 39.

(b) *Accuracy and completeness of revenue and expenses*

The Committee considered the accuracy and completeness of dividend income, management fees, other expenses and taxation charges, recognised in the Financial Statements. Incomplete or inaccurate revenue, expense or taxation recognition could have a material impact on the Company's net asset value.

(c) *Internal controls*

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures. The Committee discussed whether it would be appropriate to establish an internal audit function, and agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient.

The Committee has reviewed and updated, where appropriate, the Company's risk assessment. This is done on an annual basis.

(d) *Going concern and long-term viability*

The Committee considered the Company's financial requirements for the forthcoming year and over a longer period of five years in line with the new AIC Code of Corporate Governance and concluded that the Company had adequate resources to continue in operation and meet its liabilities as they fall due both for the forthcoming year and over the next five years.

Following the consideration of the above issues and its detailed review, the Committee was of the opinion that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy and advised the Board accordingly.

The Committee monitors and reviews the effectiveness of the external audit process for the Annual Report and Financial Statements and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor.

The Company's management functions are delegated to the AIFM, who has delegated the management of the Company's investment portfolio to the Investment Manager. The Committee has considered the performance of the AIFM, the terms of its engagement and the continued appointment of the AIFM and made recommendations to the Board. The Committee also reviewed the performance of the Investment Manager on a regular basis during the year.

Audit fees and non-audit services

An audit fee of £20,300 has been agreed in respect of the audit for the year ended 30 September 2015 (2014: £19,800). Details of the fees paid to the Auditors are set out in note 4 of the Financial Statements on page 44.

All non-audit work proposed to be carried out by the Auditors must be approved by the Committee in advance to ensure that auditor objectivity and independence is safeguarded, and the Auditors may be excluded from carrying out certain types of non-audit work. No non-audit services were provided during the year ended 30 September 2015.

Independence and objectivity of the Auditor

PricewaterhouseCoopers LLP has been the Auditor of the Company since 18 September 1998, and is the successor firm of the previous auditors, Price Waterhouse, following its merger with Coopers and Lybrand. Rotation of the audit partner takes place every five years in accordance with Ethical Standard 3: 'Long Association with the Audit Engagement' of the Auditing Practices Board. There are no contractual obligations that would restrict the Committee in selecting an alternative external auditor. No tender for the audit of the Company has been undertaken. The Committee regularly considers the need to put the audit out to tender, the Auditors' fees and independence, along with matters raised during each audit.

Under the reforms to legislation in respect of mandatory rotation of audit firms, the Company is required to rotate auditors by 2020 and to undertake a tender process at the point of rotation. The Committee will consider the impact of this reform and ensure the Company adheres to the new regulations.

Re-appointment of the Auditor

Following consideration of the performance of the Auditors, the service provided during the year and a review of their independence and objectivity, the Committee recommended to the Board the re-appointment of PricewaterhouseCoopers LLP as Auditors to the Company.

Douglas McDougall
Chairman of the Audit and Management Engagement Committee

25 November 2015

Management Report and Statement of Directors' Responsibilities in Relation to the Annual Report and Financial Statements

Management report

Listed companies are required by the FCA'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 detailed in the Strategic Report on pages 7 to 16, including the Chairman's Statement on pages 7 and 8 and the Investment Manager's Report on pages 9 and 10. Therefore no separate management report has been included.

Statement of Directors' responsibilities

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 year. Under that law, the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) ("UK GAAP"). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they 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 judgements and accounting 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 respectively; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Act and include the information required by the Listing Rules of the FCA. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names are set out on page 6, confirms that, to the best of his knowledge:

- the Financial Statements, which have been prepared in accordance with UK GAAP, give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Strategic Report 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 Annual Report and Financial Statements, taken as a whole, are considered by the Board to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Douglas McDougall
Chairman

25 November 2015

Independent Auditors' Report
to the Members of The European Investment Trust plc
for the year ended 30 September 2015

Report on the Financial Statements

Our opinion

In our opinion, The European Investment Trust plc's Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2015 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The Financial Statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 September 2015;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Reconciliation of Movement in Shareholders' Funds for the year then ended; and
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the Financial Statements. These are cross-referenced from the Financial Statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview

Materiality:

- Overall materiality: £3.1m, which represents 1% of net assets.

Audit scope:

- The Company is a standalone Investment Trust Company and engages Edinburgh Partners AIFM Limited (the "AIFM") to manage its assets. The AIFM has delegated the function of managing the Company's investment portfolio to Edinburgh Partners Limited (together "Edinburgh Partners").
- We conducted our audit of the Financial Statements at Capita Sinclair Henderson Limited (the "Administrator") to whom the AIFM has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

Areas of focus:

- Income from investments.
- Valuation and existence of investments.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the Financial Statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the Financial Statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	**How our audit addressed the area of focus**
Income from investments *Refer to pages 29 and 30 (Audit and Management Engagement Committee Report), pages 42 and 43 (Accounting Policies) and page 44 (note 2 – Income).* ISAs (UK & Ireland) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve capital growth in line with the objective of the Company. We considered this risk to specifically relate to the risk of overstating unrealised gains and the misclassification of dividend income as capital rather than revenue. We focused on the valuation of investments with respect to unrealised income (see below) and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of the Association of Investment Companies' Statement of Recommended Practice (the "AIC SORP"). This is because incomplete or inaccurate income could have a material impact on the Company's net asset value. Capital losses in the year amounted to £24.9m. Dividend income totalled £9.5m.	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year-end (see below), together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. No misstatements were identified by our testing. We understood and assessed the design and implementation of key controls surrounding income recognition. In addition, we tested dividend receipts by agreeing the dividend rates from a sample of investments to independent third party sources. No misstatements were identified by our testing. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared by a sample of investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP.

Area of focus	How our audit addressed the area of focus
Valuation and existence of investments *Refer to pages 29 and 30 (Audit and Management Engagement Committee Report), pages 42 and 43 (Accounting Policies) and page 47 (note 9 – Listed investments).* The investment portfolio at the year-end comprised listed equity investments valued at £308m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the Financial Statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from The Northern Trust Company. No differences were identified.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the types of investments within the Company, the involvement of the AIFM and Administrator, the accounting processes and controls, and the industry in which the Company operates.

The Company's accounting is delegated by the AIFM to the Administrator who maintain their own accounting records and controls and report to the AIFM and the Directors.

As part of our risk assessment, we assessed the control environment in place at both the AIFM and the Administrator to the extent relevant to our audit. This assessment involved obtaining and reading the relevant control reports, issued by the independent auditor of Edinburgh Partners and the Administrator in accordance with generally accepted assurance standards for such work, to gain an understanding of the control environment at both Edinburgh Partners and the Administrator and to consider the operating and accounting structure at both Edinburgh Partners and the Administrator. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the Financial Statements.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the Financial Statements as a whole.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Overall materiality	£3.1m (2014: £3.4m).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We agreed with the Audit and Management Engagement Committee that we would report to them misstatements identified during our audit above £156,000 (2014: £168,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors’ statement, set out on pages 17 and 18, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are also required to report to you if we have anything material to add or to draw attention to in relation to the Directors’ statement about whether they considered it appropriate to adopt the going concern basis in preparing the Financial Statements. We have nothing material to add or to draw attention to.

As noted in the Directors’ statement, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the Financial Statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the Financial Statements were signed. As part of our audit we have concluded that the Directors’ use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company’s ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinions

In our opinion:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Statement as set out on pages 26 to 28 with respect to internal control and risk management systems and in the Directors’ Report on page 17 about share capital structures is consistent with the Financial Statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	

• information in the Annual Report is:
  • materially inconsistent with the information in the audited financial statements; or
  • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
  • otherwise misleading.
	We have no exceptions to report.

• the statement given by the Directors on page 31, in accordance with provision C.1.1 of the UK Corporate Governance Code (the “Code”), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company’s performance, business model and strategy is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on pages 29 and 30, as required by provision C.3.8 of the Code, describing the work of the Audit and Management Engagement Committee does not appropriately address matters communicated by us to the Audit and Management Engagement Committee.	We have no exceptions to report.

The Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:	
• the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the Directors' explanation in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.
Under the Listing Rules we are required to review the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company, set out on page 14, and the Directors' statements in relation to the longer-term viability of the Company, set out on page 18. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.	

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from these responsibilities.

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibilty.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

25 November 2015

Notes:

(a) The maintenance and integrity of The European Investment Trust plc website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement
for the year ended 30 September 2015

	Notes	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
(Losses)/gains on investments at fair value	9	**–**	**(23,876)**	**(23,876)**	–	15,612	15,612
Foreign exchange losses		**(41)**	**(1,012)**	**(1,053)**	(60)	(779)	(839)
Income	2	**9,540**	**–**	**9,540**	9,528	–	9,528
Management fee	3	**(1,785)**	**–**	**(1,785)**	(1,752)	–	(1,752)
Other expenses	4	**(417)**	**–**	**(417)**	(367)	–	(367)
Net return before finance costs and taxation		**7,297**	**(24,888)**	**(17,591)**	7,349	14,833	22,182
Finance costs	5	**(16)**	**–**	**(16)**	(95)	–	(95)
Net return before taxation		**7,281**	**(24,888)**	**(17,607)**	7,254	14,833	22,087
Tax on ordinary activities	6	**(573)**	**–**	**(573)**	(1,008)	–	(1,008)
Net return attributable to shareholders		**6,708**	**(24,888)**	**(18,180)**	6,246	14,833	21,079
		pence	**pence**	**pence**	pence	pence	pence
Return per ordinary share*	8	**15.95**	**(59.16)**	**(43.21)**	14.85	35.26	50.11

* Based on the weighted average number of shares in issue during the year. The return per ordinary share is both the basic and diluted return per ordinary share.

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

The total column of this statement is the Profit and Loss Account of the Company. The revenue and capital columns are prepared under guidance published by the 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.

The notes on pages 42 to 54 form part of these Financial Statements.

Balance Sheet

as at 30 September 2015

	Notes	2015 £'000	2014 £'000
Fixed assets investments:			
Investments at fair value through profit or loss	9	**308,228**	333,696
Current assets:			
Debtors	11	**2,722**	784
Cash at bank and short-term deposits		**8,451**	5,026
		11,173	5,810
Current liabilities:			
Creditors: amounts falling due within one year	12	**7,162**	2,777
Net current assets		**4,011**	3,033
Net assets		**312,239**	336,729
Capital and reserves:			
Called-up share capital	13	**10,517**	10,517
Share premium account		**123,749**	123,749
Capital redemption reserve		**8,294**	8,294
Capital reserve		**158,690**	183,578
Revenue reserve		**10,989**	10,591
Total equity shareholders' funds		**312,239**	336,729
		pence	pence
Net asset value per ordinary share*	14	**742.20**	800.41

* The net asset value per ordinary share is both the basic and diluted net asset value per ordinary share.

The Financial Statements on pages 38 to 54 were approved and authorised for issue by the Board of Directors of The European Investment Trust plc on 25 November 2015 and were signed on its behalf by:

Douglas McDougall
Chairman

Registered in England and Wales No. 1055384

The notes on pages 42 to 54 form part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2015

	Notes	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Year ended 30 September 2015							
At 1 October 2014		**10,517**	**123,749**	**8,294**	**183,578**	**10,591**	**336,729**
Net return after taxation for the year		**–**	**–**	**–**	**(24,888)**	**6,708**	**(18,180)**
Dividends paid	7	**–**	**–**	**–**	**–**	**(6,310)**	**(6,310)**
At 30 September 2015		**10,517**	**123,749**	**8,294**	**158,690**	**10,989**	**312,239**
Year ended 30 September 2014							
At 1 October 2013		10,517	123,749	8,294	168,745	11,917	323,222
Net return after taxation for the year		–	–	–	14,833	6,246	21,079
Dividends paid	7	–	–	–	–	(7,572)	(7,572)
At 30 September 2014		10,517	123,749	8,294	183,578	10,591	336,729

The notes on pages 42 to 54 form part of these Financial Statements.

Cash Flow Statement
for the year ended 30 September 2015

	Notes	2015 £'000	2014 £'000
Operating activities:			
Investment income received		**9,379**	9,465
Other income received		**2**	3
Management fees paid		**(1,932)**	(1,861)
Other cash payments		**(398)**	(387)
Net cash inflow from operating activities	15	**7,051**	7,220
Servicing of finance:			
Finance costs		**(16)**	(95)
Taxation:			
Irrecoverable overseas tax paid		**(574)**	(877)
Recoverable overseas tax paid		**(132)**	(161)
Total taxation paid		**(706)**	(1,038)
Capital expenditure and financial investment:			
Purchases of investments		**(131,449)**	(162,177)
Sales of investments		**135,867**	166,922
Exchange gains on settlement		**570**	39
Net cash inflow from capital and financial investment		**4,988**	4,784
Equity dividends paid	7	**(6,310)**	(7,572)
Net cash inflow before financing		**5,007**	3,299
Financing:			
Payment for own shares purchased and cancelled		**–**	–
Increase in cash	16	**5,007**	3,299

The notes on pages 42 to 54 form part of these Financial Statements.

1 Accounting policies

Basis of accounting
The Financial Statements are prepared on a going concern basis, under the historical cost convention (modified to include fixed asset investments at fair value), in accordance with the Act, UK GAAP and with the AIC SORP relating to the Financial Statements of Investment Trust Companies and Venture Capital Trusts. The Financial Statements have been prepared in accordance with the applicable accounting standards. The principal accounting policies detailed below have been applied consistently throughout the period. As detailed on pages 17 and 18, the Directors consider that it is appropriate for the Financial Statements to be prepared on a going concern basis.

Income recognition
Dividend and other investment income is included as revenue (except where, in the opinion of the Directors, its nature indicates it should be recognised as capital) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. 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 is included on an accruals basis.

Dividends are accounted for in accordance with Financial Reporting Standard 16: "Current Taxation" on the basis of income actually receivable, without adjustment for the tax credit attaching to the dividends. Dividends from overseas companies are shown gross of withholding tax.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital reserve.

Borrowings
Loans and overdrafts are recorded at the proceeds received, net of issue costs, irrespective of the duration of the instrument.

Finance costs, including interest, are accrued using the effective interest rate method. See below for allocation of finance costs within the Income Statement.

Expenses and finance costs
All expenses are accounted for on an accruals basis. All operating expenses including finance costs and management fees are charged through revenue in the Income Statement except costs that are incidental to the acquisition or disposal of investments, which are charged to capital in the Income Statement. Transaction costs are included within the gains and losses on investment sales, as disclosed in the Income Statement. No performance fees are charged by the Investment Manager.

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 changes in the fair value of investments and impairment of investments recognised in the Income Statement and allocated to capital. 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. Investments which are not quoted or which are not frequently traded are stated at Directors' best estimate of 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. Where no reliable fair value can be estimated, investment may be carried at cost less any provision for impairment.

1 Accounting policies (continued)

Cash at bank and short-term deposits
Cash at bank and short-term deposits comprises cash in hand and demand deposits that mature within three months. The carrying value of cash at bank and short-term deposits is equal to its fair value.

Foreign currency
The functional and presentational currency of the Company is sterling because that is the currency of the primary economic environment in which the Company operates.

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 to sterling 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 in revenue depending on whether the gain or loss is of a capital or revenue nature.

Taxation
The charge for taxation is based on the net return for the year and 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 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 years.

Capital redemption reserve
The nominal value of ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve on the relevant trade date.

Capital reserve
The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- increases and decreases in the valuation of investments held at the year-end;
- realised foreign exchange differences of a capital nature;
- unrealised foreign exchange differences of a capital nature;
- costs of professional advice (including related irrecoverable VAT) relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- costs of purchasing ordinary share capital.

Dividends payable to shareholders
Under Financial Reporting Standard 21: "Events after the Balance Sheet Date", final and special dividends are recognised as a liability in the year in which they have been approved by shareholders in a general meeting.

2 Income

	2015	2014
	£'000	£'000
Income from investments:		
Overseas dividends	**9,538**	9,525
Other income	**2**	3
Total income	**9,540**	9,528

3 Management fee

	2015	2014
	£'000	£'000
Management fee	**1,785**	1,752

On 17 July 2014, the Company appointed Edinburgh Partners AIFM Limited as its AIFM. Under the Management Agreement, the AIFM is entitled to a fee paid monthly in arrears at a rate of 0.55% per annum of the equity market capitalisation of the Company. Under the Management Agreement no performance fee is payable.

During the year ended 30 September 2015, the management fees payable to the AIFM totalled £1,785,000 (2014: £358,000). At 30 September 2015, there was £141,000 outstanding payable to the AIFM (2014: £287,000) in relation to management fees.

Edinburgh Partners was appointed to provide management, marketing and general administrative services to the Company with effect from 1 February 2010 until 16 July 2014. Under the agreement, Edinburgh Partners was entitled to a fee paid quarterly in arrears, at the rate of 0.55% per annum of the equity market capitalisation of the Company. Under the agreement no performance fee was payable during this period.

During the year ended 30 September 2015, no management fees were payable to Edinburgh Partners (2014: £1,394,000). At 30 September 2015, there was £nil outstanding payable to Edinburgh Partners (2014: £nil) in relation to management fees. At 30 September 2015, there was £4,000 (2014: £nil) outstanding to Edinburgh Partners in relation to expenses incurred on behalf of the Company. This cost is included in other expenses as detailed in note 4 of these Financial Statements.

4 Other expenses

	2015	2014
	£'000	£'000
Audit services	**20**	20
Directors' remuneration*	**92**	87
Other	**305**	260
	417	367

* See the Directors' Remuneration Report on pages 21 to 23.

5 Finance costs

	2015	2014
	£'000	£'000
Negative interest on cash balances	**16**	–
Loan non-utilisation fee	**–**	95
	16	**95**

6 Tax on ordinary activities

a) Analysis of charge for the year

	2015			2014		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Current tax:						
UK corporation tax	**–**	**–**	**–**	–	–	–
Overseas tax suffered	**573**	**–**	**573**	1,008	–	1,008
Total tax charge for the year	**573**	**–**	**573**	1,008	–	1,008

b) The standard rate of corporation tax in the UK ("corporation tax rate") was 21% in the year to 31 March 2015 and is 20% in the year to 31 March 2016. Accordingly, the Company's profits for the year ended 30 September 2015 are taxed at an effective rate of 20.5% (2014: 22%). The corporation tax rate is expected to remain at 20% for the year beginning 1 April 2016 and, as a consequence, the effective rate of corporation tax for the Company for the year ending 30 September 2016 would be 20%.

The taxation charge for the Company for the year ended 30 September 2015 is lower (2014: lower) than the effective rate of 20.5% (2014: 22%). The differences are explained below:

	2015			2014		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Net return before taxation	**7,281**	**(24,888)**	**(17,607)**	7,254	14,833	22,087
Theoretical tax at UK corporation tax rate of 20.5% (2014: 22%)	**1,493**	**(5,102)**	**(3,609)**	1,596	3,263	4,859
Effects of:						
– Foreign dividends that are not taxable	**(1,895)**	**–**	**(1,895)**	(1,951)	–	(1,951)
– Non-taxable investment gains/(losses)	**–**	**5,102**	**5,102**	–	(3,263)	(3,263)
– Disallowed expenses	**1**	**–**	**1**	1	–	1
– Unrelieved management expenses	**401**	**–**	**401**	354	–	354
– Overseas tax suffered	**573**	**–**	**573**	1,008	–	1,008
	573	**–**	**573**	1,008	–	1,008

6 Tax on ordinary activities (continued)

c) Factors that may affect future tax charges

At 30 September 2015, the Company had unrelieved management expenses of £6,312,000 (30 September 2014: £2,577,000) that are available to offset future taxable revenue. An additional £1,779,000 of expenses available to offset future taxable revenue and relating to withholding tax expensed in the Company's tax returns have been reflected in this figure. A deferred tax asset of £1,262,000 (2014: £515,000) has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

7 Dividends

		2015	2014
Declared and paid	Payment date	**£'000**	£'000
Final dividend for the year ended 30 September 2014 of 14.0p	31 January 2015	**5,889**	–
Special dividend for the year ended 30 September 2014 of 1.0p	31 January 2015	**421**	–
Final dividend for the year ended 30 September 2013 of 14.0p	31 January 2014	**–**	5,889
Special dividend for the year ended 30 September 2013 of 4.0p	31 January 2014	**–**	1,683
		6,310	7,572

The Directors recommend a final dividend in respect of the year ended 30 September 2015 of 14.0p and a special dividend of 2.0p payable on 29 January 2016 to all shareholders on the register at the close of business on 8 January 2016, a total of 16.0p (2014: 15.0p). The ex-dividend date will be 7 January 2016. The recommended final dividend and special dividend are subject to approval by shareholders at the Annual General Meeting to be held on 26 January 2016. Based on 42,069,371 ordinary shares in issue at the date of this report, the total dividend payment will amount to £6,731,000 as detailed below. In accordance with Financial Reporting Standard 21: "Events after the Balance Sheet date", final dividends and special dividends are accounted for in the period in which they are approved by shareholders. The recommended final dividend and special dividend have therefore not been included as a liability in these Financial Statements.

	2015	2014
Proposed	**£'000**	£'000
2015 final dividend of 14.0p (2014: 14.0p) per ordinary share*	**5,889**	5,889
2015 special dividend of 2.0p (2014: 1.0p) per ordinary share*	**842**	421
	6,731	6,310

* Based on 42,069,371 shares in issue at 25 November 2015.

8 Return per ordinary share

	2015			2014		
	Net return £'000	**Ordinary shares***	**Per share pence**	Net return £'000	Ordinary shares*	Per share pence
Net revenue return after taxation	**6,708**	**42,069,371**	**15.95**	6,246	42,069,371	14.85
Net capital return after taxation	**(24,888)**	**42,069,371**	**(59.16)**	14,833	42,069,371	35.26
Total return	**(18,180)**	**42,069,371**	**(43.21)**	21,079	42,069,371	50.11

* Weighted average number of ordinary shares in issue during the year.

9 Listed investments

	2015 £'000	2014 £'000
Analysis of investment portfolio movements		
Opening book cost	**307,072**	277,594
Opening investment holding gains	**26,624**	45,007
Opening valuation	**333,696**	322,601
Movements in the year:		
Purchases at cost	**135,962**	162,188
Sales – proceeds	**(137,554)**	(166,705)
Sales – realised gains on sales	**26,333**	33,995
Investment holding losses	**(50,209)**	(18,383)
Closing valuation	**308,228**	333,696
Closing book cost	**331,813**	307,072
Closing investment holding (losses)/gains	**(23,585)**	26,624
	308,228	333,696

	2015 £'000	2014 £'000
Analysis of capital gains and losses		
Gains on sales	**26,333**	33,995
Investment holding losses	**(50,209)**	(18,383)
(Losses)/gains on investments	**(23,876)**	15,612

Fair value hierarchy

In accordance with Financial Reporting Standard 29: "Financial Instruments: Disclosures", the Company must disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are explained in note 1 of these Financial Statements on page 42. All of the Company's financial instruments fall into Level 1, being valued at quoted prices in active markets.

Transaction costs

During the year ended 30 September 2015, the Company incurred transaction costs of £173,000 (2014: £270,000) and £171,000 (2014: £233,000) 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 38.

10 Significant holdings

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

11 Debtors

	2015	2014
	£'000	£'000
Due from brokers	**1,687**	–
Taxation recoverable	**886**	754
Prepayments and accrued income	**149**	30
	2,722	784

12 Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Due to brokers	**6,874**	2,361
Other creditors and accruals	**147**	129
Management fee accrued	**141**	287
	7,162	2,777

13 Called-up share capital

	2015	2014
	£'000	£'000
Allotted, called-up and fully paid:		
42,069,371 (2014: 42,069,371) ordinary shares of 25p each	**10,517**	10,517

During the year to 30 September 2015, no ordinary shares were issued or purchased and cancelled (2014: no ordinary shares were issued or purchased and cancelled).

Duration of the Company

The Company neither has a termination date nor the requirement for any periodic continuation votes.

14 Net asset value per share

	2015	2014
	£'000	£'000
Net asset value per ordinary share	**742.20p**	800.41p

The net asset value per ordinary share is based on net assets of £312,239,000 (2014: £336,729,000) and on 42,069,371 (2014: 42,069,371) ordinary shares, being the number of ordinary shares in issue at the year-end.

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

	2015 £'000	2014 £'000
Net return before finance costs and taxation	**(17,591)**	22,182
Adjust for returns from non-operating activities:		
– Losses/(gains) on investments	**23,876**	(15,612)
– Foreign exchange losses of a capital nature	**1,012**	779
Return from operating activities	**7,297**	7,349
Adjustment for non-cash flow items:		
– (Increase)/decrease in debtors and accrued income	**(119)**	2
– Decrease in creditors and accruals	**(127)**	(131)
Net cash inflow from operating activities	**7,051**	7,220

16 Reconciliation of net cash flows to movement in net cash

	2015 £'000	2014 £'000
Movement in net cash resulting from cash flows	**5,007**	3,299
Foreign exchange movements	**(1,582)**	(818)
Movement in net cash	**3,425**	2,481
Net cash brought forward	**5,026**	2,545
Net cash carried forward	**8,451**	5,026

Analysis of net cash

	At 1 October 2014 £'000	Cash flows £'000	Foreign exchange movement £'000	At 30 September 2015 £'000
Cash at bank	**5,026**	**5,007**	**(1,582)**	**8,451**

	At 1 October 2013 £'000	Cash flows £'000	Foreign exchange movement £'000	At 30 September 2014 £'000
Cash at bank	2,545	3,299	(818)	5,026

17 Analysis of financial assets and liabilities

Interest rate and currency profile

The interest rate and currency profile of the Company's financial assets and liabilities were:

	2015			2014		
	No interest rate exposure £'000	Cash flow interest rate risk exposure £'000	Total £'000	No interest rate exposure £'000	Cash flow interest rate risk exposure £'000	Total £'000
Equity shares						
Euro	226,654	–	226,654	244,023	–	244,023
Swiss franc	45,235	–	45,235	58,576	–	58,576
Norwegian krone	14,882	–	14,882	–	–	–
Danish kroner	5,945	–	5,945	16,988	–	16,988
Swedish krona	15,512	–	15,512	14,109	–	14,109
Cash at bank and short-term deposits						
Euro	–	8,376	8,376	–	4,949	4,949
Sterling	–	75	75	–	77	77
Debtors						
Euro	2,376	–	2,376	560	–	560
Swiss franc	127	–	127	79	–	79
Norwegian krone	129	–	129	91	–	91
Danish kroner	59	–	59	24	–	24
Sterling	25	–	25	22	–	22
NZ dollar	6	–	6	8	–	8
Creditors: amounts falling due within one year						
Euro	(5,632)	–	(5,632)	(2,361)	–	(2,361)
Swiss franc	(573)	–	(573)	–	–	–
Swedish krona	(670)	–	(670)	–	–	–
Sterling	(287)	–	(287)	(415)	–	(415)
NZ dollar	–	–	–	(1)	–	(1)
	303,788	8,451	312,239	331,703	5,026	336,729

	2015	2014
Exchange rates vs sterling		
Euro	1.3570	1.2834
Swiss franc	1.4801	1.5490
Norwegian krone	12.9208	10.4122
Danish kroner	10.1235	9.5529
Swedish krona	12.7043	11.6860
NZ dollar	2.3679	2.0799

18 Risk analysis

The Company is an investment company, whose shares are admitted to trading on the London Stock Exchange and are listed on the New Zealand Stock Exchange. It conducts its affairs so as to qualify in the UK as an investment trust under the provisions of Sections 1158 and 1159 of the Corporation Tax Act 2010. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

As an investment trust, the Company invests in equities and makes other investments so as to achieve its investment objective of long-term capital growth through a diversified portfolio of Continental European securities. In pursuing its investment objective, the Company is exposed to risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. The Board, together with the AIFM, is responsible for the Company's risk management, as set out on pages 13 and 14 of the Strategic Report.

The principal risks the Company faces are:

- Investment and strategy risk
- Discount volatility risk
- Market risk (comprising: interest rate risk, currency risk and price risk)
- Liquidity risk
- Credit risk
- Gearing risk

The AIFM monitors the 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 and on pages 13 and 14 of the Strategic Report.

Investment and strategy risk

There can be no guarantee that the objective of the Company will be achieved due to poor stock selection or as a result of being geared in a falling market.

The Investment Manager meets regularly with the Board to discuss the portfolio performance and strategy. The Board receives regular reports from the Investment Manager detailing all portfolio transactions and any other significant changes in the market or stock outlooks. Details of the investment policy are given on page 11 of the Strategic Report.

Discount volatility risk

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 consider that it is appropriate to do so. The use of gearing can magnify discount volatility.

The Board actively monitors the discount at which the Company's shares trade 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 buy-back policy. Equally, the Company will issue shares in order to meet demand as it arises.

The Board's commitment to allot or repurchase ordinary shares is subject to the Directors being satisfied that any offer to allot or to purchase shares is in the best interests of shareholders of the Company as a whole.

18 Risk analysis (continued)

Market Risk

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 30 September 2015 are disclosed in note 17 of these Financial Statements on page 50.

The majority of the Company's assets were non-interest bearing during the year ended and as at 30 September 2015. Some of the Company's cash at bank and short-term deposits were subject to a negative interest charge during the year ended and as at 30 September 2015. There was no exposure to interest bearing liabilities during the year ended and as at 30 September 2015.

If interest rates had reduced by 0.25% (2014: 0.25%) from those obtained as at 30 September 2015, it would have the effect, with all other variables held constant, of reducing the net revenue return before taxation and therefore reducing net assets on an annualised basis by £21,000 (2014: £13,000). If there had been an increase in interest rates of 0.25% (2014: 0.25%), 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 30 September 2015 and these may not be representative of the year as a whole. This level of change is considered to be reasonable based on observation of current market conditions.

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 30 September 2015 are disclosed in note 17 of these Financial Statements on page 50.

If sterling had strengthened by 10% against all other currencies on 30 September 2015, with all other variables held constant, it would have had the effect of reducing the net capital return before taxation by £31,243,000 (2014: £33,705,000) and the net revenue return before taxation by £952,000 (2014: £943,000) and therefore would have reduced net assets by £32,195,000 (2014: £34,648,000). If sterling had weakened by 10% against all other currencies, there would have been an equal and opposite effect on both the net capital return and net revenue return before taxation. This level of change is considered to be reasonable based on observation of current market conditions.

Price 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 daily to the London Stock Exchange and the New Zealand Stock Exchange and is also available on the Company's website at www.theeuropeaninvestmenttrust.com and on the website of Edinburgh Partners at www.edinburghpartners.com.

Fixed asset investments are valued at their fair value. Details of the Company's investment portfolio as at 30 September 2015 are disclosed on page 4. In addition, an analysis of the investment portfolio by sector and geographical distribution is detailed on page 5.

The maximum exposure to price risk at 30 September 2015 is the fair value of investments of £308,228,000 (2014: £333,696,000).

18 Risk analysis (continued)

Price risk (continued)
If the investment portfolio valuation fell by 20% from the amount detailed in the Financial Statements as at 30 September 2015, it would have the effect, with all other variables held constant, of reducing the net capital return before taxation and therefore reducing net assets by £61,646,000 (2014: £66,739,000). An increase of 20% in the investment portfolio valuation would have an equal and opposite effect on the net capital return before taxation. The calculations are based on the Company's price risk at 30 September 2015 and may not be representative of the year as a whole. This level of change is considered to be reasonable based on observation of current market conditions.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's policy with regard to liquidity is to ensure continuity of funding. Short-term flexibility is achieved through cash management and increased borrowing, including the use of overdraft facilities.

Liquidity risk is not considered significant as the Company's assets comprise of readily realisable securities which are industrially and geographically diverse and 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 30 September 2015. 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. The Company does not normally invest in derivative products. The Investment Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

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. There are no financial assets which are either past due or impaired.

The Company's listed investments are held on its behalf by The Northern Trust Company 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 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 that have been identified by the Board as reputable and of high credit quality. As at 30 September 2015, The Northern Trust Company London Branch had a long-term rating from Standard and Poor's of AA-.

The maximum exposure to credit risk as at 30 September 2015 was £319,401,000 (2014: £339,506,000). The calculation is based on the Company's credit risk exposure as at 30 September 2015 and this may not be representative of the year as a whole.

Gearing risk
The aim of gearing is to enhance long-term returns to shareholders by investing borrowed funds in equities and other assets. The Company is permitted to employ gearing should the Board consider it appropriate to do so. The Board's policy is that the level of gearing should not exceed 20% in normal market conditions. The use of gearing can cause both gains and losses in the asset value of the Company to be magnified.

18 Risk analysis (continued)

Gearing risk (continued)

During the year ended and as at 30 September 2015, the Company had no gearing.

The Board undertakes an annual assessment and review of all the risks stated above and in the Strategic Report on pages 13 and 14 together with a review of any new risks which may have arisen during the year. These risks are formalised within the Company's risk assessment matrix.

19 Capital management policies

The objective of the Company is to achieve long-term capital growth through a diversified portfolio of Continental European securities. In pursuing this long-term objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long-term; and pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue reserves.

The Company is subject to externally imposed capital requirements, including the requirement as a public company to have a minimum share capital of £50,000, which have been met throughout the year.

Any changes to the ordinary share capital are set out in note 13 of these Financial Statements on page 48. Dividend payments are set out in note 7 of these Financial Statements on page 46.

The Company's capital comprises:

	2015	2014
	£'000	£'000
Called-up share capital	**10,517**	10,517
Share premium account	**123,749**	123,749
Capital redemption reserve	**8,294**	8,294
Capital reserve	**158,690**	183,578
Revenue reserve	**10,989**	10,591
Total equity shareholders' funds	**312,239**	336,729

The capital reserve consists of realised capital reserves of £182,277,000 and unrealised capital losses of £23,587,000 (2014: realised capital reserves of £156,950,000 and unrealised capital gains of £26,628,000). The unrealised capital losses consist of unrealised investment holding losses of £23,585,000 (2014: gains of £26,624,000) and unrealised foreign exchange losses of £2,000 (2014: gains of £4,000).

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

20 Transactions with the AIFM and the Investment Manager

Information with respect to transactions with the AIFM and the Investment Manager is detailed in note 3 of these Financial Statements on page 44 and on page 13 in the Strategic Report.

21 Related parties

The Directors' fees for the year are detailed in the Directors' Remuneration Report on page 21. Under the AIC SORP, an investment manager is not considered to be a related party of the Company.

Ten Year Record

Assets

at 30 September (£'000)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Total assets	415,207	437,207	495,931	304,198	290,155	277,847	237,350	256,724	323,222	336,729	**312,239**
Loans	23,853	30,517	31,411	11,820	–	–	–	–	–	–	**–**
Net assets	391,354	406,690	464,520	292,378	290,155	277,847	237,350	256,724	323,222	336,729	**312,239**

Net asset value ("NAV")

at 30 September	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
NAV per share – pence	624.9	731.2	897.3	599.4	634.2	650.7	559.8	610.2	768.3	800.4	**742.2**
NAV total return on 100p – 5 years (per AIC)											**127.4**
NAV total return on 100p – 10 years (per AIC)											**143.3**

Share price

at 30 September	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Share price – pence	560.0	664.5	812.5	518.0	554.0	545.0	462.5	508.0	684.5	748.8	**673.0**
Discount to NAV – %	10.4	9.1	9.5	13.6	12.6	16.2	17.4	16.8	10.9	6.5	**9.3**
Share price high – pence	561.5	690.0	864.0	840.0	554.0	576.0	621.0	552.0	700.0	794.5	**843.5**
Share price low – pence	418.0	533.5	653.0	514.0	317.5	465.5	450.1	446.0	500.0	690.0	**665.0**
Share price total return on 100p – 5 years (per AIC)											**139.8**
Share price total return on 100p – 10 years (per AIC)											**149.9**

Revenue

for the year ended 30 September

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Available for ordinary shares – £'000s	4,680	5,043	4,321	7,264	6,284	6,042	7,198	6,487	7,581	6,246	**6,708**
Earnings per share – pence	7.0	8.7	8.0	14.3	13.2	13.8	17.0	15.4	18.0	14.9	**16.0**
Dividends per share – pence	7.5[1]	9.0[1]	8.3[1]	14.9[2]	13.6[3]	14.0[4]	16.0[5]	16.0[5]	18.0[6]	15.0[6]	**16.0**[6]

[1] Comprises a final dividend of 1.7p together with a special dividend.

[2] Comprises a final dividend of 12.0p together with a special dividend.

[3] Comprises a final dividend of 10.2p together with a special dividend.

[4] Comprises a final dividend of 11.0p together with a special dividend.

[5] Comprises a final dividend of 12.0p together with a special dividend.

[6] Comprises a final dividend of 14.0p together with a special dividend.

Performance

(rebased to 100 at 30 September 2005)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
NAV per share	100.0	117.0	143.6	95.9	101.5	104.1	89.6	97.6	122.9	128.1	**118.8**
Share price	100.0	118.7	145.1	92.5	98.9	97.3	82.6	90.7	122.2	133.7	**120.2**
Earnings per share	100.0	125.3	115.4	205.2	190.0	197.8	243.5	220.7	258.5	213.1	**228.8**
Dividends per share	100.0	120.0	110.7	198.7	181.3	186.7	213.3	213.3	240.0	200.0	**213.3**
Retail price index	100.0	103.6	107.7	113.1	111.5	116.7	123.2	126.5	130.5	133.4	**134.4**

Definitions

Total assets	Total assets less current liabilities (excluding loans).
NAV total return	Return on net assets per share with dividends paid to shareholders reinvested.
AIC	Association of Investment Companies.
Discount to NAV	Amount that the share price is less than the NAV.
Share price total return	Return on the share price with dividends paid to shareholders reinvested.
Retail price index	All-items retail price index.

Ten Year Record (continued)

Costs of running the Company (ongoing charges, total expense ratio prior to 2011)

for the year ended 30 September	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Operating costs (£'000s)	3,069	3,153	3,514	2,549	1,863	1,728	1,692	1,553	1,739	2,117	**2,194**
Operating costs as a percentage of:											
Average net assets – %	0.8	0.8	0.8	0.7*	0.8*	0.6	0.6	0.6	0.6	0.6	**0.6**
Average total assets – %	0.8	0.7	0.7	0.7*	0.8*	0.6	0.6	0.6	0.6	0.6	**0.6**

* Excludes VAT recovered in respect of management fees.

Gearing

at 30 September	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
Effective gearing – %	2.8	6.5	8.1	(2.0)	(0.3)	(2.9)	(0.3)	(4.6)	(0.1)	(0.8)	**(1.0)**
Fully invested gearing – %	6.2	7.5	8.7	4.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**

Definitions

Operating costs	All costs charged to revenue and capital, other than interest costs, taxation, the costs of purchase of share capital and the costs of buying and selling investments.
Average net assets	The monthly average of net assets.
Average total assets	The monthly average of total assets.
Effective gearing	Loans, less cash (adjusted for settlements), as a percentage of net assets.
Fully invested gearing	Loans as a percentage of net assets.

Glossary of Investment Trust Technical Terms

Discount/Premium
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, Junior ISAs and SIPPs
Individual Savings Accounts, Junior 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.

Ongoing Charges
As recommended by the AIC in its guidance issued in May 2012, ongoing charges are the Company's annualised revenue and capitalised expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year.

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.

Shareholder Information

Investing in the Company

The Company's ordinary shares are traded on the London Stock Exchange and the New Zealand Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The ordinary shares are eligible for inclusion in ISAs, Junior ISAs and SIPPs. These are available through Alliance Trust Savings, who also offer the opportunity to invest in the Company through a Dealing Account. The Company's shares are also available on other share trading platforms.

Frequency of NAV publication

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

Share price and sources of further information

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

Share register enquiries

The register for the ordinary shares is maintained by Computershare Investor Services PLC. In the event of queries regarding your holding, please contact the Registrar on 0370 889 4086 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 1. You can check your shareholding and find practical help on transferring shares or updating your details at www.investorcentre.co.uk.

Key dates

Company's year-end	30 September
Annual results announced	November
Annual General Meeting	January
Annual dividend paid	January
Company's half-year end	31 March
Half-yearly results announced	May

Risk warning

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.

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 The European Investment Trust plc, please forward this 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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the FORTY-THIRD ANNUAL GENERAL MEETING of the Company will be held at Brewers' Hall, Aldermanbury Square, London EC2V 7HR on Tuesday, 26 January 2016 at 11.00 am to transact the business set out in the resolutions below.

		Resolution on Form of Proxy
Ordinary business		
	To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:	
1	To receive and adopt the Strategic Report, Directors' Report, Auditors' Report and the audited Financial Statements for the year ended 30 September 2015.	Resolution 1
2	To receive and approve the Directors' Remuneration Report for the year ended 30 September 2015.	Resolution 2
3	To re-appoint PricewaterhouseCoopers LLP as Auditors to the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which Financial Statements are laid before the Company.	Resolution 3
4	To authorise the Directors to determine the remuneration of the Auditors of the Company.	Resolution 4
5	To elect Mr Michael W M R MacPhee as a Director of the Company.	Resolution 5
6	To re-elect Mr Douglas C P McDougall OBE as a Director of the Company.	Resolution 6
7	To re-elect Mr William D Eason as a Director of the Company.	Resolution 7
8	To re-elect Mr Michael B Moule as a Director of the Company.	Resolution 8
9	To re-elect Dr Michael T Woodward as a Director of the Company.	Resolution 9
10	To declare a final dividend of 14.0p per ordinary share for the year ended 30 September 2015.	Resolution 10
11	To declare a special dividend of 2.0p per ordinary share for the year ended 30 September 2015.	Resolution 11
Special business		
12	To consider and, if thought fit, pass the following resolution as a Special Resolution:	Resolution 12

THAT the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make one or more market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") on such terms and in such manner as the Directors of the Company shall from time to time determine, provided that:

(i) the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be 6,306,198 (or, if less, 14.99% of the number of ordinary shares in issue immediately following the passing of this resolution);

(ii) the minimum price (exclusive of expenses) which may be paid by the Company for an ordinary share shall be 25p;

(iii) the maximum price (exclusive of expenses) which may be paid by the Company for an ordinary share shall be no more than the higher of (a) 105% of the average of the closing mid-market price of such shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days prior to the date of the purchase; and (b) the amount stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulations 2003;

(iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 March 2017), unless previously renewed, varied or revoked by the Company in general meeting; and

(v) the Company may at any time make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract or contracts.

13 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution: Resolution 13

THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights"):

(a) up to an aggregate nominal amount of £3,505,780 (being approximately one-third of the issued share capital as at 25 November 2015); and

(b) comprising equity securities (within the meaning of Section 560 of the Act) up to a further aggregate nominal amount of £3,505,780 (being approximately one-third of the issued share capital as at 25 November 2015) in connection with an offer by way of a rights issue:

(i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities (if any) as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts),

provided that the authorities conferred on the Directors by paragraph (a) and (b) above shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 March 2017), save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so the Directors of the Company may allot shares or grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Notice of Annual General Meeting (continued)

14 To consider and, if thought fit, pass the following resolution as a Special Resolution: Resolution 14

THAT, subject to the passing of Resolution 13 above (and in substitution for all subsisting authorities to the extent unused 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 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 13 as if Section 561 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 equity securities (but in the case of the authority granted under paragraph (b) of Resolution 13, by way of a rights issue only):

(i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities (if any) as required by the rights of those securities or as Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts); and

(b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £525,867 (being approximately 5% of the issued share capital as at 25 November 2015),

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 March 2017), 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 offer or agreement as if the power conferred by this resolution had not expired.

15 To consider and, if thought fit, pass the following resolution as a Special Resolution: Resolution 15

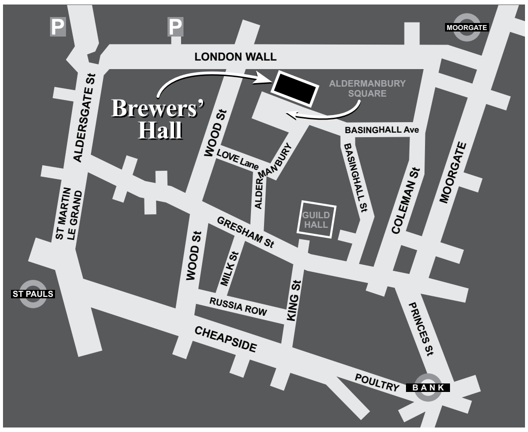
THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

By order of the Board
Kenneth J Greig
Company Secretary

Registered Office:
Beaufort House
51 New North Road
Exeter
EX4 4EP

25 November 2015

Location of Meeting



Note 1: Pursuant to Section 324 of the Companies Act 2006 (the "Act"), a member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy or proxies 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 notarially 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 together with any power of attorney (if any) under which it is signed (or a certified copy thereof) not later than 48 hours (excluding non-business days) before the time of the meeting or any adjournment thereof. 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. The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies.

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 the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates 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. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appears in the Company's Register of Members in respect of the joint holders (the first named being the most senior).

Note 2: The "vote withheld" option on the proxy form is provided to enable a shareholder to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculations of the proportion of votes "for" or "against" a particular resolution.

Note 3: Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrar not later than 48 hours (excluding non-business days) before the start of the meeting or any adjournment thereof. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/crest. Shareholders are advised that CREST is the only method by which completed proxies can be submitted electronically as required by Section 333A of the Act.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment thereof 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 specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/crest). 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 UK & Ireland Limited 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 4: A person to whom this notice is sent who is a person nominated under Section 146 of the Act 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 Note 1 above do not apply to a Nominated Person. The rights described in that Note can only be exercised by registered members of the Company.

Note 5: As at 25 November 2015, the Company's issued share capital amounted to 42,069,371 ordinary shares carrying one vote each.

Note 6: Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, as amended, and/or the purposes of Section 360B of the Act, the Company specifies that only those shareholders registered on the Register of Members of the Company as at 6.00 pm on 22 January 2016 (or, in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at 6.00 pm on the day which is two days (excluding non-business 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 7: In accordance with Section 319A of the Act, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

a) to do so would:

(i) interfere unduly with the preparation for the meeting, or
(ii) involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 8: A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of the same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate shareholders can also appoint one or more proxies in accordance with Note 1. On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:

a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; or

b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

Note 9: Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Financial Statements (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Note 10: Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the FCA's Disclosure and Transparency Rules.

Note 11: Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

Note 12: Members satisfying the thresholds in Section 338A of the Companies Act 2006 may require the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

Note 13: 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 Brewers' Hall, Aldermanbury Square, London EC2V 7HR from 10.45 am until the conclusion of the meeting:

a) letters of appointment of the Directors of the Company; and

b) the Articles of Association of the Company.

Note 14: The Annual Report and Financial Statements incorporating this Notice of Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website: www.theeuropeaninvestmenttrust.com.

Desktop Publishing from **Capita Asset Services Fund solutions**
Tel: 01392 477500 | www.capitaassetservices.com