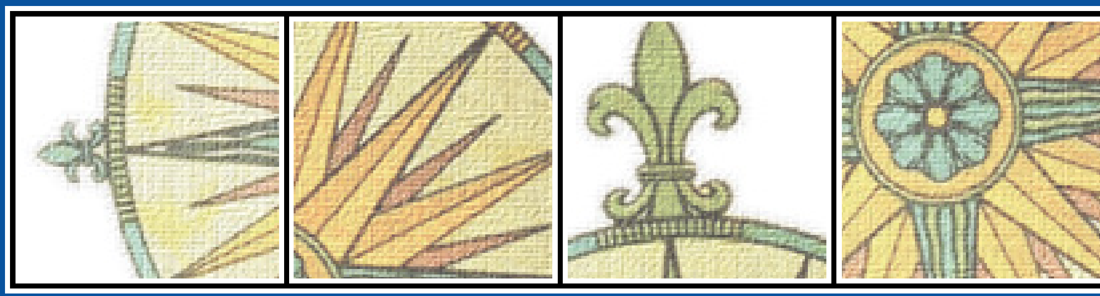


EP Global Opportunities Trust plc

Annual Report and Financial Statements

31 December 2016

Edinburgh Partners

CONTENTS

Registered in Scotland No. 259207

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

CORPORATE INFORMATION

Directors
Teddy Tulloch (Chairman)
David Hough
David Ross
Giles Weaver

Company Secretary and Registered Office
Kenneth J Greig
27-31 Melville Street
Edinburgh
EH3 7JF

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

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

Auditor
Ernst & Young LLP
Ten George Street
Edinburgh
EH2 2DZ

Registrar and Transfer Office
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Tel: 0370 889 4069

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

Solicitor and Sponsor
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 and Banker
The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

COMPANY SUMMARY

Commencement	The Company was incorporated on 13 November 2003. It commenced operations on the admission of its shares to trading on the London Stock Exchange on 15 December 2003.
Investment objective	The Company's objective is to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities. The portfolio is managed without reference to the composition of any stock market index.
Investment policy	The Company invests in a focused portfolio of approximately 30 to 40 securities of issuers throughout the world, predominantly in quoted equities. The Company may also invest in unquoted securities, which are not anticipated to exceed 10 per cent of the Company's total assets at the time of investment (excluding shares held in Edinburgh Partners Limited). No investment in the Company's portfolio may exceed 15 per cent of the Company's total assets at the time of investment. The Company has the ability to invest in other investment companies or funds but will invest no more than 15 per cent of its gross assets in other listed investment companies (including investment trusts). The Company may also invest a substantial portion of its assets in debt instruments, cash or cash equivalents when the Investment Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities for the portfolio or to maintain liquidity. In addition, the Company may purchase derivatives for the purposes of efficient portfolio management. It is intended that, from time to time, when deemed appropriate, the Company will borrow for investment purposes up to the equivalent of 25 per cent of its total assets. By contrast, the Company's portfolio may from time to time have substantial holdings of debt instruments, cash or short-term deposits. The investment objective and policy are intended to distinguish the Company from other investment vehicles which have relatively narrow investment objectives and which are thus constrained in their decision making and asset allocation. The objective and policy allow the Company to be constrained in its investment selection only by valuation and to be pragmatic in portfolio construction by only investing in securities which the Investment Manager considers to be undervalued on an absolute basis.
Shareholders' funds	£143,757,000 at 31 December 2016.
Market capitalisation	£140,311,000 at 31 December 2016.
Capital structure	At 31 December 2016, there were 47,887,725 ordinary shares in circulation (the total number of shares in issue was 64,509,642 ordinary shares, of which 16,621,917 ordinary shares were held in treasury). As at 9 March 2017, the date of signing this report, there were 47,287,725 ordinary shares in circulation (the total number of shares in issue was 64,509,642 ordinary shares, of which 17,221,917 ordinary shares were held in treasury).
Investing in the Company	The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The ordinary shares are eligible for inclusion in 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"). Further details on the Investment Manager can be found on page 6.

FINANCIAL SUMMARY

	31 December 2016	31 December 2015	Change
Results for year			
Shareholders' funds	**£143,757,000**	£118,357,000	21.5%
Net asset value per ordinary share ("NAV")	**300.2p**	239.8p	25.2%
NAV total return[1]	**26.9%**	2.9%	
Share price	**293.0p**	234.5p	24.9%
Share price discount to NAV	**2.4%**	2.2%	
Revenue return per ordinary share[2]	**5.3p**	3.1p	71.0%
Final dividend per ordinary share	**4.3p[3]**	3.1p[4]	38.7%
Special dividend per ordinary share	**1.0p[3]**	–	
Total dividend per ordinary share	**5.3p[3]**	3.1p	71.0%

1 The NAV total returns are sourced from Edinburgh Partners and include dividends reinvested.
2 Based on the weighted average number of shares in issue during the year excluding own shares held in treasury.
3 Proposed dividend for the year.
4 Interim dividend for the year.

	Year to 31 December 2016 Ordinary share	Year to 31 December 2015 Ordinary share
Year's high/low		
Share price – high	**293.0p**	261.8p
– low	**205.8p**	214.3p
NAV – high	**304.1p**	268.7p
– low	**213.5p**	216.5p
Share price (discount)/premium to NAV		
– low	**(9.5)%**	(6.4)%
– high	**(0.4)%**	3.2%
Cost of running the Company		
Ongoing charges*	**1.0%**	1.0%

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

Past performance is not a guide to future performance.

PORTFOLIO OF INVESTMENTS
as at 31 December 2016

Company	Sector	Country	Valuation £'000	% of Net Assets
Equity investments				
20 largest equity investments				
Royal Dutch Shell A	Oil & Gas	Netherlands	5,915	4.2
Novartis	Health Care	Switzerland	4,905	3.4
Panasonic	Consumer Goods	Japan	4,566	3.2
Nomura	Financials	Japan	4,443	3.1
Galaxy Entertainment	Consumer Services	Hong Kong	4,315	3.0
BP	Oil & Gas	United Kingdom	4,213	2.9
PostNL	Industrials	Netherlands	4,108	2.9
Bank Mandiri	Financials	Indonesia	4,106	2.9
AstraZeneca	Health Care	United Kingdom	3,994	2.8
Sumitomo Mitsui Trust	Financials	Japan	3,994	2.8
Sumitomo Mitsui Financial	Financials	Japan	3,992	2.8
Apache	Oil & Gas	United States	3,988	2.8
Mitsubishi	Industrials	Japan	3,948	2.7
BNP Paribas	Financials	France	3,752	2.6
HSBC	Financials	United Kingdom	3,686	2.5
Roche*	Health Care	Switzerland	3,663	2.5
Japan Tobacco	Consumer Goods	Japan	3,648	2.5
Commerzbank	Financials	Germany	3,574	2.5
NTT	Telecommunications	Japan	3,525	2.4
Synchrony Financial	Financials	United States	3,464	2.4
Total – 20 largest equity investments			**81,799**	**56.9**
Other equity investments				
Sanofi	Health Care	France	3,407	2.4
Ubisoft Entertainment	Consumer Goods	France	3,374	2.4
Harman	Consumer Goods	United States	3,373	2.3
PerkinElmer	Industrials	United States	3,225	2.2
East Japan Railway	Consumer Services	Japan	3,180	2.2
Celgene	Health Care	United States	3,178	2.2
Takashimaya	Consumer Services	Japan	3,157	2.2
Tesco	Consumer Services	United Kingdom	3,058	2.1
Bangkok Bank**	Financials	Thailand	3,044	2.1
Alphabet A&C***	Technology	United States	2,954	2.1
Edinburgh Partners Emerging Opportunities Fund	Financials	Other	2,954	2.1
Bayer	Basic Materials	Germany	2,793	1.9
SK Hynix	Technology	South Korea	2,783	1.9
Toyota	Consumer Goods	Japan	2,749	1.9
CK Hutchison	Industrials	Hong Kong	2,720	1.9
Whirlpool	Consumer Goods	United States	2,719	1.9
Swire Pacific A	Industrials	Hong Kong	2,676	1.9
Nokia	Technology	Finland	2,659	1.9
Telefonica	Telecommunications	Spain	2,639	1.8
Edinburgh Partners	Financials – unlisted	United Kingdom	1,025	0.7
Total – 40 equity investments			**139,466**	**97.0**
Cash and other net assets			**4,291**	**3.0**
Net assets			**143,757**	**100.0**

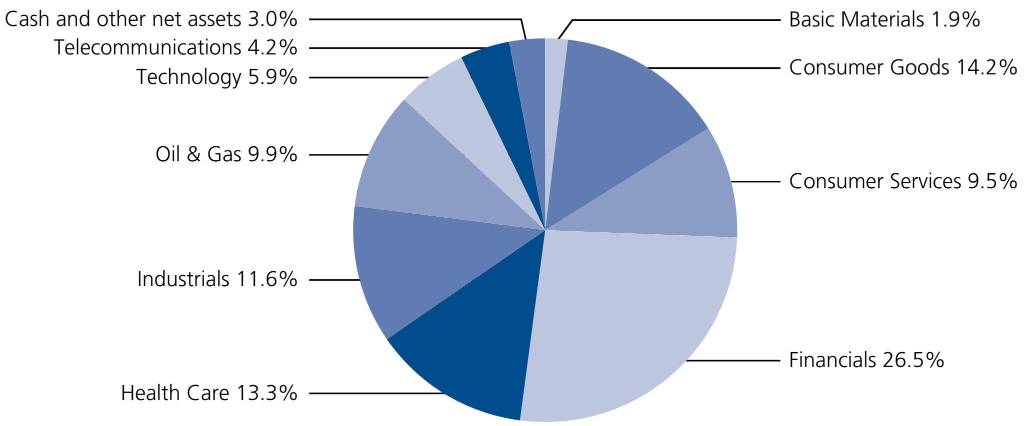
* The investment is in non-voting shares
** The investment is in non-voting depositary receipts
*** The investment has restricted voting rights

Of the ten largest portfolio investments as at 31 December 2016, the valuations at the previous year end, 31 December 2015, were Royal Dutch Shell A £2,138,000, Novartis £3,544,000, Panasonic £2,921,000, Nomura £3,113,000, Galaxy Entertainment £3,065,000, BP £2,926,000, PostNL £3,034,000, Bank Mandiri £2,687,000, AstraZeneca £3,305,000 and Sumitomo Mitsui Trust £3,580,000.

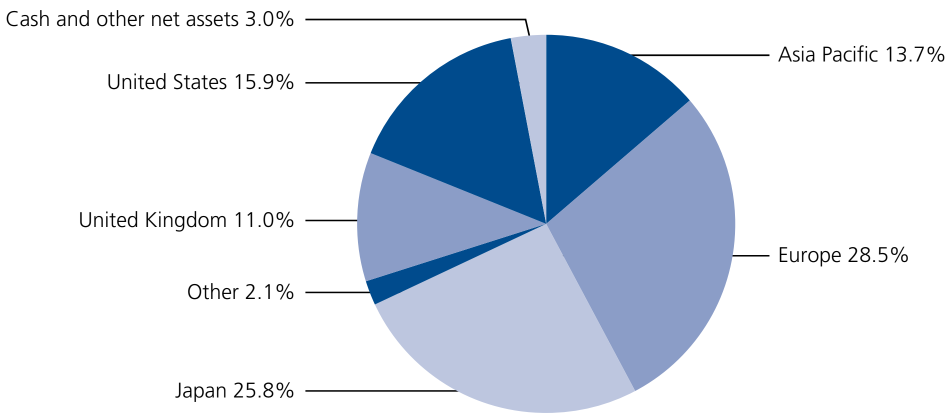
DISTRIBUTION OF INVESTMENTS

as at 31 December 2016 (% of net assets)

Sector distribution



Geographical distribution



The figures detailed in the geographical distribution pie chart represent the Company's exposure to these countries or regional areas.

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

DIRECTORS AND INVESTMENT MANAGER

DIRECTORS

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

Teddy Tulloch (Chairman)
Teddy Tulloch was with Hoare Govett stockbrokers from 1968 until 1970. In 1972, he joined Stewart Ivory & Company Limited and became a director in 1977, retiring in 2002. He was investment manager of The Scottish American Investment Company plc from 1987 to 1999. He was appointed as a Director and Chairman of the Company on 19 November 2003.

David Hough
David Hough joined Laurence Keen in 1987 and was a director from incorporation of Laurence Keen Holdings Limited in 1992 until 1999. He is an executive director of Rathbone Investment Management Limited, following the acquisition of Laurence Keen by Rathbone Brothers Plc in 1999. He was appointed as a Director of the Company on 19 November 2003.

David Ross
David Ross was with Ivory & Sime plc from 1968 to 1990. He was a partner of Aberforth Partners LLP from 1990 until his retirement in 2014. He is a non-executive director of JPMorgan US Smaller Companies Investment Trust plc and F&C UK Real Estate Investments Limited. He was appointed as a Director of the Company on 1 June 2014.

Giles Weaver (Audit and Management Engagement Committee Chairman)
Giles Weaver was formerly executive chairman of Murray Johnstone Limited, non-executive chairman of Helical Bar plc, Charter European Trust plc and Tamar European Industrial Fund Limited, and a non-executive director of Aberdeen Asset Management plc, Anglo & Overseas Plc and James Finlay Limited. He was appointed as a Director of the Company on 10 March 2011.

INVESTMENT MANAGER

Edinburgh Partners
Edinburgh Partners was founded in 2003 as a specialist investment management firm focusing exclusively on achieving returns for investors based on global investment analysis of the highest quality. It manages over £6 billion from institutional clients, including two investment trusts. The investment team of Edinburgh Partners includes experienced investment professionals with strong investment performance records who believe rigorous fundamental research allied to patience is the basis of long-term investment success. Each of the investment professionals has specific responsibilities for sector and regional research in addition to their fund management role.

Edinburgh Partners is committed to investment trusts as flexible, long-term savings vehicles and intends that they should form an important component of its business offering.

The investment partner of Edinburgh Partners with responsibility for managing the portfolio of the Company is Dr Sandy Nairn.

Sandy Nairn BSc, PhD, ASIP, CFA
Sandy is one of the founders, an investment partner and chief executive of Edinburgh Partners. He is responsible for researching the global telecommunications and energy sectors and manages international and global equity portfolios. Previously, he was chief investment officer of Scottish Widows Investment Partnership and spent 10 years with Templeton Investment Management, latterly as director of global equity research.

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
At 31 December 2016, our NAV was 300.2p, an increase of 25.2 per cent in the year. With dividends re-invested, this resulted in a total return of 26.9 per cent for the year. Although the Company has no official benchmark, it was ahead of the total return for the FTSE All-Share Index of 16.8 per cent, but behind the total return from the FTSE All-World Index of 29.6 per cent.

The share price at the end of the year was 293p, an increase of 24.9 per cent over the share price at the end of 2015. At 31 December 2016, the share price stood at a discount of 2.4 per cent to the NAV.

Economic and stock market review and investment performance
After a long period of a disinflationary, low interest rate and low growth environment, economic conditions appear to be changing. The US has started to lead the way in increasing interest rates and reducing monetary stimulus. In the US, interest rates were expected to rise in 2016 but it was not until after the Presidential election in November 2016 that the federal funds rate was increased by 0.25 per cent to 0.75 per cent. It is anticipated that interest rates will be raised further in 2017.

Other countries were still taking stimulative action in early 2016. In January, the Bank of Japan cut its key interest rate to minus 0.1 per cent. Although a relatively low rate of economic growth is forecast for Japan, the outlook appears increasingly positive for the corporate sector. Prime Minister Abe's corporate sector reforms are having an impact and there is a greater focus on return on equity, which should benefit investors in Japanese equities.

In March 2016, the European Central Bank announced a number of additional stimulatory measures, including reducing the main interest rate used across the Eurozone from 0.5 per cent to 0.0 per cent. The UK base interest rate, which had remained at 0.5 per cent since March 2009, was reduced to 0.25 per cent in August 2016, subsequent to the referendum vote. During the year under review, the Brent Crude Oil Price fell from US$35 per barrel at the start of the period to a low of US$28 per barrel in January 2016 before recovering to US$57 as at 31 December 2016.

There had been relatively lacklustre returns from investing in global equities in 2014 and 2015. However, for sterling-based investors, the year under review was much more satisfactory, with the weakness of sterling subsequent to the UK referendum vote to leave the European Union being a major contributory factor to the high equity market returns achieved. During 2016, sterling fell by 14 per cent against the US dollar, 16 per cent against the euro and 19 per cent against the Japanese yen. As a consequence, in a number of equity markets, principally Europe and Japan, low or negative returns in local equity markets turned into useful positive returns when converted into sterling.

It was a volatile year for equity investors. At the start of 2016, concerns over Chinese economic growth had a negative impact on equity markets, with those in the Asia Pacific region being the most severely impacted. However, the sell-off was short lived and equity markets began to recover in February. Some of the more cyclical sectors, such as energy and basic materials, began to recover after their poor performance in 2015. There was also a flight to perceived quality and stocks considered to have "bond-like" characteristics performed well. Such companies have low perceived earnings risk and provide a yield greater than that available in bond markets. Our Investment Manager has avoided such shares because of their expensive valuations. In the health care sector, a number of stocks suffered collateral damage due to US drug pricing concerns.

In the second half of the year, there was a significant change to the character of financial markets as it became increasingly apparent that a more normal and robust economic recovery was beginning to take place. Bond yields rose sharply and those shares that were perceived as having "bond-like" characteristics came under pressure. However, stock market indices were propelled higher by the strength of companies more geared to economic growth. Our own performance benefited in particular from the continued strength in oil shares and a much improved performance of our investments in the banking sector.

After a number of years of outperformance by growth stocks relative to stocks with value characteristics, it appears that 2016 saw the start of a move towards more normal relative valuation levels. We are still at an early stage of this process and, while it is unlikely to be a uniform progression, it should have a considerable way to go, given the extended period of low interest rates that preceded it. The positive equity market response seen since the election of Donald Trump as the US President in November 2016 is likely a growing realisation of what is going to happen to bond yields rather than being a direct consequence of his intended policies. As a consequence of our Investment Manager's strict discipline of value investing, the portfolio is appropriately positioned to benefit from the environment that we believe is now unfolding.

Portfolio activity

There were seven new names added to the portfolio in 2016, four outright sales and one holding was taken over, the UK oil and gas producer, BG Group. Changes to the portfolio have been driven by individual shares moving to valuation levels that are no longer attractive and being replaced by holdings perceived to offer good long-term value. This has led to a significant increase in our investment in European shares during the year, with net investment of £10.7 million. Two new holdings were added in France, Sanofi, the French pharmaceutical company, and Ubisoft Entertainment, a video games publisher. In Spain, Telefonica, the Spanish telecommunications company that owns the UK mobile provider O2, was added. Overall, our investment in Europe increased from 19.8 per cent to 28.5 per cent of net assets.

The increased exposure to European stocks was partly financed by a net disinvestment from the Asia Pacific region of £4.5 million, with profit taking in a number of holdings and the complete disposal of DBS Bank in Singapore. This reduced the Company's exposure to the region from 15.8 per cent to 13.7 per cent.

We continue to hold a significant portion of our assets in Japan, 25.8 per cent at the year end, as the outlook for the Japanese corporate sector still looks positive, with selective shares at attractive valuations. One new name was added during the year, the consumer services stock, Takashimaya, and there was one sale, the telecommunication company, KDDI. In June 2016, a foreign currency forward contract was entered into to hedge the equivalent of £27 million of the Japanese yen exposure back to sterling. In August 2016, the Company hedged the equivalent of an additional £4.5 million. These transactions were entered into in anticipation that the Japanese currency would depreciate against sterling. Unfortunately, there was a follow through to sterling's initial sharp decline after the Brexit vote. Our Investment Manager took advantage of sterling's rally in November to enter a foreign currency forward contract that effectively removed the hedges, resulting in an overall small loss of £75,000 when the contracts expired the following month.

Within our US equity exposure, purchases and sales were of similar amounts. New positions were acquired in the biotechnology stock, Celgene, which specialises in cancer and inflammatory disorders, and in the consumer finance company, Synchrony Financial. This was largely offset by the complete disposal of the telecommunication company, Qualcomm, and a partial reduction in a number of other holdings. The US was the best performing of the major equity markets in 2016. From a valuation perspective, our Investment Manager finds it difficult to find many undervalued companies in the US.

Overall, there was little net movement in the Company's UK equity exposure during the year, although due to the weakness of sterling, there was a reduction from 13.4 per cent to 11.0 per cent of net assets. The holding in Vodafone was sold and a new holding was established in the food retailer, Tesco.

Revenue account and dividend

The revenue per share for the year ended 31 December 2016 was 5.3p. This compares with 3.1p per share in the previous year, an increase of 71 per cent. While there was healthy dividend growth from our investments plus a currency translation benefit from a number of them, a significant proportion of the increase in revenue resulted from a special dividend from our holding in Edinburgh Partners. This dividend will not be repeated in 2017, so it is probable that the revenue per share will not match the level achieved in 2016. The Board has therefore decided to recommend a special dividend of 1.0p per share and a final dividend of 4.3p per share, subject to Shareholders' approval at the Annual General Meeting to be held on 27 April 2017. Both dividends will be payable on 26 May 2017.

While the final dividend of 4.3p is more in line with the revenue from ordinary dividends received in 2016, the level of dividend we declare will fluctuate from year to year. Our Investment Manager selects shares on the basis of where it finds the best value, rather than based on achieving a dividend that will grow steadily over time. The Board continues to believe that this strategy will produce a better long-term performance as our Investment Manager is able to fully implement its value-based investment philosophy, without any restrictions being imposed by having to achieve a specific income target.

Shares held in treasury
The Company continued with its policy of buying in shares with a view to maintaining the share price at close to the NAV. During the year, we purchased 1,460,000 shares for treasury, at a total cost of £3,615,000. Shares that have been bought back under the Company's buy back policy are retained by the Company as treasury shares rather than cancelled.

At the Annual General Meeting held in April 2016, Shareholders passed a resolution permitting the Company to continue to sell shares held in treasury at a weighted average discount of not more than 2.0 per cent to the prevailing NAV. In addition, the resolution provided that any sale of treasury shares would not result in a dilution greater than 0.2 per cent in aggregate in the period between annual general meetings. While no shares were sold from treasury during the year under review, the Board is recommending that Shareholders approve a similar resolution at this year's Annual General Meeting, as the Board believes that having the ability to sell shares from treasury at a small discount should help improve the liquidity in the Company's shares. In 2015, 2,035,000 shares were sold from treasury.

Audit tender
As stated in last year's Annual Report, under European Union audit reform legislation, the Company was required to undertake an audit tender by 31 December 2017. This took place in October 2016 when three firms were invited to tender, including the incumbent auditor, Ernst & Young LLP. There was a transparent and competitive tender process and after careful evaluation by both the Audit and Management Engagement Committee and the Board, a recommendation to re-appoint Ernst & Young LLP as Auditor of the Company is being proposed to Shareholders at the Annual General Meeting to be held on 27 April 2017.

It should be noted by Shareholders that, in accordance with the legislation in respect of mandatory rotation of audit firms, the Company will be required to rotate auditors after the audit of the 2023 financial statements.

Outlook
Following the many policy measures taken to avoid a deep recession after the financial crisis of 2008, the global economy appears to be returning at last to more normal conditions. The US has started to lead the way by raising interest rates. Other countries are expected to follow, although not imminently and not at a particularly fast pace. In this scenario, bond yields are expected to rise. This will likely have a negative impact on those equities whose valuations in recent years have benefited from being seen as "bond proxies". This could provide a much improved investment backdrop for equities with more value-based characteristics.

As always, there are a large number of factors that could impact economies and equity markets, with geopolitical concerns, particularly in the Middle East, the UK's forthcoming exit from the European Union and renewed concerns over the Eurozone in its current form. The political changes expected following the election of Donald Trump as US President could have a significant impact. The imposition of additional trade restrictions and increased protectionism would be of particular concern as it would probably result in a reduction in the potential for global economic growth.

We continue to remain positive on the outlook for the portfolio of stocks in which we are invested and believe that the extended period of "growth" stocks outperforming "value" stocks is gradually coming to an end. There have been signs of this in recent quarters and we believe your Company will benefit from a continuation of this process.

Teddy Tulloch
Chairman
9 March 2017

Past performance is not a guide to future performance.

INVESTMENT MANAGER'S REPORT

The Company's net asset total return in the year ended 31 December 2016 was 26.9 per cent. This result was mainly attributable to the significant fall in sterling following the Brexit referendum and emphasises the benefits of a geographically diverse portfolio.

The Brexit referendum result and the election of Donald Trump as US President were two of the major geopolitical events of the year. Few would have predicted both of these outcomes, and fewer still, that equity markets would provide positive returns against such a backdrop. Much has been written about the impact of both events and markets have become obsessed with trying to predict how related policies will unfold. This is a natural and appropriate response but at the same time, there is a danger of ignoring other equally important events which are unfolding. By far the most important of these is the ending of the era of artificially suppressed bond prices. With the exception of a geopolitical misstep of significant proportions, the global economy is now out of intensive care. The patient should be self-sustaining and no longer in need of the constant intravenous injection of zero cost money. Whilst the liquidity withdrawal will be slow and phased globally, the process has begun. This is vitally important because of the distorting effects the previous environment has had, both on the quality of credit decisions and the valuation of assets. We welcome the return to a more normal monetary environment and the accompanying impact on asset prices.

Although it is very early days, part of the impact of bond markets beginning to move to more normal yields could be seen in the outperformance of, so called, "value stocks". In the second half of the year, the impact was meaningful, although, set against the extended period of underperformance, there is still a long way to go. The economic backdrop to this is one where we see labour markets tightening further and inflation beginning to emerge as wage increases combine with rising commodity and oil prices. Nominal economic growth will continue and the authorities will talk tough about inflation, whilst trying to avoid undermining the growth needed to reduce fiscal deficits. This is a poor environment for bonds but less damaging for "real" assets, such as equities. Nevertheless, we do not start from a position where equities are undervalued and, therefore, anticipate increasing focus on risk and potentially greater liquidity in the portfolio.

Within the portfolio, the major concentration of holdings is in three categories. The first of these is energy, where we believed an overly negative scenario had been built into share prices and we began adding to our exposure in 2015. Whilst the rebound in prices took longer than we expected, it started to come through in 2016, such that the US exploration and production company, Apache, was one of the best performing stocks in the portfolio in the year. Royal Dutch Shell also appreciated as concerns over its ability to sustain its dividend reduced as oil prices rose. There was a similar reaction in the share price of BP.

The second category is healthcare stocks, where concerns over drug pricing, particularly prevalent during the US election, caused share prices to be lacklustre. Within the portfolio, we have invested in companies with strong balance sheets, decent drug pipelines and good cash flow. We believed that price concerns were already discounted and in 2016 we acquired new positions in Celgene and Sanofi and added to our holdings in Novartis and Roche.

The third category where we have a significant investment is the banking sector, where a view exists that banks should not be considered viable investments at almost any price. We agree that banks still have much work to do on their cost base and are still impacted by the continued overhang of their behaviour up to and over the financial crisis. We also agree that in the long run many banking functions will be performed by new companies, whether it is peer to peer lenders or independent foreign exchange operators. However, banks will continue to have a role to play and as the yield curve steepens, they will be able to earn reasonable returns on traditional lending. Given current valuations, there is substantial potential for appreciation. We own investments in a range of banks and financial companies in the UK, Europe, US and Asia, including HSBC, Commerzbank and Bank Mandiri of Indonesia. During the year, we added a holding in Synchrony Financial, the US credit card provider. Performance over the year was positive but mixed and we anticipate that the valuation differences will begin to narrow, with the banks that have lagged in performance beginning to catch up.

The two major sales from the portfolio were the Japanese telecoms company, KDDI, and Qualcomm, the US wireless technology business. In both cases, their share prices had appreciated strongly and more than discounted future prospects.

Overall, we remain cautious on the potential returns from equities, despite our view that economic growth will continue. The consequence of monetary policies, such as quantitative easing, has been to leave other asset classes looking demonstrably expensive, with a knock on effect to those related elements in equity markets, such as "bond-like equities". Whilst the stocks we own look better value, in aggregate, the portfolio valuation is "fair" rather than cheap and, as a consequence, it is highly likely that cash balances will rise as we dispose of stocks which achieve their valuation targets. We have been through this cycle many times before and it is important to retain valuation discipline to be in a position to take advantage of opportunities as they arise.

Dr Sandy Nairn
Edinburgh Partners
9 March 2017

Past performance is not a guide to future performance.

OTHER STATUTORY INFORMATION

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

Strategy and business model
Investment policy
The Company's investment policy is set out on page 2.

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

Investment strategy
The Company's portfolio is managed without reference to any stock market index. Investments are selected for the portfolio only after extensive research by the Investment Manager. The process through which an equity must pass in order to be included in the portfolio is rigorous. Only a security where the Investment Manager believes that the price will be significantly higher in the future will pass the selection process. The key to successful stock selection is to identify the long-term value of a company's shares and to have the patience to hold the shares until that value is appreciated by other investors. Identifying long-term value involves detailed analysis of a company's earning prospects over a five-year time horizon. Further details of the investment strategy can be found in the Chairman's Statement on pages 7 to 9 and the Investment Manager's Report on pages 10 and 11.

Business and status of the Company
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 as an authorised investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 (the "CTA"), subject to there being no subsequent serious breaches of the regulations. In the opinion of the Directors, the Company is directing its affairs so as to enable it to continue to qualify for such approval.

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange.

Portfolio analysis
A detailed review of how the Company's assets have been invested is contained in the Investment Manager's Report on pages 10 and 11. A list of all the Company's investments is contained in the Portfolio of Investments on page 4. At 31 December 2016, the Company held 40 investments, excluding cash and other net assets, with the largest representing 4.2 per cent 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 43 and in the Reconciliation of Movements in Shareholders' Funds on page 45.

For the year ended 31 December 2016, the net revenue return attributable to Shareholders was £2.6 million (2015: £1.5 million) and the net capital return attributable to Shareholders was £27.9 million (2015: £1.7 million). Total Shareholders' funds increased by 21.5 per cent to £143.8 million (2015: £118.4 million).

A final dividend of 4.3p per ordinary share and a special dividend of 1.0p per ordinary share, a total of 5.3p per ordinary share for the year ended 31 December 2016 (2015: interim dividend of 3.1p), have been recommended by the Board. Subject to the approval of Shareholders at the Annual General Meeting to be held on 27 April 2017, the final and special dividends will be payable on 26 May 2017 to Shareholders on the register at the close of business on 5 May 2017. The ex-dividend date will be 4 May 2017.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess how the Company is achieving its objective. The key performance indicators used to measure the progress and performance of the Company over time are established industry measures and are as follows:

Net asset value

In the year to 31 December 2016, the NAV increased by 25.2 per cent from 239.8p to 300.2p. After taking account of the dividend paid in 2016 of 3.1p, relating to the year ended 31 December 2015, the net asset value total return was 26.9 per cent. This compares with the total return of 29.6 per cent from the FTSE All-World Index, adjusted to sterling.

The net asset value total return since the launch of the Company on 15 December 2003 to 31 December 2016 was 253.0 per cent. The total return from the FTSE All-World Index, adjusted to sterling, was 253.8 per cent for the same period.

Share price

In the year to 31 December 2016, the Company's share price increased by 24.9 per cent from 234.5p to 293.0p. The share price total return was 26.7 per cent, after taking account of the 3.1p dividend paid in 2016 relating to the year ended 31 December 2015.

Share price discount to NAV

The share price discount to NAV widened from 2.2 per cent to 2.4 per cent in the year to 31 December 2016.

Revenue return per ordinary share

There was an increase in the revenue per ordinary share in the year to 31 December 2016 of 71.0 per cent from 3.1p to 5.3p.

Dividends per ordinary share

The Directors are recommending a final dividend of 4.3p per ordinary share and a special dividend of 1.0p per ordinary share, a total of 5.3p per ordinary share. This represents a 71.0 per cent increase on the prior year dividend of 3.1p. As detailed in the Chairman's Statement on page 8, the Board has always taken the view that the investments to be held in the portfolio should be determined entirely on where the Investment Manager finds the best value rather than on achieving a particular level of dividend.

Ongoing charges

In the year to 31 December 2016, the ongoing charges ratio was 1.0 per cent (2015: 1.0 per cent).

The longer-term records of the key performance indicators are shown in the Performance Record on page 62.

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 16 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.

The AIFM receives a management fee of 0.75 per cent per annum (payable monthly in arrears) of the month-end market capitalisation of the issued ordinary shares (excluding treasury shares) up to £100 million and 0.65 per cent above £100 million. No performance fee will be paid. The AIFM receives an administration fee of £127,000 per annum (payable monthly in arrears), which is adjusted annually in line with changes in the Retail Price Index. The Company also pays the Investment Manager £25,000 per annum in respect of marketing-related services.

The Company has a holding in the Edinburgh Partners Emerging Opportunities Fund, which is managed by Edinburgh Partners, as detailed in notes 8 and 9 on pages 51 to 53 of the Financial Statements. No management fee was charged by the AIFM to the Company in relation to its investment in the Edinburgh Partners Emerging Opportunities Fund during the year ended 31 December 2016 (2015: nil).

The Management Agreement may be terminated by either party giving 12 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. Further details relating to the Management Agreement are detailed in note 3 on page 49 of the Financial Statements.

Continuing appointment of the AIFM
The Board keeps the performance of the AIFM under continual review. As the AIFM has delegated the investment management function to Edinburgh Partners, the performance of the Investment Manager is also regularly reviewed. The Board, through delegation to the Audit and Management Engagement Committee (the "Committee"), has considered the performance of the AIFM and the terms of its engagement. 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 are that the long-term investment performance has been satisfactory and the investment strategy remains convincing. The remuneration of the AIFM is fair 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.

AIFM remuneration disclosures
In accordance with the AIFMD, information in relation to the remuneration of the Company's AIFM, Edinburgh Partners AIFM Limited, is required to be made available to investors. The AIFM's remuneration policy is incorporated within a group policy which is available at www.edinburghpartners.com. The disclosure also includes those remuneration disclosures in respect of the AIFM's staff and 'Identified Staff' for the reporting period, the year ended 29 February 2016.

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.

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 during the year ended 31 December 2016. The Company used derivative instruments for currency hedging as detailed in the Chairman's Statement on page 8.

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 1.25 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 31 December 2016, the Company's Gross ratio was 1.00 and its Commitment ratio was 1.00. In accordance with the AIFMD, any changes to the maximum level of leverage set by the Company will be communicated to Shareholders.

Principal risks and uncertainties

The Board considers that the following are the principal risks associated with investing in the Company: investment and strategy risk, key manager risk, discount volatility risk, market risk, foreign currency risk and regulatory risk. Other risks associated with investing in the Company are liquidity risk, credit risk, interest rate risk, gearing risk, operational risk and financial risk. An explanation of these risks and how they are managed and the policy and practice with regards to financial instruments are contained in note 16 on pages 56 to 60 of the Financial Statements.

The Board, through delegation to the Committee, has undertaken a robust annual assessment and review of all the risks stated above, together with a review of any new risks which may have arisen during the year, including those that would threaten the Company's business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk assessment matrix.

Internal control

In accordance with guidance issued to directors of listed companies by the Financial Reporting Council ("FRC") on Risk Management, Internal Control and Related Financial and Business Reporting, the Directors confirm that they have carried out a review of the effectiveness of the systems of internal control during the year ended 31 December 2016, as set out on pages 30 and 31. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

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 ("PRA") and regulated by the FCA and the PRA. Custody services are provided by The Northern Trust Company (as a delegate of the Depositary). A fee of 0.01 per cent 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 ended 31 December 2016 and the outlook for the current year can be found in the Chairman's Statement on pages 7 to 9 and the Investment Manager's Report on pages 10 and 11. The Board's main focus is on the investment return and strategy, with attention paid to the integrity and success of the investment approach and on the factors which may have an impact on this.

Human rights, employees and community issues

The Board recognises the requirement under Section 414C of the Act to detail information about human rights, employees 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.

The Company is not within the scope of the Modern Slavery Act 2015 because it has not exceeded the turnover threshold and therefore, no further disclosure is required in this regard.

Gender diversity

As at 31 December 2016, the Board of Directors of the Company comprised four male Directors. The appointment of any new Director is made on the basis of merit, with the aid of an experienced consultant.

Social, environmental and ethical policy

The Company seeks to invest in companies that are well managed with high standards of corporate governance. The Board believes 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 which it invests.

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

The day-to-day management of the Company's investment portfolio has been delegated by the AIFM to the Company's Investment Manager, Edinburgh Partners, which has an Environmental, Socially Responsible Investing and Corporate Governance ("ESG") policy in place. The ESG policy statement, which can be found on the website at www.edinburghpartners.com, describes the manner in which the principles of the UK Stewardship Code are incorporated within the investment process.

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
Teddy Tulloch
Chairman
9 March 2017

Past performance is not a guide to future performance.

DIRECTORS' REPORT

Directors
The Directors in office during the year and at the date of signing this report are as shown on page 1.

In accordance with the Board's policy, all Directors will be standing for re-election at the forthcoming Annual General Meeting to be held on 27 April 2017. Accordingly, the Board strongly recommends the re-election of each of the Directors to Shareholders for the reasons set out on page 28.

Dividends
Details of the dividends recommended by the Board are set out in the Strategic Report on pages 8 and 12.

Corporate governance
The Company's corporate governance statement is set out on pages 27 to 32.

Share capital
At 31 December 2016, the Company's issued share capital comprised 64,509,642 ordinary shares of one pence each, of which 16,621,917 ordinary shares were held in treasury.

At general meetings of the Company, one vote is attached to each ordinary share in issue. Shares held in treasury do not carry voting rights. The total voting rights of the Company at 31 December 2016 were 47,887,725.

Issue of shares
On 11 October 2005, the Company applied for a block listing of 1,300,000 ordinary shares. As at 31 December 2016, and at the date of signing this report, a balance of 745,830 shares may be issued under this block listing.

No shares were issued during the year.

Purchase of shares
During the year ended 31 December 2016, the Company purchased in the stock market 1,460,000 ordinary shares (with a nominal value of £14,600) for treasury, at a total cost of £3,615,000. This represented 2.3 per cent of the issued share capital at 31 December 2015. During the year ended 31 December 2016, no shares were purchased for cancellation.

Subsequent to the year end of 31 December 2016 and up to 9 March 2017, the date of signing this report, the Company purchased in the stock market 600,000 ordinary shares (with a nominal value of £6,000) for treasury, at a total cost of £1,751,000, representing 0.93 per cent of the issued share capital as at 31 December 2016.

The share purchases during the year were made with a view to reducing discount volatility and maintaining the middle market price at which the shares traded close to the NAV.

Sale of shares from treasury
No shares were sold from treasury during the year ended 31 December 2016.

Shares held in treasury
Holding shares in treasury enables a company to issue shares cost effectively that might otherwise have been cancelled. The total number of own shares held in treasury as at 31 December 2016, including those shares bought back in prior accounting periods, totalled 16,621,917 ordinary shares. The Board has not set a limit on the number of shares that can be held in treasury at any one time. The maximum number of own shares held in treasury during the year was 16,621,917 ordinary shares (with a nominal value of £166,219) representing 25.8 per cent of the issued share capital at the time they were held in treasury.

Substantial share interests
The Company has been informed of the following notifiable interests in the voting rights of the Company as at 31 December 2016 and 9 March 2017, the date of signing this report:

	31 December 2016		9 March 2017	
	Number of shares	% of voting rights	Number of shares	% of voting rights
Brewin Dolphin Securities Limited	3,019,756	6.31	3,019,756	6.39
Noble Grossart Investments Limited	2,470,844	5.16	2,470,844	5.23
Rathbone Brothers Plc	2,416,730	5.05	2,336,830	4.94
D.C. Thomson & Company Limited	2,192,821	4.58	2,192,821	4.64
Investec Wealth & Investment Limited	1,516,481	3.17	1,516,481	3.21

Related parties
Details in respect of the Directors' remuneration are set out in note 4 on page 50 and in the Directors' Remuneration Report on page 24. Information in relation to transactions with the AIFM and the Investment Manager is provided in note 3 on page 49 and in the Strategic Report on pages 13 and 14. There were no other transactions with related parties in the year ended 31 December 2016.

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

- The Company's capital structure and voting rights are summarised on pages 2 and 17.
- Details of the substantial Shareholders of the Company are detailed above.
- An amendment to the Company's Articles of Association and the giving of powers to issue or buy back the Company's shares requires an appropriate resolution to be passed by Shareholders. Proposals to grant powers to the Board to issue and buy back shares are set out on pages 20 to 22.
- There are no restrictions concerning the transfer of securities in the Company; no restrictions on voting rights; 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 16 and 17 on pages 56 to 61 of the Financial Statements 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 set out in the Strategic Report on page 15. The Company's assets consist principally of a diversified portfolio of listed equity shares, which in most circumstances are realisable within a short period of time and exceed its liabilities by a significant amount.

After due consideration, the Directors have concluded that the Company has adequate resources to continue in operational existence for the next year. For this reason, they have adopted the going concern basis in preparing the Financial Statements.

Long-term viability statement
The Directors have assessed the prospects of the Company over a period longer than one year. The Board considers that, for a company with an investment objective to provide Shareholders with an attractive real long-term return by investing globally in undervalued securities, a period of five years is an appropriate period to consider for the purpose of the Long-term Viability Statement. Furthermore, five years is the time period used for identifying long-term value, as detailed in the Strategic Report in the investment strategy section on page 12.

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 in note 16 on pages 56 to 60 of the Financial Statements;
- that the portfolio comprises principally of investments traded on major global 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. All of the Directors are non-executive and consequently do not have any employment-related liabilities or responsibilities; and
- that, should performance be less than the Board considers to be acceptable, it has appropriate powers to replace the AIFM.

The Board's assessment was based on the following assumptions:

- that investors will still wish to have an exposure to global equity portfolios;
- 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.

The Board considers that, following its assessment, 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.

Auditor
The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is 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 Auditor is aware of that information.

In October 2016, the Audit and Management Engagement Committee carried out an external audit tender process. Three firms were invited to tender. Following a transparent and competitive tender process, the Committee recommended to the Board that Ernst & Young LLP ("EY") be re-appointed as the Company's Auditor. Further details in respect of the audit tender can be found in the Report from the Audit and Management Engagement Committee on page 35. Accordingly, resolutions to re-appoint EY and authorise the Committee to agree its remuneration will be proposed at the forthcoming Annual General Meeting to be held on 27 April 2017.

Financial risk management
Information about the Company's financial risk management objectives and policies is set out in note 16 on pages 56 to 60 of the Financial Statements.

Independent professional advice, insurance and indemnity
Details regarding independent professional advice, insurance and indemnity are set out in the Corporate Governance Statement on page 30.

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 Annual General Meeting to be held on 27 April 2017 is set out on pages 65 to 70. 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 Auditor's Report and the audited Financial Statements for the year ended 31 December 2016;

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

Resolution 3 – the declaration of a final dividend of 4.3p per ordinary share for the year ended 31 December 2016;

Resolution 4 – the declaration of a special dividend of 1.0p per ordinary share for the year ended 31 December 2016;

Resolution 5 – the re-appointment of Ernst & Young LLP as Auditor;

Resolution 6 – the authorisation of the Audit and Management Engagement Committee to determine the remuneration of the Auditor; and

Resolutions 7 to 10 – the re-election of Directors.

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

Special business at the Annual General Meeting

At the Annual General Meeting held on 20 April 2016, the Company was granted authority to purchase up to 14.99 per cent of the Company's ordinary shares in issue (excluding treasury shares) amounting to 7,335,764 ordinary shares. Details of shares bought back during the year ended 31 December 2016 can be found on page 17. As at 9 March 2017, the Company may purchase up to 5,685,764 ordinary shares under the existing authority.

Resolution 11 (a Special Resolution), as set out in the notice of meeting, if passed, will renew the Directors' authority to purchase (either for cancellation or to hold in treasury) up to 7,088,429 ordinary shares (being 14.99 per cent of the issued share capital (excluding treasury shares) as at 9 March 2017), or if less, 14.99 per cent of the issued share capital (excluding treasury shares) 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 1.0p per ordinary share, and not more than the higher of:

(i) 5.0 per cent above the average market value 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(6) of the Market Abuse Regulation (being a price higher than the higher of the price of the last independent trade and the highest current independent purchase 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 when supply exceeds demand with a view to reducing discount volatility and maintaining the middle market price at which the shares trade close to the NAV and where the Directors consider it to be in the best interests of Shareholders and the Company. Shares purchased will be cancelled or placed into treasury at the determination of the Directors. 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 30 June 2018).

Resolution 12 (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 £157,625, representing 15,762,500 ordinary shares (being approximately one-third of the issued share capital (excluding treasury shares) as at 9 March 2017), 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 12 will authorise the Directors to allot additional ordinary shares up to a maximum nominal amount of £157,625, which is approximately a further one-third of the issued share capital (excluding treasury shares) as at 9 March 2017. 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 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 30 June 2018). The authority will be used where Directors consider it to be in the best interests of Shareholders. The Directors have no present intention of exercising such authority, however, it will provide them with flexibility should appropriate opportunities arise. The Directors will only issue new ordinary shares at a price at or above the prevailing net asset value per ordinary share.

Resolution 13 (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 £23,643, representing 2,364,300 ordinary shares (being approximately 5 per cent of the issued share capital (excluding treasury shares) as at 9 March 2017) without first having to offer such shares to existing Shareholders.

This authority relates to either issues of new shares or sales of own shares held in treasury. 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 30 June 2018). 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 ordinary share. The passing of Resolution 13 is subject to the passing of Resolution 12.

As at 9 March 2017, the Company holds 17,221,917 ordinary shares in treasury, representing 26.7 per cent of the issued share capital.

Resolution 14 (an Ordinary Resolution), as set out in the notice of meeting, if passed, will give the Directors a general authority to sell shares held in treasury, under the authority given in Resolution 13, at a discount to the prevailing net asset value per ordinary share provided:

(i) that the discount at which the ordinary shares are sold is narrower than the weighted average discount of the shares held in treasury;

(ii) that the discount at which the ordinary shares are sold is no greater than a 2.0 per cent discount to the prevailing net asset value per ordinary share;

(iii) that, if the prevailing market price of an ordinary share is less than the net asset value per ordinary share, the price at which the ordinary shares are sold shall not be less than the prevailing market price;

(iv) that the weighted average discount be calculated by accounting for acquisitions, sales and cancellations from treasury on an average cost and average net asset value basis; and

(v) that the sale will not result in a dilution of the Company's net asset value per ordinary share (as at the date of the sale) of greater than 0.2 per cent, when taken together with all other such sales since the date of the Annual General Meeting at which this resolution was passed.

The passing of Resolution 14 is subject to the passing of Resolution 13. The Board believes that having the ability to sell shares from treasury at a small discount to NAV should help improve the liquidity of the Company's shares. It will only permit the Company to sell shares held in treasury at a weighted average discount of not more than 2.0 per cent to the prevailing NAV. In addition, the resolution will provide that any sale of treasury shares would not result in a dilution greater than 0.2 per cent in aggregate in the period between annual general meetings.

Any decisions regarding purchasing shares for treasury, or selling shares from treasury, will be taken by the Directors.

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 each 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

9 March 2017

DIRECTORS' REMUNERATION REPORT (INCLUDING DIRECTORS' REMUNERATION POLICY)

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

The law requires the Company's Auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 37 to 42.

Directors' Remuneration Report

Statement from the Chairman
I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2016.

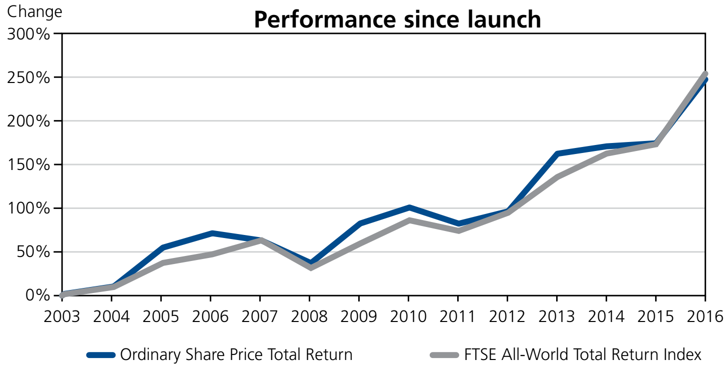
As the Board consists entirely of independent non-executive Directors, it is not considered appropriate for the Company to establish a separate remuneration committee and the remuneration of the Directors is therefore dealt with by the Board as a whole.

During the year ended 31 December 2016, fees were paid at the rate of £26,000 for the Chairman and £18,000 for other Directors, with an additional payment of £2,500 to the Chairman of the Audit and Management Engagement Committee (the "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 26. Directors' fees were last increased on 1 January 2016. Following the annual review, no increase to Directors' fees is proposed for the year ending 31 December 2017.

In order to ensure that there is sufficient headroom to either appoint another Director or increase Directors' fees in the future, at the Annual General Meeting held on 20 April 2016, Shareholders approved the increase in the maximum aggregate annual remuneration that can be paid to the Directors under the Company's Articles of Association from £100,000 to £150,000 per annum.

The Company is required to obtain formal approval from Shareholders of the Directors' Remuneration Policy once every three years and in any year if there are any changes proposed to the policy. Shareholders are requested to approve the Directors' Remuneration Report on an annual basis. The vote on the Directors' Remuneration Policy is subject to a binding vote, while the vote on the Directors' Remuneration Report is an advisory vote. The Directors' Remuneration Policy was approved by Shareholders at the Annual General Meeting held on 20 April 2016. An Ordinary Resolution will be put to Shareholders at the Annual General Meeting to be held on 27 April 2017 to receive and approve the Directors' Remuneration Report. No significant changes are proposed to the way in which the current Directors' Remuneration Policy will be implemented during the course of the next financial year.

Your Company's performance
The graph below compares the total return (assuming all dividends are reinvested) to Shareholders, compared to the return of the FTSE All-World Total Return Index. Although the Company has no formal benchmark, this index has been selected as it is considered to represent a broad equity market index against which the performance of the Company's assets may be adequately compared.



Period: 15 December 2003 to 31 December 2016.

Source: Edinburgh Partners.

Past performance is not a guide to future performance.

Directors' emoluments for the year ended 31 December 2016 (audited)
The Directors who served in the year received the following emoluments:

	Fees		**Total**	
	Year to 31 December 2016	Year to 31 December 2015	**Year to 31 December 2016**	Year to 31 December 2015
	£	£	£	£
Teddy Tulloch (Chairman)	**26,000**	23,000	**26,000**	23,000
David Hough*	**18,000**	16,000	**18,000**	16,000
David Ross	**18,000**	16,000	**18,000**	16,000
Giles Weaver	**20,500**	18,000	**20,500**	18,000
	82,500	73,000	**82,500**	73,000

* Fees in respect of the services of Mr Hough are paid to his principal employer, Rathbone Brothers Plc.

At 31 December 2016, £4,500 (2015: £4,000) was outstanding to be paid to the Directors.

Relative importance of spend on pay
The table below sets out, in respect of the financial year ended 31 December 2016 and the preceding financial year:

a) the remuneration paid to the Directors;

b) the distributions made to Shareholders by way of dividend; and

c) in relation to buy backs, ordinary shares purchased for treasury.

	Year ended 31 December 2016	Year ended 31 December 2015	Change
	£	£	£
Total remuneration	**82,500**	73,000	9,500
Distribution to Shareholders:			
Dividend	**1,524,000**	1,592,000	(68,000)
Ordinary shares purchased for treasury	**3,615,000**	496,000	3,119,000

Directors' interests (audited)
There is no requirement under the Company's Articles of Association, or the terms of their appointment, 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:

	31 December 2016 Beneficial	31 December 2015 or date of appointment, if later Beneficial
Teddy Tulloch	**78,573***	78,573*
David Hough	**79,000****	79,000**
David Ross	**25,000**	25,000
Giles Weaver	**148,584**	148,584

* 18,573 of these ordinary shares belong to a connected person of Mr Tulloch.
** 15,000 of these ordinary shares belong to a connected person of Mr Hough.

There have been no changes to these interests between 31 December 2016 and the date of signing this report.

None of the Directors or 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 31 December 2015 and the Directors' Remuneration Policy were approved by Shareholders at the Annual General Meeting held on 20 April 2016. The votes cast by proxy were as follows:

	Directors' Remuneration Report		**Directors' Remuneration Policy**	
	Number of votes	**% of votes cast**	**Number of votes**	**% of votes cast**
For	11,488,560	98.80	11,568,348	98.46
Against	87,018	0.75	119,407	1.02
At Chairman's discretion	52,582	0.45	61,352	0.52
Total votes cast	**11,628,160**	**100.00**	**11,749,107**	**100.00**
Number of votes withheld	207,856		86,909	

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 Committee. Fees are reviewed annually in accordance with the policy. The fee for any new Director appointed will be determined on the same basis.

The basic and additional fees payable to Directors in respect of the year ended 31 December 2016 and the proposed fees payable in respect of the year ending 31 December 2017 are set out in the table below. The fees payable to the Directors in respect of subsequent financial periods will be determined following an annual review, as detailed above. 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.

	Expected fees for year to 31 December 2017	Fees for year to 31 December 2016
	£	£
Chairman basic fee	**26,000**	26,000
Non-executive Director basic fee	**18,000**	18,000
Additional fee for Chairman of the Audit and Management Engagement Committee	**2,500**	2,500
Current 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

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.

Under the Articles of Association, Directors are entitled to be paid all reasonable travelling, hotel and incidental expenses incurred in or about the performance of their duties as Directors, including expenses incurred in attending Board or Shareholder meetings.

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, copies of which are available on request from the Company Secretary. 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.

Approval

The Directors' Remuneration Report was approved by the Board on 9 March 2017 and signed on its behalf by:

Teddy Tulloch
Chairman

CORPORATE GOVERNANCE

Statement of compliance with the AIC Code of Corporate Governance and Guide
The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide") published in July 2016, which has been early adopted by the Company. Both the AIC Code and the AIC Guide can be found on the AIC website at www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("UK Code"), published in April 2016 and is applicable for financial years beginning on or after 17 June 2016, 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 against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to Shareholders. A copy of the UK Code can be found at www.frc.org.uk.

The Board considers that it has managed its affairs in compliance with the AIC Code and the relevant provisions of the UK Code throughout the year ended 31 December 2016, except where it has concluded that adherence or compliance with any particular principle or recommendation of either of the Codes would not have been appropriate to the Company's circumstances. Similar to the UK Code, the AIC Code specifies a "comply or explain" basis and the Board's report under this section explains any deviation from its recommendations. As set out in the AIC Guide accompanying the AIC Code, the Board considers that the UK Code's recommendations with respect to the role of the chief executive and executive directors' remuneration (there are no executive directors) are not relevant to the Company's circumstances as an externally managed investment trust. The Company has therefore not reported further in respect of these provisions.

Board of Directors
The Chairman of the Company is Mr Tulloch, who is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. He does not have any other significant commitments that would affect his Chairmanship of the Company.

Other than their letters of appointment as Directors, none of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year.

Given the size of the Board, the Board does not consider it necessary for a senior independent director to be appointed.

A process of performance evaluation has been undertaken by which the performance of the Chairman, each Director, the Committee and the Board as a whole has been evaluated in respect of the year ended 31 December 2016. This process consisted of a series of appraisal meetings and discussions between the Chairman and each of the other Directors. The independence of the Directors was considered as part of the evaluation process. The performance of the Chairman was similarly evaluated by the other Directors, led by the Chairman of the Committee. The composition and performance of the Committee was also assessed as part of the evaluation process. 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. This process is carried out on an annual basis and the Board does not consider the use of external consultants to conduct this evaluation as 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; diversity, including gender; identification of the skills and experience required to meet future opportunities; the challenges facing the Company; and those individuals who might best provide them. The Board has agreed that while the benefits of diversity, including gender, will be taken into account for any new Director appointments, the priority would be appointment on merit. Therefore, no measurable targets in relation to Board diversity have been set.

The Board has agreed a procedure for the induction and training of new Board appointees and training requirements are dealt with as required.

Directors' independence
Each member of the Board is non-executive. Mr Hough is an executive director of Rathbone Investment Management Limited, a subsidiary of Rathbone Brothers Plc, which is a substantial Shareholder of the Company. Any potential conflicts of interest would be disclosed and Mr Hough would not vote on any issue where there was considered to be a potential conflict. Notwithstanding this connection, the Board therefore considers Mr Hough to be independent.

The independence of the Directors is reviewed on an annual basis and each Director is considered to be independent in character and judgement and entirely independent of the AIFM and the Investment Manager. None of the Directors have had any previous commercial relationship with the AIFM or the Investment Manager prior to their appointment and none of the Directors sits on the boards of any of the other companies managed by the AIFM or the Investment Manager.

The Board considers that length of service does not necessarily compromise the independence or contribution of the 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. While Mr Tulloch and Mr Hough have each served as Directors for over nine years, following formal performance evaluation, and having noted the willingness of each Director to challenge and debate the activities of the AIFM and the Investment Manager, the Board has concluded that each Director is independent of character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

Re-election of Directors
Under the Company's Articles of Association and in accordance with the AIC Code, Directors are required to retire at the first Annual General Meeting following their appointment. Thereafter, at each Annual General Meeting any Director who has not stood for appointment or re-election at either of the two preceding Annual General Meetings shall be required to retire from office, and may offer himself for re-election.

Notwithstanding the requirements under the Articles of Association, the Board has adopted the policy of requiring each Director to retire and stand for re-election on an annual basis to allow Shareholders to decide on the appropriateness of the composition of the Board.

All the Directors have extensive experience within the investment management industry and an annual performance evaluation of each Director has been carried out. Following the performance evaluation, it is considered that each Director has the necessary skills and experience and continues to contribute effectively to the management of the Company and, in addition, it is believed that the Board has the relevant expertise to provide the appropriate leadership and direction for the Company.

The Board strongly recommends the re-election of each of the Directors to Shareholders on the basis of their expertise and experience in investment matters, their independence and their continuing effectiveness and commitment to the Company.

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

The Board delegates decisions regarding the day-to-day investment of the Company's investment portfolio to the AIFM, which has delegated this responsibility to the Investment Manager. Representatives of the AIFM and the Investment Manager attend Board meetings and provide reports on investments, marketing, operational and administrative matters.

Board committees
Given the number of Directors, the Board does not consider it necessary for the Company to establish separate nomination and remuneration committees and all of the matters that can be delegated to such committees are considered by the Board as a whole. The Board considers that the combined knowledge and experience of its members enables it to successfully fulfil the role of the nomination and remuneration committees.

The Board has established an Audit and Management Engagement Committee (the "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 on request from the Company Secretary and on the Company's website. The Committee meets formally at least twice a year and consists of Mr Weaver, who is chairman, Mr Ross and Mr Tulloch, all of whom are independent. The Board believes it is appropriate for the Chairman of the Company, Mr Tulloch, to be a member of the Committee as he provides a valuable contribution to the Committee and his membership enhances the operation of the Committee and its interaction with the Board. It is considered that there is a range of recent and relevant financial experience amongst the members of the Committee, with two members having formally-recognised accounting qualifications. The Committee, as a whole, has competence relevant to the investment trust sector.

The report from the Committee is set out on pages 33 to 35.

Meeting attendance
The Directors of the Company meet formally at least four times a year to receive and review reports from the AIFM and the Investment Manager on a full range of relevant matters, including investments, marketing, administration, risks and regulatory updates. During the year ended 31 December 2016, four such scheduled Board meetings were held and each Director's attendance is set out in the table below. Additional meetings are held on an ad-hoc basis as required.

	Scheduled Board meetings		**Committee meetings**	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Teddy Tulloch	4	4	3	3
David Hough	4	4	n/a	n/a
David Ross	4	4	3	3
Giles Weaver	4	4	3	3

Conflicts of interest
A Director must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or 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. He must request authorisation from the Board as soon as he becomes aware of the possibility of a situational conflict 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 considered 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.

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.

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. Save for this, there are no qualifying third party indemnity provisions in force.

Directors' remuneration
All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board. Full details of Directors' remuneration are given in the Directors' Remuneration Report on pages 23 to 26. If required, the Chairman will engage with Shareholders on issues relating to Directors' remuneration.

Risk management and internal control review
The Directors acknowledge that they are responsible for the Company's risk management and internal control systems and for reviewing their effectiveness.

An ongoing process, in accordance with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, has been implemented for identifying, evaluating and managing the principal risks faced by the Company. This process has been in place throughout the year ended 31 December 2016 and up to the date the Financial Statements were approved and is regularly reviewed by the Board, through the Committee. Key procedures established with a view to providing effective financial control have also been in place for the year ended 31 December 2016 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, through delegation to the Committee, in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. The Company's principal and other risks are set out in note 16 on pages 56 to 60 of the Financial Statements. 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 likelihood 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, within the Company's risk assessment matrix, 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 has appointed third parties to perform certain administrative tasks, including the following:

- investment management is provided by Edinburgh Partners. The Board is responsible for setting the overall investment policy and monitors the actions of the Investment Manager at regular Board meetings;
- administration and company secretarial duties for the Company are performed by 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 company secretarial services to the AIFM (the "Administrator"); and
- depositary services are provided by Northern Trust Global Services Limited and custody of assets is undertaken by The Northern Trust Company.

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

- the roles 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 its 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 ongoing performance and contractual arrangements;
- mandates for authorisation of investment transactions and expense payments are set by the Board;
- the Board reviews financial information provided by the AIFM and the Administrator in detail on a regular basis; and
- the Directors receive regular reports from the AIFM's Regulatory and Operational Risk Department.

As all of the Company's management functions are performed by third parties, their internal controls are reviewed annually by the Board and regularly on its behalf by the AIFM. 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:

- copies of their ISAE 3402, SSAE 16, or equivalent controls report, published on an annual basis;
- 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" policies in place; and
- assurances that appropriate bribery risk and anti-corruption policies are in place to ensure compliance with the Bribery Act 2010.

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

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.

Relations with Shareholders
Communication with Shareholders is given a high priority by both the Board and the AIFM. The Directors have a policy of maintaining regular contact with major Shareholders and are always available to enter into dialogue with Shareholders. 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 AIFM are available to discuss issues affecting the Company. 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 and Annual Reports are dispatched to Shareholders by mail and are also available for downloading from the Company's website at www.epgot.com.

By order of the Board
Kenneth J Greig
Company Secretary

9 March 2017

REPORT FROM THE AUDIT AND MANAGEMENT ENGAGEMENT COMMITTEE

The Audit and Management Engagement Committee Report for the year ended 31 December 2016 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 half-yearly reports, annual reports and financial statements and accounting policies, and to consider compliance with regulatory and financial reporting requirements;
- 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, performance, business model and strategy;
- to review the principal risks facing the Company that would threaten its business model, future performance, solvency or liquidity, and to assess the prospects of the Company for a period longer than 12 months; and to review the effectiveness of the Company's internal controls and risk management systems;
- to oversee the selection process of possible new appointees as external auditor and to make recommendations to the Board in relation to the appointment of the Auditor;
- to review the adequacy and scope of the external audit;
- to consider the independence, objectivity and effectiveness of the Auditor and the effectiveness of the audit;
- to approve the remuneration of the Auditor;
- to approve any non-audit services to be provided by the Auditor and the fees paid for such services; and
- to review annually the performance of the AIFM, the Investment Manager and other third party service providers.

Composition of the Committee
As detailed on page 29, the Committee comprises Mr Weaver, who is chairman, Mr Ross and Mr Tulloch.

Matters considered during the year
During the year ended 31 December 2016, the Committee met three times and each Director's attendance at these meetings is set out in the table on page 29. 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 Auditor, including the principal areas of focus, and the fees in respect of the audit;
- received and discussed with the Auditor their report on the results of the audit;
- reviewed the Company's Half-Yearly Report and Annual Report and Financial Statements and advised the Board accordingly;
- conducted an audit tender during the year, as detailed on page 35; and
- reviewed the performance of the AIFM, the Investment Manager and other services providers of the Company and made recommendations to the Board regarding their continuing appointment.

The Committee has direct access to the Auditor, Ernst & Young 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 Auditor 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.

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

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

(c) *Internal controls*

During the year, the Committee reviewed and updated, where appropriate, the Company's risk assessment. This is done on an ongoing basis.

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.

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

In line with the AIC Code, the Committee considered the Company's financial requirements and viability for the forthcoming year and over a longer period of five years. As a result of this assessment, the Committee 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, determines the remuneration and terms of engagement of the Auditor, and makes recommendations to the Board on their appointment/re-appointment. Any concerns with the effectiveness of the external audit process would be reported to the Board. No concerns were raised in respect of the year ended 31 December 2016.

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 and the other service providers on a regular basis during the year.

Audit fees and non-audit services
An audit fee of £19,650 has been agreed in respect of the audit for the year ended 31 December 2016 (2015: £19,400). Details of the fees paid to the Auditor are set out in note 4 of the Financial Statements on page 50.

The Board's policy is that non-audit services may be carried out by the Company's Auditor unless there is a conflict of interest. All non-audit services proposed to be carried out by the Auditor must be approved by the Committee in advance to ensure that auditor objectivity and independence is safeguarded, and the Auditor may be excluded from carrying out certain types of non-audit work.

No non-audit services were provided in respect of the year ended 31 December 2016 (2015: £7,500 comprising taxation advice and services in relation to the recoverability of overseas withholding tax suffered).

Independence and objectivity of the Auditor
Ernst & Young LLP has been the Auditor since the launch of the Company in 2003. Caroline Mercer has been the Audit Partner for the Company for the past four financial years, including the year ended 31 December 2016. 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.

Audit tender and re-appointment of the Auditor
Under European Union audit reform legislation, the Company was required to undertake an audit tender by 31 December 2017. An audit tender was undertaken by the Committee in October 2016. Three firms were invited to tender, including the current auditor, Ernst & Young LLP. The audit tender process included detailed consideration of the audit approach and delivery, the quality of the audit engagement team and future developments which could affect the Company, as well as auditor independence. There was a transparent and competitive tender process, including written submissions, presentations and engagement with two of the candidate firms.

After careful evaluation, the Committee recommended to the Board that Ernst & Young LLP be re-appointed as the external Auditor of the Company with effect from the conclusion of the Annual General Meeting to be held on 27 April 2017. The decision was based on Ernst & Young LLP's extensive experience as an auditor of investment trusts and their ability to adapt to a continually changing operating environment, whilst maintaining a qualitative approach to their audit of the Company's Annual Report and Financial Statements.

It should be noted by Shareholders that in accordance with the legislation in respect of mandatory rotation of audit firms, the Company will be required to rotate auditor following the audit of the 2023 financial statements.

Giles Weaver
Chairman of the Audit and Management Engagement Committee
9 March 2017

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 Guidance 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 to 9 and the Investment Manager's Report on pages 10 and 11. Therefore no separate management report has been included.

Statement of Directors' responsibilities in relation to the Annual Report and Financial Statements
The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law, they have elected to prepare the Financial Statements in accordance with UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 its Financial Statements comply with the Act and include the information required by the Listing Rules of the FCA. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

- the Financial Statements, prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The work carried out by the Auditor does not include consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board
Teddy Tulloch
Chairman
9 March 2017

INDEPENDENT AUDITOR'S REPORT
to the members of EP Global Opportunities Trust plc

Our opinion on the Financial Statements
In our opinion:

- the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the Company's net return for the year then ended;
- the Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
EP Global Opportunities Trust plc's Financial Statements comprise:

- Income Statement for the year ended 31 December 2016
- Balance Sheet as at 31 December 2016
- Reconciliation of Movements in Shareholders' Funds for the year ended 31 December 2016
- Related notes 1 to 19 to the Financial Statements

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Overview of our audit approach

Risks of material misstatement	• Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment. • Incorrect valuation and existence of the investment portfolio.
Audit scope	• All audit work was performed by the audit engagement team.
Materiality	• Materiality of £1.44 million which represents 1.0 per cent of total equity Shareholders' funds (2015: £1.18 million).

Our assessment of risk of material misstatement
We identified the risks of material misstatement described on page 38 as those with the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures on page 38 which were designed in the context of the Financial Statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment (as described on page 34 in the Report from the Audit and Management Engagement Committee). The investment income receivable by the Company during the period directly affects the Company's ability to pay a dividend to Shareholders. The Company's income is received in the form of dividends from investments, being £4.10 million (2015: £2.96 million) for the year. The Company received two material special dividends during the year amounting to £0.53 million, which have been included within revenue.	We have performed the following procedures: We agreed a sample of dividends received from the income report to an independent source. We agreed a sample of dividends paid on investments held from an independent source to the income report. We agreed 100 per cent of accrued dividends to an independent source. We reviewed the process in place at both the Manager and the Administrator to identify and account for special dividends. We performed a review of material special dividends received and assessed the appropriateness of the accounting treatment.	The results of our procedures are: We noted no issues in agreeing the sample of dividends received from the income report to an independent source. We noted no issues in agreeing the sample of dividends paid on investments held from an independent source to the income report. We noted no issues in agreeing 100 per cent of the accrued dividends to an independent source. We have no matters to communicate with respect to our assessment of the Manager's and Administrator's process to identify and account for special dividends. We noted no issues in our review of material special dividends received and assessment of the appropriateness of the accounting treatment.
Incorrect valuation and existence of the investment portfolio (as described on page 34 in the Report from the Audit and Management Engagement Committee). The valuation of the portfolio at 31 December 2016 was £139.47 million (2015: £106.89 million), consisting of £138.44 million of listed equities (2015: £105.44 million) and £1.03 million of unlisted equities (2015: £1.45 million). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and the return generated for Shareholders.	We performed the following procedures: We agreed 100 per cent of listed investment valuations and exchange rates to an independent source. We reviewed the price exception and stale pricing reports. We reviewed the workings in support of the Directors' valuation of the unlisted investment. Following this review, we utilised our valuation specialists to determine an acceptable range for the valuation of the unlisted investment and agreed that the Directors' valuation was within this acceptable range. We agreed the Company's investments to the independent confirmations received from the Company's Custodian and the Depositary as at 31 December 2016.	The results of our procedures are: For all listed investments, we noted no material difference in market value or exchange rates when compared to an independent source. We noted no issues on our review of the price exception and stale pricing reports. We noted no issues with the Directors' valuation of the unlisted investment when compared to the acceptable range determined by our valuation specialists. We noted no differences between the Custodian and Depositary confirmations and the Company's underlying financial records.

The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account the size, risk profile, the organisation of the Company and effectiveness of controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined planning materiality for the Company to be £1.44 million (2015: £1.18 million) which is 1.0 per cent of equity Shareholders' funds. We derived our materiality calculation from a proportion of total equity Shareholders' funds as that is the most important financial metric on which Shareholders judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e., our tolerance for misstatement in an individual account or balance) for the Company should be 50.0 per cent of planning materiality, being £0.72 million (2015: 75.0 per cent of planning materiality being £0.89 million). We have set performance materiality at this percentage as a result of identifying a judgemental difference in the prior year.

Given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold of £0.14 million (2015: £0.09 million) for the revenue column of the Income Statement, being 5.0 per cent of the revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered to be clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report all audit differences in excess of £0.07 million (2015: £0.06 million) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

Scope of the audit of the Financial Statements

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. 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.

Respective responsibilities of Directors and Auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 36, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- based on the work undertaken in the course of the audit:
  - 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial 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. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy; and whether the Annual Report appropriately addresses those matters that we communicated to the Audit and Management Engagement Committee that we consider should have been disclosed.	We have no exceptions to report.

Companies Act 2006 reporting	In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report. We are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Company's Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	We have no exceptions to report.
Listing Rules review requirements	We are required to review: • the Directors' statements in relation to going concern set out on page 18, and longer-term viability, set out on page 19; and • the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.	We have no exceptions to report.

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

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether 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; • the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated; • the Directors' statement in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements; and • 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.

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
Edinburgh
9 March 2017

INCOME STATEMENT

for the year ended 31 December 2016

		2016			2015		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments at fair value	8	**–**	**27,190**	**27,190**	–	978	978
Foreign exchange gains on capital items		**–**	**827**	**827**	–	767	767
Foreign currency forward contract loss		**–**	**(75)**	**(75)**	–	–	–
Income	2	**4,096**	**–**	**4,096**	2,960	–	2,960
Management fee	3	**(873)**	**–**	**(873)**	(867)	–	(867)
Other expenses	4	**(376)**	**–**	**(376)**	(366)	–	(366)
Net return before finance costs and taxation		**2,847**	**27,942**	**30,789**	1,727	1,745	3,472
Finance costs							
Interest payable and related charges		**–**	**–**	**–**	–	–	–
Net return before taxation		**2,847**	**27,942**	**30,789**	1,727	1,745	3,472
Taxation	5	**(250)**	**–**	**(250)**	(199)	–	(199)
Net return after taxation		**2,597**	**27,942**	**30,539**	1,528	1,745	3,273
		pence	pence	pence	pence	pence	pence
Return per ordinary share	7	**5.3**	**57.4**	**62.7**	3.1	3.6	6.7

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

Dividend information

A final dividend for the year ended 31 December 2016 of 4.3p per ordinary share and a special dividend of 1.0p per ordinary share, a total of 5.3p per ordinary share (2015: interim dividend of 3.1p) have been recommended by the Board. Subject to shareholder approval, these dividends are payable on 26 May 2017 to Shareholders on the register at the close of business on 5 May 2017. The ex-dividend date will be 4 May 2017. Based on 47,287,725 ordinary shares, being the number of ordinary shares in issue (excluding shares held in treasury) on 9 March 2017, the date of signing this report, the total dividend payment will amount to £2,506,000. Dividends are accounted for in the period in which they are paid. Further information on dividend distributions can be found in note 6 on page 51 of these Financial Statements.

The notes on pages 46 to 61 form part of these Financial Statements.

BALANCE SHEET
as at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed asset investments			
Investments at fair value through profit or loss	8	**139,466**	106,889
Current assets			
Debtors	10	**224**	181
Cash at bank and short-term deposits		**4,384**	11,947
		4,608	12,128
Creditors – amounts falling due within one year			
Creditors	11	**317**	660
		317	660
Net current assets		**4,291**	11,468
Net assets		**143,757**	118,357
Capital and reserves			
Called-up share capital	12	**645**	645
Share premium		**1,597**	1,597
Capital redemption reserve		**14**	14
Special reserve		**66,630**	70,245
Capital reserve		**70,668**	42,726
Revenue reserve		**4,203**	3,130
Total Shareholders' funds		**143,757**	118,357
		pence	pence
Net asset value per ordinary share	14	**300.2**	239.8

These Financial Statements were approved and authorised for issue by the Board of Directors of EP Global Opportunities Trust plc on 9 March 2017 and were signed on its behalf by:

Teddy Tulloch
Chairman

Registered in Scotland No. 259207

The notes on pages 46 to 61 form part of these Financial Statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 31 December 2016

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Year to 31 December 2016								
At 31 December 2015		**645**	**1,597**	**14**	**70,245**	**42,726**	**3,130**	**118,357**
Net return after taxation		**–**	**–**	**–**	**–**	**27,942**	**2,597**	**30,539**
Dividends paid	6	**–**	**–**	**–**	**–**	**–**	**(1,524)**	**(1,524)**
Share purchases for treasury	13	**–**	**–**	**–**	**(3,615)**	**–**	**–**	**(3,615)**
Share sales from treasury	13	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2016		**645**	**1,597**	**14**	**66,630**	**70,668**	**4,203**	**143,757**
Year ended 31 December 2015								
At 31 December 2014		645	–	14	67,309	40,981	3,194	112,143
Net return after taxation		–	–	–	–	1,745	1,528	3,273
Dividends paid	6	–	–	–	–	–	(1,592)	(1,592)
Share purchases for treasury	13	–	–	–	(496)	–	–	(496)
Share sales from treasury	13	–	1,597	–	3,432	–	–	5,029
At 31 December 2015		645	1,597	14	70,245	42,726	3,130	118,357

The notes on pages 46 to 61 form part of these Financial Statements.

1 Accounting policies

Statement of compliance
EP Global Opportunities Trust plc is a company incorporated in Scotland. The Company is registered as a public limited company and is an investment company within the terms of section 833 of the Act. The registered office is detailed on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 7 to 16.

The Company's Financial Statements have been prepared in compliance with Financial Reporting Standard ("FRS") 102 as it applies to the Financial Statements of the Company for the year ended 31 December 2016. The Company has elected to remove the Cash Flow Statement for the year ended 31 December 2016, applying the exemption detailed in FRS 102 Section 7.1A.

The Financial Statements are prepared on a going concern basis and in accordance with the Act and with the Statement of Recommended Practice issued by the AIC in November 2014 (the "AIC SORP"). Where presentational guidance set out in the AIC SORP is consistent with FRS 102, the Directors have sought to prepare the Financial Statements on a consistent basis compliant with the recommendations of the AIC SORP. All of the Company's activities are continuing.

The comparative figures for the Financial Statements are for the year ended 31 December 2015.

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

Income recognition
Dividend and other investment income is included as revenue on the ex-dividend date, the date the Company's right to receive payment is established. Deposit interest and underwriting commission receivable is included on an accruals basis.

Dividends are accounted for 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.

Expenses and finance costs
All management expenses and finance costs are accounted for on an accruals basis. All operating expenses and finance costs are charged through the revenue account in the Income Statement except costs that are incidental to the acquisition or disposal of investments, which are charged to the capital account in the Income Statement. Finance costs are debited using the effective interest rate method. Transaction costs are included within the gains and losses on investments, as disclosed in the Income Statement.

Investments
In accordance with FRS 102, Sections 11 and 12, all investments held by the Company are designated as held at fair value upon initial recognition and are measured at fair value through profit or loss in subsequent accounting periods. Investments are initially recognised at cost, being the fair value of the consideration given.

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

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the Balance Sheet date, without adjustment for transaction costs necessary to realise the asset. Unlisted investments will be valued by the Directors at fair value, using the guidelines on valuation published by the International Private Equity and Venture Capital Association ("IPEVC Valuation Guidelines"). 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.

1 Accounting policies – continued

Foreign currency
The Financial Statements have been prepared in sterling, rounded to the nearest £'000, which is the functional and reporting currency of the Company. Sterling 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. Assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

Taxation
The charge for taxation is based on the net revenue for the year 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 between taxable profits and total comprehensive income that have arisen but not been reversed by the Balance Sheet date, unless such provision is not permitted by FRS 102. Deferred tax assets are only 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 be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements which are capable of reversal in one or more subsequent periods.

Cash at bank and short-term deposits
Cash at bank and short-term deposits comprise cash at bank and short-term deposits with an original maturity date of three months or less.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

Dividends payable to Shareholders
Final dividends are recognised as a liability in the period in which they have been approved by Shareholders in a general meeting. Interim dividends are recognised as a liability in the period in which they have been declared and paid.

Loans
All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the sterling present value of cash payable to the bank (including interest). After initial recognition, they are measured at amortised cost using the effective interest rate method. The effective interest rate amortisation is included in finance costs in the Income Statement. Loans are revalued to the sterling equivalent using exchange rates at the appropriate date, with the gain or loss being charged through the revenue account in the Income Statement.

Borrowings that are payable within one year shall be measured at the undiscounted amount of the cash or other consideration expected to be paid.

1 Accounting policies – continued

Own shares held in treasury

From time to time, the Company buys back shares and holds them in treasury for potential sale at a later date or for cancellation. The consideration paid and received for these shares is accounted for in Shareholders' funds and, in accordance with the AIC SORP, the cost has been allocated to the Company's special reserve. The cost of shares sold from treasury is calculated by taking the average cost of shares held in treasury at the time of sale. Any difference between the proceeds from shares sold from treasury and the average cost is taken to share premium.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make judgements, estimates and assumptions that affect amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that the actual outcomes could differ from those estimates, possibly significantly. The judgements relate to the unlisted investment where there is no appropriate market price, as detailed in note 8.

Reserves

Capital reserve

The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- net movement arising from changes in the fair value of investments; and
- expenses, together with related taxation effect, charged to this account in accordance with the above policies.

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Special reserve

The special reserve was created by a reduction in the share premium account by order of the High Court. It can be used for the repurchase of the Company's ordinary shares.

In accordance with the AIC SORP, the consideration paid for shares bought into and held in treasury is shown as a deduction from the special reserve. The average cost of shares sold from treasury is shown as an increase to the special reserve, with any consideration in excess of average cost being held in the share premium reserve.

Capital redemption reserve

The capital redemption reserve accounts for amounts by which the issued capital is diminished through the repurchase of the Company's own shares.

Revenue reserve

The revenue reserve represents the balance of revenue retained within the Company after the payment of any dividends.

2 Income

	2016 £'000	2015 £'000
Income from investments		
UK net dividend income*	**1,338**	840
Overseas dividend income	**2,758**	2,120
	4,096	2,960
Total income comprises		
Dividends	**4,096**	2,960
	4,096	2,960

* Includes income of £642,000 (2015: £214,000) from the unlisted investment in Edinburgh Partners.

3 Management fee

	2016 £'000	2015 £'000
Management fee	**873**	867
	873	867

With effect from 16 July 2014, the Company appointed Edinburgh Partners AIFM Limited as the Company's AIFM. Under the Management Agreement, the AIFM is entitled to a fee paid monthly in arrears at the rate of 0.75 per cent per annum of the equity market capitalisation of the Company to £100,000,000 and at a rate of 0.65 per cent per annum of the equity market capitalisation which exceeds this amount. The equity market capitalisation is based on shares in circulation which excludes shares held in treasury. No performance fee will be paid.

No management fee is payable in relation to the Company's investment in Edinburgh Partners Emerging Opportunities Fund, which is managed by Edinburgh Partners. Details relating to this investment are set out in the Strategic Report on page 13 and in notes 8 and 9.

During the year ended 31 December 2016, the management fees payable to the AIFM totalled £873,000 (2015: £867,000). At 31 December 2016, there was £84,000 outstanding payable to the AIFM (2015: £144,000) in relation to management fees.

During the year ended 31 December 2016, the administration fees payable to the AIFM, as detailed in note 4, totalled £127,000 (2015: £125,000). At 31 December 2016, there was £11,000 outstanding payable to the AIFM (2015: £21,000) in relation to administration fees.

During the year ended 31 December 2016, the Company paid Edinburgh Partners £25,000 (2015: £25,000) for marketing-related services. At 31 December 2016, there was £6,000 outstanding to Edinburgh Partners (2015: £6,000) in relation to marketing-related services. The fees for marketing-related services are included within other expenses as detailed in note 4.

4 Other expenses

	2016	2015
	£'000	£'000
Administration fee	**127**	125
Auditor's remuneration (excluding VAT) for:		
Audit	**19**	19
Taxation services – advisory	**–**	8
Directors' remuneration	**83**	73
Other	**147**	141
	376	366

Directors' remuneration and outstanding amounts are shown in the Directors' Remuneration Report.

5 Taxation

a) Analysis of charge in year

	2016			2015		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current tax						
Overseas tax suffered	**250**	**–**	**250**	199	–	199
	250	**–**	**250**	199	–	199

b) The current taxation charge for the year ended 31 December 2016 is lower than the theoretical rate of corporation tax in the UK of 20 per cent (2015: 20.25 per cent) (NB The standard rate of corporation tax has been 20 per cent from 1 April 2015. Previously it had been 21 per cent from 1 April 2014). The differences are explained below:

	2016			2015		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return before taxation	**2,847**	**27,942**	**30,789**	1,727	1,745	3,472
Theoretical tax at UK corporation tax rate of 20.00 per cent (2015: 20.25 per cent)	**569**	**5,588**	**6,157**	350	353	703
Effects of:						
– UK dividends that are not taxable	**(267)**	**–**	**(267)**	(170)	–	(170)
– Foreign dividends that are not taxable	**(552)**	**–**	**(552)**	(429)	–	(429)
– Non-taxable investment gains	**–**	**(5,588)**	**(5,588)**	–	(353)	(353)
– Unrelieved excess expenses	**250**	**–**	**250**	249	–	249
– Disallowable expenses	**–**	**–**	**–**	–	–	–
– Overseas tax suffered	**250**	**–**	**250**	199	–	199
	250	**–**	**250**	199	–	199

At 31 December 2016, the Company had no unprovided deferred tax liabilities (2015: £nil). At that date, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £6,057,000 (2015: £4,808,000) that are available to offset future taxable revenue. A deferred tax asset of £1,030,000 (based on the corporation tax rate of 17% effective from 1 April 2020) 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 Trust meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an Investment Trust company.

6 Dividends

	2016 £'000	2015 £'000
Declared and paid		
2015 interim dividend of 3.1p per ordinary share paid in March 2016 (2014: final dividend of 3.3p paid in May 2015)	**1,524**	1,592
Net revenue return after taxation	**2,597**	1,528
Proposed		
2016 final dividend of 4.3p and a special dividend of 1.0p, total 5.3p (2015: interim dividend of 3.1p) per ordinary share	**2,506**	1,524

The Directors recommend a final dividend, for the year ended 31 December 2016 of 4.3p per ordinary share and a special dividend of 1.0p per ordinary share, a total of 5.3p per ordinary share (2015: interim dividend of 3.1p). Subject to shareholder approval at the Annual General Meeting to be held on 27 April 2017, these dividends will be payable on 26 May 2017 to shareholders on the register at the close of business on 5 May 2017. The ex-dividend date will be 4 May 2017. Based on 47,287,725 ordinary shares, being the number of ordinary shares in issue (excluding shares held in treasury) at 9 March 2017, the date of signing this report, the total dividend payment will amount to £2,506,000.

7 Return per ordinary share

	2016			2015		
	Net return £'000	**Ordinary shares***	**Per share pence**	Net return £'000	Ordinary shares*	Per share pence
Revenue return after taxation	**2,597**	**48,679,555**	**5.3**	1,528	49,008,643	3.1
Capital return after taxation	**27,942**	**48,679,555**	**57.4**	1,745	49,008,643	3.6
Total return after taxation	**30,539**	**48,679,555**	**62.7**	3,273	49,008,643	6.7

* Weighted average number of ordinary shares, excluding shares held in treasury, in issue during the year. There was no dilution of returns.

8 Investments

	2016 £'000	2015 £'000
Listed investments	**138,441**	105,439
Unlisted investments	**1,025**	1,450
	139,466	106,889

8 Investments – continued

	Unlisted £'000	Listed £'000	2016 Total £'000	2015 Total £'000
Analysis of investment portfolio movements				
Opening bookcost	**214**	**102,104**	**102,318**	97,501
Opening investment holdings gains	**1,236**	**3,335**	**4,571**	6,867
Opening valuation	**1,450**	**105,439**	**106,889**	104,368
Movements in the year:				
Purchases at cost	**–**	**26,034**	**26,034**	45,683
Sales – proceeds	**–**	**(20,647)**	**(20,647)**	(44,140)
– realised gains on sales	**–**	**4,374**	**4,374**	3,274
(Decrease)/increase in investment holding gains	**(425)**	**23,241**	**22,816**	(2,296)
Closing valuation	**1,025**	**138,441**	**139,466**	106,889
Closing bookcost	**214**	**111,865**	**112,079**	102,318
Closing investment holding gains	**811**	**26,576**	**27,387**	4,571
Closing valuation	**1,025**	**138,441**	**139,466**	106,889

Within the listed investments detailed above, there is included the Company's investment in the Edinburgh Partners Emerging Opportunities Fund, a sub-fund of an Irish domiciled open-ended investment company listed on the Dublin Stock Exchange as detailed in the Strategic Report on page 13 and in note 9, which was valued at £2,954,000 at 31 December 2016. As at 30 September 2016, the most recent year end of the Edinburgh Partners Emerging Opportunities Fund, the aggregate amount of capital and reserves was US$8,567,000. For the year to 30 September 2016 the profit for the year after tax and distributions was US$1,000,000.

The unlisted investment detailed above is 71,294 (2015: 71,294) shares in Edinburgh Partners.

	Unlisted £'000	Listed £'000	2016 Total £'000	2015 Total £'000
Analysis of capital gains and losses				
Realised gains on sales	**–**	**4,374**	**4,374**	3,274
Changes in fair value of investments	**(425)**	**23,241**	**22,816**	(2,296)
	(425)	**27,615**	**27,190**	978

8 Investments – continued

Fair value hierarchy

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

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

(1) Quoted price for an identical asset in an active market.

(2) The price of a recent transaction for an identical asset as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

(3) A valuation technique.

All of the Company's financial instruments fall into level 1, except its investment in Edinburgh Partners which falls into level 3 and is fair valued using an unquoted price that is derived from inputs that are not based on observable market data by using recognised valuation methodologies, in accordance with IPEVC Valuation Guidelines. The valuation is based relative to those of comparable listed companies in the investment management industry using multiples related to assets under management and price earnings ratio, which are discounted to reflect that the company is unlisted and there is a lack of marketability in its shares. A reconciliation of the fair value movements of level 3 investments is shown in the unlisted column of the table above.

Transaction costs

During the year, the Company incurred transaction costs of £53,000 (2015: £80,000) and £22,000 (2015: £51,000) on purchases and sales of investments respectively. These amounts are included in gains on investments at fair value, as disclosed in the Income Statement on page 43 of these Financial Statements.

9 Significant holdings

As at 31 December 2016, the Company owned 44.3 per cent (2015: 52.0 per cent) of the net assets of the Edinburgh Partners Emerging Opportunities Fund, a sub-fund of an Irish domiciled open-ended investment company listed on the Dublin Stock Exchange as detailed in the Strategic Report on page 13 and in note 8. The Company had no other holdings of 3.0 per cent or more of the share capital of any portfolio companies.

10 Debtors

	2016 £'000	2015 £'000
Dividends receivable	**79**	103
Prepayments and accrued income	**22**	20
Taxation recoverable	**123**	58
	224	181

11 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Due to brokers on shares purchased for treasury	**–**	404
Other creditors and accruals	**317**	256
	317	660

12 Share capital

	Number of shares Ordinary 1p	2016 £'000	Number of shares Ordinary 1p	2015 £'000
Allotted, called-up and fully paid:				
At 1 January	**64,509,642**	**645**	64,509,642	645
At 31 December	**64,509,642**	**645**	64,509,642	645

The voting rights attached to the Company's shares are detailed in the Directors' Report on page 17.

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

13 Own shares held in treasury

Details of own shares purchased for and sold from treasury are shown below:

	2016 Number of shares	2015 Number of shares
At 1 January	**15,161,917**	16,981,917
Shares purchased for treasury	**1,460,000**	215,000
Shares sold from treasury	**–**	(2,035,000)
At 31 December	**16,621,917**	15,161,917

During the year ended 31 December 2016, 1,460,000 shares (2015: 215,000) were purchased for treasury at a total cost of £3,615,000 (2015: £496,000) and no shares were sold from treasury (2015: 2,035,000 shares were sold from treasury for a gross consideration of £5,029,000).

14 Net asset value per ordinary share

The NAV, calculated in accordance with the Articles of Association, is as follows:

	2016 pence	2015 pence
Ordinary share	**300.2**	239.8

The NAV is based on net assets of £143,757,000 (2015: £118,357,000) and on 47,887,725 (2015: 49,347,725) ordinary shares, being the number of ordinary shares, excluding shares held in treasury, in issue at the year end.

15 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:

	2016 No interest rate exposure £'000	**2016** Cash flow interest rate risk exposure £'000	**2016** Total £'000	2015 No interest rate exposure £'000	2015 Cash flow interest rate risk exposure £'000	2015 Total £'000
Equity shares						
Japanese yen	**37,202**	**–**	**37,202**	31,025	–	31,025
Euro	**29,357**	**–**	**29,357**	16,897	–	16,897
US dollar	**25,856**	**–**	**25,856**	17,862	–	17,862
Sterling	**18,840**	**–**	**18,840**	15,911	–	15,911
Hong Kong dollar	**9,710**	**–**	**9,710**	9,192	–	9,192
Swiss franc	**8,568**	**–**	**8,568**	6,522	–	6,522
Indonesian rupee	**4,106**	**–**	**4,106**	2,687	–	2,687
Thailand baht	**3,044**	**–**	**3,044**	2,436	–	2,436
South Korean won	**2,783**	**–**	**2,783**	2,405	–	2,405
Singapore dollar	**–**	**–**	**–**	1,952	–	1,952
Cash at bank and short-term deposits						
US dollar	**–**	**4,331**	**4,331**	–	11,839	11,839
Sterling	**–**	**53**	**53**	–	108	108
Debtors						
Japanese yen	**55**	**–**	**55**	44	–	44
Sterling	**22**	**–**	**22**	61	–	61
Euro	**31**	**–**	**31**	20	–	20
Swiss franc	**92**	**–**	**92**	38	–	38
South Korean won	**24**	**–**	**24**	18	–	18
Short-term creditors						
Sterling	**(317)**	**–**	**(317)**	(660)	–	(660)
	139,373	**4,384**	**143,757**	106,410	11,947	118,357

At 31 December 2016, the Company had no financial liabilities other than the short-term creditors as stated above (2015: £nil). The carrying amount on the Balance Sheet approximates the fair value of all financial assets and liabilities.

15 Analysis of financial assets and liabilities – continued

The following exchange rates were used to convert investments, assets and liabilities to the functional currency of the Company which is sterling.

Foreign Exchange rates against sterling	2016	2015	Change
Japanese yen	**144.12**	177.30	(19)%
US dollar	**1.17**	1.47	(14)%
Euro	**1.24**	1.36	(16)%
Hong Kong dollar	**9.58**	11.42	(16)%
Swiss franc	**1.26**	1.48	(15)%
Indonesian rupee	**16,647.30**	20,317.71	(18)%
Thailand baht	**44.25**	53.04	(17)%
South Korean won	**1,492.42**	1,728.22	(14)%
Singapore dollar	**1.79**	2.09	(14)%

16 Risk analysis

Principal risks
The principal risks the Company faces are:

- Investment and strategy risk
- Key manager risk
- Discount volatility risk
- Market risk
- Foreign currency risk
- Regulatory risk

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

The Investment Manager monitors the financial risks affecting the Company on an ongoing basis within the policies and guidelines determined by the Board. The Directors receive financial information, which is used to identify and monitor risk, quarterly. The Company may enter into derivative contracts to manage risk. A description of the principal risks the Company faces is set out below.

Investment and strategy risk
There can be no guarantee that the objective of the Company, to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities, will be achieved.

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

Key manager risk
A change in key investment management personnel who are involved in the management of the Company's portfolio could impact on future performance and the Company's ability to deliver on its investment strategy.

The Investment Manager frequently considers succession planning. The Board is in regular contact with the Investment Manager and would be informed of any proposed change in the lead manager.

16 Risk analysis – continued

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 feel 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, and is committed to using its powers to allot or repurchase the Company's ordinary shares with a view to maintaining the middle market price at which the shares trade at close to the net asset value most recently published by the Company (taking into account the effect on the NAV of any rights to which the shares are trading ex-dividend).

The Board's commitment to allot or repurchase ordinary shares is subject to it being satisfied that any offer to allot or purchase shares is in the best interests of Shareholders of the Company as a whole, the Board having the requisite authority pursuant to the Articles of Association and relevant legislation to allot or purchase shares, and all other applicable legislative and regulatory provisions.

Details of the shares purchased into treasury during the year are set out in note 13.

Market risk

The Company is exposed to market risk due to fluctuations in the market prices of its investments. Market 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 NAV of the Company is issued daily to the London Stock Exchange and is also available on the Company's website at www.epgot.com.

Details of the Company's investment portfolio as at 31 December 2016 are disclosed in the Portfolio of Investments on page 4.

If the investment portfolio valuation fell by 1.0 per cent from the amount detailed in the Financial Statements as at 31 December 2016, it would have the effect, with all other variables held constant, of reducing the total return before taxation and therefore net assets by £1,395,000 (2015: £1,069,000). An increase of 1.0 per cent in the investment portfolio valuation would have an equal and opposite effect on the total return before taxation and net assets.

16 Risk analysis – continued

Foreign currency risk

The functional 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 continuous basis.

Details of the Company's foreign currency risk exposure as at 31 December 2016 are disclosed in note 15.

If sterling had strengthened by 1.0 per cent against all other currencies on 31 December 2016, with all other variables held constant, it would have the effect of reducing the total return before taxation and net assets by £1,252,000 (2015: £1,029,000). If sterling had weakened by 1.0 per cent against all other currencies, there would have been an equal and opposite effect on the total return before taxation and net assets.

Regulatory risk

The Company operates in an evolving regulatory environment and faces a number of regulatory risks.

Failure to qualify under the terms of sections 1158 and 1159 of the CTA may lead to the Company being subject to capital gains tax. A breach of the rules of the UK Listing Authority may result in censure by the FCA and/or the suspension of the Company's shares from listing.

The Company is also required to comply with the AIFMD. On 16 July 2014, the Company announced that it had appointed Edinburgh Partners AIFM Limited as its AIFM and the AIFM is responsible for ensuring compliance with the AIFMD.

If all price sensitive issues are not disclosed in a timely manner, this could create a misleading market in the Company's shares. The Directors are aware of their responsibilities relating to price sensitive information and would consult with their advisers if any potential issues arose. This includes ensuring compliance with the Market Abuse Regulation which became effective in the UK on 3 July 2016. The AIFM would notify the Board immediately if it became aware of any disclosure issues.

The Investment Manager has a comprehensive market abuse policy and any potential breaches of this policy would be promptly reported to the Board.

The Board has agreed service levels with the Company Secretary and Investment Manager which include active and regular review of compliance with these requirements.

Other risks

Other risks the Company faces are:

- Liquidity risk
- Credit risk
- Interest rate risk
- Gearing risk
- Operational risk
- Financial risk

16 Risk analysis – continued

A description of these other risks is set out below.

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

The Company's assets comprise mainly of readily realisable securities which can be sold freely to meet funding requirements if necessary. Securities listed on a recognised stock exchange have been valued at bid prices and exchange rates ruling at the close of business on 31 December 2016. 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 maturity profile of the Company's financial liabilities, including creditors, is as follows:

	As at 31 December 2016 £'000	As at 31 December 2015 £'000
In one year or less	**317**	660
	317	660

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.

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

Cash is only held at banks and in liquidity funds that have been identified by the Board as reputable and of high credit quality. As at 31 December 2016, The Northern Trust Company London Branch had a long-term rating from Standard and Poors of AA-.

The maximum exposure to credit risk as at 31 December 2016 was £4,608,000 (2015: £12,128,000). The calculation is based on the Company's credit risk exposure as at 31 December 2016 and this may not be representative of the year as a whole.

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

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

Details of the Company's interest rate exposure as at 31 December 2016 are disclosed in note 15.

The majority of the Company's assets were non-interest bearing as at 31 December 2016. Surplus cash is invested in liquidity funds.

16 Risk analysis – continued

Interest rate risk – continued

If interest rates had reduced by 0.25 per cent (2015: 0.25 per cent) from those obtained as at 31 December 2016 it would have the effect, with all other variables held constant, of decreasing the total return before taxation and therefore net assets on an annualised basis by £11,000 (2015: £30,000). If there had been an increase in interest rates of 0.25 per cent (2015: 0.25 per cent) there would have been an equal and opposite effect in the total return before taxation and net assets. The calculations are based on cash at bank and short-term deposits as at 31 December 2016 and these may not be representative of the year as a whole.

Gearing risk

Gearing can be used to enhance long-term returns to Shareholders. The Company is permitted to employ gearing should the Board feel it appropriate to do so up to a maximum of 25 per cent of total assets.

The use of gearing is likely to lead to volatility in the NAV, meaning that a relatively small movement either down or up in the value of the Company's total investments may result in a magnified movement in the same direction of the NAV. The greater the level of gearing, the greater the level of risk and likely fluctuation in the share price.

At the year end, the Company had no gearing (2015: nil).

Operational risk

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

The Board regularly receives and reviews management information on 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 each year.

Financial risk

If the Company utilises inappropriate accounting policies or fails to comply with current or new accounting standards, the main risk is that this may lead to a breach of regulations.

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

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

17 Capital management policies

The Company's objective is to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities. The portfolio is managed without reference to the composition of any stock market index. In pursuing this objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. 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's capital comprises:

	2016	2015
	£'000	£'000
Called-up share capital	**645**	645
Share premium	**1,597**	1,597
Capital redemption reserve	**14**	14
Special reserve	**66,630**	70,245
Capital reserve	**70,668**	42,726
Revenue reserve	**4,203**	3,130
Total Shareholders' funds	**143,757**	118,357

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

18 Related party transactions

Details in respect of the Directors' remuneration are set out in note 4 and in the Directors' Remuneration Report on page 24. Information in relation to transactions with the AIFM and the Investment Manager is provided in note 3 and in the Strategic Report on pages 13 and 14. There were no other transactions with related parties in the year ended 31 December 2016.

19 Post Balance Sheet events

As disclosed in the Directors' Report on page 17, subsequent to the year end and up to 9 March 2017, the date of signing this report, the Company bought back 600,000 ordinary shares into treasury at a total cost of £1,751,000.

PERFORMANCE RECORD

Year ended 31 December	Shareholders' funds	Net asset value per ordinary share	Share price per ordinary share	Share price discount to net asset value	Revenue return per ordinary share	Dividend per ordinary share	Ongoing charges ratio[4]
2004[1]	£26.1m	116.4p	110.5p	5.1%	0.6p	0.4p	1.7%[5]
2005	£52.2m	156.2p	154.5p	1.1%	1.1p	0.8p	1.5%[5]
2006	£58.8m	172.8p	170.0p	1.6%	2.1p	1.8p	1.2%[5]
2007	£57.7m	177.2p	160.0p	9.7%	2.7p	2.3p	1.1%[5]
2008	£46.4m	150.4p	132.5p	11.9%	3.9p	3.1p	1.1%[5]
2009	£50.7m	175.9p	172.0p	2.2%	2.7p	2.4p	1.0%[5,6]
2010	£51.6m	188.2p	186.8p	0.7%	3.2p	2.8p	1.3%[5]
2011	£95.1m	169.9p	167.0p	1.7%	5.0p	4.2p	0.8%[7]
2012	£91.8m	183.1p	175.5p	4.2%	3.9p	3.9p	1.1%
2013	£112.6m	233.6p	230.0p	1.5%	2.7p	2.7p	1.1%
2014	£112.1m	236.0p	234.6p	0.6%	3.7p	3.3p	1.1%
2015	£118.4m	239.8p	234.5p	2.2%	3.1p	3.1p	1.0%
2016	£143.8m	300.2p	293.0p	2.4%	5.3p	5.3p[2,3]	1.0%

1 Period 13 November 2003 to 31 December 2004. The Company commenced operations on the admission of its shares to trading on the London Stock Exchange on 15 December 2003.
2 Proposed dividend for the year.
3 Includes a special dividend of 1.0p.
4 Ongoing charges ratio based on total expenses, excluding finance costs, transaction costs and certain non-recurring items for the year as a percentage of the average monthly net asset value.
5 Total expense ratio based on total expenses for the year as a percentage of the average monthly net asset value.
6 Total expense ratio 1.3 per cent excluding VAT refund.
7 The total expense ratio would have been 1.0 per cent if investment management fees of £236,000 had not been waived as a consequence of the merger with Anglo & Overseas Plc.

Past performance is not a guide to future performance.

GLOSSARY OF INVESTMENT TRUST TECHNICAL TERMS

Discount/Premium
If the share price of an investment trust is lower than the net asset value 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 net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value 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.

Leverage
Leverage is defined in the AIFMD as any method by which an AIFM increases the exposure of an Alternative Investment Fund it manages, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

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

Net asset value per share
The net asset value 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 net asset value. 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 net asset value per share (the net asset value total return). Total return per share statistics are calculated on the basis of the weighted average number of shares in issue, excluding shares held in treasury.

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

SHAREHOLDER INFORMATION

Investing in the Company
The Company's ordinary shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The ordinary shares are eligible for inclusion in 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 trade trading platforms.

Dividends payable directly into bank accounts of Shareholders
Shareholders may choose to receive dividend payments directly into their bank accounts instead of by cheque. Shareholders wishing to do so should contact the Registrar, Computershare Investor Services PLC, whose contact details are shown below in share register enquiries and on page 1.

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

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

Share register enquiries
The register for the ordinary shares is maintained by Computershare Investor Services PLC. In the event of queries regarding your holding, please contact the Registrar on 0370 889 4069 or email: web.queries@computershare.co.uk. Changes of name and/or address can be made online at www.investorcentre.co.uk or by contacting the Registrar by telephone. Alternatively, you can notify changes in name and/or address in writing to the Registrar, supported by appropriate documentation, at the address 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	31 December
Annual results announced	March
Annual General Meeting	April
Dividend paid	May
Company's half-year end	30 June
Half-yearly results announced	August

Portfolio updates
The Company releases details of its portfolio on a monthly basis to the London Stock Exchange and these may be viewed on the Company's website at www.epgot.com.

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 not a guide to 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 EP Global Opportunities 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 ANNUAL GENERAL MEETING of the Company will be held at The Bonham Hotel, 35 Drumsheugh Gardens, Edinburgh EH3 7RN on Thursday, 27 April 2017, at 12.00 noon 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, Auditor's Report and the audited Financial Statements for the year ended 31 December 2016.	Resolution 1
2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2016.	Resolution 2
3 To declare a final dividend of 4.3p per ordinary share for the year ended 31 December 2016	Resolution 3
4 To declare a special dividend of 1.0p per ordinary share for the year ended 31 December 2016	Resolution 4
5 To re-appoint Ernst & Young LLP as Auditor to the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next meeting at which Financial Statements are laid before the Company.	Resolution 5
6 To authorise the Audit and Management Engagement Committee to determine the remuneration of the Auditor of the Company.	Resolution 6
7 To re-elect Mr Tulloch as a Director of the Company.	Resolution 7
8 To re-elect Mr Hough as a Director of the Company.	Resolution 8
9 To re-elect Mr Ross as a Director of the Company.	Resolution 9
10 To re-elect Mr Weaver as a Director of the Company.	Resolution 10

Special business

11 To consider and, if thought fit, pass the following resolution as a Special Resolution: — Resolution 11

THAT in substitution for any existing authority, 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 1p 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 7,088,429 (or, if less, 14.99 per cent of the number of ordinary shares in issue (excluding treasury shares) 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 1p;

(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) 105.0 per cent of the average of the closing market value 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(6) of the Market Abuse Regulation (being a price higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out);

(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 30 June 2018), 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.

12 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution: Resolution 12

THAT, in substitution for any existing authority, 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 £157,625 (being approximately one-third of the issued share capital (excluding treasury shares) as at 9 March 2017); and

(b) comprising equity securities (within the meaning of section 560 of the Act) up to a further aggregate nominal amount of £157,625 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 paragraphs (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 30 June 2018), 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.

13 To consider and, if thought fit, pass the following resolution as a Special Resolution: Resolution 13

THAT, subject to the passing of Resolution 12 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 of the Company be and are hereby empowered pursuant to section 570 and section 573 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 12 or by way of a sale of treasury shares (within the meaning of section 560(3) of the Act) 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 12, 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 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); and

(b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £23,643 (being approximately 5 per cent of the issued share capital (excluding treasury shares) as at 9 March 2017)

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 30 June 2018), 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.

14 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution: Resolution 14

THAT, subject to the passing of Resolution 13 above, the Directors of the Company be and are hereby empowered, until the conclusion of the next Annual General Meeting of the Company, to sell ordinary shares held as treasury shares at a discount to the prevailing net asset value per ordinary share provided:

(i) that the discount at which the ordinary shares are sold is narrower than the weighted average discount of the shares held in treasury;

(ii) that the discount at which the ordinary shares are sold is no greater than a 2.0 per cent discount to the prevailing net asset value per ordinary share;

(iii) that, if the prevailing market price of an ordinary share is less than the net asset value per ordinary share, the price at which the ordinary shares are sold shall not be less than the prevailing market price;

(iv) that the weighted average discount be calculated by accounting for acquisitions, sales and cancellations from treasury on an average cost and average net asset value basis; and

(v) that the sale will not result in a dilution of the Company's net asset value per ordinary share (as at the date of the sale) of greater than 0.2 per cent or, when taken together with all other such sales since the date of the Annual General Meeting at which this resolution was passed.

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 (which must be held no later than 30 June 2018).

By order of the Board
Kenneth J Greig
Company Secretary

Registered Office: 27-31 Melville Street, Edinburgh EH3 7JF

9 March 2017

Note 1: Pursuant to section 324 of the Act, a Shareholder 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 Shareholder 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 not later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment thereof. The appointment of a proxy will not prevent a Shareholder from attending the meeting and voting in person if he/she so wishes. A Shareholder present in person or by proxy shall have one vote on a show of hands (save where a proxy has been appointed by multiple Shareholders and instructed to vote in different ways by those Shareholders, in which case he/she may vote twice) and on a poll every Shareholder 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 Shareholder 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 if possible.

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-working 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 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 Shareholders 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 Shareholders of the Company.

Note 5: As at 9 March 2017 (the latest practicable date prior to the publication of this notice), the Company's issued share capital amounted to 64,509,642 ordinary shares carrying one vote each. After deducting 17,221,917 ordinary shares held in treasury, which do not have voting rights, the total voting rights in the Company as at 9 March 2017 were 47,287,725.

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 close of business on Tuesday, 25 April 2017 (or, in the event that the meeting is adjourned, only those Shareholders registered on the Register of Members of the Company as at close of business on the day which is two days (excluding non-working 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 Shareholder 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 Shareholder of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. 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;

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

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.

Note 9: Shareholders should note that it is possible that, pursuant to requests made by Shareholders 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 accounts (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 accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the Shareholders 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 auditor 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 per cent 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 UK Disclosure Guidance and Transparency Rules.

Note 11: The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The Bonham Hotel, 35 Drumsheugh Gardens, Edinburgh EH3 7RN from 11.45 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 12: The Annual Report incorporating this Notice of Annual General Meeting and, if applicable, any Shareholders' statements, Shareholders' resolutions or Shareholders' matters of business received by the Company after the date of this Notice, will be available on the Company's website at www.epgot.com.

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