

EP Global Opportunities Trust plc

Half-Yearly Report

30 June 2017



FINANCIAL SUMMARY

	30 June 2017	31 December 2016	Change
Shareholders' funds	£147,099,000	£143,757,000	2.3%
Net asset value per ordinary share ("NAV")	317.1p	300.2p	5.6%
Share price per ordinary share	311.0p	293.0p	6.1%
Share price discount to NAV	1.9%	2.4%	

Past performance is not a guide to future performance.

OBJECTIVE

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

INVESTMENT POLICY

The Company invests in a focused portfolio of approximately 30 to 40 securities of issuers throughout the world, predominantly in quoted equities. The Company may also invest in unquoted securities, which are not anticipated to exceed 10 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.

CORPORATE INFORMATION

Directors

Teddy Tulloch (Chairman)
David Hough
David Ross
Giles Weaver

Company Secretary and Registered Office

Kenneth J Greig
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Investment Manager

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Auditor

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Registrar and Transfer Office

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Solicitor and Sponsor

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Depositary

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E14 5NT

Custodian and Banker

The Northern Trust Company
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E14 5NT

Registered in Scotland No. 259207

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

The Company is a member of the Association of Investment Companies

CHAIRMAN'S STATEMENT

Results

At 30 June 2017, our NAV was 317.1p, an increase of 5.6 per cent from the 31 December 2016 NAV of 300.2p. The 2016 final dividend of 4.3p per share and special dividend of 1.0p per share, a total of 5.3p per share, were paid in May 2017 and this resulted in a total return for the six months of 7.5 per cent. This compares with a total return from the FTSE All-World Index over the same period of 6.3 per cent, while the FTSE All-Share Index total return was 5.5 per cent.

The share price at the end of June 2017 was 311p, which was 6.1 per cent above the year-end share price of 293p. At 30 June 2017, the Company's shares were trading at a discount of 1.9 per cent to the NAV, compared to a 2.4 per cent discount at the year end. The share price total return, including dividends reinvested, was 8.1 per cent. It is our stated policy to buy back shares with the objective of maintaining the share price at close to the NAV. In the first six months of 2017, we bought back 1,500,000 shares at a total cost of £4.46 million at small discounts to the NAV. Shares bought back have not been cancelled, but instead are held in treasury with the intention of re-issuing them when demand warrants doing so.

At the Annual General Meeting held in April 2017, Shareholders again approved a resolution permitting the Company to sell shares from treasury at a small discount to the NAV, with tight restrictions on any potential dilution to the NAV. While no shares were sold from treasury during the first six months of 2017, we will be prepared to do so if we consider it is in the best interests of Shareholders.

Revenue account

The Income Statement on pages 10 and 11 shows revenue per share of 4.0p for the first six months of 2017, which was a marginal reduction on the 4.1p generated in the same period last year. The revenue per share for the full year in 2016 was 5.3p. Whilst a number of special dividends received last year were, as expected, not repeated in 2017, the sterling value of foreign dividends was increased as a result of the fall in the value of sterling after the UK's referendum vote to leave the European Union in June 2016.

As we have stated in previous annual and half-yearly reports, the decision on which shares we own is driven by our Investment Manager's well-defined investment philosophy of focusing on value regardless of the dividend yield of the shares. While this does result in volatility in our annual revenue per share, we believe it will produce a better total return over the longer term.

CHAIRMAN'S STATEMENT – continued

Economic and stock market review and investment performance

The first half of 2017 was a positive period for global equity market investors, with good returns being seen in many developed markets. From a sterling investor perspective, double digit returns were obtained from the Asia Pacific and European regions, with more muted but positive returns obtained from investment in Japanese, UK and US equity markets. After the extreme currency volatility witnessed in 2016, with sterling weakness a particular feature, in the first half of 2017 sterling strengthened by 1 per cent against the Japanese yen and 5 per cent against the US dollar. The euro was the strongest of the world's major currencies, strengthening by 3 per cent against sterling and 8 per cent against the US dollar.

In the US, the inauguration of Donald Trump as President in January 2017 boosted equity markets, in anticipation of the proposed increased infrastructure spending and reduced corporate tax rates although, to date, there has been relatively little progress. The US has led the way in increasing interest rates, with the US Federal Reserve making a further two 0.25 per cent increases in short-term interest rates in the first half of the year.

While the overall outlook for economic growth in Japan remains relatively lacklustre, from a valuation perspective, particularly when compared to the US, the outlook for Japanese equities looks attractive. There has been an increased focus over recent years on improving profitability in Japanese companies along with recent efforts to improve corporate governance.

In Europe, economic data continues to indicate improving economic prospects. Share prices rose following the election of centrist governments in the Netherlands and France as more extreme parties failed to obtain an electoral breakthrough. The election of President Macron in France has provided a more stable political backdrop for European reform.

In the UK, the Conservative party, although it remained the governing party, was unsuccessful in obtaining an increase in its number of MPs at the General Election held in May 2017. This has resulted in increased economic and political uncertainty as the basis by which the UK will exit the European Union remains uncertain with detailed negotiations just beginning.

The positive investment performance achieved in the period was due to a number of factors, including the significant exposure to European and Asia Pacific stocks and a lower weighting in the underperforming US market. Returns from our equity holdings in France and Germany performed well, with Ubisoft Entertainment in the former and Commerzbank in the latter being the two best performing stocks in the portfolio in the period. Overall our holdings in Japan performed well, with Panasonic being the best performing of our Japanese stocks, while US stocks had a small negative return.

CHAIRMAN'S STATEMENT – continued

Portfolio activity

The principal geographical changes in the portfolio during the period were an increase in our investment in Europe and Asia, offset by a reduction in the Japanese and US exposure.

A number of new purchases were made during the period in sectors which our Investment Manager considers to be undervalued, including oil and gas, health care and financials. The investment in the oil and gas sector was increased with the purchase of Total, one of the world's largest integrated oil companies. It has been at the forefront of adopting the now industry-wide mantra of cost control and improved capital discipline. Having completed much of its reserve additions through exploration or acquisition, it is now focusing on cost reductions and cash flow.

In the health care sector, a holding was acquired in Shanghai Fosun Pharmaceutical, a Chinese company operating in the three main areas of pharmaceuticals, diagnostics and hospitals. It has a strong drug development pipeline and will be a beneficiary of long-term demographic factors within the Asia Pacific region.

In the financials sector, we acquired a holding in DNB in Norway, one of the largest banks in the Nordic region. While DNB has been impacted by increased capital requirements and a slowdown in the energy industry, both of these headwinds are now dissipating and with recent profits upgrades, the shares look undervalued.

In the Asia Pacific region, a holding was acquired in Baidu, the leading Chinese language internet search provider which operates major online video and e-commerce platforms. The investment offers a structural growth opportunity in a company with a very strong market position. We also acquired a holding in Goodbaby International, the Chinese group which manufactures and distributes children's products, including prams, buggies and car seats, with demand in the latter area benefiting from increased safety regulations. There appears to be scope for margin expansion, with an increased focus on branded products within the group.

There were a number of disposals during the period. In the US, the holding in Alphabet, the owner of Google, was sold. Although it continues to grow strongly and has a dominant market position, the high valuation seems to be fully discounting this and, after a strong run in the share price, the shares were sold. In addition, Harman International was taken over by the South Korean company Samsung and subsequently de-listed. We received cash for our shares.

In Japan, the telecommunications stock, NTT, was sold as it was considered that the valuation fully discounts the future earnings potential. We also disposed of Toyota Motor, the world's largest automobile manufacturer, as the potential dangers of market overcapacity at a time of increasing interest rates worldwide indicated that we are approaching the top of the automobile cycle. SK Hynix, the South Korean technology stock, has benefited from the cyclical upturn in the memory chip market and while a favourable climate may continue for some time, the industry remains a cyclical one. A profit was realised on valuation grounds.

CHAIRMAN'S STATEMENT – continued

Outlook

The global economy is now on an improving trend. While the International Monetary Fund recently reduced growth forecasts for the US and UK, it increased them for Europe's major economies and is still forecasting world economic growth of 3.5 per cent in 2017 and 3.6 per cent in 2018. We believe that the period of artificially low interest rates and bond yields is starting to come to an end, although Governments worldwide will not wish to risk damaging the economic recovery prematurely by tightening monetary policy too rapidly as they need continued economic growth in order to reduce their large fiscal deficits.

Given the strong rise in global equity markets seen in recent years, which continued into the first half of 2017, it makes sense to take an increasingly cautious stance, with an increasing emphasis placed on the potential risks of investment relative to the potential rewards.

Within the portfolio, we have a relatively low exposure to US equities, where many shares appear significantly overvalued. In contrast, there is better value available in European and Japanese equities where, in total, over half the portfolio is invested. Cash balances could potentially be increased from the current low level, if our Investment Manager is unable to find suitable investment opportunities into which to invest any profits realised.

However, despite a degree of caution after an extended period in which momentum and other associated factors have driven share prices higher, we believe the current investment backdrop provides a beneficial environment for investors in value-based stocks.

Teddy Tulloch

Chairman

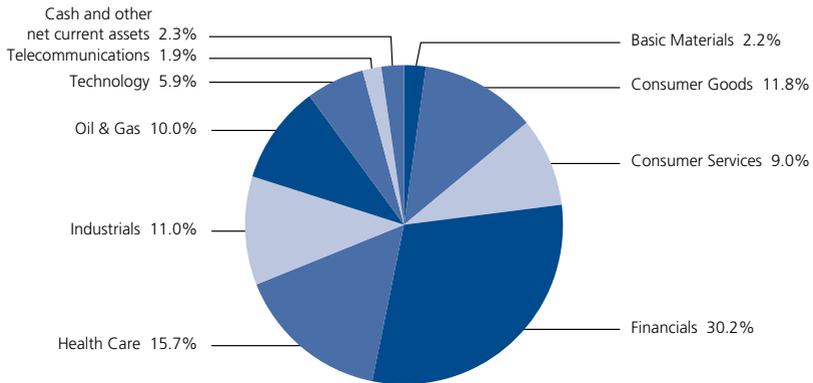
25 August 2017

Past performance is not a guide to future performance.

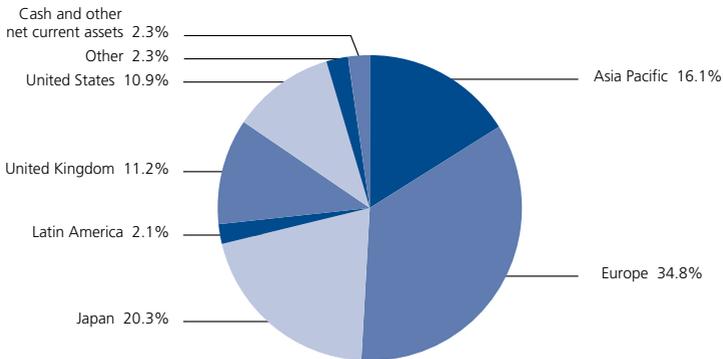
DISTRIBUTION OF INVESTMENTS

as at 30 June 2017 (% 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.

PORTFOLIO OF INVESTMENTS

as at 30 June 2017

Company	Sector	Country	Valuation £'000	% of Net Assets
Equity investments				
Royal Dutch Shell A	Oil & Gas	Netherlands	5,405	3.7
Novartis	Health Care	Switzerland	5,333	3.6
Panasonic	Consumer Goods	Japan	5,255	3.6
Commerzbank	Financials	Germany	4,684	3.2
AstraZeneca	Health Care	United Kingdom	4,622	3.1
BNP Paribas	Financials	France	4,031	2.7
PerkinElmer	Industrials	United States	4,008	2.7
HSBC	Financials	United Kingdom	3,993	2.7
Roche*	Health Care	Switzerland	3,881	2.6
Sumitomo Mitsui Financial	Financials	Japan	3,877	2.6
Sanofi	Health Care	France	3,821	2.6
Sumitomo Mitsui Trust	Financials	Japan	3,791	2.6
Bank Mandiri	Financials	Indonesia	3,775	2.6
Japan Tobacco	Consumer Goods	Japan	3,699	2.5
BP	Oil & Gas	United Kingdom	3,660	2.5
PostNL	Industrials	Netherlands	3,632	2.5
Bangkok Bank**	Financials	Thailand	3,542	2.4
Takashimaya	Consumer Services	Japan	3,457	2.4
Celgene	Health Care	United States	3,391	2.3
East Japan Railway	Consumer Services	Japan	3,341	2.3
Edinburgh Partners Emerging Opportunities Fund	Financials	Other	3,337	2.3
Bayer	Basic Materials	Germany	3,290	2.2
Nomura	Financials	Japan	3,227	2.2
Nokia	Technology	Finland	3,223	2.2
Tesco	Consumer Services	United Kingdom	3,178	2.2
Credicorp	Financials	Peru	3,148	2.1
Galaxy Entertainment	Consumer Services	Hong Kong	3,143	2.1
Synchrony Financial	Financials	United States	3,129	2.1
Mitsubishi	Industrials	Japan	3,106	2.1
Ubisoft Entertainment	Consumer Goods	France	2,986	2.0
Baidu	Technology	China	2,973	2.0
DNB	Financials	Norway	2,940	2.0
Apache	Oil & Gas	United States	2,865	1.9
CK Hutchison	Industrials	Hong Kong	2,863	1.9
Telefonica	Telecommunications	Spain	2,782	1.9
Total	Oil & Gas	France	2,737	1.9
Whirlpool	Consumer Goods	United States	2,727	1.9
Goodbaby International	Consumer Goods	China	2,609	1.8
Swire Pacific A	Industrials	Hong Kong	2,605	1.8
Gemalto	Technology	Netherlands	2,450	1.7
Shanghai Fosun Pharmaceutical H	Health Care	China	2,186	1.5
Edinburgh Partners	Financials – unlisted	United Kingdom	1,025	0.7
Total equity investments			143,727	97.7
Cash and other net current assets			3,372	2.3
Net assets			147,099	100.0

* The investment is in non-voting shares

** The investment is in non-voting depositary receipts

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' STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The important events that have occurred during the period under review and the key factors influencing the Financial Statements are set out in the Chairman's Statement on pages 3 to 6. The principal factors that could impact the remaining six months of the financial year are also detailed in the Chairman's Statement.

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. These risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and uncertainties" within the Strategic Report in the Company's Annual Report and Financial Statements for the year ended 31 December 2016. The Company's principal risks and uncertainties are unchanged since the date of that report.

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors confirm that to the best of their knowledge:

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

This Half-Yearly Report was approved by the Board of Directors on 25 August 2017 and the above responsibility statement was signed on its behalf by Teddy Tulloch, Chairman.

INCOME STATEMENT (UNAUDITED)

for the six months to 30 June 2017

		Six months to 30 June 2017		
	Note	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value through profit or loss	6	–	8,830	8,830
Foreign exchange (loss)/gains on capital items		–	(411)	(411)
Foreign currency forward contract loss		–	–	–
Income	2	2,653	–	2,653
Management fee		(487)	–	(487)
Other expenses		(186)	–	(186)
Net return before finance costs and taxation		1,980	8,419	10,399
Finance costs				
Interest payable and other charges		–	–	–
Net return before taxation		1,980	8,419	10,399
Taxation	3	(113)	–	(113)
Net return after taxation		1,867	8,419	10,286
		pence	pence	pence
Return per ordinary share	5	4.0	17.8	21.8

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

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

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

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

INCOME STATEMENT (UNAUDITED) – continued

for the six months to 30 June 2017

Revenue £'000	Six months to 30 June 2016		Revenue £'000	Year to to 31 December 2016 (audited)	
	Capital £'000	Total £'000		Capital £'000	Total £'000
–	5,343	5,343	–	27,190	27,190
–	640	640	–	827	827
–	(72)	(72)	–	(75)	(75)
2,756	–	2,756	4,096	–	4,096
(403)	–	(403)	(873)	–	(873)
(184)	–	(184)	(376)	–	(376)
2,169	5,911	8,080	2,847	27,942	30,789
–	–	–	–	–	–
2,169	5,911	8,080	2,847	27,942	30,789
(149)	–	(149)	(250)	–	(250)
2,020	5,911	7,931	2,597	27,942	30,539
pence	pence	pence	pence	pence	pence
4.1	12.1	16.2	5.3	57.4	62.7

BALANCE SHEET (UNAUDITED)

as at 30 June 2017

	30 June 2017	30 June 2016	31 December 2016 (audited)
Note	£'000	£'000	£'000
Fixed asset investments			
Investments at fair value through profit or loss	6 143,727	119,977	139,466
Current assets			
Debtors	354	479	224
Cash at bank and short-term deposits	3,170	5,623	4,384
	3,524	6,102	4,608
Creditors: amounts falling due within one year			
Foreign currency forward contract	–	72	–
Creditors	152	2,793	317
	152	2,865	317
Net current assets	3,372	3,237	4,291
Net assets	147,099	123,214	143,757
Capital and reserves			
Called-up share capital	645	645	645
Share premium	1,597	1,597	1,597
Capital redemption reserve	14	14	14
Special reserve	62,168	68,695	66,630
Capital reserve	79,087	48,637	70,668
Revenue reserve	3,588	3,626	4,203
Total Shareholders' funds	147,099	123,214	143,757
	pence	pence	pence
Net asset value per ordinary share	7 317.1	253.2	300.2

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (UNAUDITED)

for the six months to 30 June 2017

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months to 30 June 2017							
At 31 December 2016	645	1,597	14	66,630	70,668	4,203	143,757
Net return after taxation	–	–	–	–	8,419	1,867	10,286
Dividends paid	–	–	–	–	–	(2,482)	(2,482)
Share purchases for treasury	–	–	–	(4,462)	–	–	(4,462)
At 30 June 2017	645	1,597	14	62,168	79,087	3,588	147,099
Six months to 30 June 2016							
At 31 December 2015	645	1,597	14	70,245	42,726	3,130	118,357
Net return after taxation	–	–	–	–	5,911	2,020	7,931
Dividends paid	–	–	–	–	–	(1,524)	(1,524)
Share purchases for treasury	–	–	–	(1,550)	–	–	(1,550)
At 30 June 2016	645	1,597	14	68,695	48,637	3,626	123,214
Year ended 31 December 2016 (audited)							
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	–	–	–	–	–	(1,524)	(1,524)
Share purchases for treasury	–	–	–	(3,615)	–	–	(3,615)
At 31 December 2016	645	1,597	14	66,630	70,668	4,203	143,757

NOTES TO THE FINANCIAL STATEMENTS

for the six months to 30 June 2017

1 Accounting policies

Basis of accounting

The Company's Financial Statements for the six months to 30 June 2017 have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements of the Company for the year ended 31 December 2016 and in accordance with FRS 104: "Interim Financial Reporting". The Company has elected to remove the Cash Flow Statement from the Half-Yearly Report, as permitted by FRS 102.

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.

	Six months to 30 June 2017 £'000	Six months to 30 June 2016 £'000	Year to 31 December 2016 £'000
2 Income			
UK net dividend income	404	1,056	1,338
Overseas dividend income	2,226	1,700	2,758
	<hr/>	<hr/>	<hr/>
Income from investments	2,630	2,756	4,096
Bank interest	5	–	–
Interest on withholding tax reclaim	18	–	–
	<hr/>	<hr/>	<hr/>
Total income	2,653	2,756	4,096
	<hr/>	<hr/>	<hr/>
3 Taxation			
	Six months to 30 June 2017 £'000	Six months to 30 June 2016 £'000	Year to 31 December 2016 £'000
UK corporation tax	–	–	–
Overseas withholding tax	180	149	250
Overseas withholding tax reclaim	(67)	–	–
	<hr/>	<hr/>	<hr/>
	113	149	250
	<hr/>	<hr/>	<hr/>

In February 2017, the Company received an overseas withholding tax refund of £67,000 in relation to a successful reclaim of French withholding tax charged during the calendar years 2009 to 2012. The interest received on the reclaim is detailed in note 2, with the total reclaim, including interest, amounting to £85,000.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2017

4 Dividends

	Six months to 30 June 2017 £'000	Six months to 30 June 2016 £'000	Year to 31 December 2016 £'000
Declared and paid			
2016 final dividend of 4.3p per ordinary share paid in May 2017	2,014	–	–
2016 special dividend of 1.0p per ordinary share paid in May 2017	468	–	–
2015 interim dividend of 3.1p per ordinary share paid in March 2016	–	1,524	1,524
	<u>2,482</u>	<u>1,524</u>	<u>1,524</u>

5 Return per ordinary share

	Six months to 30 June 2017		Six months to 30 June 2016		Year to 31 December 2016	
	Net return £'000	Per share pence	Net return £'000	Per share pence	Net return £'000	Per share pence
Revenue return after taxation	1,867	4.0	2,020	4.1	2,597	5.3
Capital return after taxation	8,419	17.8	5,911	12.1	27,942	57.4
Total return	<u>10,286</u>	<u>21.8</u>	<u>7,931</u>	<u>16.2</u>	<u>30,539</u>	<u>62.7</u>

The returns per share for the six months to 30 June 2017 are based on 47,122,367 shares (six months to 30 June 2016: 49,084,047 shares; year to 31 December 2016: 48,679,555 shares), being the weighted average number of ordinary shares, excluding shares held in treasury, in circulation during the period.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2017

6 Investments

	Unlisted	Listed	30 June 2017 Total	30 June 2016 Total	31 December 2016 Total
	£'000	£'000	£'000	£'000	£'000
Analysis of investment portfolio movements					
Opening bookcost	214	111,865	112,079	102,318	102,318
Opening investment holding gains	811	26,576	27,387	4,571	4,571
	1,025	138,441	139,466	106,889	106,889
Opening valuation					
Movements in the period:					
Purchases at cost	–	20,452	20,452	19,122	26,034
Sales – proceeds	–	(25,021)	(25,021)	(11,377)	(20,647)
– realised gains on sales	–	10,446	10,446	2,167	4,374
(Decrease)/increase in investment holding gains	–	(1,616)	(1,616)	3,176	22,816
	1,025	142,702	143,727	119,977	139,466
Closing valuation					
Closing bookcost	214	117,742	117,956	112,230	112,079
Closing investment holding gains	811	24,960	25,771	7,747	27,387
	1,025	142,702	143,727	119,977	139,466
Closing valuation					

The unlisted investment above is 71,294 shares (30 June 2016: 71,294 shares; 31 December 2016: 71,294 shares) in Edinburgh Partners Limited, which falls into level 3 of the fair value hierarchy.

The listed investments detailed above include the Company's investment in the Edinburgh Partners Emerging Opportunities Fund, a sub-fund of an Irish domiciled open-ended investment company listed on the Dublin Stock Exchange, which was valued at £3,337,000 at 30 June 2017. As at 31 March 2017, the most recent half-year end of the Edinburgh Partners Emerging Opportunities Fund, the aggregate amount of capital and reserves was US\$10,754,000. For the six months to 31 March 2017, the profit for the period after tax and distributions was US\$798,000.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2017

6 Investments – continued

Analysis of capital gains and losses

	Unlisted	Listed	30 June	30 June	31 December
	£'000	£'000	2017	2016	2016
			Total	Total	Total
			£'000	£'000	£'000
Realised gains on sales	–	10,446	10,446	2,167	4,374
Changes in fair value of investments	–	(1,616)	(1,616)	3,176	22,816
Gains on investments	–	8,830	8,830	5,343	27,190

Fair value hierarchy

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

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

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

All of the Company's financial instruments fall into level 1, except its investment in Edinburgh Partners Limited 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 International Private Equity and Venture Capital Valuation Guidelines. A reconciliation of the fair value movements of level 3 investments is shown above and on page 16.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2017

7 Net asset value per ordinary share and share capital

The net asset value per ordinary share is based on net assets at 30 June 2017 of £147,099,000 (30 June 2016: £123,214,000; 31 December 2016: £143,757,000) and on 46,387,725 ordinary shares (30 June 2016: 48,657,725 ordinary shares; 31 December 2016: 47,887,725 ordinary shares), being the number of ordinary shares, excluding shares held in treasury, in circulation at the period end. Net asset values calculated include current period revenue.

During the six month period to 30 June 2017, 1,500,000 ordinary shares were repurchased for treasury at a total cost of £4,462,000.

No ordinary shares were sold from treasury during the six months to 30 June 2017.

As a result of the transactions detailed above, there were 64,509,642 ordinary shares in issue as at 30 June 2017, of which 18,121,917 ordinary shares were held in treasury, resulting in there being 46,387,725 ordinary shares in circulation.

8 Related party transactions

There were no related party transactions during the period.

9 Financial information

The financial information for the six months to 30 June 2017 and for the six months to 30 June 2016 has not been audited or reviewed by the Company's Auditor pursuant to the Auditing Practices Board guidance on such reviews. The financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The latest published audited Financial Statements which have been delivered to the Registrar of Companies are the Annual Report and Financial Statements for the year ended 31 December 2016; the report of the independent Auditor thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The information for the year ended 31 December 2016 is an extract from that Annual Report and Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS – continued

for the six months to 30 June 2017

10 Status of the Company

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

11 Going concern

The Company's business activities, together with factors likely to affect its future development and financial performance, are set out in the Chairman's Statement on pages 3 to 6 and the Directors' Statement of Responsibilities in respect of the Financial Statements on page 9. The Company's principal risks are listed in the Directors' Statement of Principal Risks and Uncertainties on page 9.

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

12 Post balance sheet events

Share capital

The following transactions in the Company's ordinary shares have taken place between 30 June 2017 and the date of this report:

A total of 450,000 ordinary shares were purchased for treasury at a total cost of £1,384,000. As a result, there were 64,509,642 ordinary shares in issue as at the date of this report, of which 18,571,917 were held in treasury, resulting in there being 45,937,725 ordinary shares in circulation.

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 trading platforms.

Frequency of NAV publication

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

Portfolio holdings

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

Share price and sources of other information

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

Share register enquiries

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

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

RISK FACTORS

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

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

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

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

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

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

