EP Global
Opportunities Trust plc

Annual Report and Financial Statements
31 December 2020

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Registered in Scotland No. 259207

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

CORPORATE INFORMATION

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David Hough[1]
David Ross
Tom Walker

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[1] Retired as a Director on 3 March 2021

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% of the Company's total assets at the time of investment. No investment in the Company's portfolio may exceed 15% 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% 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% 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	£119,095,000 at 31 December 2020.
Market capitalisation	£109,689,000 at 31 December 2020.
Capital structure	At 31 December 2020, there were 38,622,725 shares in circulation (the total number of shares in issue was 64,509,642 shares, of which 25,886,917 shares were held in treasury). As at 9 March 2021, the date of signing this report, there were 37,882,725 shares in circulation (the total number of shares in issue was 64,509,642 shares, of which 26,626,917 shares were held in treasury).
Investing in the Company	The Company's shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The shares are eligible for inclusion in Individual Savings Accounts ("ISAs") and Self-Invested Personal Pensions ("SIPPs"). The Company's shares are also available on various share trading platforms. The Company's registrar, Computershare Investor Services PLC, offers shareholders the opportunity to reinvest their dividends in the Company's shares.
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 2020	31 December 2019	Change
Results for year			
Shareholders' funds	**£119,095,000**	£132,009,000	(9.8)%
Net asset value per share ("NAV")[1]	**308.4p**	320.8p	(3.9)%
NAV total return[1,2,5]	**(1.3)%**	6.0%	
Share price	**284.0p**	310.0p	(8.4)%
Share price total return[1,2,5]	**(5.6)%**	5.0%	
Share price discount to NAV[5]	**7.9%**	3.4%	
Revenue return per share[1,3]	**4.9p**	8.1p	(39.4)%
Final dividend per share	**6.0p[4]**	6.0p	–
Special dividend per share	**–**	1.5p	
Total dividend per share	**6.0p[4]**	7.5p	

1 See glossary on page 70.
2 The NAV and share price total returns are sourced from Edinburgh Partners and include dividends reinvested.
3 Based on the weighted average number of shares in issue, excluding shares held in treasury, during the year.
4 Proposed dividend for the year.
5 Alternative performance measure – see pages 68 and 69.

		Year to 31 December 2020	Year to 31 December 2019
Year's high/low			
Share price	– high	**312.5p**	319.0p
	– low	**217.5p**	290.0p
NAV	– high	**330.1p**	335.0p
	– low	**259.4p**	310.2p
Share price discount to NAV[2]			
	– high	**18.7%**	8.7%
	– low	**3.2%**	3.2%
Cost of running the Company			
Ongoing charges[1,2]		**1.0%**	1.0%

1 Based on total expenses, excluding finance costs and certain non-recurring items for the year as a percentage of the average monthly net asset value.
2 Alternative performance measure – see pages 68 and 69.

Past performance is not a guide to future performance.

PORTFOLIO OF INVESTMENTS
as at 31 December 2020

Company	Sector	Country	Valuation £'000	% of Net assets
Equity investments				
20 largest equity investments				
Samsung Electronics	Information Technology	South Korea	3,880	3.3
Taiwan Semiconductor ADR	Information Technology	Taiwan	3,708	3.1
Tesco	Consumer Staples	United Kingdom	3,644	3.1
Orange	Communication Services	France	3,421	2.9
Vodafone	Communication Services	United Kingdom	3,373	2.8
Murata Manufacturing	Information Technology	Japan	3,275	2.7
Unilever	Consumer Staples	United Kingdom	3,046	2.6
Antofagasta	Materials	United Kingdom	3,032	2.5
Panasonic	Consumer Discretionary	Japan	3,012	2.5
Shanghai Fosun Pharmaceutical H	Health Care	China	3,002	2.5
Samsung SDI	Information Technology	South Korea	2,896	2.4
Novartis	Health Care	Switzerland	2,885	2.4
Sony	Consumer Discretionary	Japan	2,805	2.4
Commerzbank	Financials	Germany	2,728	2.3
Astellas Pharma	Health Care	Japan	2,695	2.3
Verizon Communications	Communication Services	United States	2,655	2.2
Sumitomo Mitsui Trust	Financials	Japan	2,610	2.2
Roche[1]	Health Care	Switzerland	2,592	2.2
ING	Financials	Netherlands	2,560	2.1
Sanofi	Health Care	France	2,544	2.1
Total – 20 largest equity investments			**60,363**	**50.6**
Other equity investments				
AstraZeneca	Health Care	United Kingdom	2,521	2.1
Daiwa House Industry	Real Estate	Japan	2,480	2.1
Singapore Telecommunications	Communication Services	Singapore	2,461	2.1
Total	Energy	France	2,449	2.1
Nokia	Information Technology	Finland	2,430	2.0
Japan Tobacco	Consumer Staples	Japan	2,378	2.0
Credicorp	Financials	Peru	2,363	2.0
BMW	Consumer Discretionary	Germany	2,310	1.9
Fresenius Medical Care	Health Care	Germany	2,173	1.8
China Mobile[2]	Communication Services	China	1,949	1.6
ENI	Energy	Italy	1,948	1.6
Comsys	Industrials	Japan	1,190	1.0
Raito Kogyo	Industrials	Japan	900	0.8
Ship Healthcare	Health Care	Japan	885	0.8
Mirait	Industrials	Japan	883	0.7
Kyowa Exeo	Industrials	Japan	849	0.7
TBS	Communication Services	Japan	776	0.7
Totetsu Kogyo	Industrials	Japan	775	0.7
Meitec	Industrials	Japan	775	0.7
Total – 39 equity investments			**92,858**	**78.0**
Fixed income investments				
US Treasury Inflation Protected Security 0.125% 15 July 2030			5,414	4.5
US Treasury Inflation Protected Security 0.25% 15 February 2050			5,378	4.5
Total fixed income investments			**10,792**	**9.0**
Cash and other net assets			**15,445**	**13.0**
Net assets			**119,095**	**100.0**

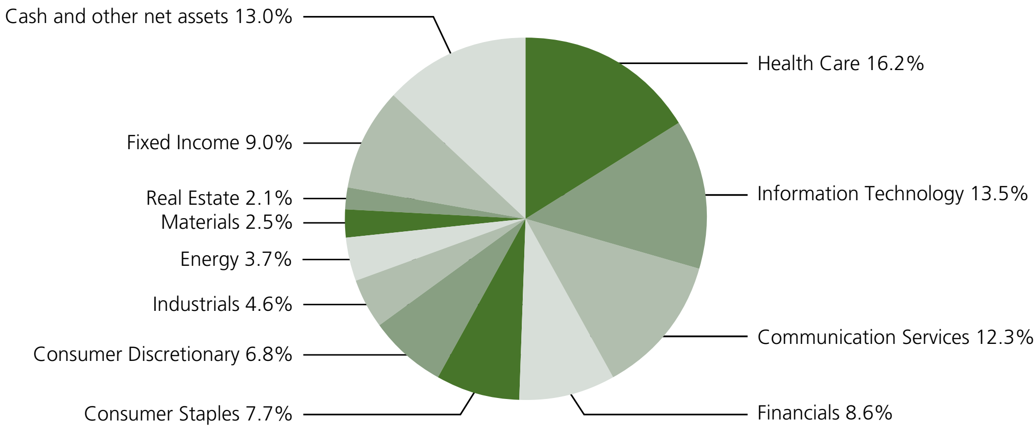
1 The investment is in non-voting shares.

2 The investment was sold in January 2021 to comply with US Executive Order 13959.

Of the ten largest portfolio investments as at 31 December 2020, the valuations at the previous year end, 31 December 2019, were Tesco £3,827,000, Orange £3,218,000 and Vodafone £4,093,000. US Treasury Inflation Protected Security 0.125% 15 July 2030, US Treasury Inflation Protected Security 0.25% 15 February 2050, Samsung Electronics, Taiwan Semiconductor ADR, Murata Manufacturing, Unilever and Antofagasta were purchased during the year.

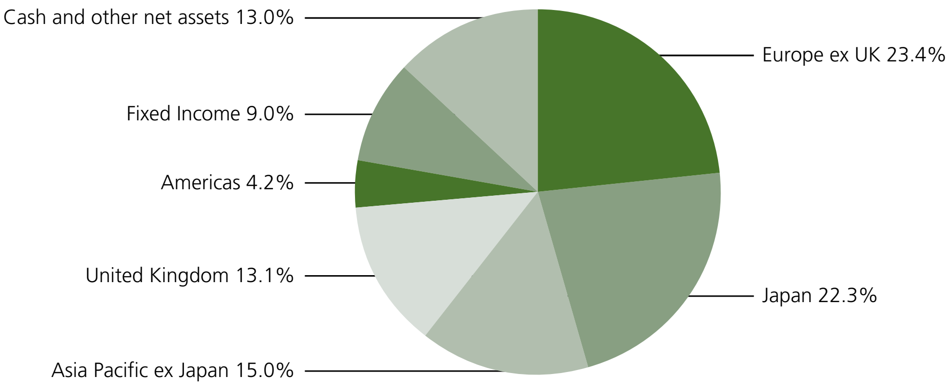
DISTRIBUTION OF INVESTMENTS
as at 31 December 2020 (% of net assets)

Sector distribution



The figures detailed in the sector distribution pie chart represent the Company's exposure to those sectors.

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 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 non-executive chairman of JPMorgan US Smaller Companies Investment Trust plc and a non-executive director of BMO Real Estate Investments Limited. He was appointed as a Director of the Company on 1 June 2014.

Tom Walker
Tom Walker is a non-executive director of Lowland Investment Company plc and JPMorgan Japan Small Cap Growth & Income plc. Previously, he has been a portfolio manager with Martin Currie Investment Management Limited which he joined in 1996. During his time at Martin Currie, he managed an investment trust, Martin Currie Global Portfolio Trust plc, as well as other global segregated portfolios. He was appointed a Director of the Company on 1 April 2019.

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. In May 2018, Edinburgh Partners was acquired by Franklin Resources, Inc.

The investment team of Edinburgh Partners includes experienced investment professionals 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.

Sandy Nairn BSc, PhD, ASIP, CFA
The investment partner of Edinburgh Partners with responsibility for managing the portfolio of the Company is Dr Sandy Nairn.

Dr Nairn 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, now part of Franklin Resources, Inc., latterly as director of global equity research.

CHAIRMAN'S STATEMENT

Results

At 31 December 2020, our NAV was 308.4p, a reduction of 3.9% in the year. With dividends re-invested, this resulted in a total return of -1.3% for the year.

The share price at the end of the year was 284.0p, a reduction of 8.4% from the share price at the end of 2019 of 310.0p. With dividends re-invested, this resulted in a total return of -5.6% for the year. At 31 December 2020, the share price stood at a discount of 7.9% to the NAV, which compared to 3.4% at the prior year end.

As detailed below, there was a significant reduction in revenue per share in the year under review. As a result, your Board has decided to use part of the Company's revenue reserve and therefore recommends a maintained final dividend of 6.0p per share.

It was a difficult year for value investors, a year when most major equity markets achieved double digit gains. The exception was the UK FTSE All-Share Index which suffered a 9.8% negative total return. The Company does not have a benchmark, but the Board does monitor how equities in general are performing and does constructively challenge the Investment Manager on its strategy. The Board is concerned about performance of the portfolio while being aware that value investing has been out of favour for the last 10 years.

Since the launch of the Company on 15 December 2003 up to the end of 2020 the Company achieved a 7.9% annualised share price total return. This was a substantial real return when compared to the UK Retail Price Inflation rate which was 2.8% over the same period. Since the launch performance has achieved a similar return to that of the MSCI ACWI Value Index.

Stock market review and investment performance

Stock markets started the year on a firm note after a strong year in 2019. Economies were improving, unemployment was low and real wages had started to rise potentially putting upwards pressure on inflation. The Company's portfolio was defensively positioned in value shares that would benefit from this environment. Some cash had been raised as valuations of many shares looked stretched and rising interest rates would be likely to cause a market decline bringing overpriced shares down to a more reasonable level. The COVID-19 outbreak completely changed the financial environment. As a consequence, some of our holdings did not prove as defensive as hoped in the resultant market crash in February and March. Banking stocks, for example, whose margins would have benefitted from rising interest rates, faced a significant increase in loan losses. However, performance was helped during the market crash by holding 11% in cash at the end of January which was increased to 20% during February. The resilience of some of our pharmaceutical shares was also helpful during the market fall.

Central Banks and Governments reacted promptly to limit the economic damage. Interest rates were slashed, in some cases to negative levels. The financial system was flooded with money and companies were given direct financial aid to avoid a collapse in employment. The unprecedented financial stimulus achieved its objective and markets began to recover as the economic risk was stabilised. Most businesses were badly damaged by events but companies that provided products and services that helped overcome the difficulties caused by the lockdowns thrived. Many others have had their recovery delayed by a second wave of the virus. However, the positive trend for equities continued and the regulatory approval of a number of vaccines helped markets to end the year on a strong note. Our net asset value also recovered but to a lesser extent than the broader market with the cash levels holding back performance. In November, just under half the cash was invested in US government inflation protected bonds. The Investment Manager's report on pages 11 and 12 explains the reason for this and gives a detailed comment on the changes and structure of the portfolio.

Revenue account and dividend

The revenue per share for the year ended 31 December 2020 was 4.9p, compared with the prior year figure of 8.1p. There were several reasons that contributed to the reduction. Dividend income was reduced as a consequence of the disposal of several higher yielding shares. In addition, there were dividend reductions from a number of holdings due to the COVID-19 pandemic. Cash raised from share disposals which was not reinvested earned very little on deposit with some cash balances giving a negative return, while the investment in US inflation protected bonds also generated a low return.

In 2019 we enjoyed a substantial increase in our revenue per share and paid out a dividend of 7.5p per share, made up of a final dividend of 6.0p and a special dividend of 1.5p. Due to the substantial drop in our revenue in 2020, the Board is not recommending a special dividend this year but believed it appropriate to make use of 1.1p per share of our revenue reserve to match last year’s final dividend. This would leave 5.7p per share in the revenue reserve. The Board therefore recommends a final dividend of 6.0p per share, subject to Shareholders’ approval at the Annual General Meeting to be held on 21 April 2021.

As we have stated in previous years’ annual and half-yearly reports, the level of revenue generated from the portfolio will vary from year to year. As a result, any dividend paid to Shareholders is likely to fluctuate from year to year. Central to our Investment Manager’s investment philosophy is the selection of stocks based on where it finds the best value. This may at times result in a focus on shares with lower dividend yields or in cash and bonds which generate a low return.

Amendment to Expense Allocation Policy

The Company has had a policy of charging 100% of its expenses to revenue. In recent years, many investment companies have adopted a policy of charging a proportion of expenses to capital, to reflect more accurately the returns between capital and income.

The Board has reviewed the Company's policy on the allocation of expenses and believes that, for the year ending 31 December 2021 and future years, the Company should charge 70% of management fees and finance costs related to borrowings to capital and 30% to revenue. The change took effect from 1 January 2021 and has been reflected in the Company’s NAV from that date.

The Board believes the change to the allocation of management fees and finance costs related to borrowings will bring the charging of these expenses more in line with the returns received by the Company.

Shares held in treasury

The Company continued to buy back shares and during the year, we purchased 2,525,000 shares at a total cost of £7,020,000. This represents 6.1 percent of the shares in circulation at the start of the year. Shares that have been bought back under the Company's buy back policy are retained by the Company as treasury shares rather than cancelled, with the intention of re-issuing them when demand warrants doing so.

The imbalance of demand for and supply of shares in the Company has not been corrected by the considerable volume of share buy backs. At the year end the share price was at a 7.9% discount to the NAV. The Board will take firmer action to bring the share price closer to the NAV by making greater use of the authority provided by Shareholders to purchase our own shares in the stock market. Resolution 9 to be considered at the Annual General Meeting will approve a renewal of this authority. If this fails to narrow the discount, the Board will consider what further options are available to the Board to redress the imbalance in demand for the Company’s shares and will continue to engage with the Investment Manager and the larger shareholders in the Company in relation to the strategic position of the Company.

At the most recent Annual General Meeting of the Company, which was held on 22 April 2020, Shareholders passed a resolution permitting the Company to sell shares held in treasury at a weighted average discount of not more than 2.0% to the prevailing NAV and providing that any sale of treasury shares would not result in a dilution greater than 0.2% 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. 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 when demand for our shares is once again sufficient for sales to be made.

The Board

David Hough retired from the Board on 3 March 2021 having been a Director since the Company was launched in 2003. The Board wishes to thank David for his wise counsel and commitment to the Company. His understanding of the investment trust market and in depth knowledge of the wealth management industry has been of great benefit to the Board. I personally have much appreciated his input and advice.

The Board is seeking two new Directors as replacements for Mr Hough and myself. We were part way through this process when it became disrupted by the necessary restrictions imposed by the COVID-19 pandemic. We have restarted the process as we are acutely aware that the Board needs refreshing as well as added diversification in its membership. With two Board members being replaced by two new members, it will then be an excellent opportunity for the refreshed Board to look at the strategic position of the Company in an economic and financial background that is very different from when the Company was founded.

As this is the last time I will write the Chairman's Statement in the Annual Report, I would like to record my thanks to all those involved with the Company in management and administration. Also, most importantly to thank you the Shareholders who have supported the Company when the value based investment policy has been so out of favour.

COVID-19

The COVID-19 pandemic was the dominant feature in the period under review. The Directors have noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions imposed by governments worldwide. Where necessary, business continuity arrangements have been implemented by the Company's service providers, principally a work at home strategy, and the Board has obtained regular assurances that they are continuing to operate effectively. Since the onset of the pandemic the Board continues to be satisfied that there are no issues which trigger a need to re-examine the going concern assumption in preparing the Company's financial statements.

Annual General Meeting

The Board of Directors of the Company has been considering how best to deal with the continuing impact of the COVID-19 outbreak on arrangements for the Company's Annual General Meeting to be held on 21 April 2021, as it was required to do for last year's Annual General Meeting.

The Annual General Meeting will be held at the offices of the Investment Manager, Edinburgh Partners Limited. Under current government regulations, stay at home measures remain in place and, if they continue to do so, Shareholders will unfortunately not be permitted to attend the Company's Annual General Meeting in person and, will regrettably be refused entry to the meeting. Shareholders wishing to vote on any of the matters of business at the Annual General Meeting are therefore strongly encouraged to submit their votes by proxy and to appoint the chair of the meeting as their proxy for this purpose. Any other proxy may not be allowed to attend the Annual General Meeting unless it is for the purpose of forming the quorum.

We always welcome questions from our Shareholders at the Annual General Meeting. As detailed below, we are seeking approval at this year's Annual General Meeting to facilitate participation by way of electronic or hybrid meetings in future years. In the meantime, and for purposes of the Annual General Meeting to be held on 21 April 2021, we invite Shareholders to submit their questions by e-mail to the Company Secretary (coseccy@edpam.com). The Board will endeavour to respond to any questions as soon as possible.

The Company is taking the above measures to safeguard the health of Shareholders and other participants, and to make the Annual General Meeting as safe and efficient as possible. Public health advice in relation to COVID-19 can change and the Company will therefore keep the above arrangements under close review. Shareholders will be updated of any changes to these arrangements through the London Stock Exchange Regulatory News Service and the Company's website at www.epgot.com.

As a presentation by Dr Sandy Nairn of Edinburgh Partners, the Investment Manager, at the Annual General Meeting is unlikely to be possible this year because of the restrictions on attending the meeting, a presentation will be posted on the Company's website at www.epgot.com shortly after the Annual General Meeting.

Articles of Association

The Company's Annual General Meetings in 2020 could not be held as normal as a result of COVID-19 restrictions and a similar situation is arising in 2021. Electronic or hybrid meetings would allow greater Shareholder participation in future Annual General Meetings or other general meetings should similar situations arise. Electronic and hybrid meetings are only permitted if expressly provided for in the Company's Articles of Association. As currently drafted, the Company's Articles of Association do not allow for hybrid meetings. The Board is therefore proposing a Special Resolution at the Annual General Meeting to be held on 21 April 2021 that the Articles of Association be amended to allow for hybrid meetings.

Electronic Communication with Shareholders

You will find enclosed with the Annual Report a letter asking if you would prefer to receive future annual and half-yearly reports and other communications from the Company in electronic form rather than in printed form. The Company will notify those Shareholders who elect for electronic communication by post or email if they have provided an email address, that the document is available on the Company's website. Shareholders can however ask for a hard copy of any document at any time. Delivering Shareholder communications electronically has a number of advantages for the Company and its Shareholders. The communications are made more quickly, Shareholders save time, and the Company saves on costs of printing and postage and reduces the environmental impact. I encourage all Shareholders to consider the proposal.

Auditor

As detailed in the 2019 Annual Report, Ernst & Young LLP, the Auditor to the Company since its launch in 2003, ceased to hold office at the Annual General Meeting held on 22 April 2020. We thank Ernst & Young LLP for their services to the Company. At the Annual General Meeting in 2020, Shareholders approved the appointment of Johnston Carmichael LLP as Auditor to the Company.

New Website and Factsheet

In the 2019 Annual Report, the Company updated Shareholders on progress on planned upgrades to the Company's website and factsheet, projects forming part of the Board's wider efforts to improve access to and clarity of Shareholder communications. The new website has been launched and is available at www.epgot.com. The website incorporates a number of new features and additional functionality. The new features include a quarterly investment commentary written by the Investment Manager and the monthly factsheet is now in what we hope Shareholders will agree is an improved format.

Outlook

The continued flow of monetary and fiscal stimulus combined with the successful vaccine results has driven equity markets higher. A recovery in corporate profits and low interest rates is a positive environment for equity prices. However, equity valuations are high by historical standards and this makes share prices vulnerable to rising interest rates. As lockdowns end, consumer spending will recover which can be expected to put upwards pressure on prices. How durable this will be with the increase in unemployment resulting from the economic downturn is far from clear. With a synchronised global recovery, commodity prices already rising and governments increasing spending plans, the inflation outlook may be less benign than many think.

Bull markets can continue even when shares are overvalued but when bull markets end the more overvalued shares are the greater the decline is likely to be. Our Investment Manager is taking a very cautious view of the outlook for equities believing that shares are at extreme levels of valuation having risen on the back of an economy underpinned by debt. The equity portfolio remains defensive and is focused on companies in which there is confidence in the earnings prospects and the valuations are still reasonable. As part of this defensive strategy, 13% of the Company's assets were held in cash at the year-end as well as 9% in US inflation protected bonds. Where our Investment Manager identifies future investment opportunities, it will utilise the cash balances currently held to acquire stocks contingent as always on strict valuation criteria.

Teddy Tulloch
Chairman

9 March 2021

Past performance is not a guide to future performance.

INVESTMENT MANAGER'S REPORT

The front of this Annual Report features the magnificent statue of Adam Smith situated in Edinburgh's Royal Mile. The arch proponent of free exchange and the power of the market mechanism would most likely look at today's world askance.

Prior periods of financial excess are fairly obvious and subsequently referred to by their key characteristics. The 'nifty fifty', Japanese real estate, the Asian crisis and the TMT bubble are just some obvious equity market examples. In most cases the extreme over-valuation in the market was confined to particular geographies or sectors/themes, rather than generalised across the whole asset class. So, even in historic periods of financial excess, there were often attractive opportunities for stock pickers in the areas unloved by a market focussed on the theme of the day.

Over-valuation has typically been followed by a period of cleansing which rectified prices. On some occasions these corrections brought with them collateral damage to related assets, on others it was tied primarily to the inflated segment. How the cleansing unfolded depended very much on whether the asset price inflation had spread or the extent to which leverage had been created in the system. The root causes have been varied, but in most instances low interest rates have been one of the key factors which assisted asset price inflation. Interest rate suppression was often a by-product of some form of exchange rate targeting. Examples include the Plaza Accord of the 1980's which contributed to the Japanese bubble and the dollar linkage of various emerging market currencies in the 1990's. At other times it was simply that governments had been slow to react to overheating economies and growing inflationary pressures. In the famous phrase, they failed to take away the punch bowl just as the party was starting. The reasons may have been myriad, but the role of interest rates has been a common denominator in most market bubbles.

The global financial crisis (GFC) with its Great Depression resonance elicited a policy response which set out to avoid a repeat of the 1930's at all costs. In this the policy has been highly successful. Since the GFC almost every twist and turn of the global economy has been met with a monetary reaction from governments worldwide. What began as a policy response to avert a potential collapse of the global banking system has mutated into a world where intervention rather than market signals has become the order of the day. The most obvious manifestation of this has been in the price of money. As James Grant, in Grant's Interest Rate Observer, points out, we have the lowest interest rates in 5,000 years. Perhaps not surprisingly, with the period of interest rate suppression having entered its second decade the investment world and asset values now operate in a different framework from financial history.

This different monetary framework itself sits at the nexus of a reversal of a number of long-term trends which had hitherto been highly supportive of productivity improvements and economic growth. There is not space to do justice with a full argued narrative but just to list the key topics. The world is ageing. In most major economies the dependency ratio is worsening meaning there are proportionately fewer workers to carry the burden of the economically inactive. Secondly, migration flows are being inhibited by rising populism leading to more structural impediments in labour markets. Thirdly, the influx of labour from the falling of the Iron Curtain and the integration of China to the global economic system has now a much more subdued impact. Fourthly, the global single source supply chain is understandably seen as carrying serious strategic risks both at the corporate and national levels. Finally, the threat of global warming requires a move away from fossil fuels and hydrocarbon related activities. Whilst necessary, this will come at a financial cost in the medium term even if the replacement technologies eventually drop in price. If these factors genuinely prove about to experience a trend reversal it is hard to see how superior productivity growth can come to the rescue of the global debt overhang. It is more likely that the future will see a slower rate of economic growth than what has been achieved in the past forty years.

Against this backdrop we have the political reversal into more government intervention. Almost everything is seen as market failure and governments of all political hues seem inclined to participate either by regulation or government expenditure. This has not historically proven an effective approach to creating economic growth and profitability.

Our commentary this time last year laid out our thinking and why the portfolio was structured the way it was. The 2020 financial year began with a global economy with rising debt levels, record low interest rates and high asset valuations. There were some areas of the market where valuations had lagged but their price recovery often depended, at least in part, on a more normalised interest rate environment. Banks would be one obvious example.

It was against this backdrop that the global pandemic arrived. This served to stop the world economy in its tracks. Again, the natural and explainable policy response was fiscal and monetary expansion with all manner of subsidiary measures being taken to avoid adverse asset pricing reactions. Our consultations with experts in the field of virology and immunology were reassuring in the sense that there was a strong conviction on the likely emergence of a vaccine within twelve months together with a belief that treatments would improve in relatively short order. This meant that the problem the investment markets faced was likely to be bounded.

Against this backdrop the portfolio was reoriented with investments made in long-term technology winners whose prices had dropped significantly. These included Taiwan Semiconductor, the world's leading silicon fabricator, Samsung SDI, a leading battery producer and Samsung Electronics. We also purchased Antofagasta, the copper miner. Since investment, the share prices of these companies have risen by 50%-130%. In part this simply reflects the market's reaction to the level of debt-financed economic stimulus provided worldwide. We also sold holdings where we felt that the potential severe hit to revenues could compromise their balance sheets leading to meaningful equity issuance. As the year progressed equity prices continued to rally and reached valuation levels where we felt it only prudent to trim or fully exit positions. The amount of stimulus has left many government balance sheets exposed if they fail to continue to control the cost of borrowing.

Following the year end the holding in China Mobile Limited was disposed of to meet the requirements of US Executive Order 13959 which imposed sanctions on securities of Communist Chinese military companies ("CCMCs"). The sanctions prohibit US persons investing in funds that provide exposure to CMCCs. The Company's Shareholders include US persons and the holding was therefore sold before the restrictions came into force on 11 January 2021. As investment manager Edinburgh Partners has also amended its internal investment policies so no CMCCs securities may be purchased for the Company's portfolio while the restrictions remain in place.

For the year the NAV total return was -1.3% whilst the FTSE All-World Index had a total return of 13.0%, fuelled particularly by a narrow range of US technology stocks. Whilst the Company has no stated benchmark it is instructive to see the magnitude of equity returns achieved against the backdrop of deteriorating economic conditions and debt-financed economic aid. Returning to Adam Smith, at some point the market pricing mechanism will return and the economic costs of the pandemic will have to be paid. Pricing may also begin to reflect some of the longer-term trend reversals and policy changes described above. Against this backdrop we have asset markets at historically high levels. In the words of Sir John Templeton, the time to invest is at the point of maximum pessimism. I have no recollection of a direct quote on what to do at the point of maximum optimism, but Sir John was never willing to buy expensive assets. His approach was to withdraw gradually from exposure as prices rose to create a pool of liquidity which could be used when the assets began to suffer from vertigo in their pricing. This is something that we did in 2007-2008 and we believe the current condition is now more extreme.

The Company's investment policy was specifically created to accommodate those rare periods when investment flexibility is required. We believe such a period has arrived. As a consequence, the portfolio equity holdings have been positioned to be as defensive as possible within the constraints of widespread over-valuation. The over-valuation extends to companies with resilient earnings profiles which would normally been candidates for investment but have risen as a proxy for bonds. The rising portfolio cash balances reflect these levels of valuation and the consequent difficulty in making new investments. We have diversified the liquidity profile with the addition of US Treasury Inflation Protected bonds. Whilst there is currently little sign of nascent inflation, we see it as highly likely that every economic issue will be dealt with by more stimulus until the point where the market rebels. At some point along this path inflation will begin to appear and hedging some of this risk appears a prudent course of action.

It is extremely difficult to manage assets when what is expensive becomes even more so. The drag of portfolio liquidity shows up in performance when compared to various index benchmarks and the pressure to invest constantly mounts. However, history tells us that bending to such pressure typically only ends with one result. We will continue to follow a disciplined approach to investment, secure in the belief that buying expensive assets is not the correct approach and that the liquidity reserve will be inordinately valuable when the opportunities appear.

Dr Sandy Nairn
Edinburgh Partners

9 March 2021

Past performance is not a guide to future performance.

OTHER STATUTORY INFORMATION

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

The Company is registered as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006 (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 Financial Conduct Authority (the "FCA") and traded on the main market of the London Stock Exchange.

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

Purpose, business model and strategy
The Board is responsible for the overall management of the Company and, in accordance with the AIC Code, the Board establishes the Company's purpose, values and strategy, and reports to Shareholders on the detail of how this is achieved.

As an investment company, the Company's purpose is expressed in its investment objective, which is to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities. As a closed-ended investment company whose shares are traded on the main market of the London Stock Exchange, the Company can pursue its investment objective by taking long-term investment decisions without being constrained by the need to sell investments to meet redemptions, as other investment funds such as open-ended investment companies may need to do. The strategy applied by the Company in this context is contained in the Company's investment policy, as set out on page 2.

In order to achieve its investment objective, the Board has decided it is appropriate to appoint third party providers with the necessary capability and established track records to deliver the required service requirements to the Company. The AIFM and the Investment Manager have the responsibility of investing and managing the assets of the Company in accordance with the investment objective and for managing its activities on a daily basis. The Company also appoints the Depositary to have responsibility for the safekeeping and monitoring of its assets and the Registrar to maintain Shareholder records.

The Board retains responsibility for decisions regarding corporate strategy, corporate governance, risk and internal control assessment and determining the overall limits under which the AIFM, the Investment Manager and other service providers operate. To ensure that the Company's service providers continue to deliver the required level of service, the Board receives regular reports, evaluates their control environments and formally assesses their appointment on an annual basis.

The Board maintains a close working relationship with all of its service providers, in particular with the AIFM and Investment Manager, and monitors their performance closely. Further details of the service providers and of how their activities are monitored is detailed on pages 36 and 37.

Investment 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'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 earnings 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 10 and the Investment Manager's Report on pages 11 and 12.

Portfolio analysis
A detailed review of how the Company's assets have been invested is contained in the Chairman's Statement on pages 7 to 10 and the Investment Manager's Report on pages 11 and 12. A list of all the Company's investments is contained in the Portfolio of Investments on page 4. The portfolio consisted of 41 investments, excluding cash and other net assets as at 31 December 2020, thus ensuring that the Company has a suitable spread of investment risk. A sector and geographical distribution of investments is shown on page 5.

Directors' duties and stakeholder engagement
Section 172 of the Act requires a director to act in a way that he considers, in good faith, would be most likely to promote the success of a company. In doing so, directors must take into consideration the interests of the various stakeholders of the Company, the impact of the Company's operations on the community and the environment, take a long-term view on the consequences of the decisions they make as well as maintaining a reputation for high standards of business conduct and fair treatment between the members of the Company.

In complying with the requirements of section 172 of the Act, the Directors should be able to ensure that all decisions are made in a responsible and sustainable way for the benefit of all stakeholders. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains below how the Directors have discharged their duty under section 172 of the Act. This section serves as the Company's Section 172 Statement.

A company's stakeholders are normally considered to comprise shareholders, employees, customers and suppliers as well as the wider community in which the company operates and impacts. The Company is unlike a trading company in that as an investment trust it has no employees and, significantly, its customers are synonymous with its Shareholders. In terms of suppliers, the Company receives professional services from a number of different providers, principal among them being the AIFM and the Investment Manager. The Board believes the wider community in which the Company operates encompasses its portfolio of investee companies and the communities in which they operate.

Details of how the Board seeks to understand the needs and priorities of the Company's stakeholders and how these are taken into account during all its discussions and as part of its decision-making are set out below:

Shareholders
Communication and regular engagement with Shareholders is given a high priority by both the Board and the AIFM and the Investment Manager. The Directors seek to maintain regular contact with major Shareholders and are always available to enter into dialogue with all Shareholders. A regular dialogue is maintained with the Company's institutional Shareholders and private client asset managers through the AIFM and the Investment Manager, which regularly report to the Board on significant contact, the views of Shareholders and any changes to the composition of the share register. Following the COVID-19 pandemic meetings with institutional shareholders and private client asset managers have been conducted by electronic means.

All Shareholders are encouraged, if possible, to attend and vote at the Annual General Meeting and at any general meetings of the Company, during which the Board and the AIFM are available to discuss issues affecting the Company. At the date of this report COVID-19 restrictions remain in place which will prevent Shareholders from attending the Annual General Meeting to be held on 21 April 2021. 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, including those who wish to speak with him in person.

Copies of the Annual and Half-Yearly Reports are currently dispatched to Shareholders by mail and are also available, along with the monthly factsheets and quarterly investment commentaries, for downloading from the Company's website at www.epgot.com. Shareholders will be given the opportunity to receive copies of the Annual Report and Half-Yearly Reports and any other communications from the Company by electronic means, as detailed in the Chairman's Statement on page 9. The Company also releases portfolio updates to the market on a monthly basis.

AIFM and Investment Manager

The Board believes that maintaining a close and constructive working relationship with the AIFM and the Investment Manager is crucial to promoting the long-term success of the Company in an effective and responsible way. This ensures the interests of all current and potential stakeholders and society at large are properly taken into account when decisions are made. Representatives of the AIFM and the Investment Manager attend Board meetings and provide reports on investments, performance, marketing, operational and administrative matters. An open discussion regarding such matters is encouraged, both at Board meetings and by way of ongoing communication between the Board, the AIFM and the Investment Manager. Board members are encouraged to share their knowledge and experience with the AIFM and the Investment Manager and where appropriate, the Board adopts a tone of constructive challenge in its discussions with the AIFM and the Investment Manager. The Board keeps the ongoing performance of the AIFM and the Investment Manager under continual review and conducts an annual appraisal of both the parties. Details regarding the continuing appointment of the AIFM are set out on page 18. This review includes the performance of an administrator, Link Alternative Fund Administrators Limited (the "Administrator") whose services are provided under contract to the AIFM, rather than directly to the Company.

Other service providers

The Company's day-to-day operational functions are delegated to a number of third-party service providers, each engaged under separate contracts. In addition to the AIFM and the Investment Manager, the Company's principal service providers include the Depositary, the Registrar and the Auditor. The Company, through the AIFM, engages with the service providers to develop and maintain positive and productive relationships, and to ensure that they are well informed in respect of all relevant information about the Company's business and activities. The Board, through its Audit and Management Engagement Committee, keeps the ongoing performance, fees and continuing appointment of these service providers under continual review and conducts an annual appraisal of all the third-party service providers.

Portfolio of investee companies

The day-to-day management of the Company's investment portfolio has been delegated by the AIFM to the Investment Manager. As such, the Investment Manager has primary responsibility for engaging with investee companies on behalf of the Company. The Investment Manager does so in accordance with the United Nations Principles for Responsible Investment, and the UK Stewardship Code, and is a signatory to both regimes. The Investment Manager's approach to engagement in this context is detailed in its Engagement Policy, an Environmental, SRI and Corporate Governance ("ESG") Policy Statement and a Proxy Voting Policy. Copies of the Investment Manager's Engagement Policy and ESG Policy Statement can be found on its website at www.edinburghpartners.com, together with a summary of all votes cast by the Investment Manager as proxy on behalf of its clients. Further details regarding the approach to ESG matters are set out on pages 20 and 21. At the date of this report, the Investment Manager is a signatory to the UK Stewardship Code 2012. In 2019, the FRC published a new version of the code, the UK Stewardship Code 2020. To become a signatory to the UK Stewardship Code 2020, organisations are required to submit a stewardship report to the FRC when the application window opens on 15 March 2021. The Investment Manager will apply to become a signatory to the UK Stewardship Code 2020 and a copy of its stewardship report will be available at www.edinburghpartners.com.

The Board recognises the importance of engagement with investee companies, both in the context of ESG matters and more generally. The Board is aware of evolving expectations in this regard and is committed to working with the Investment Manager in relation to future engagement on behalf of the Company.

The above methods for engaging with stakeholders are kept under review by the Directors and discussed on a regular basis at Board meetings to ensure that they remain effective.

In addition to the above, certain key decisions taken by the Board during the year also serve as examples of how the needs and priorities of the Company's stakeholders are taken into account by the Board as part of its decision-making process. Key decisions made during the year include:

- In conjunction with the Company Secretary, the Board also reviewed the status of the Company's compliance with the additional requirements of the AIC Code of Corporate Governance that was implemented in February 2019;
- The decision to undertake a tender for statutory audit services for the year ending 31 December 2020. Following the tender process, Johnston Carmichael LLP was appointed as the auditor of the Company;
- the Board reviewed the Company's website and factsheet and decided both should be updated, with a view to improving access to, and clarity of, Shareholder communications.
- Following the recommendation of the Audit and Management Engagement Committee, the Board confirmed that the historic policy of charging 100% of management fees and finance costs relating to borrowings to revenue would be amended, to reflect more accurately the returns between capital and income. From 1 January 2021, 70% of management fees and finance costs related to borrowings will be charged to capital and 30% to revenue.

Culture
The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He demonstrates objective judgement, promotes a culture of openness and debate, and facilitates effective contributions by all Directors. In liaison with the Company Secretary, he ensures that the Directors receive accurate, timely and clear information. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Board seeks to ensure the alignment of the Company's purpose, values and strategy with the culture of openness, debate and integrity through ongoing dialogue, and engagement with Shareholders, the AIFM, the Investment Manager and the Company's other service providers. As detailed in the Corporate Governance Statement on page 33, the Company has adopted a number of policies, practices and behaviours to facilitate a culture of good governance and ensure that this is maintained.

The culture of the Board is considered as part of the annual performance evaluation process which is undertaken by each Director. The culture of the Company's service providers is also considered by the Board during the annual review of their performance and while considering their continuing appointment. In the context of the Investment Manager, particular attention is paid to the Investment Manager's environmental, social and governance, engagement and proxy voting policies. Additional information on the Board's approach to environmental, social and governance matters is detailed on pages 20 and 21.

Results and dividends
The results for the year are set out in the Income Statement on page 48 and in the Reconciliation of Movements in Shareholders' Funds on page 50.

For the year ended 31 December 2020, the net revenue return attributable to Shareholders was £1.9 million (2019: £3.4 million) and the net capital return attributable to Shareholders was -£4.8 million (2019: £4.2 million). Total Shareholders' funds, after taking account of those returns, the dividend payment relating to the prior year of £3.0 million, and share buybacks of £7.0 million, decreased by 9.8% to £119.1 million (2019: £132.0 million).

A final dividend of 6.0p per share for the year ended 31 December 2020 (2019: a final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share) has been recommended by the Board. Subject to the approval of Shareholders at the Annual General Meeting to be held on 21 April 2021, the final dividend will be payable on 28 May 2021 to Shareholders on the register at the close of business on 7 May 2021. The ex-dividend date will be 6 May 2021.

Key performance indicators
At each Board meeting, the Directors consider a number of performance measures to assess how the Company is achieving its investment 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 2020, the NAV decreased by 3.9% from 320.8p to 308.4p. After taking account of the 6.0p per share final dividend and 1.5p per share special dividend, a total of 7.5p per share, paid on 26 May 2020 relating to the year ended 31 December 2019, the NAV total return was -1.3% (2019: 6.0%). The UK Retail Price Inflation rate was 1.2% (2019: 2.2%) over the same period.

The annualised NAV total return since the launch of the Company on 15 December 2003 to 31 December 2020 was 8.6%. The annualised UK Retail Price Inflation rate was 2.8% over the same period.

Share price
In the year to 31 December 2020, the Company's share price decreased by 8.4% from 310.0p to 284.0p. After taking account of the 6.0p per share final dividend and 1.5p per share special dividend, a total of 7.5p per share, paid on 26 May 2020 relating to the year ended 31 December 2019, the share price total return was -5.6% (2019: 5.0%). The UK Retail Price Inflation rate was 1.2% (2019: 2.2%) over the same period.

The annualised share price total return since the launch of the Company on 15 December 2003 to 31 December 2020 was 7.9%. The annualised UK Retail Price Inflation rate was 2.8% over the same period.

For information, in the year to 31 December 2020, the total return from the FTSE All-World Index, adjusted to sterling, was 13.0% (2019: 22.3%). Since the launch of the Company on 15 December 2003 to 31 December 2020, the annualised total return on the FTSE All-World Index, adjusted to sterling, was 10.4%.

Share price discount to NAV
In the year to 31 December 2020, the share price discount to NAV increased from 3.4% to 7.9%.

Revenue return per share
In the year to 31 December 2020, the revenue per share decreased by 39.4% from 8.1p to 4.9p.

Dividends per share
The Directors are recommending a final dividend of 6.0p per share. This compares to the prior year final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share.

Subject to approval by Shareholders at the Annual General Meeting to be held on 21 April 2021, the final dividend will be payable on 28 May 2021 to all Shareholders on the register at the close of business on 7 May 2021. The ex-dividend date will be 6 May 2021.

Ongoing charges
In the year to 31 December 2020, the ongoing charges ratio was 1.0% (2019: 1.0%). The ongoing charges ratio is based on total expenses, excluding finance costs and certain non-recurring items for the year as a percentage of the monthly net asset value.

The longer-term records of the key performance indicators are shown in the Performance Record on page 67.

Management Agreement
In order to comply with the Alternative Investment Fund Managers' Directive ("AIFMD"), the Company appointed Edinburgh Partners AIFM Limited as its Alternative Investment Fund Manager with effect from 16 July 2014. Edinburgh Partners AIFM Limited has been approved as an Alternative Investment Fund Manager by the FCA. With the approval of the Directors, 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 annum (payable monthly in arrears) of the month-end market capitalisation of the issued shares (excluding treasury shares) up to £100 million and 0.65% above £100 million. No performance fee is payable. The AIFM receives an administration and secretarial fee of £142,000 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 had a holding in the Edinburgh Partners Emerging Opportunities Fund, which was managed by Edinburgh Partners. The holding was sold in December 2020. 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 2020 (2019: £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 pages 54 and 55 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 Investment Manager adopts a consistent, long-term approach to investing which is focused on company valuations. This results in a high conviction approach, with a concentrated portfolio and low turnover. The Board, through delegation to the Audit and Management Engagement 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 real return 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, the remuneration of the Company's AIFM is made available to investors as part of a group policy which is available at www.edinburghpartners.com/regulatory-disclosure.

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 objective and strategy. The AIFM monitors the risk limits, including leverage, and periodically assesses the portfolio's sensitivity to key risks.

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 and did not use derivative instruments for currency hedging during the year ended 31 December 2020.

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 2020, the Company's Gross ratio was 1.0 and its Commitment ratio was 1.0. 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, price risk, foreign currency risk and regulatory risk. Other risks associated with investing in the Company include, but are not limited to, liquidity risk, credit risk, interest rate risk, gearing risk, operational risk and other 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 61 to 65 of the Financial Statements.

The Board, through delegation to the Audit and Management Engagement Committee, has undertaken a robust annual assessment and review of all the risks stated above, together with a review of any new and emerging 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.

The Board discussed the ongoing impact of COVID-19, the implications of the United Kingdom's withdrawal from the European Union and the longer-term impact of issues such as climate change. As detailed in the Company's Half-Yearly Report for the period to 30 June 2020, the Directors have noted the operational risks that COVID-19 posed to the Company and its service providers due to global and local movement restrictions imposed by governments worldwide. Where necessary, business continuity arrangements have been implemented by the Company's service providers, principally a work at home strategy, and the Board has obtained assurances that they are continuing to operate effectively. As detailed on page 23 the Board is satisfied that there are no issues which trigger a need to re-examine the going concern assumption at this time. Any emerging risks considered to be of immediate significance will be evaluated, and their potential implications integrated into the principal risks.

Those risks identified by the Board are not exhaustive and various other risks may apply to an investment in the Company. Potential investors may wish to obtain independent financial advice.

Internal financial control

In accordance with the guidance issued to directors of listed companies by the Financial Reporting Council ("FRC"), the Directors confirm that they have carried out a review of the effectiveness of the systems of internal financial control during the year ended 31 December 2020, as set out on pages 36 and 37. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Depositary agreement

The Board has appointed Northern Trust Global Services SE ("NTGS SE") to act as its depositary (the "Depositary"). NTGS SE is an authorised credit institution in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector. It is authorised by the European Central Bank ("ECB") and subject to the prudential supervision of the ECB and the Luxembourg Commission de Surveillance du Secteur Financier. The UK offices of NTGS SE have become a UK branch of NTGS SE and the branch continues to be authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and Prudential Regulation Authority in the conduct of its UK depositary activities.

Custody services are provided by The Northern Trust Company (as a delegate of the Depositary). A fee of 0.01% per annum of the net assets of the Company, plus fees in relation to safekeeping and other activities undertaken to facilitate the investment activity of the Company, are payable to the Depositary. The Company and the Depositary may terminate the Depositary Agreement at any time by giving six months' written notice. The Depositary may only be removed from office when a new depositary is appointed by the Company.

Main trends and future development

A review of the main features of the year ended 31 December 2020, the outlook for the current year and the factors likely to affect the future development, performance and position of the business, can be found in the Chairman's Statement on pages 7 to 10 and the Investment Manager's Report on pages 11 and 12. 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.

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

- global economic conditions and equity market performance and prices;
- changes in government policies and monetary and interest rate policies worldwide;
- changes to regulations and taxes worldwide;
- currency exchange rates;
- use of gearing; and
- the Company's success in managing its assets and business to mitigate the impact of the above factors.

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

Employees, human rights and community issues
The Board recognises the requirement under 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 2020, the Board of Directors of the Company comprised four male Directors. The appointment of any new Director is made in accordance with the Company's diversity policy as detailed on page 33.

Environmental, social and governance 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 possible, at all shareholder meetings of investee companies. The Company follows the relevant applicable regulatory and legislative requirements in the UK, with the guiding principles being to make proxy voting decisions which favour proposals that will lead to maximising shareholder value while avoiding any conflicts of interest. Voting decisions are taken on a case-by-case basis by the AIFM on behalf of the Company. The AIFM makes use of an external agency, Institutional Shareholders Services, a recognised authority on proxy voting and corporate governance to assist on voting procedures. The key issues on which the AIFM focuses are 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 ESG policy in place. The ESG policy statement, which can be found on the website at www.edinburghpartners.com and on the AIC website at www.theaic.co.uk, describes the manner in which the principles of the UK Stewardship Code are incorporated within the investment process. The Investment Manager is also a signatory to the United Nations Principles for Responsible Investment. At the date of this report, the Investment Manager is a signatory to the UK Stewardship Code 2012. In 2019, the FRC published a new version of the code, the UK Stewardship Code 2020. To become a signatory to the UK Stewardship Code 2020, organisations are required to submit a stewardship report to the FRC when the application window opens on 15 March 2021. The Investment Manager will apply to become a signatory to the UK Stewardship Code 2020 and a copy of its stewardship report will be available at www.edinburghpartners.com.

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

Approval

This Strategic Report has been approved by the Board and signed on its behalf by:

Teddy Tulloch
Chairman

9 March 2021

Past performance is not a guide to future performance.

DIRECTORS' REPORT

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2020. In accordance with the Act (as amended), the Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, Directors' Remuneration Report, Report from the Audit and Management Engagement Committee and the Statement of Directors' Responsibilities should be read in conjunction with one another, and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance.

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

Dividend
Details of the final dividend recommended by the Board are set out in the Strategic Report on page 16.

Corporate governance
The Company's corporate governance statement is set out on pages 32 to 37 and forms part of this report.

Share capital
At 31 December 2020, the Company's issued share capital comprised 64,509,642 ordinary shares of one pence each, of which 25,886,917 shares were held in treasury.

At general meetings of the Company, on a show of hands every Shareholder who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person shall have one vote for every share held. Shares held in treasury do not carry voting rights. The total voting rights of the Company at 31 December 2020 were 38,622,725.

Issue of shares
On 11 October 2005, the Company applied for a block listing of 1,300,000 ordinary shares on the main market of the London Stock Exchange. As at 31 December 2020, 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 or since the year end.

Purchase of shares
During the year ended 31 December 2020, the Company purchased in the stock market 2,525,000 shares (with a nominal value of £25,250) to be held in treasury, at a total cost of £7,020,000. This represented 3.9% of the issued share capital at 31 December 2019. During the year ended 31 December 2020, no shares were purchased for cancellation.

Subsequent to the year end of 31 December 2020 and up to 9 March 2021, the date of signing this report, the Company purchased in the stock market 740,000 shares (with a nominal value of £7,400) for treasury, at a total cost of £2,075,000, representing 1.1% of the issued share capital as at 31 December 2020.

The share purchases 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 2020 or since the year end.

Shares held in treasury
Holding shares in treasury enables a company to cost-effectively issue shares that might otherwise have been cancelled. The total number of own shares held in treasury as at 31 December 2020, including those shares bought back in prior accounting periods, was 25,886,917 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 25,886,917 shares (with a nominal value of £258,869.17) representing 40.1% of the issued share capital at the time they were held in treasury.

Substantial share interests
The Company has been informed by Shareholders of the following notifiable interests in the voting rights of the Company as at 31 December 2020 and 9 March 2021, the date of signing this report:

	31 December 2020		9 March 2021	
	Number of shares	% of voting rights	Number of shares	% of voting rights
1607 Capital Partners LLC	5,794,709	15.0	6,054,209	16.0
Brewin Dolphin Securities Limited	3,019,756	7.8	3,019,756	8.0
Dr Sandy Nairn	2,755,615	7.1	2,755,615	7.3
Noble Grossart Investments Limited	2,510,844	6.5	2,510,844	6.6
Rathbone Brothers Plc	2,411,503	6.2	2,411,503	6.4
Charles Stanley Group plc	1,593,077	4.1	1,593,077	4.2
D.C. Thomson & Company Limited	1,525,821	3.9	1,525,821	4.0
Investec Wealth & Investment Limited	1,516,481	3.9	1,516,481	4.0

Remuneration and Related parties
Details in respect of the Directors' remuneration are set out in the Directors' Remuneration Report on pages 28 to 31. Information in relation to transactions with the AIFM and the Investment Manager is detailed in the Strategic Report on pages 17 and 18 and in note 3 on pages 54 and 55 of the Financial Statements. There were no other transactions with related parties in the year ended 31 December 2020.

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 22.
- 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 25 to 27.
- 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 that may restrict their transfer or voting rights, as 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 21. In addition, notes 16 and 17 on pages 61 to 65 of the Financial Statements include the Company's objective, 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 19. The Company's assets consist principally of a diversified portfolio of listed equity shares and fixed income securities, which in most circumstances are realisable within a short period of time and exceed its liabilities by a significant amount.

After due consideration of the above factors, the principal and emerging risks facing the Company, consideration of the implications of the COVID-19 pandemic as detailed in note 1 on page 51 of the Financial Statements and, where appropriate, action taken by the Company's service providers, and the information detailed in the long-term viability statement below, the Directors have concluded that the Company has adequate resources to continue in operational existence for the forseeable future, being a period of at least 12 months from the date of this Annual Report and Financial Statements. 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 14.

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

- the Company's current financial position;
- the principal and emerging risks the Company faces, as detailed in note 16 on pages 61 to 65 of the Financial Statements;
- that the portfolio comprises principally of investments traded on major global stock markets, fixed income securities and cash, 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; and
- that regulation will not increase to a level that makes the running of the Company uneconomical in comparison to other competitive products.

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 its 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.

Resolutions to re-appoint Johnston Carmichael LLP as Auditor to the Company and to authorise the Audit and Management Engagement Committee to determine its remuneration will be put to Shareholders at the forthcoming Annual General Meeting of the Company to be held on 21 April 2021.

Financial risk management

Information about the Company's financial risk management objectives and policies is set out in note 16 on pages 61 to 65 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 35.

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.

Post Balance Sheet events
Details of the post Balance Sheet events are set out in note 20 on page 66 of the Financial Statements.

Annual General Meeting
As detailed in the Chairman's Statement on page 9 and in the Notice of Annual General Meeting to be held on 21 April 2021, on page 72, given the imposition of restrictions on public gatherings owing to the COVID-19 pandemic, it has been necessary to change the way in which the Company conducts its forthcoming Annual General Meeting. In accordance with the current guidance on public gatherings the Board has concluded that shareholders will not be permitted to attend this year's Annual General Meeting in person. Details as to how shareholders may vote in this year's Annual General Meeting can be found in the Chairman's Statement on page 9 and the Notice of Annual General Meeting on pages 72 to 79.

The Notice of the Annual General Meeting of the Company to be held on 21 April 2021 is set out on pages 72 to 79. 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, Auditor's Report and the audited Financial Statements for the year ended 31 December 2020;

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

Resolution 3 – the declaration of a final dividend of 6.0p per share for the year ended 31 December 2020;

Resolution 4 – the re-appointment of Johnston Carmichael LLP as Auditor;

Resolution 5 – the authorisation of the Audit and Management Engagement Committee to determine the remuneration of the Auditor; and

Resolutions 6 to 8 – 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 22 April 2020, the Company was granted authority to purchase up to 14.99% of the Company's shares in issue (excluding treasury shares) amounting to 6,046,624 shares. Details of shares bought back during the year ended 31 December 2020, and since the year end, can be found on page 22. As at 9 March 2021, the Company may purchase up to 3,591,624 shares under the existing authority.

Resolution 9 (a Special Resolution), as set out in the Notice of Annual General Meeting to be held on 21 April 2021, if passed, will renew the Directors' authority to purchase (either for cancellation or to hold in treasury) up to 5,678,620 shares (being 14.99% of the issued share capital (excluding treasury shares) as at 9 March 2021), or if less, 14.99% 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 1p per share, and not more than the higher of:

(i) 5% 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 higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

It is the Board's policy that purchases of shares will only be made through the market for cash at prices below the prevailing NAV 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 2022).

Resolution 10 (an Ordinary Resolution), as set out in the Notice of Annual General Meeting to be held on 21 April 2021, if passed, will renew the Directors' authority to issue up to an aggregate nominal value of £126,275, representing 12,627,500 shares (being approximately one-third of the issued share capital (excluding treasury shares) as at 9 March 2021), in accordance with statutory pre-emption rights.

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 2022). 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 shares at a price at or above the prevailing NAV per share.

Resolution 11 (a Special Resolution), as set out in the Notice of Annual General Meeting to be held on 21 April 2021, if passed, will renew the Directors' authority to issue shares:

(i) 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

(ii) to persons other than existing Shareholders up to an aggregate nominal value of £18,941, representing 1,894,100 shares (being approximately 5% of the issued share capital (excluding treasury shares) as at 9 March 2021) 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 2022). The authority will be used where Directors consider it to be in the best interests of Shareholders. The Directors will only issue new shares at a price at or above the prevailing NAV per share. The passing of Resolution 11 is subject to the passing of Resolution 10.

As at 9 March 2021, the Company holds 26,626,917 shares in treasury, representing 41.3% of the issued share capital.

Resolution 12 (an Ordinary Resolution), as set out in the Notice of Annual General Meeting to be held on 21 April 2021, if passed, will give the Directors a general authority to sell shares held in treasury, under the authority given in Resolution 11, at a discount to the prevailing NAV per share provided:

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

(ii) that the discount at which the shares are sold is no greater than a 2% discount to the prevailing NAV per share;

(iii) that, if the prevailing market price of a share is less than the NAV per share, the price at which the 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 NAV basis; and

(v) that the sale will not result in a dilution of the Company's NAV per share (as at the date of the sale) of greater than 0.2%, 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 12 is subject to the passing of Resolution 11. 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% 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% 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 13 (a Special Resolution), as set out in the Notice of Annual General Meeting to be held on 21 April 2021, if passed, will renew the approval to convene 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.

Resolution 14 (a special resolution) seeks shareholder approval to amend the existing articles of association of the Company (the "Existing Articles") through the adoption of new articles of association (the "New Articles").

The proposed amendments to the Existing Articles are primarily to enable the Company to hold hybrid general meetings (including annual general meetings). A hybrid meeting is a meeting at which shareholders are entitled to participate either in person or virtually via an electronic platform. Certain other minor amendments are proposed to reflect changes in terminology since the Existing Articles were adopted. A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the Notice of AGM on page 79.

Whilst the New Articles (if adopted) would permit a general meeting (including an annual general meeting) to be conducted as a hybrid meeting, the Directors have no present intention of holding a hybrid general meeting unless they consider it necessary or expedient to do so (or shareholders indicate a preference for such a format). These amendments are being proposed now because the Directors consider them to be timely and prudent in light of the ongoing COVID-19 pandemic and the restrictions on social gatherings which have been introduced by the UK and Scottish governments as a result thereof.

The full terms of the proposed amendments to the Existing Articles would have been made available for inspection as required under LR 13.8.10R (2) but for the restrictions implemented in response to the COVID-19 outbreak. As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, www.epgot.com from the date of the Notice of AGM until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at Dickson Minto, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW until the close of the AGM.

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 in respect of their own beneficial shareholdings.

By order of the Board
Kenneth J Greig
Company Secretary

9 March 2021

DIRECTORS' REMUNERATION REPORT (INCLUDING DIRECTORS' REMUNERATION POLICY)

Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2020.

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. No Director is responsible for determining their own, individual remuneration.

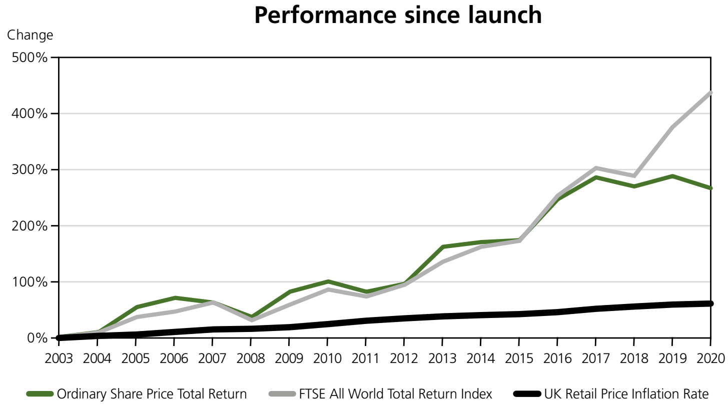
During the year ended 31 December 2020, the fees were paid at the rate of £29,500 for the Chairman and £21,500 for the other Directors, with an additional payment of £3,500 to the Chairman of the Audit and Management Engagement Committee. During the year under review, the Board met to consider the level of Director fees for the year ended 31 December 2021 and concluded that the level of Directors' fees remained appropriate and no changes to Director remuneration were therefore made. Fees were last increased from 1 January 2020. 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 31.

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. 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 24 April 2019. No changes are proposed to the way in which the current Directors' Remuneration Policy will be implemented during the course of the next financial year. Shareholders are requested to approve the Directors' Remuneration Report on an annual basis. Accordingly, an Ordinary Resolution will be put to Shareholders at the Annual General Meeting to be held on 21 April 2021 to receive and approve the Directors' Remuneration Report.

Your Company's performance

The graph below compares the total return (assuming all dividends are reinvested) to Shareholders, to the UK Retail Price Inflation rate and the total return of the FTSE All-World Index. The UK Retail Price Inflation rate has been selected as the objective of the Company is to provide Shareholders with an attractive real long-term total return by investing globally in undervalued securities. Although the Company has no formal benchmark, the FTSE All-World 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 compared.

Performance since launch



Period: 15 December 2003 to 31 December 2020

Source: Edinburgh Partners.

Past performance is not a guide to future performance.

Directors' remuneration for the year ended 31 December 2020 (audited)
The Directors who served in the year received the following remuneration:

	Fees		Total	
	Year to 31 December 2020	Year to 31 December 2019	**Year to 31 December 2020**	Year to 31 December 2019
	£	£	£	£
Teddy Tulloch (Chairman)	**29,500**	29,000	**29,500**	29,000
David Hough[1]	**21,500**	21,000	**21,500**	21,000
David Ross	**25,000**	23,387	**25,000**	23,387
Tom Walker[2]	**21,500**	15,750	**21,500**	15,750
Giles Weaver[3]	**–**	7,821	**–**	7,821
	97,500	96,958	**97,500**	96,958

1 Retired as a Director on 3 March 2021.
2 Appointed as a Director on 1 April 2019.
3 Retired as a Director on 24 April 2019.

No taxable benefits were paid to the Directors during the year. There are no variable elements in the remuneration payable to the Directors.

At 31 December 2020, £nil (2019: £nil) 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 2020 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, shares purchased for treasury.

	Year ended 31 December 2020	Year ended 31 December 2019	Change
	£	£	£
Total remuneration	**97,500**	96,958	542
Dividend	**3,025,000**[1]	2,719,000[2]	306,000
Shares purchased for treasury	**7,020,000**	4,697,000	2,323,000

1 Final dividend of 6.0p per share and a special dividend of 1.5p, a total of 7.5p, relating to the year ended 31 December 2019, paid on 29 May 2020.

2 Final dividend of 5.5p per share and a special dividend of 1.0p, a total of 6.5p, relating to the year ended 31 December 2018, paid on 24 May 2019.

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 shares of the Company are set out below:

	31 December 2020 Beneficial	31 December 2019 Beneficial
Teddy Tulloch	**78,573[1]**	78,573[1]
David Hough[3]	**95,000[2]**	95,000[2]
David Ross	**25,000**	25,000
Tom Walker	**7,000**	7,000

[1] 18,573 of these shares belong to a connected person of Mr Tulloch.
[2] 15,000 of these shares belong to a connected person of Mr Hough.
[3] Retired as a Director on 3 March 2021.

There have been no changes to these interests between 31 December 2020 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 2019 and the Directors' Remuneration Policy were approved by Shareholders at the Annual General Meetings held on 22 April 2020 and 24 April 2019 respectively. 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	10,425,325	99.78	9,225,856	99.44
Against	6,806	0.07	11,622	0.13
At Chairman's discretion	16,073	0.15	39,871	0.43
Total votes cast	**10,448,204**	**100.00**	**9,277,349**	**100.00**
Number of votes withheld	27,981		60,055	

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

The Board has set three levels of fees: one for the Chairman, one for other Directors, and an additional fee that is paid to the Director who chairs the Audit and Management Engagement Committee. Fees are reviewed annually in accordance with the 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 2020 and the proposed fees payable in respect of the year ending 31 December 2021 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 2021	Fees for year to 31 December 2020
	£	£
Chairman basic fee	**29,500**	29,500
Non-executive Director basic fee	**21,500**	21,500
Additional fee for Chairman of the Audit and Management Engagement Committee	**3,500**	3,500
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. No compensation is payable in the event of a takeover bid.

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

Teddy Tulloch
Chairman

9 March 2021

CORPORATE GOVERNANCE

Statement of compliance with the AIC Code of Corporate Governance and Guide
As a member of the AIC, the Board complies with the AIC Code of Corporate Governance (the "AIC Code"), published in February 2019, which sets out principles and provisions regarding matters including stakeholder management and culture of companies. The Board has considered the principles and recommendations of the AIC Code, which can be found on the AIC website at www.theaic.co.uk. The AIC Code addresses all the principles set out in the 2018 UK Corporate Governance Code (the "UK Code") 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 on the principles and recommendations of the AIC Code (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 FRC, the UK's independent regulator for corporate reporting and governance and responsible for the UK Code, has endorsed the AIC Code. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules.

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 2020, 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 in this section explains any deviation from its recommendations. 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
Under the leadership of the Chairman, the Board of Directors is collectively responsible for the long-term sustainable success of the Company, generating value for Shareholders and contributing to wider society. It establishes the purpose, values and strategic aims of the Company and satisfies itself that these and its culture are aligned. The Board ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to Shareholders within a framework of high standards of corporate governance and effective internal controls. The Directors are responsible for the determination of the Company's investment policy and strategy and have the overall responsibility for the Company's activities, including the review of investment activity and performance, and the control and supervision of the AIFM and the Investment Manager.

The Board seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management. The Chairman, Mr Tulloch, 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 and the time he can commit to the Company's affairs. The role and responsibilities of the Chairman are clearly defined and set out in writing, a copy of which is available on the Company's website.

During the year ended 31 December 2020 the Board consisted of four non-executive Directors. Mr Hough retired as a Director on 3 March 2021.

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.

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

Culture
The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He demonstrates objective judgement, promotes a culture of openness and debate, and facilitates effective contributions by all Directors. In liaison with the Company Secretary, he ensures that the Directors receive accurate, timely and clear information. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Board seeks to ensure the alignment of the Company's purpose, values and strategy with the culture of openness, debate and integrity through ongoing dialogue, and engagement with the AIFM, the Investment Manager and the Company's other service providers. The culture of the Board is considered as part of the annual performance evaluation process which is undertaken by each Director. The culture of the Company's service providers is also considered by the Board during the annual review of their performance and while considering their continuing appointment.

Performance evaluation
A process of performance evaluation has been undertaken by which the performance of the Chairman, each Director, the Audit and Management Engagement Committee (the "Committee") and the Board as a whole has been evaluated in respect of the year ended 31 December 2020. 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 and their ability to commit sufficient time to the Company's activities was considered as part of the evaluation process. The ability of Directors to provide constructive challenge, strategic guidance, to offer specialist guidance and to hold third parties to account is also evaluated during 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 are independent, contribute effectively, have the skills and experience relevant to the leadership and direction of the Company and can commit sufficient time to the Company's activities. 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.

Diversity policy
The Board regularly reviews its composition and effectiveness. As part of its review, it considers succession planning; 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 and ethnicity, 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.

Directors' independence
Each member of the Board is non-executive. 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. As all Directors stand for annual re-election, no limit has been imposed on the length of service of any Director, including the Chairman. While Mr Tulloch has served as Director 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. The Board consists of an appropriate combination of Directors and no one individual or small group of individuals dominates the Board's decision making.

Re-election of Directors
Under the Company's Articles of Association, Directors are subject to election by Shareholders at the first Annual General Meeting after 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 and in accordance with the AIC Code, 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.

As detailed on page 33, following the performance evaluation, it is considered that each current Director has the necessary skills and experience, and continues to contribute effectively to the management of the Company. In addition, it is believed that the Board has the relevant expertise and sufficient time to provide the appropriate leadership and direction for the Company.

In accordance with the Board's policy, all the current Directors, will stand for re-election at the forthcoming Annual General Meeting of the Company to be held on 21 April 2021.

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. A copy of this schedule is available on the Company's website. 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 objective, investment policy 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, performance, marketing, operational and administrative matters.

Board committees
Given the structure and size of the Board, the Board does not consider it necessary for the Company to establish separate nomination and remuneration committees. The roles and responsibilities normally reserved for these 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 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 three times a year and consists of Mr Ross, who is chairman, Mr Tulloch and Mr Walker, all of whom are considered to be 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 its operations and its interaction with the Board. It is considered that there is an appropriate 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 38 to 40.

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. Additional meetings are held on an ad-hoc basis as required. During the year ended 31 December 2020, four scheduled Board meetings were held and each Director's attendance is set out in the table below.

	Board meetings		Committee meetings	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Teddy Tulloch	4	4	3	3
David Hough[1]	4	4	n/a	n/a
David Ross	4	4	3	3
Tom Walker	4	4	3	3

[1] Retired as a Director on 3 March 2021.

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 situational conflict 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. Apart from 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 28 to 31. 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 have overall responsibility 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 and emerging risks faced by the Company. This process has been in place throughout the year ended 31 December 2020 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 2020 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 investment 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 61 to 65 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. The Administrator provides certain accounting, administrative and company secretarial services to the AIFM; and
- depositary services are provided by Northern Trust Global Services SE 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:

- 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;
- assurances that appropriate anti-bribery and anti-corruption policies are in place to ensure compliance with the Bribery Act 2010;
- assurances that appropriate steps have been taken to prevent the facilitation of tax evasion; and
- assurances that appropriate steps have been taken to comply with the General Data Protection Regulation ("GDPR").

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 19, the Company's Depositary is Northern Trust Global Services SE. 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
Details regarding the Company's engagement with its Shareholders are set out within the Strategic Report on pages 14 and 15.

By order of the Board
Kenneth J Greig
Company Secretary

9 March 2021

REPORT FROM THE AUDIT AND MANAGEMENT ENGAGEMENT COMMITTEE

The Report from the Audit and Management Engagement Committee (the "Committee") for the year ended 31 December 2020 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 assess the principal and emerging risks facing the Company that would threaten its business model, future performance, solvency or liquidity, and to review the adequacy and effectiveness of the Company's risk management and internal controls systems;
- to assess the prospects of the Company for the next twelve months and to consider its longer-term viability;
- to conduct 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 34, the Committee comprises Mr Ross, who is chairman, Mr Tulloch and Mr Walker. All Committee members consider that, individually and collectively, they are appropriately experienced to fulfill their role on the Committee. Mr Ross and Mr Walker are qualified accountants. Each member contributes recent financial experience gained from senior positions in the finance sector.

Matters considered during the year
During the year ended 31 December 2020, the Committee met three times and each Director's attendance at these meetings is set out in the table on page 35. The Committee has:

- reviewed the internal controls and risk management systems of the Company and its third party service providers;
- 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;
- reviewed the Company's Annual Report and Financial Statements for the year ended 31 December 2019 and the Half-Yearly Report for the period ended 30 June 2020 and advised the Board accordingly;
- received and discussed with the previous Auditor, Ernst & Young LLP their report on the results of the audit for the year ended 31 December 2019;
- recommended the appointment of the Auditor, Johnston Carmichael LLP, to the Board for approval and for the approval of shareholders at the 2020 Annual General Meeting.
- agreed the audit plan with the Auditor, including the principal areas of focus, and the fees in respect of the audit; and

- reviewed the Company's policy on the allocation of expenses and decided that the historic policy of charging 100% of management fees and finance costs relating to borrowings to revenue would be amended, to reflect more accurately the returns between capital and income. For the year ending 31 December 2021 and future years, 70% of management fees and finance costs related to borrowings will be charged to capital and 30% to revenue.

The Committee has direct access to the Auditor, Johnston Carmichael LLP, who attends 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) Investments

During the year, the Committee reviewed with the AIFM and the Investment Manager the valuation process of the Company's investments and the systems in place to ensure the existence of investments and the accuracy of these valuations, particularly in view of the fact that investments represent the principal element of the net asset value.

All of the Company's financial instruments fall into level 1 of the fair value hierarchy of the financial instruments as detailed in note 8 on pages 57 and 58 of the Financial Statements. The Company's previous investment in Edinburgh Partners Limited, which was acquired by Franklin Resources Inc. in May 2018, fell into level 3. The final proceeds of £282,000 were received and accounted for in May 2020.

(b) 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 (including the accounting treatment of special dividends), management fees, other expenses and taxation charges recognised in the Financial Statements by reviewing the systems in place and information provided by the AIFM, Investment Manager and other third party service providers.

(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. For information on how this review was undertaken, see pages 36 and 37.

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. 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. Related disclosures are set out on pages 23 and 24.

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.

Continuing appointments of service providers

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, including ensuring the management fee remains competitive, and the continued appointment of the AIFM and made recommendations to the Board. The Committee also reviewed the performance of the Investment Manager during the year. For information on how the Committee considered the performance of the AIFM, see page 18. The Board reviews the performance of its other service providers, at least on an annual basis, to ensure they continue to have the necessary expertise and resources to provide a high class service.

Audit tender

In the first quarter of 2020, the Committee carried out an external audit tender process. Following a transparent and competitive tender, including written submissions, presentations and discussions with the candidate firms, the Committee recommended to the Board that Johnston Carmichael LLP, whose high quality audit team have experience in auditing investment companies, be appointed to replace Ernst & Young LLP as the Auditor of the Company with effect from the conclusion of the Annual General Meeting that was held on 22 April 2020.

Audit fees and non-audit services

An audit fee of £25,745 (net of VAT) has been agreed in respect of the audit for the year ended 31 December 2020 (2019: £25,000). Details of the fees paid to the Auditor are set out in note 4 on page 55 of the Financial Statements.

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 2020 (2019: nil).

Effectiveness of the external audit

The Committee reviews the effectiveness of the external audit carried out by the Auditor on an annual basis, taking into consideration relevant UK professional and regulatory requirements. The Chairman of the Committee maintained regular contact with the Company's audit partner throughout the year and also met with him prior to the finalisation of the audit of the Annual Report and Financial Statements for the year ended 31 December 2020, without the Investment Manager being present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers.

Independence and objectivity of the Auditor

Johnston Carmichael LLP was appointed as auditor of the Company on 22 April 2020. David Holmes was the Audit Partner for the year ended 31 December 2020. Rotation of the audit partner will take place every five years in accordance with the Financial Reporting Council's Revised Ethical Standard 2016. In accordance with the legislation in respect of the mandatory rotation of audit firms, the Company is required to retender following the audit of the 2029 financial statements and rotate the Auditor following the audit of the 2039 financial statements.

There are no contractual obligations that would restrict the Committee in selecting an alternative external auditor. The Committee reviews the re-appointment of the Auditor every year in order to ensure that the external audit remains effective and independent. Accordingly, a resolution for the re-appointment of Johnston Carmichael LLP is recommended to Shareholders for approval at the Annual General Meeting on 21 April 2021.

David Ross
Chairman of the Audit and Management Engagement Committee

9 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial 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 or loss 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 2021

INDEPENDENT AUDITOR'S REPORT

to the members of EP Global Opportunities Trust plc

Opinion

We have audited the Financial Statements of EP Global Opportunities Trust plc ("the Company"), for the year ended 31 December 2020, which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes, including a summary of significant accounting policies.

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

In our opinion the Financial Statements:

- give a true and fair view of the state of Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- assessing the liquidity of the Company and available financial resources;
- reviewing the Directors' business projections and assessing how the projections were compiled;
- assessing the accuracy of the Director's business projections;
- evaluating the key assumptions within the business projections;
- assessing whether the stress testing performed by the Directors appropriately considered the principal risks facing the Company;
- reviewing the Directors' assessment of COVID-19 considerations in relation to going concern;
- assessing the business continuity plans of the Company's main service providers; and
- reviewing the Company's ongoing maintenance of investment trust status.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

We conducted our audit of the Financial Statements using information maintained and provided by Link Alternative Fund Administrators Limited ("the Administrator") to whom Edinburgh Partners AIFM Limited ("the AIFM") has, with the consent of the Company's Directors, delegated the provision of certain administrative functions.

We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

We obtained an understanding of the control environment in place at both the Administrator and the AIFM and adopted a fully substantive testing approach to obtain our audit evidence.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	***How the scope of our audit addressed this matter***
Valuation and ownership of quoted investments (as per the accounting policy in Note 1 and Note 8 to the Financial Statements). The valuation of the portfolio at 31 December 2020 was £103.65m (2019: £120.80m) consisting of listed investments. This is the largest component of the Company's balance sheet accounting for 87% (2019: 91%) of total assets. There is a risk that investments held at fair value may not be actively traded and the quoted prices may not be reflective of fair value (valuation). Additionally, there is a risk that the investments recorded as held by the Company may not represent property of the Company (ownership).	We reviewed the controls reports provided by the Administrator and Northern Trust (custodian) and considered whether there were any issues with the design or operation of the key controls around the valuation and existence of the quoted investments during the year and at the year end. We agreed 100% of investments held to the custodian report, independently received from Northern Trust. We agreed all quoted prices to a third-party source. We ensured that all holdings in the portfolio are actively traded. We recalculated the valuation on an investment by investment basis, investigating differences greater than the Board reporting threshold. We concluded that the valuations attributed to the Company's investments were appropriate and that the Company had title to the investments reported in the Financial Statements.

Key audit matter	*How the scope of our audit addressed this matter*
Revenue Recognition (as per the accounting policy in Note 1 and Note 2 to the Financial Statements). The total income for the year to 31 December 2020 was £3.42m (2019: £5.03m) consisting primarily of dividends received from listed investments. There is a risk that dividend income is incomplete (completeness) and consequently the revenue recognised in the Financial Statements is misstated. In some circumstances, judgement is required in the allocation of income to revenue or capital.	We reviewed the controls reports provided by the Administrator and Northern Trust (custodian) and considered whether there were any issues with the design or operation of the key controls around the recognition of investment income. We confirmed that income is recognised in accordance with the AIC SORP. We formed an expectation on dividends due based on investment holdings at the ex-date, announcements made by investee companies and compared this against dividends recognised, paying particular attention to dividends announced either side of the year-end. We reviewed corporate action announcements of investee companies and ensured that the recognition of any special dividends was consistent with the SORP. No material issues were identified.

Our application of materiality
We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Overall materiality – we have set materiality as 1% of net assets as we believe that net assets is the primary measure used by investors and is the key driver of shareholder value. It is also the standard industry benchmark for materiality for investment trusts.

Materiality for the Financial Statements as a whole is £1,191,000.

Performance materiality – performance materiality represents amounts set by the Auditor at less than materiality for the Financial Statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

In setting this we consider the Company's overall control environment and risk of material misstatement and based on our judgement of these factors, have set this at 75% of our planning materiality, therefore £893,250.

Audit and Management Engagement Committee reporting threshold – we agreed with the Audit and Management Engagement Committee that we would report to them all differences in excess of £59,550 which we set as 5% of planning materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.

Other information
The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

In our opinion, 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 these reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 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; or
- a corporate governance statement has not been prepared by the Company.

Corporate governance statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that 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.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 23;
- the Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 24;
- the Directors' statement on fair, balanced and understandable set out on page 41;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41;
- the section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on pages 36 and 37; and
- the section describing the work of the Audit and Management Engagement Committee set out on pages 38 to 40.

Responsibilities of directors
As explained more fully in the Directors' responsibilities statement set out on page 41, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is set out below.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: http://-www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
We assessed the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the Financial Statements resulting from irregularities or fraud.

All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rest with those charged with governance of the Company.

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the Financial Statements. We determined that the principal risks in this regard were in relation inappropriate journal entries to increase revenue or to increase the net asset value.

We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the Financial Statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with section 1158 of the Corporation Tax Act 2010. We also considered compliance with the Companies Act 2006 and the Listing Rules.

Audit procedures performed in response to these risks included:

- evaluation of the controls implemented by the Company, the AIFM, the Investment Manager, the Custodian and the Administrator designed to prevent and detect irregularities;
- discussions with the Audit and Management Engagement Committee, the AIFM, the Investment Manager, and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- assessing the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur around the key risks of valuation and ownership of investments, and revenue recognition. Further discussion of our approach is set out in the section on key audit matters above;
- completion of bespoke testing procedures over journals;
- review of relevant meeting minutes;
- reperformance of the calculations to confirm the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010; and
- using appropriate checklists and our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address
Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Board on 22 April 2020 to audit the Financial Statements for the year ended 31 December 2020 and subsequent financial periods. The period of our total uninterrupted engagement is one year, covering the year ended 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Use of our report
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.

David Holmes (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom

9 March 2021

INCOME STATEMENT
for the year ended 31 December 2020

		2020			2019		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments at fair value	8	**–**	**(5,456)**	**(5,456)**	–	4,737	4,737
Foreign exchange gains/(losses) on capital item		**–**	**629**	**629**	–	(491)	(491)
Income	2	**3,415**	**–**	**3,415**	5,032	–	5,032
Management fee	3	**(766)**	**–**	**(766)**	(903)	–	(903)
Other expenses	4	**(411)**	**–**	**(411)**	(429)	–	(429)
Net return before finance costs and taxation		**2,238**	**(4,827)**	**(2,589)**	3,700	4,246	7,946
Finance costs							
Interest payable and related charges		**(76)**	**–**	**(76)**	(10)	–	(10)
Net return before taxation		**2,162**	**(4,827)**	**(2,665)**	3,690	4,246	7,936
Taxation	5	**(204)**	**–**	**(204)**	(310)	–	(310)
Net return after taxation		**1,958**	**(4,827)**	**(2,869)**	3,380	4,246	7,626
		pence	pence	pence	pence	pence	pence
Return per share	7	**4.9**	**(12.1)**	**(7.2)**	8.1	10.1	18.2

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.

There were no items of other comprehensive income in the year and therefore the return for the year is also the total comprehensive income for the year.

Dividend information

A final dividend for the year ended 31 December 2020 of 6.0p per share (2019: final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share, paid on 26 May 2020) has been recommended by the Board. Subject to Shareholders' approval, the final dividend will be payable on 28 May 2021 to Shareholders on the register at the close of business on 7 May 2021. The ex-dividend date will be 6 May 2021. Based on 37,882,725 shares, being the number of shares in issue (excluding shares held in treasury) on 9 March 2021, the date of signing this report, the total dividend payment will amount to £2,273,000. Dividends are accounted for in the period when they become a liability of the Company. Further information on dividend distributions can be found in note 6.

The notes on pages 51 to 66 form part of these Financial Statements.

BALANCE SHEET
as at 31 December 2020

	Note	**2020** £'000	2019 £'000
Fixed asset investments			
Investments at fair value through profit or loss	8	**103,650**	120,796
Current assets			
Debtors	10	**508**	607
Cash at bank and short-term deposits		**15,227**	10,911
		15,735	11,518
Current liabilities			
Creditors	11	**290**	305
		290	305
Net current assets		**15,445**	11,213
Net assets		**119,095**	132,009
Capital and reserves			
Called-up share capital	12	**645**	645
Share premium		**1,597**	1,597
Capital redemption reserve		**14**	14
Special reserve		**38,945**	45,965
Capital reserve		**73,436**	78,263
Revenue reserve		**4,458**	5,525
Total Shareholders' funds		**119,095**	132,009
		pence	pence
Net asset value per share	14	**308.4**	320.8

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

Teddy Tulloch
Chairman

9 March 2021

Registered in Scotland No. 259207

The notes on pages 51 to 66 form part of these Financial Statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2020

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Year ended 31 December 2020								
At 31 December 2019		**645**	**1,597**	**14**	**45,965**	**78,263**	**5,525**	**132,009**
Net return after taxation		**–**	**–**	**–**	**–**	**(4,827)**	**1,958**	**(2,869)**
Dividends paid	6	**–**	**–**	**–**	**–**	**–**	**(3,025)**	**(3,025)**
Share purchases for treasury	13	**–**	**–**	**–**	**(7,020)**	**–**	**–**	**(7,020)**
At 31 December 2020		**645**	**1,597**	**14**	**38,945**	**73,436**	**4,458**	**119,095**
Year ended 31 December 2019								
At 31 December 2018		645	1,597	14	50,662	74,017	4,864	131,799
Net return after taxation		–	–	–	–	4,246	3,380	7,626
Dividends paid	6	–	–	–	–	–	(2,719)	(2,719)
Share purchases for treasury	13	–	–	–	(4,697)	–	–	(4,697)
At 31 December 2019		645	1,597	14	45,965	78,263	5,525	132,009

The notes on pages 51 to 66 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 21.

The Company's Financial Statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in accordance with the Act and with the Statement of Recommended Practice issued by the AIC (the "AIC SORP"). The Company meets the requirements of section 7.1A of FRS 102 and therefore has elected not to present the Statement of Cash Flows for the year ended 31 December 2020.

The comparative figures for the Financial Statements are for the year ended 31 December 2019.

Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making this assessment, the Directors have considered in particular the likely economic effects and the effects on the Company's operations of the current COVID-19 pandemic.

The longer term economic effects of the pandemic are very difficult to predict but in considering preparing the accounts on a going concern basis the Directors noted the Company holds a portfolio of liquid investments whose value is a multiple of the Company's liabilities. The Directors are of the view that the Company can meet its obligations as and when they fall due. The cash available enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-end fund, where assets are not required to be liquidated to meet day-to-day redemptions.

The Board has reviewed stress testing and scenario analysis prepared by the Investment Manager to assist them in assessing the impact of changes in market value and income with associated cash flows. In making this assessment, the Investment Manager has considered plausible downside scenarios. These tests included the possible further effects of the continuation of the COVID-19 pandemic but, as an arithmetic exercise, apply equally to any other set of circumstances in which asset value and income are significantly impaired. It was concluded that in a plausible downside scenario, the Company could continue to meet its liabilities. Whilst the economic future is uncertain, and the Directors believe that it is possible the Company could experience further reductions in income and/or market value, the opinion of the Directors is that this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Investment Manager and the Company's third-party service providers have contingency plans to ensure the continued operation of their business in the event of disruption, such as the impact of COVID-19. The Board was satisfied that there has been minimal impact to the services provided during the year and are confident that this will continue. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments, of which there are none of significance. Therefore, the financial statements have been prepared on the going concern basis.

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.

1 Accounting policies – continued

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. Dividends from overseas companies are shown gross of withholding tax. Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess or shortfall compared to the cash dividend is recognised as capital. Special dividends are reviewed on an individual basis to determine whether they should be accounted for as revenue or capital. Deposit and fixed income receivable is included on an accruals basis.

Expenses and finance costs
All management expenses and finance costs are accounted for on an accruals basis. Finance costs are accounted for using the effective interest rate method. Until 31 December 2020 all management fees and finance costs related to borrowings were charged to revenue in the Income Statement. From 1 January 2021 the Company charges 30% of management fees and finance costs related to borrowings to revenue in the Income Statement and 70% to capital in the Income Statement. All other operating expenses and finance costs are charged to revenue in the Income Statement, except costs that are incidental to the acquisition or disposal of investments, which are charged to capital in the Income Statement. Transaction costs are included within the gains and losses on 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.

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 Income Statement, in the capital or the revenue column, 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 can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements which are capable of reversal in one or more subsequent periods.

1 Accounting policies – continued

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
Dividends payable are accounted for when they become a liability of the Company. Final dividends are recognised in the period in which they have been approved by Shareholders in a general meeting. Interim dividends are recognised in the period in which they have been declared and paid.

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 above 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 related to the Company's previous unlisted investment in Edinburgh Partners Limited, which was acquired by Franklin Resources Inc. in May 2018, 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
- from 1 January 2021, 70% of management fees and finance costs related to borrowings; 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.

1 Accounting policies – continued

Special reserve

The special reserve was created by a reduction in the share premium account by order of the High Court. The Special Reserve is distributable and can be used for the repurchase of the Company's 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 accounted for in the share premium reserve.

Capital redemption reserve

The capital redemption reserve accounts for nominal amounts by which the issued capital is diminished through the repurchase and cancellation 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

	2020 £'000	2019 £'000
Income from investments		
UK net dividend income	**652**	660
Overseas dividend income	**2,711**	4,298
Fixed income	**4**	–
Income from investments	**3,367**	4,958
Total income comprises		
Dividends	**3,363**	4,958
Bank interest	**48**	74
Fixed income	**4**	–
	3,415	5,032

3 Management fee

	2020 £'000	2019 £'000
Management fee	**766**	903
	766	903

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 annum of the equity market capitalisation of the Company to £100,000,000 and at a rate of 0.65% 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 was payable in relation to the Company's investment in Edinburgh Partners Emerging Opportunities Fund, which was managed by Edinburgh Partners. The holding was sold in December 2020.

During the year ended 31 December 2020, the management fees payable to the AIFM totalled £766,000 (2019: £903,000). At 31 December 2020, there was £135,000 outstanding payable to the AIFM (2019: £79,000) in relation to management fees.

3 Management fee – continued

During the year ended 31 December 2020, the administration fees payable to the AIFM, as detailed in note 4, totalled £142,000 (2019: £139,000). At 31 December 2020, there was £23,000 outstanding payable to the AIFM (2019: £12,000) in relation to administration fees.

During the year ended 31 December 2020, the Company paid Edinburgh Partners £25,000 (2019: £25,000) for marketing-related services. At 31 December 2020, there was £6,000 outstanding to Edinburgh Partners (2019: £6,000) in relation to marketing-related services. The fees for marketing-related services are included within marketing and website costs as detailed in note 4.

4 Other expenses

	2020 £'000	2019 £'000
Audit fees and expenses (net of VAT) for:		
Audit	**26**	25
Directors' remuneration	**97**	97
Directors' national insurance	**5**	5
Directors' expenses	**–**	1
Administration fee	**142**	139
Marketing and website costs	**39**	41
Depositary and custodian fees	**30**	38
London Stock Exchange and FCA fees	**16**	15
Registrar fees	**12**	11
AIC membership fee	**10**	10
Legal and professional fees	**7**	17
Other expenses	**27**	30
	411	429

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

5 Taxation

a) Analysis of charge in year

	2020			2019		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current tax						
Overseas tax suffered	**204**	–	**204**	310	–	310
	204	–	**204**	310	–	310

b) The current taxation charge for the year ended 31 December 2020 is higher than the standard rate of corporation tax in the UK of 19% (NB The standard rate of corporation tax has been 19% from 1 April 2017, previously it had been 20% from 1 April 2015). The differences are explained below:

	2020			2019		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net return before taxation	**2,162**	**(4,827)**	**(2,665)**	3,691	4,245	7,936
Theoretical tax at UK corporation tax rate of 19% (2019: 19%)	**411**	**(917)**	**(506)**	701	807	1,508
Effects of:						
– UK dividends that are not taxable	**(124)**	**–**	**(124)**	(125)	–	(125)
– Foreign dividends that are not taxable	**(515)**	**–**	**(515)**	(815)	–	(815)
– Non-taxable investment losses/(gains)	**–**	**917**	**917**	–	(807)	(807)
– Unrelieved excess expenses	**228**	**–**	**228**	239	–	239
– Overseas tax suffered	**204**	**–**	**204**	310	–	310
	204	**–**	**204**	310	–	310

At 31 December 2020, the Company had no unprovided deferred tax liabilities (2019: £nil). At that date, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £11,191,000 (2019: £9,980,000) that are available to offset future taxable revenue. A deferred tax asset of £2,126,000 (2019: £1,696,000) has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company, pursuant to sections 1158 and 1159 of the CTA.

6 Dividends

	2020	2019
	£'000	£'000
Declared and paid		
2019 final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share, paid on 26 May 2020 (2019: year ended 31 December 2018 final dividend of 5.5p and a special dividend of 1.0p per share, a total of 6.5p per share, paid on 21 May 2019).	**3,025**	2,719
Net revenue return after taxation	**1,958**	3,380
Proposed		
2020 final dividend of 6.0p per share (2019 final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share, paid on 26 May 2020).	**2,273**	3,025

6 Dividends – continued

The Directors recommend a final dividend of 6.0p per share for the year ended 31 December 2020 (2019: final dividend of 6.0p per share and a special dividend of 1.5p per share, a total of 7.5p per share, paid on 26 May 2020). Subject to Shareholder approval at the Annual General Meeting to be held on 21 April 2021, the dividend will be payable on 28 May 2021 to Shareholders on the register at the close of business on 7 May 2021. The ex-dividend date will be 6 May 2021. Based on 37,882,725 shares, being the number of shares in issue (excluding shares held in treasury) at 9 March 2021, the date of signing this report, the total dividend payment will amount to £2,273,000. The proposed dividend will be paid from the revenue reserve.

7 Return per share

	2020			2019		
	Net return £'000	**Number of shares[1]**	**Per share pence**	Net return £'000	Number of shares[1]	Per share pence
Revenue return after taxation	**1,958**	**39,875,049**	**4.9**	3,380	41,857,001	8.1
Capital return after taxation	**(4,827)**	**39,875,049**	**(12.1)**	4,246	41,857,001	10.1
Total return after taxation	**(2,869)**	**39,875,049**	**(7.2)**	7,626	41,857,001	18.2

[1] Weighted average number of shares, excluding shares held in treasury, in issue during the year.

8 Investments

	2020 £'000	2019 £'000
Equity investments	**92,858**	120,796
Fixed income investments	**10,792**	–
	103,650	120,796

	2020 £'000	2019 £'000
Analysis of investment portfolio movements		
Opening book cost	**113,587**	113,751
Opening investment holdings gains	**7,209**	3,218
Opening fair value	**120,796**	116,969
Movements in the year:		
Purchases at cost	**43,350**	28,325
Sales – proceeds	**(55,040)**	(29,235)
– realised (losses)/gains on sales	**(1,311)**	746
Changes in fair value of investments	**(4,145)**	3,991
Closing fair value	**103,650**	120,796

	2020 £'000	2019 £'000
Closing book cost	**100,586**	113,587
Closing investment holding gains	**3,064**	7,209
Closing fair value	**103,650**	120,796

Transaction costs

During the year, the Company incurred transaction costs of £52,000 (2019: £42,000) and £61,000 (2019: £26,000) 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 48 of these Financial Statements.

8 Investments – continued

The Company sold investments in the year at a total of £55,040,000 (2019: £29,235,000). The book cost of these investments when purchased was £56,351,000 (2019: £28,489,000). These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of investments.

	2020 Total £'000	2019 Total £'000
Analysis of capital gains and losses		
Realised (losses)/gains on sales	**(1,311)**	746
Changes in fair value of investments	**(4,145)**	3,991
	(5,456)	4,737

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 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

2 Inputs other than quoted prices included within level 1 that are observable (developed using market data) for the asset or liability, either directly or indirectly.

3 Inputs are unobservable (for which market data is unavailable) for the asset or liability.

All of the Company's financial instruments fall into level 1.

The Company's previous investment in Edinburgh Partners Limited, the Company's Investment Manager, which was acquired by Franklin Resources Inc. in May 2018, fell into level 3. The final proceeds of £282,000 were received and accounted for in May 2020.

No unlisted investments were held during the year ended 31 December 2020 (2019: £nil).

9 Significant holdings

As at 31 December the Company had no holdings of 3.0% or more of the share capital of any portfolio companies.

10 Debtors

	2020 £'000	2019 £'000
Accrued bond interest	**7**	–
Dividends receivable	**274**	247
Prepayments and accrued income	**16**	24
Taxation recoverable	**211**	336
	508	607

11 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Due to brokers on shares purchased for treasury	**57**	121
Other creditors and accruals	**233**	184
	290	305

12 Share capital

	Number of shares Ordinary 1p	**2020** £'000	Number of shares Ordinary 1p	2019 £'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 22.

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:

	2020 Number of shares	2019 Number of shares
At 1 January	**23,361,917**	21,821,917
Shares purchased for treasury	**2,525,000**	1,540,000
At 31 December	**25,886,917**	23,361,917

During the year ended 31 December 2020, 2,525,000 shares (2019: 1,540,000) were purchased for treasury at a cost of £7,020,000 (2019: £4,697,000) and no shares were sold from treasury (2019: none). Please see the Chairman's Statement on pages 7 to 10 for details of share buy backs.

14 Net asset value per share

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

	2020 pence	2019 pence
Share	**308.4**	320.8

The NAV is based on net assets of £119,095,000 (2019: £132,009,000) and on 38,622,725 (2019: 41,147,725) shares, being the number of 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:

	2020 No interest rate exposure £'000	**2020** Cash flow interest rate risk exposure £'000	**2020** Total £'000	2019 No interest rate exposure £'000	2019 Cash flow interest rate risk exposure £'000	2019 Total £'000
Equity shares						
Japanese yen	**26,288**	**–**	**26,288**	25,144	–	25,144
Euro	**22,563**	**–**	**22,563**	38,402	–	38,402
Sterling	**15,616**	**–**	**15,616**	15,413	–	15,413
US dollar	**8,726**	**–**	**8,726**	9,839	–	9,839
South Korean won	**6,776**	**–**	**6,776**	2,663	–	2,663
Swiss franc	**5,477**	**–**	**5,477**	9,250	–	9,250
Hong Kong dollar	**4,951**	**–**	**4,951**	13,811	–	13,811
Singapore dollar	**2,461**	**–**	**2,461**	3,643	–	3,643
Thailand baht	**–**	**–**	**–**	2,631	–	2,631
Fixed income investment						
US dollar	**–**	**10,792**	**10,792**	–	–	–
Cash at bank and short-term deposits						
Japanese yen	**–**	**8,808**	**8,808**	–	–	–
US dollar	**–**	**4,580**	**4,580**	–	10,861	10,861
Swiss franc	**–**	**1,838**	**1,838**	–	–	–
Sterling	**–**	**1**	**1**	–	50	50
Debtors						
Sterling	**129**	**7**	**136**	131	–	131
Swiss franc	**107**	**–**	**107**	232	–	232
Euro	**78**	**–**	**78**	83	–	83
Japanese yen	**78**	**–**	**78**	66	–	66
Singapore dollar	**54**	**–**	**54**	74	–	74
South Korean won	**22**	**–**	**22**	–	–	–
Norwegian krone	**21**	**–**	**21**	21	–	21
US dollar	**12**	**–**	**12**	–	–	–
Creditors						
Sterling	**(290)**	**–**	**(290)**	(305)	–	(305)
	93,069	**26,026**	**119,095**	121,098	10,911	132,009

At 31 December 2020, the Company had no financial liabilities other than the short-term creditors as stated above (2019: £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	2020	2019	Change
Japanese yen	**141.16**	143.91	(2)%
Euro	**1.12**	1.18	(5)%
US dollar	**1.37**	1.32	3%
Swiss franc	**1.21**	1.28	(6)%
South Korean won	**1,486.55**	1,528.98	(3)%
Hong Kong dollar	**10.60**	10.32	3%
Singapore dollar	**1.81**	1.78	1%
Thailand baht	**41.01**	39.41	4%
Norwegian krone	**11.70**	11.64	0%

16 Risk analysis

Principal risks

The principal risks the Company faces are:

- Investment and strategy risk
- Key manager risk
- Discount volatility risk
- Market risk
- Price 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 investment 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 shares with a view to maintaining the middle price risk 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 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.

Price risk

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

The Investment Manager actively monitors market and economic data and reports to the Board, which considers investment policy on a regular basis. The 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 2020 are disclosed in the Portfolio of Investments on page 4.

If the investment portfolio valuation fell by 1.0% from the amount detailed in the Financial Statements as at 31 December 2020, it would have the effect, with all other variables held constant, of reducing the total return before taxation and therefore net assets by £1,036,000 (2019: £1,208,000). An increase of 1.0% in the investment portfolio valuation would have an equal and opposite effect on the total return before taxation and net assets.

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 2020 are disclosed in note 15.

If sterling had strengthened by 1.0% against all other currencies on 31 December 2020, with all other variables held constant, it would have the effect of reducing the total return before taxation and net assets by £1,036,000 (2019: £1,167,000). If sterling had weakened by 1.0% against all other currencies, there would have been an equal and opposite effect on the total return before taxation and net assets.

16 Risk analysis – continued

Regulatory risk

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

Relevant legislation and regulations which apply to the Company include, but are not limited to, the Act, the CTA, the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA, the AIFMD, the GDPR, the Foreign Account Tax Compliance Act and the Common Reporting Standard.

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 Listing Rules may result in censure by the FCA and/or the suspension of the Company's shares from listing.

The Directors note the corporate offence of failure to prevent tax evasion and believe all necessary steps have been taken to prevent facilitation of tax evasion.

The implementation of GDPR provides for greater data privacy. While the risk to the Company is deemed to be low, the impact of fines should they occur could be significant. The Directors are satisfied that all necessary steps have been taken to prevent any breach of GDPR, including ensuring that all third party service providers have appropriate GDPR policies in place.

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. 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.

Although not considered to be a principal risk for the Company, the Board continues to monitor developments around the UK's departure from the European Union. Many of the Company's holdings, particularly those in European and UK equities, will be impacted by the new agreement between the UK and the European Union which became effective on 1 January 2021. We believe that overall the Company's portfolio has a relatively modest exposure to the UK economy, but the Board and Investment Manager remain alert to developments at both macro-economic level and a stock-specific level.

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

A description of these other risks is set out below.

16 Risk analysis – continued

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, it is believed, 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 2020. 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 2020 £'000	As at 31 December 2019 £'000
In one year or less	**290**	305
	290	305

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 2020, 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 2020 was £26,528,000 (2019: £11,518,000). The calculation is based on the Company's credit risk exposure, being fixed income investments, cash at bank and short-term deposits and debtors, as at 31 December 2020 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 income securities.

Details of the Company's interest rate exposure as at 31 December 2020 are disclosed in note 15.

Surplus cash is invested in liquidity funds.

If interest rates had reduced by 0.25% (2019: 0.25%) from those obtained as at 31 December 2020 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 £65,000 (2019: £27,000). If there had been an increase in interest rates of 0.25% (2019: 0.25%) 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 2020 and these may not be representative of the year as a whole.

16 Risk analysis – continued

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% 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 (2019: nil).

Operational risk
There are a number of operational risks associated with the fact that third parties undertake the Company's administration, depositary and custody functions. The main risk is that third parties may fail to ensure that statutory requirements, such as compliance with the Act and the FCA 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.

The AIFM employs the Administrator to prepare all financial statements of the Company and meets with the 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 which promotes investment trusts and also develops best practice for its members.

The Investment Manager and the Company's third party suppliers have contingency plans to ensure the continued operation of the business in the event of disruption, such as the impact of COVID-19. The Board monitor the risks associated with COVID-19 and its impact on the operation of the business.

17 Capital management policies
The Company's investment 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 is set out in the Balance Sheet on page 49.

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

18 Transactions with the AIFM and the Investment Manager
Information with respect to transactions with the AIFM and the Investment Manager is detailed in note 3 and in the Strategic Report on pages 17 and 18.

19 Related party transactions

Details in respect of the Directors' remuneration are set out in note 4 and in the Directors' Remuneration Report on page 29. Under the AIC SORP, an investment manager is not considered to be a related party of the Company. There were no other transactions with related parties in the year ended 31 December 2020.

20 Post Balance Sheet events

Until 31 December 2020 all management fees and finance costs related to borrowings were charged to revenue in the Income Statement. From 1 January 2021 the Company charges 30% of management fees and finance costs related to borrowings to revenue in the Income Statement and 70% to capital in the Income Statement.

As disclosed in the Directors' Report on page 22, subsequent to the year end and up to 9 March 2021, the date of signing this report, the Company bought back 740,000 shares into treasury at a total cost of £2,075,000.

PERFORMANCE RECORD

Year ended 31 December	Shareholders' funds	Net asset value per share	Share price per share	Share price discount to net asset value	Revenue return per share	Dividend per share	Ongoing charges ratio[5]
2004[1]	£26.1m	116.4p	110.5p	5.1%	0.6p	0.4p	1.7%[6]
2005	£52.2m	156.2p	154.5p	1.1%	1.1p	0.8p	1.5%[6]
2006	£58.8m	172.8p	170.0p	1.6%	2.1p	1.8p	1.2%[6]
2007	£57.7m	177.2p	160.0p	9.7%	2.7p	2.3p	1.1%[6]
2008	£46.4m	150.4p	132.5p	11.9%	3.9p	3.1p	1.1%[6]
2009	£50.7m	175.9p	172.0p	2.2%	2.7p	2.4p	1.0%[6,7]
2010	£51.6m	188.2p	186.8p	0.7%	3.2p	2.8p	1.3%[6]
2011	£95.1m	169.9p	167.0p	1.7%	5.0p	4.2p	0.8%[8]
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]	1.0%
2017	£148.8m	337.7p	320.0p	5.2%	5.3p	5.3p	0.9%
2018	£131.8m	308.8p	301.5p	2.3%	6.9p	6.5p[2]	0.9%
2019	£132.0m	320.8p	310.0p	3.4%	8.1p	7.5p[3]	1.0%
2020	£119.1m	308.4p	284.0p	7.9%	4.9p	6.0p[4]	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 Includes a special dividend of 1.0p.

3 Includes a special dividend of 1.5p.

4 Proposed dividend for the year.

5 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.

6 Total expense ratio based on total expenses for the year as a percentage of the average monthly net asset value.

7 Total expense ratio 1.3% excluding VAT refund.

8 The total expense ratio would have been 1.0% 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.

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures are used to determine the performance of the Company over time. They are comparable with those reported by other investment trusts and are:

- NAV total return
- Ongoing charges
- Share price discount/premium to NAV
- Share price total return

The calculations of the Alternative Performance Measures are detailed below.

NAV Total Return
NAV total return is calculated by assuming that dividends paid out are re-invested into the NAV on the ex-dividend date. This is accounted for in "Benefit from reinvesting dividends".

NAV total return in year	Page	**31 December 2020**	31 December 2019	Formula
Closing NAV (p)	3	**308.4**	320.8	a
Dividends paid out (p)	3	**7.5**	6.5	b
Benefit from reinvesting dividends (p)		**0.7**	–	c
Adjusted NAV (p)		**316.6**	327.3	d = a+b+c
Opening NAV (p)	3	**320.8**	308.8	e
NAV total return in year (%)		**(1.3)%**	6.0%	= (d/e)-1

NAV total return since launch on 15 December 2003 (annualised)	Page		Formula
Closing NAV (p)	3	**308.4**	a
Dividends paid out (p)	67	**55.4**	b
Benefit from reinvesting dividends (p)		**28.9**	c
Adjusted NAV (p)		**392.7**	d = a+b+c
Opening NAV (p) – 15 December 2003 (after launch costs)		**97.0**	e
Annualised NAV total return since launch (%)		**8.6%**	((d/e) ^ (24/409))-1

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

Ongoing charges	Page	**31 December 2020**	31 December 2019	Formula
Management Fee (£'000)	48	**766**	903	
Other expenses (£'000)	48	**411**	429	
		1,177	1,332	
Deduct non-recurring items (£'000)		**(2)**	(6)	
		1,171	1,326	a
Average monthly net assets during year (£'000)		**116,346**	134,643	b
Ongoing charges (%)		**1.0%**	1.0%	= a/b

Share price discount/premium to NAV

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

Share price discount to NAV	Page	**31 December 2020**	31 December 2019	Formula
NAV (p)	3	**308.4**	320.8	a
Share price (p)	3	**284.0**	310.0	b
Share price discount to NAV (%)		**7.9%**	3.4%	= (a-b)/a

Share Price Total Return

Share price total return is calculated by assuming that dividends paid out are re-invested into new shares on the ex-dividend date. This is accounted for in "Benefit from reinvesting dividends".

Share price total return in year	Page	**31 December 2020**	31 December 2019	Formula
Closing share price (p)	3	**284.0**	310.0	a
Dividends paid out (p)	3	**7.5**	6.5	b
Benefit from reinvesting dividends (p)		**1.2**	0.1	c
Adjusted share price (p)		**292.7**	316.5	d = a+b+c
Opening share price (p)	3	**310.0**	301.5	e
Share price total return in year (%)		**(5.6)%**	5.0%	= (d/e)-1
Share price total return since launch on 15 December 2003 (annualised)				
Closing share price (p)	3	**284.0**		a
Dividends paid out (p)	67	**55.4**		b
Benefits from re-investing dividends (p)		**27.7**		c
Adjusted share price (p)		**367.1**		d = a+b+c
Opening share price (p) – 15 December 2003		**100.0**		e
Annualised share price total return since launch (%)		**7.9%**		((d/e) ^ (24/409))-1

Past performance is not a guide to future performance.

GLOSSARY OF INVESTMENT TRUST TECHNICAL TERMS

Alternative performance measure
An alternative performance measure is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Capital return per share
The capital return per share is the total capital gain or loss of a company divided by the weighted average number of shares in issue during the year, excluding own shares held in treasury.

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 shares due to the presence of borrowings.

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

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.

Net asset value per share ("NAV")
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).

Ongoing charges
As recommended by the AIC in its guidance, 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.

Revenue return per share
The revenue return per share is the total revenue of the company, divided by the weighted average number of shares in issue during the year, excluding own shares held in treasury.

Share price discount/premium to NAV
If the share price of an investment trust is lower than the NAV, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV and is usually expressed as a percentage of the NAV. If the share price is higher than the NAV, the shares are said to be trading at a premium.

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

Total return
The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares of the investment 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 shares are traded on the London Stock Exchange and can be bought or sold through a stockbroker or financial adviser. The shares are eligible for inclusion in Individual Savings Accounts ("ISAs") and Self-Invested Personal Pensions ("SIPPs"). The Company's shares are also available on various 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 sign-in or register at www.investorcentre.co.uk, where they can add their bank details to receive dividends directly into their bank accounts. Alternatively, Shareholders can 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.

Share price and sources of further information
The Company's share price is quoted daily in the Financial Times 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 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 address can be made online by signing-in or registering 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's portfolio holdings 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.

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.

MEETING ARRANGEMENTS

The continuing COVID-19 pandemic has led to the imposition of severe restrictions on public gatherings. As a consequence, we are making changes to the way we conduct the Annual General Meeting ("AGM"). The Company understands and respects the importance of the AGM to Shareholders and the Board greatly values the opportunity to meet shareholders in person. However, the health and safety of our shareholders and the broader community is of paramount importance. In light of the current guidance on public gatherings, the Board has concluded that shareholders are not permitted to attend the AGM in person. The AGM will, instead, be convened with the minimum quorum of shareholders required in order to conduct the business of the AGM and this will be facilitated by the Directors. The format of the AGM will be purely functional to comply with relevant legal requirements. Instead of attending the AGM, shareholders are asked to exercise their votes by submitting their proxy electronically or by post as soon as possible, and these must be received by no later than 12.00 pm on 19 April 2021. Shareholders who wish to appoint a proxy are recommended to appoint the Chairman of the AGM as their proxy. As a result of the current Government restrictions, if a shareholder appoints someone else as their proxy, that proxy will not be able to attend the Meeting in person to cast the shareholder's vote.

Your votes do matter. Proxy instructions (which include the ability to lodge proxies electronically) are set out on page 76. To ensure that shareholders still have an opportunity to engage with the Board and the Manager, shareholders are also invited to submit questions in advance of the Meeting via email to the Company Secretary (coseccy@edpam.com) or by telephone (+44 131 270 3800).

The Board will endeavour to respond to any questions as soon as possible. We will endeavour to answer questions received in advance, and ahead of the proxy voting deadline, by publishing responses on thematic topics on our website.

We will continue to monitor the evolving impact of the pandemic and, if it becomes appropriate or necessary to make other changes to the arrangements for the 2021 AGM, we will inform shareholders via a Regulatory Information Service as soon as we can.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at the offices of the Investment Manager, Edinburgh Partners, at 27-31 Melville Street, Edinburgh, EH3 7JF on Wednesday, 21 April 2021 at 12.00 noon to transact the business set out in the resolutions below.

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 2020.

2 To receive and approve the Directors' Remuneration Report for the year ended 31 December 2020.

3 To declare a final dividend of 6.0p per share for the year ended 31 December 2020.

4 To re-appoint Johnston Carmichael 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.

5 To authorise the Audit and Management Engagement Committee to determine the remuneration of the Auditor of the Company.

6 To re-elect Mr Ross as a Director of the Company.

7 To re-elect Mr Tulloch as a Director of the Company.

8 To re-elect Mr Walker as a Director of the Company.

Special business

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

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 shares of 1p each in the capital of the Company 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 shares hereby authorised to be purchased shall be 5,678,620, (or, if less, 14.99% of the number of 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 a share shall be 1p;

(iii) the maximum price (exclusive of expenses) which may be paid by the Company for a share shall be no more than the higher of (a) 105% 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 higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;

(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 2022), 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 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 shares pursuant to any such contract or contracts.

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

THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused), pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £126,275 (being approximately one-third of the issued share capital (excluding treasury shares) as at 9 March 2021) provided that this authority 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 2022), save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to subscribe for, or to convert any security into shares, to be granted after such expiry and so the Directors of the Company may allot shares or grant rights to subscribe for, or to convert any security into shares in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

THAT, subject to the passing of Resolution 10 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 10 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:

(i) to holders of 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 £18,941 (being approximately 5% of the issued share capital (excluding treasury shares) as at 9 March 2021)

and 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 2022), 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.

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

THAT, subject to the passing of Resolution 11 above, the Directors of the Company be and are hereby empowered, until the conclusion of the next Annual General Meeting of the Company (which must be held no later than 30 June 2022), to sell shares held as treasury shares at a discount to the prevailing net asset value per share provided:

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

(ii) that the discount at which the shares are sold is no greater than a 2% discount to the prevailing net asset value per share;

(iii) that, if the prevailing market price of a share is less than the net asset value per share, the price at which the 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 share (as at the date of the sale) of greater than 0.2%, when taken together with all other such sales since the date of the Annual General Meeting at which this resolution was passed.

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

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 2022).

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

THAT the articles of association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company with effect from the conclusion of the meeting.

By order of the Board
Kenneth J Greig
Company Secretary

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

9 March 2021

Note 1: Pursuant to section 324 of the Companies Act 2006 (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. Shareholders are, however, reminded of the restrictions on attendance at the Annual General Meeting and the impact these restrictions will have on the ability of any proxies to attend the Annual General Meeting and vote. As a result, Shareholders are strongly encouraged to appoint the Chairman of Annual General Meeting as their proxy.

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. In usual circumstances, the appointment of a proxy will not prevent a Shareholder from attending the meeting and voting in person if he/she so wishes, however, Shareholders should note the restrictions on attendance at the Annual General Meeting this year. In light of the restrictions on attendance all votes will be taken on a poll and, as a result, every Shareholder present in person or by proxy shall have one vote for every 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 proxy appointments.

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, however, Shareholders are reminded of the restrictions on attendance at the Annual General Meeting and encouraged to appoint the Chairman of the Annual General Meeting as their sole proxy.

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 appear 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.

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 (however, please note the restrictions on attendance at the Annual General Meeting and the impact this will have on the ability of any such proxy to attend and vote at 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 2021 (the latest practicable date prior to the publication of this notice), the Company's issued share capital amounted to 64,509,642 shares carrying one vote each. After deducting 26,626,917 shares held in treasury, which do not have voting rights, the total voting rights in the Company as at 9 March 2021 were 37,882,725.

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 Monday, 19 April 2021 (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 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 and are encouraged to do so in light of the restrictions on attendance at the Annual General Meeting.

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% 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 Edinburgh Partners Limited, 27-31 Melville Street, Edinburgh EH3 7JF from 11.45 am until the conclusion of the meeting:

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

b) Articles of Association of the Company; and

c) the proposed new Articles of Association of the Company together with a copy showing all of the proposed changes to the existing Articles of Association of the Company.

In addition, the proposed new Articles of Association of the Company, together with a copy showing all of the proposed changes to the existing Articles of Association of the Company, will be available for inspection on the Company's website, www.epgot.com and at the London offices of Dickson Minto W.S. at Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW from the date of the Notice of Annual General Meeting until the close of the Annual General Meeting.

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.

Note 13: Members may not use any electronic address provided either in the Notice of Annual General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.

Shareholder warning

Many companies are aware that their Shareholders have received unsolicited phone calls or correspondence concerning investment matters. These calls typically come from fraudsters operating in 'boiler rooms' offering investors shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. While high profits are promised, those who buy or sell shares in this way usually lose their money. These fraudsters can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

It is very unlikely that either the Company or the Company's Registrar would make unsolicited telephone calls to Shareholders and that any such calls would relate only to official documentation already circulated to Shareholders and never in respect of investment 'advice'.

If you have been contacted by an unauthorised firm regarding your shares, you can report this using the FCA helpline on 0800 111 6768 or by using the share fraud reporting form at www.fca.org.uk/consumers/scams.

Summary of the principal amendments to the Company's articles of association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 14 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, www.epgot.com from the date of the AGM Notice until the close of the AGM.

Hybrid general meetings

The New Articles permit the Company to hold general meetings on a partially virtual basis, whereby shareholders can attend the meeting in person at a physical location or attend and participate remotely using electronic means. This should make it easier for shareholders to attend general meetings if there are travel or other restrictions in place which prevent them from attending the general meeting in person. Amendments have been made throughout the New Articles to facilitate the holding of such hybrid general meetings.

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