

# The European Investment Trust

## Trade dispute weighing on investor sentiment

The European Investment Trust (EUT) is managed by Craig Armour at Edinburgh Partners (EP, which is now a wholly owned subsidiary of Franklin Templeton Investments). He aims to generate attractive investment returns from a diversified portfolio of continental European equities, employing a disciplined, valuation-based stock selection strategy. The manager believes investor sentiment has become too negative, on the back of slowing global growth in response to the US/China trade dispute. He says that as a result, many sectors of the European stock market – including industrials and other cyclicals – are looking attractively valued. EUT's board has a progressive dividend policy and the trust currently offers a yield of 3.5%, which is the highest for a non-income-focused fund within the AIC Europe sector.

12 months ending	Share price (%)	NAV (%)	Benchmark (%)	FTSE All-Share (%)	MSCI World (%)
31/12/14	4.9	(1.0)	(1.4)	1.2	12.1
31/12/15	(3.7)	(2.1)	5.5	1.0	5.5
31/12/16	12.8	21.6	21.2	16.8	29.0
31/12/17	24.5	15.6	16.9	13.1	12.4
31/12/18	(15.2)	(14.7)	(9.1)	(9.5)	(2.5)

Source: Thomson Datastream. Note: All % on a total return basis in pounds sterling.

## Investment strategy: Focus on Y5 P/E multiples

EP employs a disciplined, valuation-based approach to stock selection. Companies considered for inclusion in the portfolio undergo rigorous fundamental analysis, which includes an earnings multiple based on earnings five years out (a Y5 P/E). EP's analysis shows that investors have historically enjoyed above-average real returns from stocks trading on a Y5 P/E below 11x. The manager runs a relatively concentrated portfolio of 35–45 positions; currently, the largest sector exposures are healthcare, banks, and industrial goods and services. EUT is permitted to gear up to 20%; however, at end-November 2018 it held a net cash balance of 1.2%.

## Market outlook: Higher volatility versus benign 2017

Investors experienced higher stock market volatility in 2018 following a benign period in 2017. Increased risk aversion stems from a series of macro uncertainties, including escalating trade tensions and political issues. So far, European earnings growth has remained relatively robust, so share price weakness has led to more attractive valuation multiples. In uncertain times, investors may be well served by taking a longer-term perspective and having a keen focus on company valuations.

## Valuation: Trading within a narrow range

EUT's current 8.2% share price discount to cum-income NAV is narrower than the 10.0% to 12.5% range of averages over the last one, three, five and 10 years. The board opportunistically undertakes share repurchases to manage the discount; during FY18, 1.8% of the share base was bought back at an average discount of 10.3%. EUT's annual dividends have grown, or been maintained, every year since 2009; the trust currently offers a yield of 3.5%.

## Investment trusts

7 January 2019

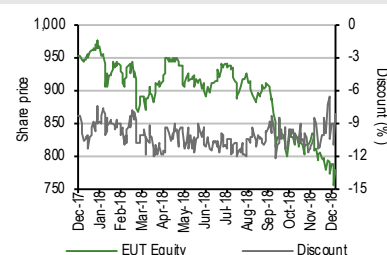
<b>Price</b>	<b>778.0p</b>
<b>Market cap</b>	<b>£319m</b>
<b>AUM</b>	<b>£354m</b>

NAV*	844.3p
Discount to NAV	7.9%
NAV**	847.2p
Discount to NAV	8.2%

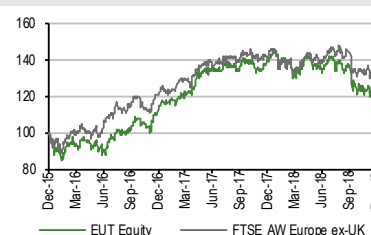
\*Excluding income. \*\*Including income. As at 3 January 2019.

Yield (including announced dividend)	3.5%
Ordinary shares in issue	41.0m
Code	EUT
Primary exchange	LSE
AIC sector	Europe
Benchmark	FTSE All-World Europe ex-UK

## Share price/discount performance



## Three-year performance vs index



52-week high/low	974.0p	754.0p
NAV** high/low	1,069.6p	845.9p

\*\*Including income

## Gearing

Gross*	0.0%
Net cash*	1.2%

\*As at 30 November 2018

## Analysts

Mel Jenner	+44 (0)20 3077 5720
Sarah Godfrey	+44 (0)20 3681 2519

[investmenttrusts@edisongroup.com](mailto:investmenttrusts@edisongroup.com)

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**The European Investment Trust is a research client of Edison Investment Research Limited**

**Exhibit 1: Trust at a glance**
**Investment objective and fund background**

The European Investment Trust (EUT) seeks attractive investment returns over the long term from a diversified portfolio of European securities. The trust was launched in 1972 and management was transferred to Edinburgh Partners on 1 February 2010 following a tender process. The manager follows a disciplined, long-term value investment approach.

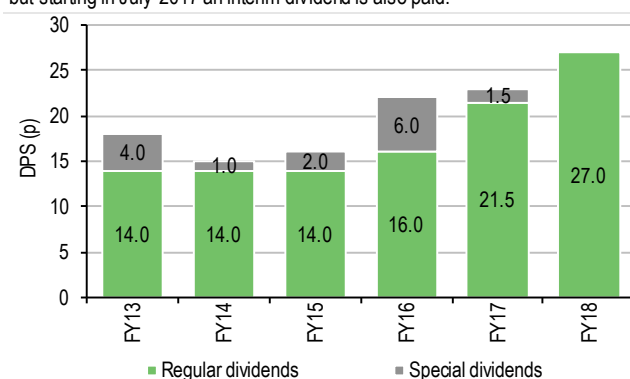
**Recent developments**

- 29 November 2018: annual report for 12 months ending 30 September 2018. NAV TR -2.1% versus benchmark TR +2.4%. Share price TR +1.2%. Announcement of 18.0p final dividend.
- 29 November 2018: announcement that William Eason will retire at January 2019 AGM. Appointment of Sue Inglis and Andrew Watkins as independent non-executive directors.

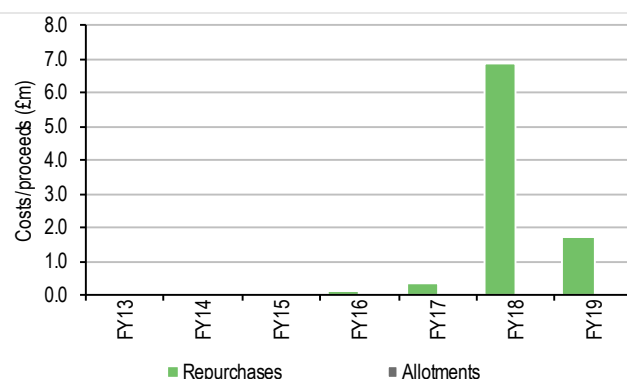
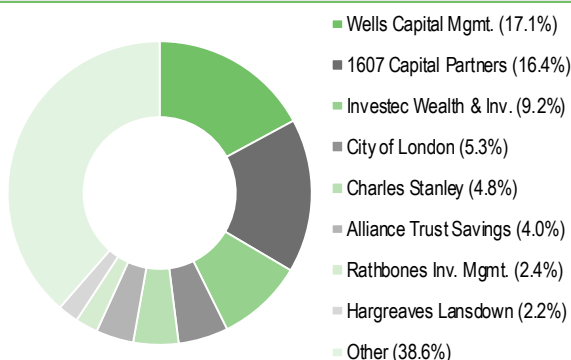
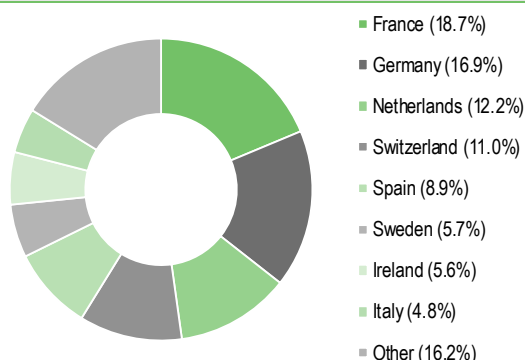
Forthcoming		Capital structure		Fund details	
AGM	January 2019	Ongoing charges	0.61% (FY18)	Group	Edinburgh Partners
Interim results	May 2019	Net cash	1.2%	Manager	Craig Armour
Year end	30 September	Annual mgmt fee	Tiered (see page 8)	Address	27-31 Melville Street, Edinburgh EH3 7JF
Dividend paid	July, January	Performance fee	None	Phone	+44 (0) 131 270 3800
Launch date	1972	Trust life	Indefinite	Website	<a href="http://www.edinburghpartners.com">www.edinburghpartners.com</a>
Continuation vote	None	Loan facilities	€30m		

**Dividend policy and history (financial years)**

The investment objective is to achieve attractive investment returns, so dividend yield is not the primary aim. Historically, annual dividends were paid in January, but starting in July 2017 an interim dividend is also paid.


**Share buyback policy and history (financial years)**

EUT is authorised both to repurchase up to 14.99% of its ordinary shares at a discount and to issue up to 5% of its issued share capital at a premium to NAV.


**Shareholder base (as at 30 November 2018)**

**Portfolio exposure by geography (as at 30 November 2018)**

**Top 10 holdings (as at 30 November 2018)**

Company	Country	Sector	Portfolio weight %	
			30 November 2018	30 November 2017*
Roche	Switzerland	Healthcare	4.7	N/A
Sanofi	France	Healthcare	4.1	3.1
Novartis	Switzerland	Healthcare	4.0	3.5
Telefónica	Spain	Telecoms	3.7	N/A
Royal Dutch Shell 'A'	Netherlands	Oil & gas	3.3	3.3
Nokia	Finland	Technology	3.3	N/A
PostNL	Netherlands	Industrial goods & services	3.1	3.9
Gefinge	Sweden	Healthcare	3.1	N/A
Glanbia	Ireland	Food & beverage	3.1	N/A
ING Groep	Netherlands	Banks	3.1	N/A
<b>Top 10 (% of holdings)</b>			<b>35.5</b>	<b>32.6</b>

Source: The European Investment Trust, Edison Investment Research, Bloomberg, Morningstar. Note: \*N/A where not in end-November 2017 top 10.

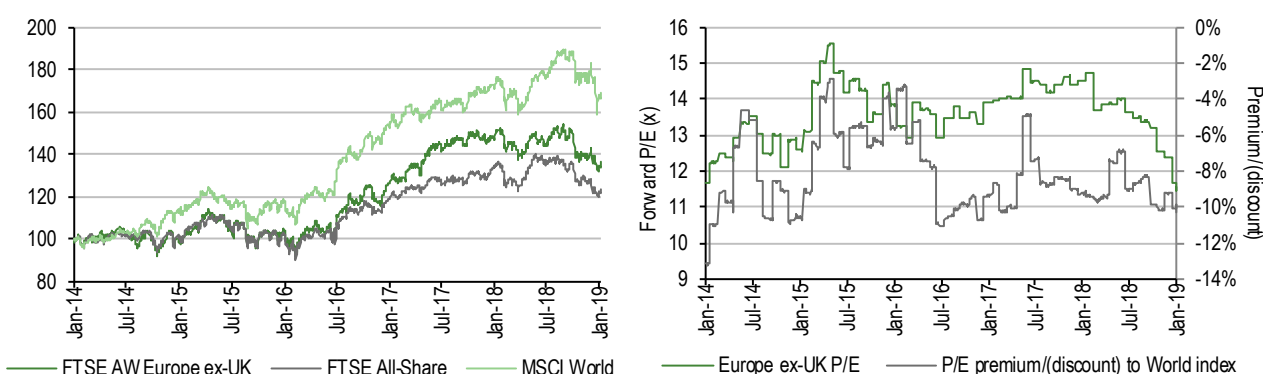
## Market outlook: Valuations at more reasonable levels

Exhibit 2 (LHS) shows the performance of indices over the last five years in sterling terms. While European equities have delivered higher total returns than UK shares, both have been eclipsed by the performance of global equities, where the indices are dominated by the US, which has outperformed (partly due to the strength of the dollar). Stock markets across the globe experienced much higher levels of volatility in 2018, compared with a very benign environment in 2017. Investor concerns include rising US interest rates and the US/China trade dispute, while European investors also have to consider political issues such as the Italian government's budget and ongoing Brexit uncertainty. As shown in the right-hand chart below, the valuation of European equities is now very close to a five-year low. Measured by the Datastream Europe ex-UK index, European shares are trading on a forward P/E multiple of 11.6x, which is a c 15% discount to the 13.6x five-year average. They are also looking more attractive on a relative basis, at a 10.3% discount to world equities, 2.2pp wider than the 8.1% average over the last five years. In an environment of higher stock market volatility, investors may benefit from taking a longer-term view on equity investment and adopting a more valuation-aware approach.

**Exhibit 2: Market performance and valuation**

Performance of indices, last five years (in £ terms)

Valuation of European equities (using Datastream Europe ex-UK index)



Source: Thomson Datastream, Edison Investment Research. Note: Valuation data as at 4 January 2019.

## Fund profile: European exposure with long-term view

EUT was launched in 1972 and has been managed by EP since 1 February 2010. The firm has c £7bn of assets under management (£1bn in European mandates). All strategies are long only and unconstrained, and adhere to EP's value-driven process, which was developed by the company's founder Sandy Nairn, based on the understanding that stock markets are efficient over the long term, but behave more randomly over shorter periods. The trust is listed on the Main Market of the London Stock Exchange; it historically had a listing on the New Zealand Stock Exchange, but this was cancelled in November 2017, as the board believed the costs involved outweighed the benefits. Since August 2016, EUT has been managed by Craig Armour, who joined EP in 2009; his remit is to achieve attractive investment returns from a diversified portfolio of European securities. The fund typically holds 35–45 positions with a limit of 10% (at the time of investment) in a single stock, and its performance is measured against the FTSE All-World Europe ex-UK Index. Up to 10% of the portfolio may be invested in countries outside of the FTSE All-World European indices. Gearing of up to 20% is permitted in normal market conditions; at end-November 2018, EUT had a net cash balance of 1.2%. Historically, the fund has not hedged its currency exposure. As of 1 May 2018, Edinburgh Partners is a wholly owned subsidiary of Franklin Templeton Investments; following the transaction there have been no changes to the way the trust is managed.

## The fund manager: Craig Armour

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### The manager's view: Focus on quality and fair valuations

Armour says that the world is now a long way from the optimism of early 2018 and “synchronised economic growth”. At that time, the consensus view was that President Trump’s ‘America First’ trade discussions would see him trying to score easy points ahead of the mid-term elections. However, Armour says the issues now go a lot deeper and are not just about trade, but more about power and geopolitical positioning. The manager believes that unless there is a change in the US approach, the trade dispute with China is likely to persist for some time, which is negative for global growth. This is an unhelpful situation for Europe, which is a net exporter and has delayed the normalisation of monetary policy in the form of higher interest rates. Armour says that while the US economy remains strong and its monetary policy is normalising, the rest of the world has decoupled. He comments that while EUT’s negative performance in recent months has partly been due to stock-specific issues, the macro backdrop has made life ‘tricky’. For several months the manager had been reducing the trust’s cyclical exposure. However, he says this strategy has been interrupted, as some cyclical stocks have fallen so far they are now too cheap to trim or sell outright. Industrial stocks have been hit particularly hard, such as companies involved in the automotive supply chain. Armour notes not just day-to-day stock market volatility, but intra-day, which means he needs to be very careful when placing orders in the market, as stock prices can move very quickly, both up and down.

While economic growth is slowing in Europe, Armour comments there is wage inflation, which is putting particular pressure on the margins of companies employing manual processes, or delivery companies such as Deutsche Post. He says it will be tough for this company to pass on higher costs to its customers, given the competitive and cost pressures within the retail industry. The manager also notes the negative developments in Europe, such as the government budget deficit in Italy and civil unrest in France. This is symptomatic of fragmented politics in the region as a result of the uneven benefits that have accrued to capital at the expense of labour since the global financial crisis. In aggregate, the manager believes that European corporate earnings growth in 2018 will be tepid (unlike the robust levels in 2017) and he expects more of the same in 2019, as companies need to continue to deploy capex in an attempt to remain competitive and protect their margins. However, the manager believes it is important not to be too bearish; while he expects growth to be subdued, he does not expect an ‘Armageddon’ economic scenario. He says that investors became too optimistic but concerns about the disruption to global trade have punctured this enthusiasm, and now sentiment has moved too far the other way. Armour comments that the lower-growth environment should mean lower equity total returns than those enjoyed in 2016/17; he stresses the importance of holding structurally well-positioned companies with strong balance sheets and believes valuations will once more become a much higher priority for investors.

## Asset allocation

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### Investment process: Long-term, valuation-based approach

EP’s investment philosophy centres on the belief that the value of a business depends on its long-term ability to generate profits, but that investors tend to be too short term, which can lead to irrational share price moves over shorter periods. The company’s analysis shows a stable relationship between the total returns achieved by investing in a stock at a given share price, and the ratio of that share price to long-term earnings per share. However, the data show no relationship between share price performance and earnings over periods of less than two years.

Armour and the other 15 members of EP's investment team (14 portfolio managers/analysts and two applied research specialists) undertake thorough fundamental analysis; the resulting standard research template includes a company's five-year, inflation-adjusted earnings forecast and a Y5 P/E multiple. EP's analysis shows that above-average real returns can be delivered when companies are purchased at a Y5 P/E below 11x. The current average Y5 multiple for stocks in the portfolio is c 8.5x, at the lower end of a range of 7x to 11x over the last 20 years. An assessment of a company's environmental, social and governance record is also an important element of the research process. EUT's portfolio typically contains 35–45 stocks and turnover averages c 25% pa. In FY18, EUT's active share was 80%, modestly higher than 79% in FY17 – this is a measure of how a fund differs from its benchmark, with 0% representing full index replication and 100% no commonality. The manager cautions that due to EP's long-term, disciplined, valuation-based approach, there may be periods when the trust lags its benchmark.

## Current portfolio positioning

At end-November 2018, EUT's top 10 holdings made up 35.5% of the portfolio, which was an increase in concentration compared with 32.6% a year earlier; four positions were common to both periods. In terms of sector exposure, over the last 12 months the largest increases are in healthcare (+5.7pp) and technology (+4.6pp), with the biggest declines in banks (-3.6pp) and chemicals (-3.3pp). EUT's unconstrained investment approach is evidenced by having no exposure to basic resources, chemicals, construction and materials, insurance and real estate, which together make up more than 17% of the benchmark. The manager explains that the ability of a company to sustain its dividend payments is a key focus when selecting stocks for the portfolio. He notes that major oil companies were out of favour with investors due to question marks over their distributions; however, following a period of substantial cost cutting, they are now able to offer decent dividend yields.

**Exhibit 3: Portfolio sector exposure vs benchmark (% unless stated)**

	Portfolio end-November 2018	Portfolio end-November 2017	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Healthcare	18.1	12.4	5.7	14.9	3.2	1.2
Banks	17.5	21.1	(3.6)	11.4	6.1	1.5
Industrial goods & services	16.7	18.0	(1.3)	11.7	5.0	1.4
Oil & gas	10.1	11.0	(0.9)	5.3	4.8	1.9
Technology	8.4	3.8	4.6	6.1	2.3	1.4
Telecoms	6.1	7.6	(1.5)	3.6	2.5	1.7
Media	4.8	4.4	0.4	1.5	3.3	3.2
Food & beverages	3.1	0.0	3.1	8.1	(5.0)	0.4
Retail	2.7	4.3	(1.6)	2.6	0.1	1.1
Utilities	2.7	2.5	0.2	4.3	(1.6)	0.6
Travel & leisure	2.5	2.6	(0.1)	0.5	2.0	5.1
Financial services	2.1	2.2	(0.1)	1.9	0.2	1.1
Automobiles & parts	2.1	2.5	(0.4)	3.9	(1.8)	0.5
Personal & household goods	2.0	4.7	(2.7)	7.1	(5.1)	0.3
Basic resources	0.0	0.0	0.0	1.2	(1.2)	0.0
Chemicals	0.0	3.3	(3.3)	4.3	(4.3)	0.0
Construction & materials	0.0	0.0	0.0	3.3	(3.3)	0.0
Insurance	0.0	0.0	0.0	6.4	(6.4)	0.0
Real estate	0.0	0.0	0.0	2.0	(2.0)	0.0
Cash/(gearing)	1.2	(0.6)	1.8	N/A	N/A	N/A
	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>		

Source: The European Investment Trust, Edison Investment Research

There are two relatively new holdings in the portfolio, both of which are IT service companies: Indra Sistemas (Spain) and Sopra Steria (France). Indra Sistemas has two distinct divisions – Minsait IT, which provides technology services across a broad range of verticals including the energy and financial service sectors (64% of 9M18 revenues), and Transport and Defence (36%), which provides simulation and automatic test equipment, and defence electronic equipment. The manager

says he initiated the position as he believes the sub-par returns in the company's IT division can be improved, while margins in the Transport and Defence division remain robust.

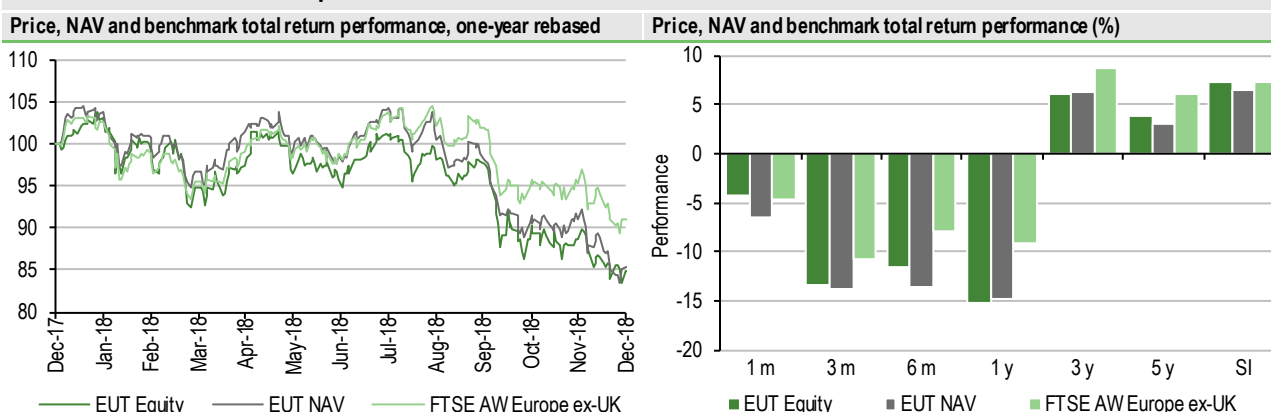
Sopra Steria provides end-to-end digital transformation IT services across a wide range of corporate clients. Armour says its banking software operation is a modest c 10% of revenues, but provides a good growth opportunity as the market is large and banks have been slow to outsource their operations. Sopra Steria recently issued a profits warning stemming from this division, due to contract delays and the need for extra resources. The manager says that following share price weakness as a result of this news, investors are essentially getting the banking software business 'for free'.

Recent complete disposals include Airbus (on valuation grounds, having doubled in price over the last two-and-a-half years); BB Biotech, sold at a meaningful premium to net asset value; Danske Bank, which is under investigation for moneylaundering through its Estonian operations; and DIA, where poor fundamentals suggest a capital raise maybe necessary.

## Performance: Reasonable absolute return record

In FY18 (ending 30 September) EUT's NAV and share price total returns of -2.1% and +1.2% lagged the benchmark's +2.4% total return. In terms of sector attribution, oil and gas generated the largest positive contribution (+4.2pp), whereas the largest detractor was financials (-2.9pp). Looking at individual stocks, the highest contributor was Norwegian seismic specialist Petroleum Geo-Services (+2.0pp), which benefited from reduced industry capacity and robust demand for its services, and the largest detractor was Spanish food retailer DIA (-1.3pp), which is facing tough competition in its domestic market and currency weakness in its South American operations; this position has now been sold.

**Exhibit 4: Investment trust performance to 31 December 2018**



Source: Thomson Datastream, Edison Investment Research. Note: SI is since move to Edinburgh Partners (1 February 2010). Three-year, five-year and SI performance figures annualised.

**Exhibit 5: Share price and NAV total return performance, relative to indices (%)**

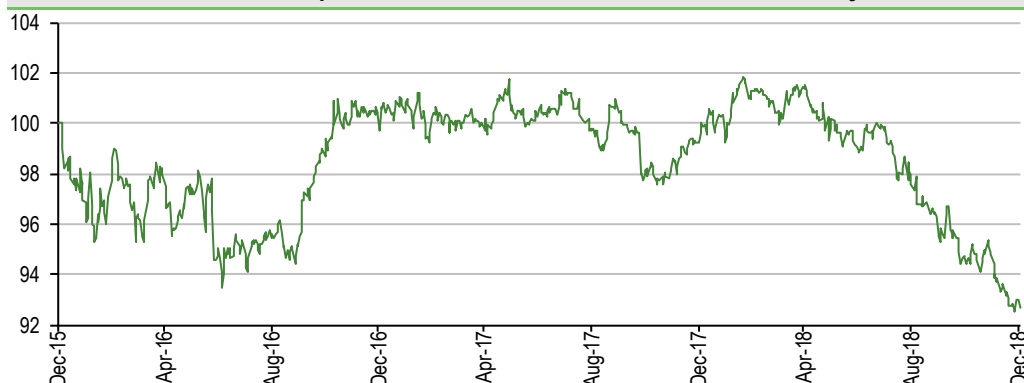
	One month	Three months	Six months	One year	Three years	Five years	SI
Price relative to FTSE AW Europe ex-UK	0.4	(2.8)	(3.9)	(6.8)	(7.5)	(10.3)	1.0
NAV relative to FTSE AW Europe ex-UK	(1.9)	(3.4)	(6.1)	(6.2)	(7.0)	(13.3)	(6.8)
Price relative to FTSE All-Share	(0.5)	(3.4)	(0.6)	(6.4)	(0.4)	(1.6)	(0.8)
NAV relative to FTSE All-Share	(2.8)	(4.0)	(2.9)	(5.8)	0.2	(5.0)	(8.5)
Price relative to MSCI World	3.4	(2.3)	(6.3)	(13.0)	(15.8)	(28.1)	(29.5)
NAV relative to MSCI World	1.0	(2.9)	(8.4)	(12.6)	(15.3)	(30.5)	(34.9)

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-December 2018. Geometric calculation.

EUT's relative performance has suffered in recent years due to the outperformance of growth over value stocks since the global financial crisis, a period that has been categorised by abnormally low interest rates. The manager stresses that over the very long term, investors exposed to value rather

than growth stocks would have enjoyed superior total returns, and he is confident that as global interest rates normalise, stock market leadership should once again favour attractively valued companies. He explains that recent weakness in performance has also been led by the trust's holdings in banks and industrials, while there has been some stock-specific weakness such as German pharmaceutical and life sciences company Bayer, which is facing litigation risk following its acquisition of US agrochemical and agricultural biotechnology company Monsanto.

**Exhibit 6: NAV total return performance relative to benchmark over three years**

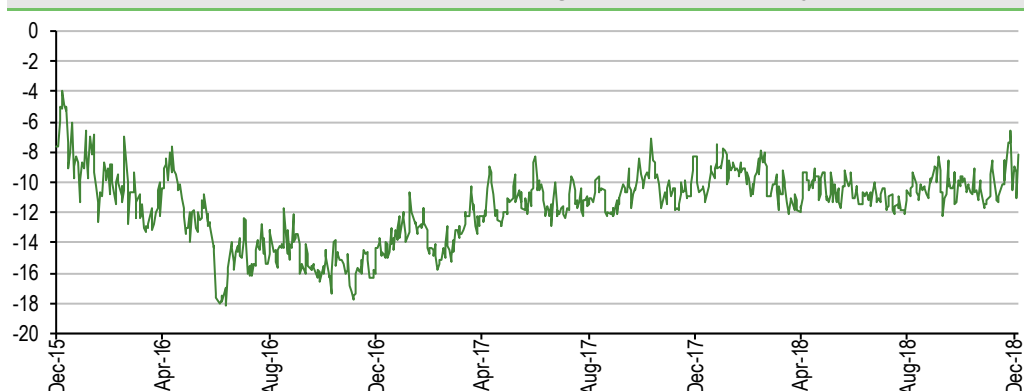


Source: Thomson Datastream, Edison Investment Research

## Discount: Continuing in a narrow range

EUT is currently trading at an 8.2% share price discount to cum-income NAV, which compares with a 6.6% to 12.2% range of discounts over the last 12 months. The averages over the last one, three, five and 10 years range between 10.0% and 12.5%. EUT's board repurchases shares opportunistically; there is no formal discount target. During FY18, 0.8m shares (1.8% of the share base) were repurchased at an average discount of 10.3%, which enhanced NAV by 1.9p.

**Exhibit 7: Share price discount to NAV (including income) over three years (%)**



Source: Thomson Datastream, Edison Investment Research

## Capital structure and fees

EUT is a conventional investment trust with one class of share. There are currently 41.0m ordinary shares in issue. Renewed annually, the trust has the authority both to repurchase up to 14.99% of its ordinary shares at a discount and to issue up to 5% of its issued share capital at a premium to NAV, to manage a discount or premium. EUT has a €30m overdraft facility with Northern Trust, but at end-November 2018, the trust was ungeared and running a net cash position of 1.2%. However, the manager comments that company valuations have come down to a level where he would

consider employing gearing. If the overdraft facility were fully drawn down, it would equate to gearing of c 8%.

From 1 June 2018, EP has been paid an annual management fee of 0.55% up to £500m market cap and 0.50% above this level (historically a flat 0.55% of market cap), and no performance fee is payable. In FY18, EUT's ongoing charges were 0.61%, modestly higher than 0.59% in FY17, but still competitive versus all of its peers (see Exhibit 8). It was the first financial year in which two-thirds of fees and financing costs were charged to the capital account rather than 100% to the revenue account. This two-thirds/one-third split represents the board's expectation of the breakdown of future returns between capital and income and, all else being equal, should enable higher dividend payments.

## Dividend policy and record

Although EUT's mandate is to generate attractive investment returns rather than focusing on income, dividends have grown, or been maintained, every year since 2009, compounding at an average annual rate of 11.4%. The announced 27.0p total distribution for FY18 is 25.6% higher than the 21.0p regular dividend paid in respect of FY17 and was more than covered by revenue, which grew by 6.2% year-on-year to 27.4p per share (more than 50% of the increase was due to the change in fee allocation, highlighted in the section above). At end-FY18, EUT had revenue reserves of £11.9m, equivalent to c 29p per share, which is higher than the last annual dividend payment. With effect from 2017, the trust now pays dividends twice a year, in July and January. Based on its current share price, EUT offers a dividend yield of 3.5%.

## Peer group comparison

EUT is a member of the AIC Europe sector, and with a market cap greater than £300m it is the third largest in the eight-strong peer group. Its NAV total returns are below average over the periods shown in Exhibit 8. EUT currently has one of the narrower discounts in the group. It has a very competitive ongoing charge that is more than 30bps lower than the peer group average. The trust is the only ungeared fund in the sector, and its dividend yield is above average, the highest of all those without a specific income mandate.

**Exhibit 8: AIC Europe sector peer group as at 4 January 2019\***

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
European Investment Trust	319.3	(14.9)	22.0	18.4	97.4	(7.9)	0.6	No	100	3.5
BlackRock Greater Europe	266.4	(7.4)	29.1	42.6	166.6	(2.0)	1.1	No	101	1.8
Fidelity European Values	873.8	(4.7)	35.4	52.7	131.3	(7.5)	0.9	No	113	2.1
Henderson European Focus	238.1	(11.6)	20.8	40.7	159.5	(4.7)	0.8	No	102	2.8
Henderson EuroTrust	209.7	(9.7)	29.2	46.9	161.8	(7.5)	0.8	No	101	3.1
JPMorgan European Growth Pool	186.0	(15.0)	18.5	34.7	137.3	(12.7)	1.0	No	112	2.7
JPMorgan European Income Pool	144.3	(8.3)	30.8	52.4	202.1	(12.0)	1.0	No	110	4.4
Jupiter European Opportunities	787.3	(5.1)	25.1	69.7	428.8	(0.4)	0.9	Yes	105	0.9
<b>Average (8 funds)</b>	<b>378.1</b>	<b>(9.6)</b>	<b>26.4</b>	<b>44.8</b>	<b>185.6</b>	<b>(6.8)</b>	<b>0.9</b>		<b>105</b>	<b>2.7</b>
<b>EUT rank in sector</b>	<b>3</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>8</b>		<b>8</b>	<b>2</b>

Source: Morningstar, Edison Investment Research. Note: \*Performance data to 3 January 2019 based on ex-par NAV. \*\*Includes announced dividend. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

## The board

In November 2018, it was announced that William Eason, who was appointed as a director of EUT in 2007, will retire at the 22 January 2019 AGM. Two new independent, non-executive directors –





Sue Inglis and Andrew Watkins – have been appointed, with effect from 1 January 2019. Inglis held a position as a senior corporate financier in Cantor Fitzgerald's investment companies team. She is chair-elect of The Bankers Investment Trust and is on the boards of Baillie Gifford US Growth Trust and BMO Managed Portfolio Trust. Watkins was head of client relations, sales and marketing at Invesco Perpetual's listed investment funds business. He is chairman of Ashoka India Equity Investment Trust and is also on the boards of BMO UK High Income Trust and Chelverton UK Dividend Trust.

EUT's chairman is Michael MacPhee, who joined the board in 2016 and assumed his current role in 2017. The senior independent director is Michael Moule, who became one of EUT's directors in 2004. The final board member is Dr Michael Woodward, who was appointed in 2013.

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