EUROPEAN OPPORTUNITIES TRUST PLC

Annual Report & Accounts

for the year ended
31 May 2020

DEVON
Equity Management

THE COMPANY'S INVESTMENT OBJECTIVE

The objective of European Opportunities Trust PLC (the "Company") is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, taking into account economic trends and business development.

CONTENTS

FINANCIAL HIGHLIGHTS
for the year ended 31 May 2020

Net asset value total return[1*] (with dividends added back)

+0.1%

This performance was slightly ahead that of the Company's benchmark, the MSCI Europe Total Return Index in GBP, which fell by 1.9%.

Share price total return[1*]

-6.9%

Your Company's share price at 31 May 2020 was 753p.

Shareholders' funds

£923m

Gross assets, including drawn down bank debt of £15m, were £938m.

Discount to net asset value[1*]

-7.9%

Your Company's share price was trading at a discount to NAV of 7.9% on 31 May 2020. The European sector average, as measured by the Association of Investment Companies was -8.7%.

	31 May 2020	31 May 2019	% Change
Net asset value per share (pence)	817.72	822.23	-0.5
Net asset value total return (with dividends added back)[1,*]			0.1
Middle market share price (pence)	753.00	815.00	-7.6
Share price total return (with dividends added back)[1]			-6.9
MSCI Europe Total Return Index in GBP (Benchmark)			-1.9
MSCI Europe ex-UK Total Return Index in GBP			2.1
Dividend per share (pence)	3.5	5.5	
Discount to net asset value at year end (%)[1*]	-7.9	-0.9	
Ongoing charges figure (%)[1, 2,*]	0.99	0.90	

* Alternative Performance Measure.
[1] For definitions please refer to the Calculation of Alternative Performance Measures and Glossary of Terms on pages 77 to 80.
[2] Excluding finance costs (interest on the Company's loan facility).

LONGER TERM TRACK RECORD

To 31 May 2020	3 years %	5 years %	10 years %	Since launch on 20.11.2000 %	Annualised return since launch %
Net asset value total return[1,*]	17.4	54.8	275.2	811.3	12.0
Share Price total return[1,*]	11.5	41.7	312.4	697.9	11.2
MSCI Europe Total Return Index in GBP (Benchmark)	1.0	27.2	105.1	150.4	4.8
MSCI Europe ex-UK Total Return Index in GBP	5.0	37.1	121.6	181.1	5.4

As at 31 May	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shareholders' funds (£m)	231.6	231.6	340.8	409.2	558.4	613.9	795.0	873.2	927.5	922.9
Market capitalisation (£m)	231.5	205.9	346.2	417.1	563.2	591.3	772.1	863.2	919.3	849.9
Net asset value per share (p)	316.7	291.1	403.6	451.3	546.3	550.2	712.5	778.9	822.2	817.7
Share price (p)	290.0	257.8	410.0	460.0	551.0	530.0	692.0	770.0	815.0	753.0
(Discount)/premium to net asset value (%)*	-8.4	-11.4	1.6	1.9	0.9	-3.7	-2.9	-1.1	-0.9	-7.9
Revenue (£m)	5,460	2,316	4,094	4,021	4,517	7,445	8,765	6,257	6,252	4,658
Revenue return per share (p)	6.84	2.91	5.05	4.54	4.80	6.84	7.86	5.84	5.55	4.13
Dividend per share (p)	2.1	5.3	1.85	3.5	3.8	5.5	6.5	6.5	5.5	3.5
Ongoing charges (%)[1,2,*]	0.94	1.17	1.17	1.09	0.96	1.08	0.99	0.91	0.90	0.99
Net gearing (%)[1,*]	12.8	22.0	16.5	11.6	6.0	14.0	7.7	4.9	6.3	0.0

Year on year performance to 31 May	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %	2017 %	2018 %	2019 %	2020 %
Net asset value total return[1,*]	38.8	-6.4	39.3	12.7	21.8	1.4	30.5	10.2	6.4	0.1
Share Price total return[1,*]	51.2	-9.3	59.8	13.0	20.5	-3.1	31.6	11.3	6.7	-6.9
MSCI Europe Total Return Index in GBP (Benchmark)	22.0	-18.6	37.7	12.0	5.2	-4.7	32.3	2.3	0.6	-1.9
MSCI Europe ex-UK Total Return Index in GBP	23.4	-23.8	43.0	14.1	5.2	-3.4	35.2	1.0	1.9	2.1

* Alternative Performance Measure.

1 For definitions please refer to the Calculation of Alternative Performance Measures and Glossary of Terms on pages 77 to 80.

2 Excluding finance costs (interest on the Company's loan facility).

Source: MSCI & Devon Equity Management Limited. Total returns calculated with dividends added back. Past performance is no guide to the future.

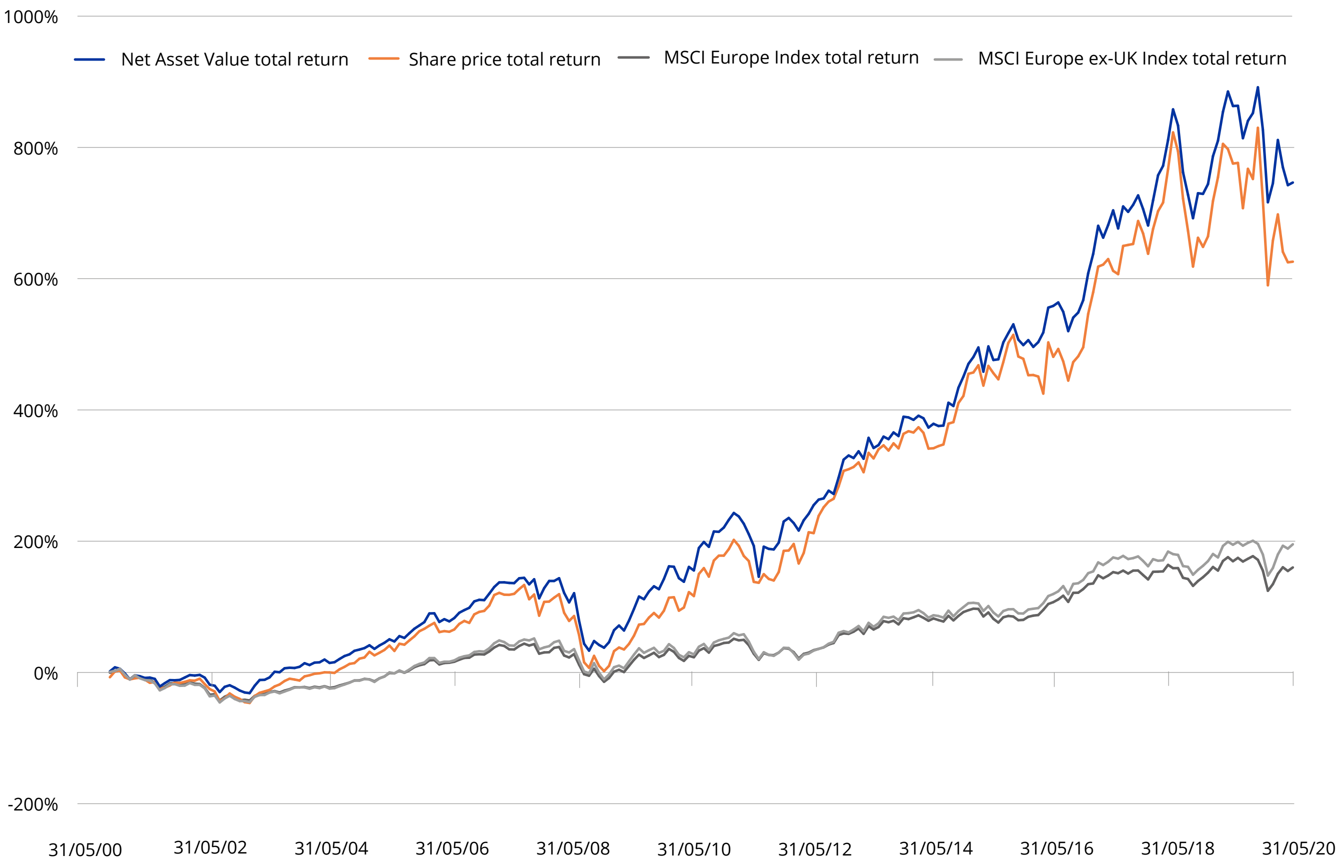
CHAIRMAN'S STATEMENT

The financial year ended 31 May 2020 coincided with one of the most turbulent periods in living memory. The humanitarian and economic crisis engendered by the COVID-19 pandemic has caused great volatility in financial markets across the world. February and March 2020 saw sharp declines in stock market values. Investors have since been grappling with the severity of the economic downturn to come and the shape of a recovery.

During the twelve months to 31 May 2020 the total return on the net asset value per share of your Company was 0.1% (with dividends added back). This compares with a fall in the Company's Benchmark Index, the MSCI Europe Total Return Index, of -1.9% and a total return on the middle market price of the Company's shares of -6.9% (again with dividends added back) during the same period.

Since 31 May 2020, the return on the net asset value per share of your Company has been impacted by the sale of its former holding in Wirecard AG, of which more below, in the Investment Manager's report and in note 23 of the notes to the accounts. The net asset value had fallen by 7.5% between 1 June and 31 August 2020, whereas the Benchmark Index had risen by 3.8%. The market price of the Company's shares was 681p as at 31 August 2020.

Over the life of the Company the annualised total return on the net asset value has been 11.4% and 10.6% on the Company's share price (as at 31 August 2020). The Company's performance since launch on 20 November 2000 until 31 August 2020 may be illustrated as follows:



Source: MSCI & Devon Equity Management Limited. Total return performance is calculated with dividends added back. Past performance is no guide to the future.

Wirecard
The Company's shareholders may be aware that the Company formerly had a large investment in Wirecard AG, a German payments company which we had held for the past 13 years. The Company's recent performance has been adversely impacted by the disclosure of a suspected fraud at Wirecard when its auditors, Ernst & Young, declined to sign off on its year end accounts in June 2020. The entire holding was sold by our Investment Manager on 18 June soon after the public disclosure by the company of those circumstances. We nevertheless realised a profit, over the term of this investment, despite the price at which those shares were sold.

As a Board we undertake a review of the risk represented in each of the portfolio holdings with the Investment Manager at each of our regular board meetings. When the Wirecard share price increased from EUR 60 to EUR 83 in the third quarter of 2017 its proportion of the Company's total assets increased from 9% to 13%, at which point the Board encouraged our Investment Manager to begin selling down the position. Some 570,000 shares were sold between then and October 2018 in a period when the share price continued to rise towards its peak of EUR 198 in the autumn of 2018.

After a setback in the price at the end of 2018 the Investment Manager requested the Board's consent to continue to hold the position at between 10 and 20% of total assets. There was further Board debate on the subject at our quarterly meetings and, in early 2019, the Board requested that no further shares should be added to the position. A hard policy was adopted by the Board that no position should be acquired or added to which represented more than 10% of total assets on the date of purchase (I refer to the expanded investment policy printed on page 14 of this report). This restriction has been adhered to and is also hard coded into our Investment Manager's order management system. However, we acknowledge that a potential advantage of investment trusts is the ability to allow holdings to run to levels above 10% of total assets through share price improvement. The holding in Wirecard had touched higher levels since that decision.

Our Investment Manager engaged not only with the management and supervisory boards of Wirecard, but also with research analysts, market commentators and fellow investors in its research. Specifically, it had satisfied itself that the control shortcomings identified by the forensic accounting team at KPMG in March 2020 and other concerns identified in the press had been or were being addressed on the basis of that research. It appears, nevertheless, that investors in Wirecard were the victim of a highly sophisticated fraud which eluded not only our Investment Manager, but also the German regulator (BAFIN), Wirecard's auditors (Ernst & Young), KPMG, its brokers and many others over a period of a number of years.

Changes in our management arrangements
On 14 November 2019, the date of our last Annual General Meeting, the management of the Company's portfolio was transferred to Devon Equity Management Limited ("Devon"), an FCA regulated business founded by Alexander Darwall, Luca Emo (his assistant fund manager on our portfolio) and Richard Pavry, the former head of investment trusts at Jupiter Asset Management ("Jupiter"). Devon has established middle office, trading and risk functions and is overseen by an independent chairman, Simon Troughton, the former deputy chairman of Standard Life Aberdeen PLC. Devon acts as our Investment Manager and FundRock Management Company SA ("FundRock") acts as our Alternative Investment Manager ("AIFM"), with responsibility for additional risk oversight in accordance with the requirements of European law. In order to position the Company for any change in the regulatory environment in the United Kingdom post Brexit, the Board proposes to switch the entity within the FundRock group that acts as its AIFM from FundRock to its wholly owned and UK regulated entity, FundRock Partners Ltd. There will be no change to the terms of engagement or fees payable to the AIFM nor any cost of transition for the Company.

The Board pays particular attention to the control procedures and processes in place at Devon and FundRock to ensure that the investment management operations for the Company continue to be handled with the appropriate level of resource and professionalism. There was no change in the Company's depositary, custodian, administrator, fund accounting or registrar arrangements.

The Board would like to take this opportunity to thank the team at Jupiter who have supported the Company throughout the past twenty years and for their assistance in facilitating the orderly transition of our management arrangements to Devon and FundRock.

Management fees and removal of performance fee
In November 2019, the Board reached an agreement with Jupiter regarding the termination of the former management arrangements whereby Jupiter continued to receive their base management fee of 0.1875% per quarter (equivalent to 0.75% per annum) of the total assets of the Company (including drawn down borrowings under the Company's loan facilities) up to and including 31 May 2020. Jupiter nevertheless agreed to waive its former entitlement to a performance fee from the termination date.

Under the new management arrangements, effective as from 1 June 2020, Devon and FundRock will be paid aggregate management fees of 0.90% per annum of net assets (i.e. excluding drawn down borrowings under the Company's loan facilities) up to £1 billion and 0.80% per annum on any net assets over this amount (with FundRock's fee being deducted from amounts due to Devon). Performance fees have represented a significant proportion of the Company's costs in the past. Under the new arrangements with Devon, no performance fee will be payable.

In the interim period from the date of their appointment on 15 November 2019 up to and including 31 May 2020, the Board agreed to pay a fee of 0.03% per annum of net assets to FundRock as AIFM and a base management fee of 0.10% per annum of net assets to Devon.

Board composition
John Wallinger has served on your Board since the launch of the Company in November 2000. The Board does not believe that his length of service, of itself, has any bearing on his independence or ability to fulfil his fiduciary duties towards our shareholders. However, we recognise the need to refresh the composition of the Board from time to time and John is therefore not seeking re-election as a Director of the Company at the Annual General Meeting in 2020. On behalf of the Board and our shareholders I would like to thank John for his huge contribution to the Company throughout his many years of service.

On 1 August 2019, the Board announced the appointment of Sharon Brown as an additional non-executive Director. Sharon is a qualified accountant and she succeeded Philip Best as Chair of the Audit Committee in November 2019.

Philip Best, who has served as a Director since 2009 and I, who have served as a Director since 2011, each intend to retire from the Board at the Annual General Meetings in 2021 and 2022 respectively, with the intention of providing continuity for the Board through the transition from Jupiter to Devon and permitting a period of handover to such new Board members as may be appointed in the interim.

With the exception of John Wallinger, all of your current Directors are offering themselves for re-election at the forthcoming Annual General Meeting and we would welcome your support for our resolutions.

Dividend
A resolution to declare a final dividend of 3.5p per share will be proposed at the Annual General Meeting on 16 November 2020, payable on 27 November 2020 to shareholders on the Register of Members on 23 October 2020. The ex-dividend date is 22 October 2020. The cost of this dividend is covered by the Company's distributable revenues during the financial year under review and represents slightly in excess of the minimum that the Company is obliged to distribute under applicable law.

The Company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the Company is not permitted to retain more than 15% of eligible investment income arising during any accounting period. Accordingly, the Board's policy is to propose a modest annual dividend and one at least sufficient to enable the Company to maintain its investment trust status.

The declaration of the dividend as a final dividend will provide shareholders with an opportunity to express their approval on the matter, in line with corporate governance guidelines. In the unlikely event that shareholders were to vote against the resolution at the Annual General Meeting to pay a final dividend then the Directors would pay an equivalent interim dividend, as otherwise the Company would be likely to lose investment trust status, with potentially disastrous tax consequences for a large number of its shareholders.

Gearing
At the end of the financial year under review, the net gearing level on the Company's investments was nil (after offsetting cash deposits against the £15 million drawn down on that date). The Investment Manager tends to increase gearing at times of perceived low valuations, while reducing it as markets recover. This approach has added sustained value over the course of your Company's history and we continue to encourage the Investment Manager to consider the use of gearing as a tactical tool to improve returns. The Company renewed its loan facility on 11 September 2020 with a maximum drawable amount of £75 million available until September 2021.

Discount management
The Board considers that it is not in shareholders' interests for the ordinary shares of the Company to trade at a significant discount to the prevailing net asset value. The Board's policy is to maintain the discount in single digits, in normal market conditions.

Whilst the Board believes that the most effective means of minimising any discount at which its ordinary shares may trade is for the Company to deliver strong, consistent, long-term performance from the investment portfolio (in both absolute and relative terms), wider market conditions and other considerations will affect the rating of the ordinary shares from time to time. The Board is therefore committed to seeking to limit the level of volatility of the discount to net asset value at which the ordinary shares may trade by seeking to repurchase ordinary shares when they believe it to be in the interests of shareholders to do so.

In determining whether a share purchase would enhance shareholder value, the Board will take into account the market, the Company's performance, any known third-party investors or sellers, the impact on liquidity and total expense ratios and of course the level of discount to net asset value at which the shares are trading. Any purchases will only be made at prices below the prevailing net asset value and where the Board believes that such purchases will enhance shareholder value.

A total of 11,020 shares were repurchased for treasury on 9 March 2020 and, since the financial year end, the Company has repurchased a further 270,000 shares for treasury (as at 18 September 2020) pursuant to its discount management policy. Ordinary shares held in treasury may only be reissued by the Company at prices representing a premium to the net asset value per ordinary share as at the date of re-issue.

Continuation Vote
Under its Articles of Association the Company is required to put forward to shareholders a resolution every three years to approve the Company continuing in being as an investment trust. Accordingly, an ordinary resolution to that effect will be proposed at this year's Annual General Meeting. Your Board considers that, given the long-term outperformance of the Company over its life, the continuance of the Company is in shareholders' interests and therefore recommends that you vote in favour of the resolution at the Annual General Meeting.

Annual General Meeting
The Company's Annual General Meeting will be held on 16 November 2020 at 11:00 a.m. Notice of the Annual General Meeting, containing full details of the business to be conducted at the meeting, is set out on pages 88 to 90 of this report. Your attention is also drawn to the Directors' Report on pages 32 and 33, where various resolutions relating to special business are explained.

The UK government has introduced measures to limit the impact and spread of COVID-19. These measures include restrictions on gatherings of people in public, thereby limiting the ability of shareholders to attend the Annual General Meeting.

In normal circumstances, the Board values very highly the opportunity to meet shareholders in person at the Annual General Meeting. However, the health and safety of the Company's shareholders, advisers and Directors are of paramount importance. On this basis, and assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend the Company's 2020 Annual General Meeting in person.

In order to comply with relevant legal requirements, the Annual General Meeting will be convened with the minimum necessary quorum of two shareholders. This will be facilitated by the Company through the attendance of Directors of the Company who are shareholders. Only the statutory and formal business to meet the minimum legal requirements will be conducted at the Annual General Meeting and there will be no presentations.

The outcome of the resolutions will be determined by shareholder vote as usual, based on the proxy votes received. Shareholders are strongly encouraged to vote by proxy, appointing the "Chairman of the Meeting" as their proxy rather than any other person who will not be permitted to attend.

Please note that we have removed paper from the voting process so as to reduce the environmental impact of the Company. Shareholders may submit electronic voting instructions using the web-based voting facility at www.signalshares.com. In order to register to vote electronically shareholders will need an Investor Code which can be found on their share certificate. Once registered, shareholders will be able to vote immediately by selecting 'Proxy Voting' from the menu. If shareholders are unable to submit voting instructions electronically they may obtain a paper proxy form from the Company's registrar, Link Asset Services, whose contact details are set out on page 84.

The voting results will be posted on the website following the Annual General Meeting and the Board will also make the customary announcement to the London Stock Exchange. Shareholders are invited to submit questions to the Board in advance of the meeting. Questions should be sent by email to enquiries@devonem.com before 5pm on Friday, 13 November 2020 and the Board will endeavour to respond to shareholders' questions as soon as practicable after the Annual General Meeting.

Outlook

Since the financial year end there has been some renewed optimism for the outlook for the global economy and stock markets. However, there continue to be concerns around some European economies which may result in ongoing volatility in European stock markets over the coming year. In addition, there is now an increase of cases of COVID-19 in Europe, which may hamper economic recovery.

Notwithstanding the recent underperformance, caused principally by our former investment in Wirecard, I believe that the longer term success of our Investment Manager's investment style means that the Company is well-positioned for short-term recovery and long-term outperformance.

Andrew Sutch
Chairman
23 September 2020

INVESTMENT MANAGER'S REVIEW

Performance

The net asset value total return (with dividends added back) of the Company's ordinary shares was 0.1% during the twelve months to 31 May 2020. This compares with a decline of 1.9%, in sterling, of the MSCI Europe Index. This modest outperformance has been overtaken by subsequent events, specifically the fraud at Wirecard, a major holding, and subsequent disposal of all of the Company's shares in it. The steady performance belies an exceptionally turbulent period. The impact of COVID-19 has been devastating. Arguably, the policy responses will be even more damaging. The sharp deterioration in economies will not easily be reversed. Yet markets have proved remarkably resilient to this unprecedented assault on economies and businesses. The explanation lies in a confidence that low interest rates will fuel asset inflation and that in an era of low, even negative interest rates, the best defence is to hold equities. Notwithstanding the merits or otherwise of this thinking, there are reasons to believe that European economies will emerge from this crisis weaker relative to the rest of the world. This is reflected in the performance of many other stock markets in the period under review. The MSCI World (total return) Index, in sterling, was up 10.1%; the S&P 500 returned 15.7% in sterling; and Japan's Nikkei-225 was up 12.0% in sterling terms. On the other hand, the MSCI Latin America Index was down by 29.9% reflecting, in part, Brazil's dependence on the oil industry which is suffering from the collapse in the oil price. The Hang Seng Index, too, declined by 9%, weighed down by severe political challenges.

The relatively stable performance of the portfolio is the outcome of both the devastating impact of COVID-19 and a glimpse of some opportunities that have arisen because of it. The perceived economic consequences of the pandemic were reflected, in sector terms, by the strong performance of technology and healthcare sectors and the weakness in leisure, travel and energy sectors. The stocks which detracted most from performance were obviously impacted by the pandemic. Carnival, the world's largest cruise company, was an early casualty of travel restrictions and an 'experience' which falls foul of social distancing requirements. We sold all our shares as the business model depends to a great extent on a return to their normal way of operating: freedom to travel, high occupancy levels and ancillary revenue opportunities. With high fixed costs the company is vulnerable to any demand weakness and any 'trading down'. Another poor performer was Arrow Global, the UK listed debt collection business. Such businesses are always economically sensitive. Not only does it have impaired portfolios that were bought in happier times, but collecting debts is harder in straitened times. However, we have retained this holding, indeed bought more shares, because we believe that the company will survive and flourish as its strong platforms and services will be sorely needed by customers.

Lockdown had an immediately damaging effect on adidas' retail activities. Though its ecommerce business has thrived in lockdown, it has not been enough to offset the sharp deterioration in trading through physical stores. This explains the underperformance of adidas shares. We sold all our holdings as we anticipate a severe squeeze on consumers' finances. Any demand weakness, including 'trading down', will have a marked impact on adidas' profitability. Another negative contributor to performance was the German leasing company, Grenke, which has been held in the portfolio since 2011. Its business of leasing equipment to small and medium sized enterprises (SMEs) has suffered as economic conditions deteriorated. On 15 September we sold the whole of our position in Grenke in response to corporate governance concerns. We will continue to review the investment case for Grenke as the facts emerge. Finally, amongst those stocks which detracted from performance, we note CGG, the French listed integrated geoscience company. The collapse in the oil price and concomitant impact on CGG's business led us to sell the shares.

The most significant contributors to performance fall easily into two categories: healthcare and digital. The best two stocks in the period under review were both healthcare companies, namely BioMerieux and Novo Nordisk. The former, the French in vitro diagnostics company, has benefitted from the wider understanding of the value of diagnostics in healthcare; they have developed COVID-19 tests which have further enhanced this understanding. Novo Nordisk results vindicate our confidence in the company. The new class of drugs to combat diabetes and obesity, GLP-1 (Glucagon-Like Peptide 1 (GLP-1) agonists), expands the company's addressable market. Moreover, the clinical evidence underpins our view that Novo Nordisk's GLP-1 drugs are sufficiently and positively differentiated to give them a strong market position with good long-term visibility of success.

Deutsche Boerse shares have performed well and made another significant contribution to performance. As the leading continental European provider of financial exchange services (including market data, services for trading, clearing, and post-trading of investment instruments), Deutsche Boerse has flourished amidst the volatility caused by the COVID-19 pandemic; there is a regulatory trend to 'on exchange trading'; and, as a digital business, the company has none of the normal supply chain problems associated with other, more 'physical' companies.

INVESTMENT MANAGER'S REVIEW continued

Experian, too, is a digital business. It provides credit data and analytics primarily to other businesses for consumer credit purposes but also directly to consumers. Demand for Experian's services continues unabated. Another good contributor was Grifols, a company whose principal activity is the production of plasma-derived medicines. Demand for these medicines, such as albumin and immunoglobulins, is increasing and new indications are discovered. Their expertise in blood plasma is recognised as being useful in combating COVID-19.

Wirecard
Since the period end the Company was struck by the news that Wirecard, at that time the largest investment in the portfolio, had been the subject of a massive fraud. When, in June, the company announced serious accounting irregularities, we immediately sold the shares. The sale is a very disappointing end to a long term holding. It appears that executives in the company and third parties were in cahoots and defrauded the company over many years. Until the company admitted this fraud, there had been no substantive concerns expressed by regulators or the company's auditors, EY. This shocking episode is an extreme example of the risks of investing.

Portfolio Changes
The profound impact of COVID-19 is causing significant changes to economies and business. Consequently, we have made more changes to the portfolio. We sold our holding in Amadeus, the world's leading global distribution system. The obvious disruption in the travel industry is particularly damaging for Amadeus. The company's profitability depends not only on high volumes of air travellers, but the highest margins are made in the business travel segment, long haul and complex travel arrangements. It will take a long time for these conditions to return; the risk is that a reorganisation of the airlines, their customers, will not be to Amadeus' advantage. As mentioned above, we also sold our holding in Carnival. The company is now carrying a very heavy debt burden which will weigh heavily on results even when it re-starts its operations. The other significant sale was that of CGG, the French company providing geological, geophysical and reservoir capabilities. The collapse in the oil price has an indirect but marked impact on CGG's prospects. WTI crude oil fell by 33.7% (in US dollars) over the period under review. At the time of writing, the WTI price of $40 per barrel is still too low, we believe, to incentivise oil companies to raise exploration activity and enable CGG to flourish. There is little exposure in the portfolio to energy related companies. The EU's stimulus package has as one of its aims to encourage the transition to low carbon energy. However, we have not identified many companies that are obvious beneficiaries of this spending and which meet our investment criteria. 'Green' energy is currently more costly than conventional energies. Its growth depends more on government action as consumers have not embraced 'green' with their discretionary spending.

One of our new investments, Gaztransport et Technigaz ('GTT'), is an energy related company. GTT is a world leading engineering company that designs containment systems for the shipping and storage of liquefied natural gas ('LNG'). It is a 'play' on the growth in demand for LNG worldwide. The main opportunity lies in the shipping of LNG from North America to Asia where there is considerable potential to replace nuclear and coal power with LNG. The other purchase of note is that of ASML, the Dutch listed company. It makes equipment for the semiconductor industry, machines which are used in the production of semiconductor chips using lithography. ASML has a uniquely strong position in its field of expertise. Demand for its systems appears to be assured; and there is no sign as yet of significant competition. We also added to an existing small position in Knorr-Bremse. This German-listed company produces braking systems and associated products for rail and commercial vehicles. Its prospects depend to an extent on its continuing success in China where it is well established and where the rail and metro market remains buoyant.

Gearing
One important characteristic of the Company has changed. Earlier this year we removed gearing from the Company. Borrowings, at the end of the previous financial year, had represented 6.5% of net assets. The Company is fully invested but has no net borrowings. The uncertainties caused by the pandemic is the main reason behind our decision to remove gearing. Were circumstances to change, we can draw down borrowings instantly.

Opportunities
The squeeze on consumer spending and the expansion of state aid and spending has slightly reduced the range of investment opportunities which meet our investment criteria. The specific challenges caused by COVID-19 have weakened the business models of certain companies which depend on high volumes and discretionary spending. The greater involvement of the state in certain sectors, such as airlines, makes us wary of investing, as our aims are different from those of investing governments. European states are 'crowding out' private investment.

The other characteristics of the portfolio have not changed: concentrated, with ca.30 holdings; a collection of 'special' companies; more 'global' than the average European listed company, they are also typically less capital-intensive businesses with more intellectual property and higher margins to match. The positioning, however, has tilted slightly away from consumer related and more towards business to business ('B2B') companies. In weaker economies, with discretionary spending squeezed, we believe that those companies which deliver products and services to their customers with quantifiable and differentiated superiority are better placed. This 'rational' element is more easily found in corporate as opposed to consumer spending. One such example is Bayer, the German conglomerate. The bulk of its revenues can be described as B2B. Its crop science business is embroiled in the US courts as its well-known herbicide, Roundup, is alleged to cause cancer. The active ingredient of this product is not, according to the scientific studies, a carcinogen. We expect the company to prevail, in due course, when its superior range of products will be properly recognised. Another example of a B2B investment is Wolter Kluwer, the Dutch information company. It provides services to the legal, business, tax, accounting, finance, audit, risk, compliance, and healthcare markets. One of the effects of the pandemic is to accelerate the use of cloud services. Wolters Kluwer is a clear beneficiary of this trend as their corporate customers embrace this trend. Infineon, also a B2B company, is benefitting from increasing demand for their 'power' semiconductors, critical to developments in telecommunications, 'clean electricity' and the cloud. The company's results over the last year have vindicated our decision to retain and increase this holding after a period of share price weakness.

Outlook

The economic backdrop has changed. The IMF's April 2020 forecasts underscore the view that Europe has been more badly damaged than other regions of the world. The IMF expects world GDP to contract by 3% in 2020; and it expects a 5.8% bounce in 2021. Their forecasts for the European Union ('EU') are a 7.1% contraction in 2020 and a 4.8% improvement in 2021. To judge from the IMF's forecasts, the big winners are China and other Asian economies. These, according to the IMF, will grow their economies by more than 1% this year and by more than Europe again next year. We anticipate a severe squeeze on consumer spending in the West. In its place, government spending and intervention is increasing. The EU has agreed a stimulus package of €750 billion. Individual states are also boosting their spending. Negative interest rates reflect both governments' need to finance huge spending programmes and the difficulties of the private sector. The ECB's main refinancing rate remains 0% as it has been for the last four years; and 3-month Euribor was -0.31% at the end of May 2020, almost the same figure as a year earlier. There is an expectation that European corporate earnings will collapse this year; most analysts' forecasts are in a range of -20% to -30%. There is greater uncertainty about the earnings recovery in 2021, which is currently forecast to be in the range of 10%-25%. Any recovery is challenged by the duration and intensity of the COVID-19 crisis. There are many industries where pricing discipline is holding well. However, this discipline will be tested without a marked economic recovery. We seek to identify businesses where pricing power is more assured.

In many respects we are entering a new era. COVID-19 increases costs for businesses and consumers; debt levels are very high; interest rates are likely to remain low in the near term; the public sector is expanding; and protectionist instincts are intensifying. Our investment strategy attempts to mitigate these risks and in so doing tap into seams of growth. Our companies typically have greater geographic reach than most European companies; and our 'digital' companies should benefit from increasing demand. 'Rational' purchasing by corporates will favour those companies with products and services which are sustainably superior. We believe that our portfolio of companies is well placed to succeed and we remain confident that our investment process is an appropriate one to find these winning companies.

Alexander Darwall
Chief Investment Officer
Devon Equity Management Limited
23 September 2020

INVESTMENT PORTFOLIO
as at 31 May 2020

Company	Sector	Country of Listing	31 May 2020 Market Value £'000	31 May 2020 Percentage of Portfolio	31 May 2019 Percentage of Portfolio
Wirecard	Information Technology	Germany	95,382	10.4	14.3
Experian Plc	Industrials	United Kingdom	91,956	10.1	8.2
Novo Nordisk 'B'	Health Care	Denmark	89,852	9.8	7.4
RELX	Industrials	Netherlands	87,317	9.6	8.9
Deutsche Boerse	Financials	Germany	79,910	8.8	7.0
BioMerieux	Health Care	France	66,122	7.2	4.4
Dassault Systemes	Information Technology	France	61,864	6.8	5.0
Grifols	Health Care	Spain	58,955	6.5	3.3
Grenke	Financials	Germany	52,614	5.8	5.4
Intermediate Capital Group	Financials	United Kingdom	46,010	5.0	4.8
Genus	Health Care	United Kingdom	35,107	3.8	1.9
Bayer	Health Care	Germany	23,883	2.6	1.1
ASML	Information Technology	Netherlands	18,447	2.0	–
Edenred	Information Technology	France	18,307	2.0	2.7
Infineon Technologies	Information Technology	Germany	17,833	2.0	0.3
Ubisoft Entertainment	Communication Services	France	17,549	1.9	1.6
Barry Callebaut	Consumer Staples	Switzerland	16,852	1.8	0.9
Gaztransport et Technigaz	Energy	France	7,784	0.9	–
Arrow Global Group	Financials	United Kingdom	7,303	0.8	1.6
Knorr-Bremse	Industrials	Germany	4,265	0.5	0.1
Ossur HF	Health Care	Denmark	4,042	0.4	0.3
Smiths Group	Industrials	United Kingdom	3,525	0.4	–
Network International	Information Technology	United Kingdom	2,816	0.3	–
Wolters Kluwer	Industrials	Netherlands	2,249	0.3	0.2
Oxford Instruments	Information Technology	United Kingdom	2,222	0.2	–
KWS Saat	Consumer Staples	Germany	1,163	0.1	0.4
Total			**913,329**	**100.0**	

CLASSIFICATION OF INVESTMENTS
as at 31 May 2020

Equities	Denmark %	France %	Germany %	Spain %	UK %	Other %	2020 %	2019 %
Basic Materials							**2.6**	**–**
Chemicals	–	–	2.6	–	–	–	2.6	–
Industrials							**23.9**	**25.2**
General Industrials	–	–	–	–	0.4	–	0.4	–
Electronic & Electrical Equipment	–	–	–	–	0.2	–	0.2	–
Industrial Engineering	–	–	0.5	–	–	–	0.5	–
Support Services	–	2.0	10.4	–	10.4	–	22.8	25.2
Consumer Goods							**3.8**	**8.6**
Automobiles & Parts	–	–	–	–	–	–	–	0.1
Food Producers	–	–	0.1	–	–	1.8	1.9	2.0
Leisure Goods	–	1.9	–	–	–	–	1.9	1.6
Personal Goods	–	–	–	–	–	–	–	4.9
Health Care							**27.7**	**19.2**
Health Care Equipment & Services	–	7.2	–	–	–	0.4	7.6	4.8
Pharmaceuticals & Biotechnology	9.8	–	–	6.5	3.8	–	20.1	14.4
Consumer Services							**9.9**	**14.7**
Media	–	–	–	–	9.6	0.3	9.9	9.1
Travel & Leisure	–	–	–	–	–	–	–	5.6
Financials							**20.4**	**21.0**
Banks	–	–	–	–	–	–	–	0.7
Financial Services	–	–	14.6	–	5.8	–	20.4	20.3
Information Technology							**10.8**	**11.1**
Information Technology Hardware	–	–	2.0	–	–	2.0	4.0	0.3
Software & Computer Services	–	6.8	–	–	–	–	6.8	10.8
Oil & Gas							**0.9**	**0.2**
Oil Equipment, Services & Distribution	–	0.9	–	–	–	–	0.9	0.2
Totals	**9.8**	**18.8**	**30.2**	**6.5**	**30.2**	**4.5**	**100.0**	**100.0**

STRATEGIC REPORT

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the Directors and the Company during the financial year under review.

Business and Status
During the year, the Company carried on business as an investment trust with its principal activity being portfolio investment. The Company has been approved by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the Directors, the Company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and has no employees.

The Company is domiciled in the United Kingdom and was incorporated in England & Wales on 16 August 2000. The Company started trading on 20 November 2000.

Reviews of the Company's activities are included in the Chairman's Statement and Investment Manager's Review on pages 4 to 11.

There has been no significant change in the activities of the Company during the year to 31 May 2020 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

Investment policy
The Company will, at all times, invest and manage its assets, with the objective of spreading risk and in accordance with the following Investment Restrictions:

Notwithstanding the broad powers of investment available to the Company as a closed-ended fund, the Board has adopted the following investment restrictions:

- no single holding shall constitute more than 10% of the Company's total assets (calculated at the time of investment). The Board will pay particular attention to holdings which grow to represent more than 10% of total assets;
- the Company will not invest in unlisted securities;
- the Company will not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes;
- the Company will not invest in other listed closed-ended investment funds;
- the Company shall not take legal or management control over any investments in its portfolio; and
- not more than 50% of the Company's investments may be in securities which are not qualifying securities or government securities for the purposes of the UK ISA Regulations.

Any material change in the investment policy of the Company described above may only be made with the approval of shareholders by an ordinary resolution.

Investment Approach
The Investment Manager adopts a stock picking approach in the belief that a thorough analysis and understanding of a Company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those

companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth.

The Investment Manager will seek to identify companies which enjoy certain key business characteristics including some or all of the following:

- a strong management record and team, and the confidence that the Investment Manager has in that management's ability to explain and account for its actions;
- proprietary technology and other factors which indicate a sustainable competitive advantage;
- a reasonable expectation that demand for their products or services will enjoy long-term growth; and
- an understanding that structural changes are likely to benefit rather than negatively impact that company's prospects.

In analysing potential investments, the Investment Manager will employ differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cashflow in the long-term.

Portfolio risk
Portfolio risk is mitigated by investment in a diversified spread of investments. The Investment Manager is not constrained by benchmark weightings, sector, geographical location within Europe or market capitalisation or size of investee companies.

Borrowing Limits
The Board considers that long-term capital growth can be enhanced by the use of gearing through bank borrowings. The Board considers that the Company's level of gearing should be maintained at appropriate levels, with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions.

The Board oversees the level of gearing in the Company and reviews the position with the Investment Manager on a regular basis. In normal circumstances the Board does not expect the level of gearing to exceed 20% of the Company's total assets (calculated at the time of borrowing).

The Company renewed its loan facility with Scotiabank Europe PLC on 11 September 2020 with a maximum drawable amount of £75 million available until September 2021. The amount of £15 million was drawn down as at financial year end 31 May 2020.

Future Developments
It is the Board's ambition to grow the asset base of the Company through a combination of organic growth and new issuance of shares with a view to achieving the critical mass necessary to attract broader demand from wealth managers, IFAs and other institutional buyers of investment trust shares. The Investment Manager continues to be encouraged to use the particular advantages of an investment trust structure to enhance potential returns to shareholders, including the use of gearing and the freedom to hold high conviction positions through periods of sharp market fluctuations.

Planned Life of the Company
The Articles of Association of the Company provide that at every third Annual General Meeting an ordinary resolution shall be proposed that the Company shall continue in existence as an investment trust. If any such resolution is not passed at any of those meetings, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that to which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

As a resolution to that effect was passed at the 2017 Annual General Meeting, the next scheduled continuation vote will be at the forthcoming 2020 Annual General Meeting.

Shareholders should note that the valuations used to produce the accounts on a going concern basis might not be appropriate if the Company were to be liquidated.

Benchmark Index

During the year, the Company changed its benchmark from FTSE World Europe ex-UK Index to MSCI Europe Total Return Index in GBP following a reassessment of suitability of the previous benchmark as a comparator to the returns of the Company's portfolio. The change was proposed given the Company's meaningful exposure to UK listed stocks in recent years. It also compares performance against the MSCI Europe ex-UK Total Return Index in GBP. The change of benchmark was communicated to shareholders following the 2019 Annual General Meeting.

Dividend Policy

The Company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the Company is not permitted to retain more than 15% of eligible investment income arising during any accounting period. Accordingly, the Board's policy is to propose a modest annual dividend and one at least sufficient to enable the Company to maintain its investment trust status.

Management

The Company has no employees and most of its day-to-day responsibilities are delegated to the Company's Investment Manager and Company Secretary.

J.P. Morgan Europe Limited acts as the Company's Depositary and the Company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. for the provision of accounting and administration services.

Although Devon Equity Management Limited is named as the Company Secretary, J.P. Morgan Europe Limited provides administrative support to the Company Secretary as part of its formal mandate to provide broader fund administration services to the Company.

Risk Management & Internal Controls

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Company. This is described in more detail on page 31.

Viability Statement

In accordance with the Code of Corporate Governance issued by the Association of Investment Companies ('AIC') in February 2019 (the 'AIC Code'), the Board has assessed the longer term prospects for the Company beyond the twelve months required by the going concern basis of accounting. The period assessed is for five years to 31 May 2025.

Following review, the Board, on recommendation from the Audit Committee, has extended the period of assessment from three years to five years. The Company's investment objective is to achieve long-term capital growth and the Board regards the Company's shares as a long-term investment. On review, the Board agreed that a period of five years is considered a reasonable period for investment in equities and is appropriate for the composition of the Company's portfolio. As part of its assessment, the Board has noted that shareholders are required to vote on the continuation of the Company at three-year intervals, the next vote being at the forthcoming Annual General Meeting. The Board has sought and received feedback from shareholders and is confident that the continuation vote will be passed.

As part of its assessment of the viability of the Company, the Board has reviewed and considered the principal risks and uncertainties that may affect the Company, including emerging risks and matters relating to the COVID-19 pandemic as set out in pages 19 to 21. The Board has also considered the Company's business model including its investment objective and investment policy, a quarterly forecast of the Company's projected income and expenses and the liquidity of the Company's portfolio to ensure that it will be able to meet its liabilities as they fall due.

The Board have taken into account an assessment of the liquidity of the portfolio and considered the viability of the Company under various scenarios. Using historic market crashes and economic crises as base cases, the tests modelled the effects of severe stock market volatility on the Company's NAV and its ability to meet its liabilities. Based on the results of the tests, the Board concluded that the schedule of investment limits and restrictions put in place by the Board and the mitigating actions for the principal risks would protect the value of the Company's assets to a sufficient degree.

The Board has noted that:

- The Company holds a highly liquid portfolio invested predominantly in listed equities;
- European equities remain an attractive opportunity for investors;
- The Company has outperformed its Benchmark Index, the MSCI Europe Total Return Index, over 3, 5 and 10 years and since its launch in November 2000;
- The Company maintains a relatively low level of gearing and has at all times been comfortably compliant with its loan to value and other covenant obligations to its lender Scotiabank Europe PLC;
- The Company's ongoing charges and operational expenses are well covered by the expected levels of return and revenue and no significant increase to ongoing charges or operational expenses is anticipated; and
- The Investment Manager and other key service providers have suitable arrangements in place to ensure that they can continue to provide their services to the Company despite the COVID-19 pandemic.

The Board has also considered the Company's prospects over the next five years, the predicted demand for the Company's shares as well as market outlook, both for equity shares and investment trusts. These considerations assume:

- The Investment Manager's compliance with the Company's investment objective, its investment strategy and asset allocation;
- That the portfolio comprises sufficient readily realisable securities which can be sold to meet funding requirements if necessary;
- The continuation of the Board's discount management policy; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

The Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement in the Directors' Report on page 30.

Key Performance Indicators
At the quarterly Board meetings, the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives. The key performance indicators used to measure the performance of the Company over time are as follows:

Share price total return

to 31 May 2020	1 year (%)	3 years (%)	5 years (%)
The Company	-6.9	11.5	41.7
MSCI Europe Total Return Index in GBP	-1.9	1.0	27.2
AIC Europe peer group[1]	5.0	13.3	42.2

STRATEGIC REPORT continued

Net asset value total return to 31 May 2020	1 year (%)	3 years (%)	5 years (%)
The Company	0.1	17.4	54.8
MSCI Europe Total Return Index in GBP	-1.9	1.0	27.2
AIC Europe peer group[1]	6.8	15.8	51.2

(Discount)/Premium As at 31 May	2020	2017	2015
The Company	(7.9%)	(2.9%)	0.9%
AIC Europe peer group[1]	(8.7%)	–	–

Ongoing charges For the year ending 31 May	2020	2017	2015
The Company	0.99	0.99	0.96
AIC Europe peer group[1]	0.88	–	–

[1] The AIC Europe peer group is available at www.theaic.co.uk

Longer term performance is also monitored, as illustrated in the Chairman's Statement on page 4.

There were 8 investment trusts in the AIC Europe sector as at 31 May 2020. The Board monitors the Company's performance in relation to both the sector as a whole and the companies within the sector which the Board considers to be its peer group.

Discount to Net Asset Value
The Company's Discount Management Policy is set out in the Chairman's Statement on page 4.

Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of any ordinary shares is 105%. of the average of the middle market quotations for the ordinary shares for the five business days immediately preceding the date of repurchase. The minimum price is the nominal value of the ordinary shares.

The Board is proposing that its authority to repurchase up to approximately 14.99%. of its issued share capital should be renewed at the Annual General Meeting. The new authority to repurchase will last until the conclusion of the Annual General Meeting of the Company in 2021 (unless renewed earlier). Any repurchase made will be at the discretion of the Board considering prevailing market conditions and within guidelines set from time to time by the Board, the Companies Act, the Listing Rules and Model Code.

Treasury Shares
In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 which came into force on 1 December 2003 any ordinary shares repurchased, pursuant to the above authority, may be held in treasury. These ordinary shares may subsequently be cancelled or sold for cash. This gives the Company the ability to reissue shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital. The Company may hold in treasury any of its ordinary shares that it purchases pursuant to the share buyback authority granted by shareholders. During the financial year the Company repurchased 11,020 shares to be held in treasury at a discount of 12.72%.

Ordinary shares held in treasury may only be reissued by the Company at prices representing a premium to the net asset value per ordinary share as at the date of re-issue.

Principal Risks and Uncertainties

In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. The Board, with the support of the Audit Committee and the Investment Manager, has carried out a robust assessment of the principal and emerging risks which may impact the Company. The principal risk factors that may affect the Company and its business can be divided into the following areas:

Principal Risks and Uncertainties	Management of risks through Mitigation & Controls
Investment Strategy and Share Price Movements The Company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds.	The aim of the Board is to favour capital growth wherever possible, but it is inevitable that from time to time losses may be incurred. The Board reviews the Company's investment strategy and the risk of adverse share price movements at its quarterly Board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the Company invests.
COVID-19 The outbreak of the COVID-19 pandemic poses additional risks to the Company. Government interventions and restrictions on the movement of people and business operations have inevitably had an impact on the operations of the Company and the businesses in which it invests.	The Investment Manager continues to monitor closely the impacts of the pandemic on the businesses and sectors in which the Company invests. The Board and Investment Manager review and discuss the portfolio on a regular basis and the Board is satisfied that the Investment Manager and other key service providers have suitable arrangements in place to continue to provide services to the Company during the pandemic.
Foreign Currency Movements The Company has exposure to foreign currency through its investments.	The Board considers carefully, at its quarterly board meetings, factors which may affect the foreign currency in which the Company has an exposure, considering the economic and political climate of various regions and the prospects for sterling.
Liquidity Risk This risk can be viewed both as the liquidity of the securities in which the Company invests and the liquidity of the Company's shares. The Company may invest in securities that have a very limited market which will affect the ability of the Company's Investment Manager to dispose of securities when it no longer feels they offer the potential for future returns. Likewise, the Company's shares may experience liquidity problems when shareholders are unable to realise their investment in the Company because there is a lack of demand for the Company's shares.	The Board regularly monitors the liquidity in the Company's shares. In addition, the Board consults with the Company's brokers, Cenkos, who give advice on ways in which the Board can influence the liquidity in the Company's shares.
Gearing Risk The Company's gearing can impact the Company's performance by accelerating the decline in value of the Company's net assets at a time when the Company's portfolio is declining. Conversely, gearing can have the effect of accelerating the increase in the value of the Company's net assets at a time when the Company's portfolio is rising.	The Company's level of gearing is under constant review by the Board who consider the economic environment and market conditions when reviewing the level.

Principal Risks and Uncertainties	Management of risks through Mitigation & Controls
Discount to Net Asset Value A discount in the price at which the Company's shares trade to net asset value would mean that shareholders would be unable to realise the true underlying value of their investment.	As a means of controlling the discount to net asset value the Board has established a discount management policy which is under constant review as market conditions change. Further details of the discount management policy are described in the Chairman's Statement on page 4.
Regulatory Risk The Company operates in a complex regulatory environment and faces a few regulatory risks. A breach of section 1158 of the Corporation Tax Act 2010 could result in the Company being subject to tax on capital gains in the portfolio. Breaches of other regulations, such as the UKLA Listing Rules, could lead to a few detrimental outcomes and reputational damage. Breaches of controls by service providers could also lead to reputational damage or loss.	The Board relies on the services of its Company Secretary, Devon Equity Management Limited, and its professional advisers to ensure compliance with, amongst other regulations, the Companies Act 2006, the UKLA Listing Rules and the Alternative Investment Fund Managers' Directive.
Loss of Key Personnel The day-to-day management of the Company has been delegated to the Investment Manager. Loss of the Investment Manager's key staff members could affect investment return.	The Board takes into consideration information provided by the Investment Manager regarding its approach to attract and retain staff and its approach to succession planning. The Board also takes into consideration the availability of suitably experienced personnel to manage the Company's portfolio in the event of an emergency.
Operational Risk Failure of the Investment Manager's core accounting systems, or a disastrous disruption to its business, or that of the administration provider J.P. Morgan Chase Bank N.A., could lead to an inability to provide accurate reporting and monitoring.	The Investment Manager is contractually obliged to ensure that its conduct of business conforms to applicable laws and regulations. Details of how the Board monitored the services provided by Devon Equity Management Limited and their respective associates during the year are included within the Risk Management & Internal Controls section of the Report of the Directors on page 31.
Custody Risk The safe custody of the Company's assets and cash and holdings is the responsibility of the Company's Depositary.	The Board receives quarterly reports from the Depositary confirming safe custody of the Company's assets and cash and holdings are reconciled to the custodian's records. The Depositary's internal controls reports are reviewed by the Investment Manager and the Board and concerns are discussed as and when they may occur. The Depositary is specifically liable for loss of any of the Company's securities or cash held in custody.
Financial Reporting Risk Inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and inaccurate reporting of net asset value per share.	The Board annually reviews the Investment Manager's statements on its internal controls and procedures in addition to any financial reporting by the Company.

Principal Risks and Uncertainties	Management of risks through Mitigation & Controls
Emerging risks and uncertainties The Company may be impacted by emerging risk and uncertainties including concerns over longer term global economic growth, the long term implications of COVID-19, climate change and Brexit related uncertainties affecting European companies, markets and economies.	The Company's investing activities in pursuit of its investment objective involve certain inherent risks. The Investment Manager is responsible for actively monitoring the existing portfolio, selected in accordance with the stated investment policy, and it seeks to ensure that individual stocks also meet an acceptable risk/reward profile by reference to both principal and emerging risks.

In accordance with the AIC Code, the Board has carried out a review of the effectiveness of the system of internal control as it has operated over the year and up to the date of approval of the Annual Report and Accounts. Further information on the principal risks the Company faces in its portfolio management activities is disclosed in Note 19 of the accounts.

Directors
Biographical details of the Directors can be found on pages 25 and 26 and the Board's policy on diversity can be found on page 35. The Board currently comprises four male Directors and two female Directors.

Modern Slavery Statement
The Modern Slavery Act 2015 requires certain companies to prepare a slavery and human trafficking statement. The Company does not fall within the scope of the Modern Slavery Act 2015 and therefore no slavery and human trafficking statement is included in the Annual Report.

Environmental, Social and Governance ("ESG") Matters
The Company follows the ESG policies of the Investment Manager, for whom ESG issues are integrated into the investment process. The Board and the Investment Manager believe that companies with good practices are better placed to achieve good investment outcomes for investors over the longer term.

The Investment Manager's investment decisions are primarily driven by business and financial considerations. They are looking for companies with distinctive characteristics which they expect to yield substantial benefits to shareholders over the long term. As such, they recognise that political, environmental, and social issues are likely to have a material impact on future financial performance.

Given the Investment Manager's lengthy holding periods for investee companies, sustainability of growth is a critical consideration in assessing prospective investments. Companies which depend on unsustainable business practices are unlikely to meet the threshold required for investment. For example, the Investment Manager places great emphasis on corporate culture and the integrity of management (and undertakes extensive research in this area prior to any investment). A strong corporate culture demands a high level of employee satisfaction and is unlikely to tolerate exploitative labour, uneconomic wages, negligent or dangerous business practices. Similarly, they believe the end consumer of goods or services to be a powerful arbiter. If a company compromises on raw material quality, abuses their supply chain, or underinvests in their workforce, product and/or service quality is likely to suffer. This would have the effect of turning consumers away from the product, damaging the brand, and lowering future growth prospects. Such considerations are central to the Investment Manager's investment process.

The Investment Manager recognises that certain industries and countries with weak environmental or governance structures present additional business risks for prospective investee companies. As part of its diligence process it will become aware of where and how such risks exist. However, provided that all applicable laws and regulations are applied and adhered to, the Investment Manager defers to the judgement of management teams as to the appropriateness of operating in any such industry or jurisdiction. If such activities change the Investment Manager's risk perception of an industry or company, they may preclude an investment. To provide some context of how this might apply to the Investment Manager's view of risk, over the past 23 years funds managed by Alexander Darwall (CIO) have invested in commodity related companies extremely rarely and have always been structurally underweight relative to the Benchmark.

The Investment Manager is compliant with the UK Stewardship Code and will seek to become a signatory in 2021. The Code's principles of management and emphasis on active engagement are closely aligned with the Investment Manager's investment philosophy. The Investment Manager's concentrated, long term approach affords ample scope to engage with investee management teams on issues relating to culture, governance, and enduring sustainability. It is their belief that these core characteristics of its investment approach are the most effective way for the Investment Manager to uphold high standards of governance.

The Investment Manager obtains third party ESG rankings for all current and prospective investments. Their aim in doing so is to identify risks that might have been overlooked or underestimated in their proprietary research process. Where the ranking is low, they conduct additional due diligence to understand the drivers, and consider (i) whether these deficiencies represent a material risk to the investment case and (ii) whether the investee company's management team have a credible strategy to improve in the key areas identified.

Where the Investment Manager considers shortcomings to be within the control of the investee company (rather than due to a quirk or technical flaw in the ratings process), they will engage directly with the investee company's management team to address the issues. Their engagement has two aims: (1) to understand why the investee company currently falls short on certain performance metrics and (2) to learn of the remedial measures the company has in place to address these shortcomings.

In situations where the Investment Manager fails to see a clear and credible plan they will, in the first instance, write to the investee company's management team expressing their concerns and urging remedial action. If the deficiencies persist, the Investment Manager may vote against management on certain resolutions at the annual general meeting. Those resolutions may include director remuneration and/or re-election.

The Investment Manager will report via its website, www.devonem.com, on an annual basis with an ESG analysis of its client investment portfolios, details of its engagement with investee management teams and a summary of its voting history, specifically highlighting where it has voted against management resolutions.

Section 172 Statement

Under section 172 of the Companies Act 2006, the Directors have a duty to act in good faith and to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, the Directors must have regard to:

(i) the long term impact of any decision;

(ii) the need to foster the Company's relationship with stakeholders, including its shareholders, service providers and investee companies;

(iii) the impact of the Company's operations on the wider community and the environment;

(iv) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(v) the need to act fairly between members of the Company.

As an investment trust, the Company has no employees or physical assets; our stakeholders include our shareholders and service providers, such as the Investment Manager, AIFM and other third party service providers such as the Depositary, Custodian, Lender, Registrar, Auditors, Broker and Administrator.

The Board is responsible for promoting the long-term sustainable success of the Company for the benefit of its shareholders. The Board ensures that Directors are able to discharge their duties by, amongst other things, providing them with relevant information and training on their duties. At all times, the Directors can access as a Board, or individually, advice from its professional advisers including the Company Secretary, lawyers and Auditors.

Whilst certain responsibilities are delegated, the Board has established terms of reference for its Committees which are reviewed regularly by the Board. The Board has set the parameters within which the AIFM and Investment Manager operate and these are set out under the terms of agreements with FundRock and Devon and minutes of board meetings.

Shareholders
The Board encourages communications with all shareholders. Annual and Half-Yearly reports are issued to shareholders and the Company publishes regular updates and monthly fact sheets to its website www.europeanopportunitiestrust.com. The Board regularly reviews shareholder feedback to ensure that shareholder views are taken into consideration as part of any decisions taken by the Board. The Chairman actively seeks to engage with shareholders and attended meetings with investors during the year.

In normal circumstances, the Board values very highly the opportunity to meet shareholders in person at its Annual General Meeting. However, the health and safety of the Company's shareholders, advisers and Directors are of paramount importance. On this basis, and assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend this year's Annual General Meeting in person. Shareholders are invited to submit questions to the Board in advance of the meeting. Further information on the arrangements for this year's Annual General Meeting can be found in the Chairman's Statement on pages 7 and 8 and in the Notice of Annual General Meeting and accompanying notes on pages 88 to 92.

Investment Manager & AIFM
On 15 November 2019, the management of the Company's portfolio was transferred to Devon, an FCA regulated business founded by Alexander Darwall, Luca Emo (his assistant fund manager on our portfolio) and Richard Pavry, the former head of investment trusts at Jupiter Asset Management. Devon acts as Investment Manager and FundRock acts as the Company's AIFM with responsibility for additional risk oversight in accordance with the requirements of European law. The Board regularly meets with senior representatives from Devon and FundRock and pays particular attention to the control procedures and processes in place at Devon and FundRock to ensure that the investment management operations for the Company continue to be handled with the appropriate level of resource and professionalism.

Other service providers
The Board, with the support of its Management Engagement Committee, reviews the terms of appointment and performance of the Company's service providers to ensure that services provided to the Company are managed efficiently and effectively for the benefit of the Company's shareholders. The Investment Manager and AIFM oversee the activities of the Company's other service providers and the Board receives regular updates and reports from service providers at its board meetings. The Audit Committee serves as the primary point of contact for the Company's Auditors and is responsible for reviewing the performance of the Auditors on an annual basis.

Principal Decisions
The Directors take into account s.172 considerations in all material decisions of the Company. Examples of this can be seen as follows:

- During the financial year, the Board was informed that Alexander Darwall had taken preparatory steps to launch a new investment management company, Devon. The Board decided to investigate the possibility of appointing Devon to advise on its investment portfolio. During this process, the Board consulted with major shareholders and also appointed a firm of specialist professional advisers to conduct a due diligence exercise on both Devon and a proposed new AIFM, FundRock. The Board negotiated new fee arrangements with Devon and FundRock, including the removal of a performance fee entitlement and sought to reduce costs for shareholders as part of the transition process. The Board pays particular attention to the control procedures and processes in place at Devon and FundRock to ensure that the investment management operations for the Company continue to be handled with the appropriate level of resource and professionalism.

- The Board established a Management Engagement Committee with responsibility for reviewing management arrangements and the performance of the Investment Manager, AIFM and other service providers. The Board's decision to establish a dedicated committee for oversight of the performance of the Investment Manager, AIFM and other key service providers was informed by the recommendations of the AIC Code. The Management Engagement Committee will serve to support the Board in its engagement with and oversight of the Company's service providers to ensure that high standards of service are maintained for the benefit for the Company and its shareholders.

- During the financial year, the Board approved the appointment of Sharon Brown as an independent non-executive Director and Chairman of the Audit Committee. During the selection process, the Board sought to identify a candidate with in depth knowledge and experience of financial reporting in order to enhance the overall balance of skills and experience on the Board and its Audit Committee. The Board, with the support of its Nomination Committee, continues to consider future succession planning and reviews the performance of the Board and its Directors on an annual basis to ensure that the Board and its Committees have a combination of skills, experience and knowledge and that the membership of the Board is regularly refreshed.

- On 10 June 2020, the Board, on recommendation from its Nomination Committee, approved the appointment of Philip Best as Senior Independent Director to serve as a sounding board for the Chairman and an intermediary for the other Directors and shareholders. The appointment of a Senior Independent Director will serve to enhance the effectiveness of the Board and is in keeping with the recommendations of the AIC Code.

- The Board engaged an external consultant to conduct an evaluation of the Board, the Chairman and individual Directors during 2020. An externally facilitated evaluation will serve to provide an independent view on the performance of the Board and to identify any strengths and weaknesses which can be taken into consideration to enhance the overall effectiveness of the Board.

The structure of the Board and its Committees and the decisions it makes are underpinned by the duties of the Directors under the Companies Act, 2006 and the provisions of the AIC Code.

Capital Gains Tax information
The closing middle market price of ordinary shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.

For and on behalf of the Board

Andrew Sutch
Chairman
23 September 2020

THE BOARD OF DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing of the accounts were:

Andrew Lang Sutch*
A Director since: 10 October 2011
Last re-elected to the Board: 2019

(Chairman) is a solicitor and was formerly the senior partner of Stephenson Harwood. He is a corporate lawyer and has for much of his career advised investment trusts and other investment funds. He is the chairman of J.P. Morgan Claverhouse Investment Trust PLC and Hipgnosis Songs Fund Limited.

Philip Edward Fraser Best*
A Director since: 12 May 2009
Last re-elected to the Board: 2019

(Senior Independent Director) is an investment manager based in Geneva, where he co-founded Quaero Capital and is the fund manager of The Argonaut Fund, – a Luxembourg- listed UCITS created in 2003. Prior to that he worked in broking at Jefferies & Co and Enskilda Securities, after starting out as a fund manager at Mercury Asset Management in the 1980s.

Sharon Brown*
A Director since: 1 August 2019
Elected to the Board: 2019

(Chairman of the Audit Committee) is a non-executive director and chairman of the audit committees of BMO Capital & Income Investment Trust PLC, The Baillie Gifford Japan Trust PLC and Celtic PLC. Between 1998 and 2013 she was finance director of Dobbies Garden Centres PLC and previously served as a non-executive director and chairman of the audit committee of Fidelity Special Values PLC and McColl's Retail Group PLC. Ms Brown is a Fellow of the Chartered Institute of Management Accountants.

THE BOARD OF DIRECTORS continued

The Rt Hon Lord Lamont of Lerwick*
A Director since: 24 June 2015
Last re-elected to the Board: 2019

(Chairman of the Remuneration Committee) was Chancellor of the Exchequer from November 1990 to May 1993 and has been a member of the House of Lords since 1998. He is a director or adviser to a number of companies in the financial sector including Stanhope Capital and the Small Companies Dividend Trust PLC and was previously a director of NM Rothschild, Rothschild Asset Management and Jupiter Second Split Trust PLC.

John David Arnold Wallinger**
A Director since: 3 October 2000
Last re-elected to the Board: 2019

has over forty years' experience in investment management and financial services, most recently having been chairman of Zebedee Focus Fund, Zebedee Growth Fund and Zebedee Trading Fund, all European hedge funds. Prior to that he was a director of Euroland Plus (Smaller Companies) PLC, non-executive chairman of Hardt Group Capital Limited, an Austrian fund management group, and vice chairman of S. G. Warburg International, where he started their European Equity business, under the aegis of Warburg Securities, and was then an executive director of UBS A.G. Mr Wallinger was a member of the Association of Institutional Investment Management & Research. Mr Wallinger has advised the Board of his intention to retire and will not be seeking re-election at this year's Annual General Meeting.

Virginia Holmes*
A Director since: 7 November 2017
Last re-elected to the Board: 2019

currently serves on the investment committee of the UK Universities Superannuation Scheme and chairs its investment management subsidiary, is chair of British Airways Pension Trustees Ltd and is a non-executive director of Intermediate Capital Group and USS Investment Management Limited. Her executive experience includes serving as chief executive of AXA Investment Managers in the UK and more than a decade with the Barclays Bank Group.

* Members of the Audit, Remuneration, Nomination and Management Engagement Committees.
** Member of the Nomination Committee and Management Engagement Committee.

Responsibility for effective governance lies with the Board, whose role is to promote the long-term success of the Company. The governance framework of the Company reflects the fact that, as an externally managed investment company, most of its day-to-day responsibilities are delegated to service providers as detailed on pages 16 and 30. The Board generates value for shareholders through its oversight of service providers and management of costs associated with running the Company.

The Board

Chair - Andrew Sutch
Senior Independent Director - Philip Best
Four additional non-executive Directors, all considered to be independent.

Key responsibilities:

– to promote the long-term sustainable success of the Company, generating value for shareholders;
– to ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
– to establish a framework of prudent and effective controls which enable risk to be assessed and managed;
– to ensure that the Company meets its responsibilities to shareholders and stakeholders and encourage participation and engagement from all key stakeholders.

Audit Committee

Chair – Sharon Brown

Key responsibilities:

– to review the Company's financial reports;
– to keep under review the adequacy and effectiveness of the Investment Manager's and other key service providers' internal control and risk management systems;
– to act as primary contact for the external Auditors, to review the independence and performance of the external Auditors and review the Auditors' remuneration.

Management Engagement Committee

Chair – Andrew Sutch

Key responsibilities:

– to review the contractual arrangements and performance of the Investment Manager, AIFM and other key service providers

Remuneration Committee

Chair – The Rt Hon Lord Lamont of Lerwick

Key responsibilities:

– to set the remuneration policy of the Company and keep under review the remuneration of the Directors.

Nomination Committee

Chair – Andrew Sutch

Key responsibilities:

– to review the Board's structure and composition;
– to make recommendations to the Board with respect to its policy on tenure, diversity and succession planning.

All Directors of the Company, except for John Wallinger, are members of the Audit and Remuneration Committees. All Directors are members of the Management Engagement and Nomination Committees. Copies of the terms of reference, which clearly define the responsibilities of each Committee, can be found on the Company's website at www.europeanopportunitiestrust.com.

No Director holds a Directorship elsewhere in common with another member of the Board.

DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of the Company for the year ended 31 May 2020.

Company Overview
The Company is incorporated in England & Wales as a public limited company. It is an investment company as defined in Section 833 of the Companies Act 2006 and its ordinary shares are admitted to the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company changed its name from Jupiter European Opportunities Trust PLC to European Opportunities Trust PLC on 14 November 2019.

The objective of the Company is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, considering economic trends and business development. Details on Future Developments for the Company are provided in the Strategic Report on page 15.

The Company operates as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended). The Company currently manages its affairs so as to be a qualifying investment trust under the Individual Savings Account (ISA) rules. As a result, under current UK legislation, the ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit, currently £20,000, in each tax year. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

Statement regarding the Annual Report and Accounts
The Board, with the support of the Audit Committee, has reviewed the Annual Report and Accounts of the Company for the year ended 31 May 2020 and considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. Further information is provided in the Strategic Review.

There were no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4 during the financial year under review.

Disclosure of Information to the Auditors
The Directors are not aware of any relevant audit information of which the Company's Auditors are unaware. The Directors also confirm that they have taken all the steps required of a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Results and Dividends
The results for the year are set out in the Income Statement and Balance Sheet on pages 56 and 57 and the Notes to the Accounts on pages 60 to 76.

The Board recommends payment of a final dividend of 3.5p to shareholders at this year's Annual General Meeting. Subject to shareholder approval, the final dividend will be paid on 27 November 2020 to shareholders who are on the register at close of business on 23 October 2020 with an ex-dividend date of 22 October 2020.

Share capital
During the year the Company issued 75,000 additional ordinary shares. As at 31 May 2020 the Company's issued share capital consisted of 112,875,331 ordinary shares of 1 pence each, of which 11,020 were held in treasury. The total number of voting rights in the Company as at 31 May 2020 was 112,864,311. Since the financial year end, the Company has purchased 270,000 of its ordinary shares to be held in treasury.

All the Company's shares are fully paid and carry one vote per share. The ordinary shares carry no additional obligations or special rights. There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office. The Company has no employees and therefore does not have an employee share scheme.

Notifiable Interests in the Company's Voting Rights
In accordance with the FCA's Disclosure and Transparency Rules, the Company has been notified of the following substantial interests in the ordinary shares amounting to 3% or more of the voting rights held in the Company as at 31 May 2020.

Shareholder	Shares held at date of disclosure	% total voting rights at date of disclosure
Investec Wealth & Investment Limited	4,757,982	4.66

On 9 June 2020, the Company received a notification from Alexander Darwall advising that he held 3,635,536 ordinary shares representing 3.2% of the total voting rights attaching to shares in the Company. On 8 July 2020, Alexander Darwall advised that he had purchased an additional 100,000 ordinary shares, increasing his personal shareholding in the Company to 3,735,536, representing 3.3% of the total voting rights of the Company.

On 24 August 2020, the Company received a notification from 1607 Capital Partners, LLC advising that it held 5,709,219 ordinary shares representing 5.06% of the total voting rights attaching to shares in the Company.

Directors
A list of the Directors of the Company and their biographies can be found on pages 25 and 26. All Directors held office throughout the year under review, except for Sharon Brown, who was appointed on 1 August 2019 and subsequently elected by shareholders at the 2019 Annual General Meeting.

The Board has adopted a policy that all Directors should stand for re-election on an annual basis. The Board, with the support of the Chairman and the Nomination Committee, is satisfied that the performance of each of the Directors continues to be effective and is satisfied that each Director demonstrates commitment to their role. The Board recommends the re-election of each of the Directors at this year's Annual General Meeting, with the exception of John Wallinger who will retire at the conclusion of this year's Annual General Meeting.

Directors' Remuneration and Interests
The Directors' Remuneration Report and Policy on pages 41 to 44 provide information on the remuneration and shareholdings of the Directors.

Directors' and Officers' Liability Insurance and Indemnification
During the year under review the Company purchased and maintained liability insurance for its Directors and Officers as permitted by Section 233 of the Companies Act 2006.

The Company has indemnified each of its Directors to cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and at the date of approval of these accounts.

Conflicts of Interest
Each Director has a statutory duty to avoid a situation where he has or might have a direct or indirect interest which conflicts or might conflict with the interests of the Company, unless, in accordance with the Articles of Association, the relevant conflict or potential conflict has been authorised by the Board. The Directors have declared all potential conflicts of interest with the Company. The register of potential conflicts of interests is reviewed regularly by the Board and all Directors will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Bribery Prevention Policy
The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board takes its responsibility to prevent bribery very seriously. To aid the prevention of bribery being

committed for the benefit of the Company, Devon has adopted a Bribery Prevention Policy. Devon will advise any changes to the policy to the Board. Directors are also required to declare any gifts or entertainment received in relation to their roles as Directors and these are entered on a gift register which is reviewed at quarterly board meetings.

Management Arrangements

With effect from 15 November 2019, the Company appointed FundRock as its AIFM in place of Jupiter Unit Trust Managers Limited. Under the terms of a Portfolio Management Agreement, FundRock has delegated certain portfolio management functions to Devon, as delegated Investment Manager to FundRock, in substitution for the Company's former investment manager, Jupiter Asset Management Limited.

Under the early termination arrangements agreed with Jupiter, a base management fee continued to accrue and be payable to Jupiter after termination up to 31 May 2020. Details of fees payable to Jupiter during the financial year are also set out in Note 20 of the Annual Report and Accounts.

In the period from 15 November 2019 to 31 May 2020, in addition to the fee payable to Jupiter, the Company paid a fee of 0.03% per annum of net assets to FundRock and a management fee of 0.10% per annum of net assets to Devon.

With effect from 1 June 2020, FundRock and Devon are paid aggregate management fees of 0.90% per annum of net assets up to £1 billion and 0.80% per annum on any net assets over this amount. No performance fee is payable to Devon or FundRock.

A summary of management fees paid to FundRock and Devon during the year is set out in Note 20 of the Annual Report and Accounts.

In order to position the Company for any change in the regulatory environment in the United Kingdom post Brexit, the Board proposes to switch the entity within the FundRock group that acts as its AIFM from FundRock to its wholly owned and UK regulated entity, FundRock Partners Ltd. This appointment is subject to regulatory approval. There will be no change to the terms of engagement or fees payable to the AIFM.

J.P. Morgan Europe Limited ('J.P. Morgan Europe') acts as Depositary to the Company for cash monitoring, safekeeping of financial instruments and other assets and oversight. J.P. Morgan Europe has entered into an internal delegation agreement with J.P. Morgan Chase Bank N.A. ('J.P. Morgan Chase') to delegate the custody functions to it.

Although Devon is both the Investment Manager and the named Company Secretary to the Company, its secretarial and fund administration services have been delegated to J.P. Morgan Europe Limited. Independence from the Investment Manager in the Company's administration and in shareholder communications are considered key governance issues for the Company.

AIFMD Disclosures

Under the requirements of the Alternative Investment Fund Managers' Directive ('AIFMD'), FundRock is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds including the Company. Details of these disclosures can be found on pages 81 and 82.

Going Concern

The accounts have been prepared on a going concern basis. The Board noted that the Company has access to a flexible loan facility with a maximum drawable amount of £75 million available until September 2021 which it renewed on 11 September 2020. The Board, on recommendation from the Audit Committee, consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses.

In determining the appropriateness of the going concern basis, the Directors gave particular focus this year to the operational resilience and ongoing viability of the Investment Manager and other key third-party suppliers in light of the economic uncertainty arising from the COVID-19 pandemic. The Directors were satisfied that all key third-party suppliers had quickly and effectively put in place contingency planning measures to ensure that operational functionality was not affected as a result of the COVID-19 pandemic and that regular monitoring of these measures was in place.

In assessing the viability of the Company, the Directors focused on: whether the Company's strategic and investment objectives continue to be achievable in the current economic climate; the size threshold below which the fund would be considered uneconomic or unviable; and the Company performance and attractiveness to investors in the current environment. The Directors were satisfied that there were no viability issues that would affect the going concern of the Company.

The Directors continue to adopt the going concern basis of accounting in preparing the accounts while recognising that the Articles of Association of the Company require a continuation vote at every third Annual General Meeting, including this year's Annual General Meeting scheduled to be held on 16 November 2020. The Investment Manager and the Company's brokers engage with shareholders on an ongoing basis and the Board, having taken into account the composition of shareholders of the Company, the results of previous continuation votes and the ongoing demand for shares in the Company, considers it to be likely, at this juncture, that the Company's continuation vote by shareholders at this year's Annual General Meeting will be passed. Further information regarding the planned life of the Company can be found on page 15.

Risk Management & Internal Controls
In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness.

The Company receives services from FundRock, Devon, J.P. Morgan Chase and J.P. Morgan Europe relating to its investment management, global custody, depositary and certain accounting and administration services. Contractual arrangements are in place with FundRock, Devon, J.P. Morgan Chase and J.P. Morgan Europe which define the areas where the Company has delegated authority to them.

The Board, through its Audit Committee, has reviewed the effectiveness of the Company's internal control systems which aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and appropriate risk management and control processes are embedded in the day to day operations of its key service providers. Further detail of this review is provided in the Report of the Audit Committee on page 38. In addition, the Board engaged Optima Consulting Partners to undertake a due diligence review on behalf of the Company prior to the appointment of FundRock and Devon to provide comfort to the Board that appropriate controls, procedures and reporting would continue to enable the Board to discharge its oversight responsibilities effectively.

During the COVID-19 outbreak, the Board held a meeting with the Investment Manager and sought comfort that the Investment Manager and key service providers had implemented appropriate arrangements to ensure services continued to be delivered to the Company.

The Company does not have an internal audit function. The Audit Committee considers whether there is a need for an internal audit function on an annual basis. As most of the Company's functions are delegated to third-party suppliers the Board does not consider it necessary for the Company to establish its own internal audit function.

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. As the Company has no material operations and therefore has low energy usage, it has not included an energy and carbon report.

Shareholder Relations
The Board considers engagement with shareholders an important function and aims to ensure that shareholders are kept fully informed of key developments in the Company's business through the Annual and Half-Yearly Report & Accounts as well as the daily announcement of the net asset values of the Company's ordinary shares to the London Stock Exchange. Details of top portfolio holdings are published to the London Stock Exchange each month. Further details and updates can also be found on the Company's website www.europeanopportunitiestrust.com.

In normal circumstances, the Board values very highly the opportunity to meet shareholders in person at its Annual General Meeting. However, the health and safety of the Company's shareholders, advisers and Directors are of paramount importance. On this basis, and assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend this year's Annual General Meeting in person. Shareholders are invited to submit questions to the Board in advance of the meeting. Further information on the arrangements for this year's Annual General Meeting can be found in the Chairman's Statement on pages 7 and 8 and in the Notice of Annual General Meeting and accompanying notes on pages 88 to 92.

Engagement with Stakeholders
Further information on how the Board engages with its shareholders and other stakeholders can be found in the section 172 statement on pages 22 to 24.

UK Stewardship Code and the Exercise of Voting Powers
The Financial Reporting Council ('FRC') updated the UK Stewardship Code with effect from January 2020. The Investment Manager is compliant with the UK Stewardship Code and will seek to become a signatory in 2021. The Board has granted Devon discretion to exercise the Company's voting rights and does not intend to apply separately to become a signatory to the revised code. Details of Devon's Proxy Voting Policy and Stewardship Report are available on the Investment Manager's website: www.devonem.com.

The Investment Manager aims to act in the best interests of the Company's shareholders by engaging with the companies that they invest in, and by exercising voting rights with care. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of the Company's funds. The Board and the Investment Manager believe that institutional investors should exercise their voting rights at general meetings.

In order to assist in the assessment of corporate governance and sustainability issues, Devon subscribes to external corporate governance and sustainability research and data providers. While Devon takes proxy advisers' recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not automatically followed when deciding how to vote. In some instances, a Devon employee will attend an annual general meeting in person or appoint a representative to attend the meeting and vote on its behalf.

Annual General Meeting
This year's Annual General Meeting will be held at the offices of Devon Equity Management Limited, 123 Victoria Street, London, SW1E 6DE at 11.00 am on Monday, 16 November 2020. Resolutions relating to the following special business will be proposed:

Resolution 12: Continuation Vote
The Articles of Association of the Company provide that at every third Annual General Meeting an ordinary resolution be proposed that the Company shall continue in existing as an investment trust. If such resolution is not passed, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

Resolution 13: Authority to Allot Shares
The Directors are seeking to renew their authority to allot up to 37,531,437 ordinary shares which is representative of approximately 33% of the current issued share capital.

The Directors believe that it would be beneficial to the Company for them to allot shares whenever they consider that it would be in the best interests of the Company's existing shareholders to do so. The shares will only be issued at a premium to net asset value at the time of issue.

Resolution 14: Authority to disapply pre-emption rights
This resolution seeks authority for the Directors to allot shares for cash without first offering them to existing shareholders. The Directors are seeking authority to allot up to 11,259,431 ordinary shares without first offering them to existing shareholders. This is representative of approximately 10% of the current issued share capital.

New ordinary shares will only be issued at prices greater than the prevailing net asset value.

Resolution 15: Authority to buy back shares
Resolution 15 seeks shareholder approval for the Company to renew the power to purchase its own ordinary shares. The Directors believe that the ability of the Company to purchase its own ordinary shares in the market will potentially benefit all shareholders of the Company. The purchase of ordinary shares at a discount to the underlying net asset value would enhance the net asset value on the remaining ordinary shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

The Company is seeking shareholder approval to repurchase up to 16,877,887 ordinary shares, representing approximately 14.99% of the Company's issued share capital.

The decision as to whether to repurchase any ordinary shares will be at the absolute discretion of the Board. Ordinary shares repurchased under this authority may either be held by the Company in treasury for resale or cancelled. The Company will fund any purchases by utilising existing cash resources or loan facilities.

The Board has determined the following policies in respect of the Investment Manager's discretion in the use of treasury shares. Treasury shares will only be reissued at a premium to net asset value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

The authorities sought under resolutions 13, 14 and 15 will expire at the conclusion of the 2021 Annual General Meeting.

Resolution 16: Notice of General Meetings
The Board believes that it is in the best interests of shareholders of the Company to have the ability to call meetings on 14 clear days' notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the Annual General Meeting to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required. The approval will be effective until the Company's next Annual General Meeting. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Directive before it can call a general meeting on 14 clear days' notice.

The full text of resolutions is set out in the Notice of Annual General Meeting on pages 88 to 90. The Board considers the resolutions proposed to be in the best interests of the Company and shareholders as a whole and recommends that shareholders vote in favour of each of these resolutions, as the Directors intend to do in respect of their own holdings.

By order of the Board

Devon Equity Management Limited
Company Secretary
23 September 2020

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions of the UK Code of Corporate Governance, as well as setting out additional provisions on issues that are of specific relevance to investment trust companies. The AIC Code is available on www.theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Board considers that the Company has complied with the principles and provisions of the AIC Code throughout the financial year under review.

The Company has complied with all of the recommendations of the AIC Code, and, except as set out below, the relevant provisions of the UK Corporate Governance Code:

- The role of the chief executive;
- Executive director's remuneration; and
- The need for an internal audit function.

For the reasons set out in the AIC guide and as explained in the UK Corporate Governance Code, the Board considers these provisions not relevant to the position of the Company, being an externally managed investment company with no executive directors, employees or internal operations.

The Board notes the recommendations of the AIC Code and, where possible, has sought to include further detail in the statement below to explain how the principles and provisions of the AIC Code are being applied.

The Board

Role of the Board

The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company. The Board receives monthly reports and meets at least four times a year to review the performance of the Company's investments and to consider matters specifically reserved for its review. The Board also reviews the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

The Directors, in the furtherance of their duties, are entitled to take independent professional advice at the expense of the Company.

Composition

As at 31 May 2020, the Board comprised six non-executive Directors, all of whom are considered to be independent. On 1 August 2019, Sharon Brown was appointed as an independent non-executive Director of the Company. John Wallinger has advised the Board that he will not seek re-election at this year's Annual General Meeting and will retire at the conclusion of this year's Annual General Meeting.

The Company has no executive directors and no employees. On 10 June 2020, the Board, on recommendation from the Nomination Committee, approved the nomination of Philip Best as Senior Independent Director. The Senior Independent Director serves as a sounding board for the Chairman and an intermediary for the other Directors and shareholders. The Directors' biographies can be found on pages 25 and 26.

Board Diversity
It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable each Director to contribute individually, and as part of the Board team, to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity in appointing new directors.

Appointment of Directors
At the Nomination Committee meeting held on 1 July 2019, it was agreed that the appointment of an additional director, preferably with an accounting background, would complement the existing skills and experience on the Board. Further to an initial interview with the Chairman and a second stage interview with The Rt Hon. Lord Lamont of Lerwick and Virginia Holmes, Sharon Brown was recommended as a strong candidate to join the Board. Sharon Brown was appointed as an independent non executive Director on 1 August 2019 and succeeded Philip Best as Chair of the Audit Committee on 14 November 2019.

Taking into consideration John Wallinger's retirement at the conclusion of this year's Annual General Meeting and the intention of Philip Best and the Chairman to retire in 2021 and 2022 respectively, the Board, led by the Nomination Committee, will consider succession plans in early 2021 to ensure that the Board retains an appropriate balance of skills and experience, having due regard to the benefits of diversity.

Tenure
The Board does not consider it appropriate that Directors should be appointed for a specific term.

Re-election of Directors
The Board has adopted a policy of annual re-election for all Directors as a matter of best practice, as recommended by the AIC Code.

John Wallinger will not offer himself for re-election at this year's Annual General Meeting. The Board, having considered the individual contribution and skills of each of its members, is recommending that all other Directors be re-elected at the forthcoming Annual General Meeting.

Directors' Training
Although no formal training in Corporate Governance is given to Directors, the Directors are kept up to date on Corporate Governance issues through bulletins and training materials provided from time to time by the Company Secretary. The Board may obtain training in Corporate Governance on an individual basis.

Directors' Performance Evaluation
During the financial year, the Board, led by the Chairman, conducted an assessment of the effectiveness of the Board as a whole, the performance of the Chairman and the performance of individual Directors. The Board members each completed a formal evaluation questionnaire and responses collated by the Company Secretary were then reviewed and discussed by the Board.

On 10 June 2020, the Board, on recommendation from the Nomination Committee, approved the engagement of an independent HR consulting firm, Tyzack, to conduct an externally facilitated interview process for the evaluation of the Board's performance and that of the Chairman and individual Directors. Tyzack does not have any other connection with the Company or individual Directors.

Board Committees
The Board has established Audit, Nomination, Remuneration and Management Engagement Committees. Details of the role of each Committee and its members can be found on page 27.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT continued

Audit Committee
The role of the Audit Committee and the principal activities carried out by the Audit Committee are disclosed in the Report of the Audit Committee on page 38.

With reference to provision 8.2 of the AIC Code, the Audit Committee notes that the Chairman of the Board was independent on appointment and considers his appointment as a member of the Audit Committee to be appropriate having regard to his skills, experience and valued contributions, which enhance the overall effectiveness of the Audit Committee.

Nomination Committee
The Nomination Committee is responsible for reviewing the Board's structure and composition and making recommendations to the Board with respect to its policies on tenure, diversity and succession planning. The Nomination Committee leads the process for appointment of additional or replacement directors, having regard to the requirements of the Company's business and the need to have a balanced Board. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the Company's business, having due regard to the benefits of diversity. The Nomination Committee is also responsible for supporting the annual performance evaluation of the Board and individual Directors, led by the Chairman. Further information on the principal activities of the Nomination Committee during the year under review is set out the paragraphs above.

Remuneration Committee
The role of the Remuneration Committee and the principal activities carried out by the Remuneration Committee are disclosed in the Directors' Remuneration Report on page 41.

Management Engagement Committee
The Board established a Management Engagement Committee during the year under review with responsibility for reviewing the contractual arrangements and performance of the Investment Manager, AIFM and other key services providers, excluding the Auditors, which are reviewed by the Audit Committee. The inaugural meeting of the Management Engagement Committee took place on 10 June 2020.

The Board, with the support of the Management Engagement Committee, reviewed the terms of appointment and performance of the Investment Manager and AIFM, and has concluded that the continuing appointment of the Investment Manager and AIFM is in the best interests of the Company. In order to position the Company for any change in regulatory environment in the United Kingdom post Brexit, the Board proposes to switch the entity within the FundRock group that acts as its AIFM to its wholly owned and UK regulated entity, subject to regulatory approval. There will be no change to the terms of engagement or fees payable to the AIFM. The Board pays particular attention to the control procedures and processes in place and has concluded that these continue to be handled with the appropriate level of resource and professionalism.

The Board, with the support of the Management Engagement Committee and Investment Manager, reviewed the performance of its other key service providers and is satisfied that each party continued to provide the required level of service and support to the Company.

The terms of reference of each Committee are available on the Company's website www.europeanopporunitiestrust.com.

Directors' Attendance at Meetings for the year ended 31 May 2020[1]

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Andrew Sutch	5/5	3/3	1/1	1/1	1/1
Philip Best	5/5	3/3	1/1	1/1	1/1
Sharon Brown*	3/5	1/3	N/A	N/A	1/1
Virginia Holmes	5/5	3/3	1/1	1/1	1/1
The Rt Hon Lord Lamont of Lerwick	5/5	3/3	1/1	1/1	1/1
John Wallinger	5/5	N/A	N/A	1/1	1/1

* Sharon Brown was appointed on 1 August 2019

[1] The Board established a Management Engagement Committee during the year under review. The inaugural meeting of this Committee was held on 10 June 2020 and all Directors were in attendance.

For and on behalf of the Board

Andrew Sutch
Chairman
23 September 2020

REPORT OF THE AUDIT COMMITTEE

Role of the Audit Committee
The primary responsibilities of the Audit Committee are to ensure the integrity of the financial reporting by the Company, the appropriateness of the risk management and internal controls processes and the effectiveness of the independent audit process. This report details how we carry out this role.

During the year the principal activities carried out by the Audit Committee were:

- **Financial Reporting:** The Committee reviewed the Company's half yearly and annual financial reports, including any significant accounting matters and agreed the appropriateness of accounting policies adopted. The Committee reviewed and assessed the Company's viability statement and the appropriateness of preparing the Company's financial reports on a going concern basis. We considered and are satisfied that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;

- **External audit tender:** In 2019, the Committee led an audit tender process to replace Ernst & Young LLP ('EY') as independent Auditors of the Company. EY had served as Auditors of the Company since its launch in 2000. On conclusion of the audit tender process, the Board, on recommendation from the Committee, recommended the appointment of PricewaterhouseCoopers LLP ('PwC') as independent Auditors of the Company and they have completed the audit for the year ending 31 May 2020;

- **AIC code:** The Committee reviewed and considered the Company's compliance with the new AIC Code and recommended changes to its terms of reference in compliance with the new Code;

- **Risk and internal control:** The Committee reviewed and agreed changes to the Company's risk register, and agreed a process for recording and monitoring emerging risks of potential relevance to the Company. The Committee also considered the internal control reports received from the Investment Manager, Depositary and Custodian, the effectiveness of the Company's internal control environment and the need for the Company to have its own internal audit function.

- **External Auditors:** The Committee reviewed the independence, effectiveness and fees of PwC, as detailed later in this report.

The Committee's authorities and duties are defined in its terms of reference, which were reviewed during the year and are available on the Company's website www.europeanopportunitiestrust.com

Composition and meetings
The members of the Committee are: Sharon Brown as Chairman, Andrew Sutch, Virginia Holmes, Norman Lamont and Philip Best. All Committee members are independent non-executive Directors. The Committee considers that collectively the members have sufficient recent and relevant sector and financial experience to fully discharge their responsibilities. The performance of the Committee was evaluated as part of the Board appraisal process.

The Committee typically meets twice a year. In 2021, this will be increased to three times in order to devote a full meeting to the review of risk and internal control.

The Committee invites the Company's Auditors and personnel from Devon and other third party service providers to attend and report to the Committee on relevant matters.

Significant Accounting Matters
Summarised below are the most significant issues considered by the Committee in relation to the Company's accounts for the year ended 31 May 2020, and how these issues were addressed:

Issue considered	How the issue was addressed
Valuation and existence of investments	The valuation of investments is in accordance with accounting policy note 1(c). The Board receives regular reports of the portfolio from the Investment Manager and AIFM. The Committee takes comfort from the Depositary's regular oversight reports that investment related activities were conducted in accordance with the Company's investment policy and also from the internal controls reports prepared. The Company does not invest in unlisted securities. The valuation and existence of investments was tested by the Auditors by reference to independent sources, including confirmation from the Company's Custodian.
Consideration of the impact of COVID-19 and the upcoming continuation vote in relation to Viability and Going Concern	The Committee considered the appropriateness of the Company's Viability Statement and Going Concern policy in light of impacts of the current COVID-19 pandemic and the triennial continuation vote which will take place at the 2020 Annual General Meeting. The Committee considered the risks in relation to COVID-19 and how these might reasonably impact the Company's continuance. They considered both the operational impacts of the pandemic on the Company and third party service providers and the potential financial impacts (including the review of financial forecasts, the liquidity of the Company's portfolio and agreed banking facilities, including loan covenant compliance). The Committee also received feedback from shareholders via the Company's brokers, which did not highlight any concerns in relation to the passing of the continuation vote. The Committee reviewed the Company's investment objective and the composition of the Company's portfolio and recommended that the period of assessment with respect to the viability of the Company be extended from three years to five years.
Compliance with s.1158 & s.1159 of the Corporation Tax Act 2010 (as amended)	The Committee raised an action to review the methodology applied by the Investment Manager to calculate compliance with s.1158 and s.1159 of the Corporation Tax Act 2010. On review, it was agreed that calculations would be prepared on a receipts basis rather than on an accruals basis going forward.
Revenue recognition	Investment income is recognised in accordance with accounting policy Note 1(a). The Committee reviewed detailed revenue forecasts and considered the accounting treatment of special dividends. Investment income was also tested and reported on by the Auditors.
Calculation of management fees	The Committee reviewed the forecast fees at each meeting, and took comfort from the internal controls reports. The Auditors confirmed that the calculations were accurate and in line with the investment management arrangements in place up to 14 November 2019 and new investment management arrangements in place from 15 November 2019.

External Auditors
The Company's current independent Auditors, PwC, were appointed at the 2019 Annual General Meeting. The Auditors are required to rotate audit partners every five years and this is the first year that the audit partner, Tom Norrie, has been in place.

As part of its review of the continuing appointment of the Auditors, the Audit Committee considers the length of tenure of the audit firm, its fees, independence from the AIFM and the Investment Manager and the effectiveness of the audit process.

In considering the independence of the Auditors, the Committee reviewed:

- The audit plan for the year, including the audit team and approach to significant risks;
- The Auditors' arrangements for any conflicts of interest;
- The extent of any non-audit services (all non-audit services are subject to pre approval by the Committee; there were no non-audit services in the reporting year); and
- The statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards.

With regard to the effectiveness of the audit process, the Committee reviewed:

- The fulfilment by the Auditors of the agreed audit plan;
- The audit findings report issued by the Auditors on the audit of the Annual Report and Accounts for the year ended 31 May 2020; and
- Feedback from the Investment Manager and other service providers on the audit of the Company.

The Committee concluded that the Auditors are independent and the audit process was effective.

There are no contractual obligations restricting the Company's choice of external Auditors.

For and on behalf of the Audit Committee

Sharon Brown
Chairman of the Audit Committee
23 September 2020

DIRECTORS' REMUNERATION REPORT AND POLICY

Introduction
The Board is pleased to present the Company's annual remuneration report for the year ended 31 May 2020 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 47 to 55.

Statement by the Chairman of the Remuneration Committee
The Board's policy on remuneration is set out below. Fees payable to Directors should reflect the time spent on the Company's affairs and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

Directors' fees are reviewed triennially. Reflective of the increased regulatory scope associated with the role, and the returns delivered to shareholders since the previous review, the Committee has proposed a change to fees with effect from 1 June 2020.

Prior to this increase, the Directors' fees were last increased on 1 June 2017. The Directors of the Company are non-executive and by way of remuneration receive an annual fee. For the financial year ended the annual fee for a Director was £25,000. The Chairman received an annual fee of £35,000 and the Chairman of the Audit Committee received an annual fee of £28,500. With effect from 1 June 2020, the Remuneration Committee recommended an increase in annual fees as follows:

Chairman	£38,500
Chairman of the Audit Committee	£31,500
Directors	£27,500

The fee is payable quarterly in arrears. The Company does not award any other remuneration or benefits to the Chairman or Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors.

The remuneration policy of the Company was approved by shareholders at the Annual General Meeting held on 7 November 2017 and next requires to be approved by shareholders at this year's Annual General Meeting. If approved, the remuneration policy shall remain valid until the 2023 Annual General Meeting unless renewed, varied or revoked by the shareholders. The following table sets out the votes received at the 2017 Annual General Meeting:

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
24,872,212	99.96	10,552	0.04	24,882,764	25,400

* includes discretionary votes.

Element	Purpose	Operation
Fees	To compensate the Directors for their time commitment and the levels of responsibility assumed.	Reviewed triennially by the Remuneration Committee and subject to an annual cap in accordance with the Articles of Association of the Company.

Policy on Directors' fees

The Board has established a Remuneration Committee to set the remuneration policy for all Directors and the Chairman and propose any changes to Directors' fees. Any proposed changes to Directors' fees are subject to approval by the Board as a whole and has regard to the level of fees paid to non-executive directors of other investment companies of equivalent size.

Prior to the adjustment effective as of 1 June 2020, the Directors' fees were last increased on 1 June 2017. The Remuneration Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The Remuneration Committee did not seek external advice during the year under review.

Other Fees and Incentives

The Company does not award any other remuneration or benefits to the Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors. Directors are entitled to be repaid all reasonable travel, hotel and other expenses properly incurred by them in or about the performance of their duties as Director, including any expenses incurred in attending meetings of the Board and its Committees or general meetings of the Company.

Directors' Service Contracts

No Director has a contract of service with the Company. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The Board does not consider it appropriate that Directors should be appointed for a specific term. However, the Board has adopted a policy of annual re-election for all Directors as a matter of best practice, as recommended by the AIC Code.

Directors' Remuneration Policy

The Company's proposed remuneration policy is that fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles of Association states the maximum aggregate amount of fees that can be paid to Directors in any one year. This is currently set at £200,000 per annum and shareholder approval is required for any changes to this limit.

Annual Report on Remuneration

A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 May 2020 and 31 May 2019 respectively:

Directors fees (audited)

Directors'	For the year ended 31 May 2020	For the year ended 31 May 2019
Andrew Sutch	£35,000	£35,000
Philip Best*	£26,537	£28,500
Sharon Brown*	£22,700	–
Virginia Holmes	£25,000	£25,000
The Rt Hon Lord Lamont of Lerwick	£25,000	£25,000
John Wallinger	£25,000	£25,000

* Sharon Brown was appointed as a Director of the Company on 1 August 2019 and as Chairman of the Audit Committee on 14 November 2019 in place of Philip Best.

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the remuneration paid to Directors to distributions made to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the Company's principal investment objective of achieving capital growth.

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000	Change %
Remuneration paid to Directors	159	138	+15.2
Distributions to shareholders	6,208	7,332	-15.3

Statement of voting at the last Annual General Meeting

The following sets out the votes received at the last Annual General Meeting of the shareholders of the Company, held on 14 November 2019, in respect of the approval of the Directors' Remuneration Report:

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
38,093,715	99.61	150,465	0.39	38,244,180	48,249

* includes discretionary votes.

Implementation of the remuneration policy for the year to 31 May 2020

No significant changes are expected in the Company's approach to director remuneration. Remuneration in accordance with the Company's policy and the overall remuneration of each Director will continue to be monitored by the Remuneration Committee on an annual basis. The remuneration policy will be presented for shareholder approval at this year's Annual General Meeting.

Directors' interests

The Directors who held office at the end of the year covered by these accounts and their beneficial interests in the ordinary shares are shown below. No Director was a party to or had any interest in any contract or arrangement with the Company at any time during the year or subsequently. There are no requirements for the Directors of the Company to own shares in the Company.

Directors' interest in Ordinary shares (audited)

	31 May 2020	31 May 2019
Andrew Sutch	9,618	9,558
Philip Best	43,750	43,750
Sharon Brown[1]	2,354	–
Virginia Holmes	13,000	13,000
The Rt Hon Lord Lamont of Lerwick[2]	14,660	14,660
John Wallinger	256,000	256,000

[1] Sharon Brown was appointed a Director on 1 August 2019 and held 2,354 shares on appointment. On 19 June 2020, Sharon Brown purchased an additional 1,470 shares.

[2] On 7 August 2020, The Rt Hon Lord Lamont of Lerwick purchased an additional 1,385 shares.

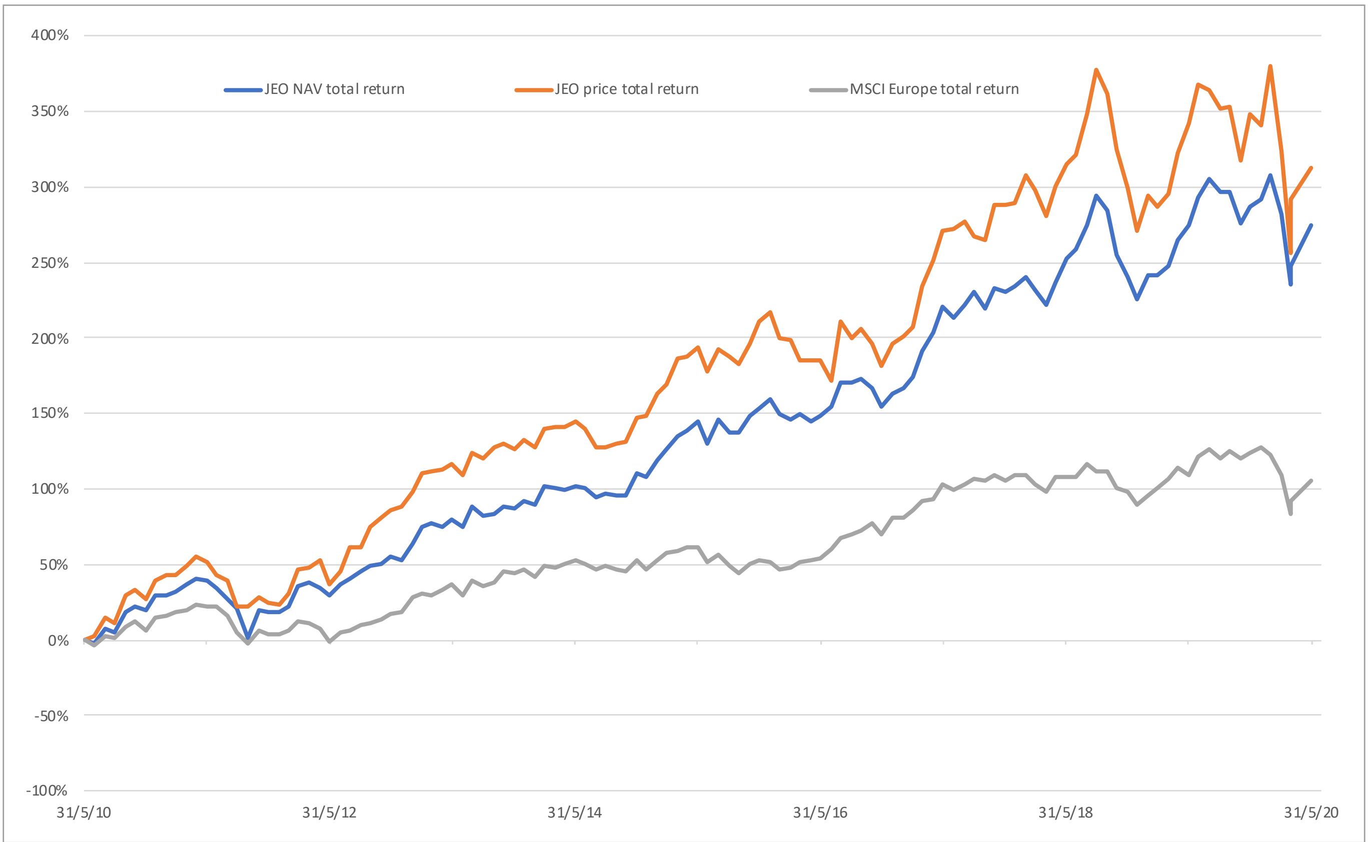
DIRECTORS' REMUNERATION REPORT AND POLICY

continued

Performance from 31 May 2010 to 31 May 2020

The graph below provides details of the Company's performance by reference to the ordinary shares price compared against the Benchmark, the total return on the MSCI Europe Total Return Index in GBP, which has been chosen as the most suitable Index against which to measure the performance of the Company.

In accordance with the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' (SI 2008/410) as amended in August 2013, the graph tracks a rolling ten-year performance.



Source: MSCI & Devon Equity Management. Total returns with dividends added back. Past performance is no guide to the future.

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the Directors' Remuneration Report and Policy summarises, for the year ended 31 May 2020, the review undertaken and the decisions made regarding the fees paid to the Board, and the future remuneration policy of the Company which is to be approved by shareholders.

By order of the Board

The Rt Hon Lord Lamont of Lerwick
Chairman of the Remuneration Committee
23 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or loss of the Company for that period.

In preparing those accounts, the Directors are required to:

(a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

(b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

(c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;

(d) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the accounts; and

(e) make judgements and estimates that are reasonable and prudent.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website; www.europeanopportunitiestrust.com. The work carried out by the Auditors does not include consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the accounts when they are presented on the website.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, who are listed on pages 25 and 26 of this report, confirm to the best of their knowledge that:

(a) the accounts, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) the report includes a fair view 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 the Company faces; and

(c) in the opinion of the Board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

So far as each Director is aware at the time the report is approved:

(a) there is no relevant audit information of which the Company's Auditors are unaware; and

(b) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

By order of the Board

Andrew Sutch
Chairman
23 September 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC

Report on the audit of the financial statements

Opinion

In our opinion, European Opportunities Trust PLC's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2020 and of its return and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2020; the Income Statement, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended; and the Notes to the Accounts, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1 June 2019 to 31 May 2020.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Our audit approach

Overview

Materiality	• Overall materiality: £9.2 million, based on 1% of net asset value.
Audit scope	• The Company is a standalone Investment Trust Company and engages Devon Equity Management Limited (the "Manager") to manage its assets. • We conducted our audit of the financial statements using information from J.P. Morgan Chase Bank N.A, (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of 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 Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.
Key audit matters	• Valuation and existence of investments • Income from investments • Consideration of the impact of COVID-19 • Ability to continue as a going concern (Continuation Vote)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010 (see page 20 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Listing Rules and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to increase income or to overstate the value of investments and increase the net asset value of the Company. We performed the following procedures in response to those risks. Audit procedures performed by the engagement team included:

- Discussions with the Directors, the Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of the controls implemented by the Manager and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions; and
- Identifying and testing journal entries, in particular any journals posted as part of the financial year end close process.

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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	**How our audit addressed the key audit matter**
Valuation and existence of investments Refer to page 39 (Report of the Audit Committee), page 60 (Accounting Policies) and page 67 (Notes to the Accounts). The investment portfolio at the year-end comprised listed equity investments valued at £913 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the Financial Statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources. No material misstatements were identified. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material misstatements were identified.
Income from investments Refer to page 39 (Report of the Audit Committee), page 60 (Accounting Policies) and page 63 (Notes to the Accounts). We focused on the accuracy, completeness and occurrence of investment income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for investment income recognition and the presentation of investment income in the Income Statement for compliance with the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP"), as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for investment income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income from investments had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income from investments has been accounted for in accordance with the stated accounting policy. We tested accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for occurrence, we confirmed that a sample of dividends recorded had occurred in the market and traced a sample of cash payments to bank statements. To test for completeness, we tested, for all investment holdings in the portfolio, that all dividends declared in the market for investment holdings had been recorded. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. Our procedures did not identify any misstatements.

Key audit matter	How our audit addressed the key audit matter
Consideration of the impact of COVID-19 Refer to the Chairman's Statement (page 4), Principal Risks and Uncertainties (page 19), Viability Statement (page 16), the Going Concern Statement (page 30) and Post balance sheet events note (page 76), which disclose the impact of the COVID-19 coronavirus pandemic. From a small number of cases of an unknown virus in 2019, the COVID-19 viral infection has become a global pandemic. It has caused disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates during the first quarter of 2020 and to date. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company had adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third-party service providers have in place appropriate business continuity plans and will be able to maintain service levels through the coronavirus pandemic.	We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by: • Evaluating the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19. • Evaluating management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements. We obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report. • We obtained evidence to support the key assumptions and forecasts driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity and loan covenant compliance as well as their review of the operational resilience of the Company and oversight of key third-party service providers. We assessed the disclosures presented in the Annual Report in relation to COVID-19 by: • Reading the other information, including Principal Risks and Uncertainties, Viability Statement set out in the Strategic Report and the Going Concern Statement, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report. Our conclusions relating to going concern are set out in the 'Conclusions relating to going concern' section below.

Key audit matter	How our audit addressed the key audit matter
Ability to continue as a going concern (Continuation Vote) Refer to the Viability Statement in the Strategic Report (page 16), the Going Concern statement of the Directors' Report (page 30), the Report of the Audit Committee (page 39) and the Basis of Preparation in the Notes to the Accounts (page 60). A continuation vote is due to take place at the 2020 AGM, which, if passed, will allow the Company to continue as an investment trust for a further three years. As such, the Directors have considered and assessed the potential impact on the ability of the Company to continue as a going concern.	We have reviewed the Directors' assessment of going concern in relation to the passing of the continuation vote. In challenging the reasonableness of the Directors' assessment and arriving at our conclusions, we have considered aspects which include, but are not limited to, the following: • The stability and diversity of the Company's shareholder register and absence of shareholders with significant voting power on the register; • The Company has a positive long-term performance track record, and the significant decline in its portfolio valuation as part of the COVID-19 market uncertainty following the year end has not deviated significantly from the benchmark; • The demand for the Company's shares over the last three years represented by its share price discount or premium to net asset value, which we determined to be within a reasonable range; and • The feedback that the Manager has received via the Broker with regards to shareholders voting intentions. Our conclusions relating to going concern are set out in the 'Going Concern' section below.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

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

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

Overall materiality	£9.2 million.
How we determined it	1% of Net Assets.
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £461,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report, Directors' Report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (as set out on pages 28 to 31) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ("DTR") is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in this information. *(CA06)*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (as set out on pages 34 to 37) with respect to the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. *(CA06)*

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company. *(CA06)*

The directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 19 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 16 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 45, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on page 38 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 45, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors on 11 November 2019 to audit the financial statements for the year ended 31 May 2020 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 September 2020

INCOME STATEMENT
for the year ended 31 May 2020

	Notes	Year ended 31 May 2020 Revenue £'000	Capital £'000	Total £'000	Year ended 31 May 2019 Revenue £'000	Capital £'000	Total £'000
(Loss)/gain on investments	9	–	(3,268)	(3,268)	–	56,572	56,572
Other exchange loss		–	(315)	(315)	–	(6)	(6)
Income from investments		16,303	–	16,303	16,265	–	16,265
Other income		–	–	–	11	–	11
Total income/(loss)		**16,303**	**(3,583)**	**12,720**	**16,276**	**56,566**	**72,842**
Investment management fee	3	(8,331)	–	(8,331)	(7,162)	–	(7,162)
Investment performance fee	3	–	–	–	–	(7,185)	(7,185)
Other expenses	4	(1,016)	–	(1,016)	(768)	–	(768)
Total expenses		**(9,347)**	**–**	**(9,347)**	**(7,930)**	**(7,185)**	**(15,115)**
Net return/(loss) before finance costs and taxation		**6,956**	**(3,583)**	**3,373**	**8,346**	**49,381**	**57,727**
Finance costs	5	(1,357)	–	(1,357)	(1,176)	–	(1,176)
Return/(loss) on ordinary activities before taxation		**5,599**	**(3,583)**	**2,016**	**7,170**	**49,381**	**56,551**
Taxation	6	(941)	–	(941)	(918)	–	(918)
Net return/(loss) after taxation*		**4,658**	**(3,583)**	**1,075**	**6,252**	**49,381**	**55,633**
Return/(loss) per ordinary share	7	4.13p	(3.17)p	0.96p	5.55p	43.86p	49.41p

* There is no other comprehensive income and therefore the 'Net return/(loss) after taxation' is the total comprehensive income/(loss) for the financial year.

The total column of this statement is the income statement of the Company, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are both prepared under guidance produced by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Notes on pages 60 to 76 form part of these accounts.

BALANCE SHEET
as at 31 May 2020

	Notes	2020 £'000	2019 £'000
Fixed Assets			
Investments	9	913,329	993,246
Current assets			
Debtors	10	4,045	5,384
Cash and cash equivalents		25,503	16,526
		29,548	21,910
Total assets		**942,877**	**1,015,156**
Current liabilities			
Creditors – amounts falling due within 1 year	11	(19,960)	(87,674)
Total assets less current liabilities		**922,917**	**927,482**
Capital and reserves			
Called up share capital	22	1,129	1,128
Share premium	12	204,133	203,485
Special reserve	13	33,687	33,687
Capital redemption reserve	14	45	45
Reserves	15	683,923	689,137
Total shareholders' funds		**922,917**	**927,482**
Net asset value per ordinary share	16	**817.72p**	**822.23p**

The accounts on pages 56 to 59 were approved by the Board of Directors on 23 September 2020 and signed on its behalf by:

Andrew Sutch
Chairman

Company Registration Number 4056870

The Notes on pages 60 to 76 form part of these accounts.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 May 2020

For the year ended 31 May 2020	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2019		1,128	203,485	33,687	45	689,137	927,482
Net return after taxation		–	–	–	–	1,075	1,075
Ordinary share issue	12, 22	1	648	–	–	–	649
Repurchase of ordinary shares into treasury	22	–	–	–	–	(81)	(81)
Dividends declared and paid*	8	–	–	–	–	(6,208)	(6,208)
Balance at 31 May 2020		**1,129**	**204,133**	**33,687**	**45**	**683,923**	**922,917**

For the year ended 31 May 2019	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2018		1,121	197,506	33,687	45	640,836	873,195
Net return after taxation		–	–	–	–	55,633	55,633
Ordinary share issue	12, 22	7	5,979	–	–	–	5,986
Dividends declared and paid*	8	–	–	–	–	(7,332)	(7,332)
Balance at 31 May 2019		**1,128**	**203,485**	**33,687**	**45**	**689,137**	**927,482**

* Dividends paid during the financial year were paid out of revenue reserves.

[1] An analysis of reserves broken down into revenue (distributable) items and capital items (non-distributable) is given in Note 15.

The Notes on pages 60 to 76 form part of these accounts.

CASH FLOW STATEMENT
as at 31 May 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Investment income received (gross)		18,067	15,394
Deposit interest received		1	10
Investment management fee paid		(8,119)	(7,153)
Investment performance fee paid*		(7,185)	(13,084)
Other cash expenses		(900)	(821)
Net cash inflow/(outflow) from operating activities before taxation and interest	17	**1,864**	**(5,654)**
Interest paid		(1,544)	(1,101)
Overseas tax recovered/(incurred)		235	(1,019)
Net cash inflow/(outflow) from operating activities		**555**	**(7,774)**
Cash flows from investing activities			
Purchases of investments		(168,639)	(170,661)
Sales of investments		243,016	164,058
Net cash inflow/(outflow) from investing activities		**74,377**	**(6,603)**
Cash flows from financing activities			
Ordinary shares issued		649	5,986
Repurchase of ordinary shares into treasury		(81)	–
Equity dividends paid		(6,208)	(7,332)
Repayment of loan		(100,000)	–
Drawdown of loan		40,000	15,000
Net cash (outflow)/inflow from financing activities		**(65,640)**	**13,654**
Increase/(decrease) in cash		**9,292**	**(723)**
Cash and cash equivalents at start of year		16,526	17,255
Realised loss on foreign currency		(315)	(6)
Cash and cash equivalents at end of year		**25,503**	**16,526**

* Performance fee paid this period in relation to previous financial year.

The Notes on pages 60 to 76 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Accounts comprise the financial results of the Company for the year to 31 May 2020. The functional and reporting currency of the Company is pounds sterling because that is the currency of the prime economic environment in which the Company operates. The accounts were authorised for issue in accordance with a resolution of the Directors on 23 September 2020. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The Accounts have been prepared in accordance with IFRS Interpretations Committee (IFRS IC) interpretation, International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union (EU).

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in November 2014 (as amended in February 2018 and again in October 2019) is consistent with the requirements of IFRS, the Directors have sought to prepare the accounts on a basis compliant with the recommendations of the SORP. The accounts have also been prepared in accordance with the Disclosure and Transparency Rules issued by the Financial Conduct Authority (FCA).

The Accounts have been prepared under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss. The accounting policies have been consistently applied throughout the year ended 31 May 2020 and in the prior year other than where new policies have been adopted.

The Board continues to adopt the going concern basis in the preparation of the accounts.

(a) Income recognition
Ordinary dividends from investments are recognised when the investment is quoted ex-dividend on or before the date of the Balance Sheet. All overseas dividend income is disclosed net of withholding tax.

Ordinary dividends receivable from equity shares are taken to the revenue return column of the Income Statement.

Deposit and other interest receivable are accounted for on an accruals basis. These are classified within operating activities in the Cash Flow Statement.

Special dividends are reviewed on a case by case basis to determine if the dividend is to be treated as revenue or capital.

(b) Presentation of Income Statement
In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented. In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of dividend.

An analysis of reserves broken down into revenue (distributable) items, and capital items (non-distributable) is given in Note 15.

All other operational costs (but with the exception of any investment performance fees which are charged to capital) are charged to revenue.

(c) Basis of valuation of investments
Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition.

The investments are designated as fair value through profit or loss on initial recognition as these investments are held for trading. This is consistent with the Company's documented investment strategy.

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Income Statement in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques.

These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

(d) Cash and cash equivalents
Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

(e) Foreign currencies
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Income Statement in the revenue or capital column depending on the nature of the underlying item.

(f) Borrowing and finance costs
Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost.

Interest on the loan facility is accrued at the rate specified by the lender on renewal date.

Bank interest is recognised in the Income Statement in the period in which it is incurred.

All finance costs are directly charged to the revenue column of the Income Statement.

(g) Expenses
Expenses are accounted for on an accruals basis. Management fees, administration and other expenses are charged fully to the revenue column of the Income Statement. Due to changes to management arrangements during the financial year, performance fees are no longer payable by the Company from 15 November 2019 onwards. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

(h) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Balance Sheet.

NOTES TO THE ACCOUNTS continued

1. Accounting Policies continued

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero-rated supplies to total supplies.

Accounting developments
The following standards, amendments and interpretations are applicable to the Company.

New standards, amendments, and interpretations effective after 1 June 2019 and have not been early adopted
Several new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 June 2019 and have not been early adopted in preparing these accounts. None of these are expected to have a material effect on the accounts of the Company.

IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The new standard has not had any significant impact on the Company's financial position or performance.

International Financial Reporting Interpretations Committee ("IFRIC") 23 Uncertainty over Income Tax Treatments
IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The interpretation is effective for annual periods beginning on or after 1 January 2019. Entities can apply the interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The new interpretation has not had any significant impact on the Company's financial position or performance.

Standards issued but not yet effective
There are no accounting standards, amendments, or interpretations effective in the year and issued but not effective, that have or will have material impact on these accounts. Furthermore, the Company has not early adopted any such standards, amendments, and interpretations to existing standards prior to their effective date.

Significant accounting judgements, estimates and assumptions
Management have not applied any accounting judgements, which would have a significant impact on this set of accounts or those of the prior financial year.

2. Income

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Income from investments		
Dividends from United Kingdom companies	6,991	5,384
Dividends from overseas companies	9,312	10,881
	16,303	**16,265**

3. Investment management and performance fees

	Year ended 31 May 2020			Year ended 31 May 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	8,331	–	8,331	7,162	–	7,162
Investment performance fee	–	–	–	–	7,185	7,185
	8,331	**–**	**8,331**	**7,162**	**7,185**	**14,347**

Details of the investment management contract are given in Note 20.

NOTES TO THE ACCOUNTS continued

4. Other administrative expenses*

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Directors' remuneration	159	139
Auditors' remuneration including VAT – audit	41	35
– non-audit*	–	41
Administration fee	157	155
Safe custody charges	68	58
Legal and professional fees	120	16
Registrar's fee	79	79
Brokerage fees including VAT	24	-
Other professional fees including VAT	113	64
AIFMD fee	131	137
FCA fees	23	22
Printing & publication of reports to shareholders	15	21
Other administrative expenses	86	1
	1,016	**768**

* All expenses (with the exception of performance fees) are charged to revenue. Non-audit services relate to amounts payable in the prior year to EY for the preparation and filing of withholding reclaims for French withholding tax suffered in 2014 (£10,800) and German withholding tax for the years 2012 to 2016 (£30,000).

5. Finance costs

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Interest on short-term loan	1,256	961
Bank charges	65	83
Commitment fees	36	132
	1,357	**1,176**

All finance costs are charged to revenue.

6. Taxation

(a) Analysis of charge in year	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Foreign tax suffered	941	918

All tax costs are charged to revenue.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax for a company 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Net return before taxation	2,016	56,551
Corporation tax at 19.00% (2019: 19.00%)	383	10,744
Effects of:		
Tax free capital loss/(gain) in investments	681	(10,747)
Exempt dividend income	(3,098)	(3,090)
Foreign tax suffered	941	918
Excess expenses for the year	2,034	3,093
Total tax charge for the year	**941**	**918**

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

There is an unrecognised deferred tax asset of £20,812,000 (at 19%) (2019: £18,052,000 at 17%) which relates to unutilised excess expenses. The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these expenses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

7. Returns per share

The returns per share figure is based on the net return for the year of £1,075,000 (2019: net return £55,633,000), and on 112,868,089 (2019: 112,598,345) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The return per share figure detailed above can be further analysed between revenue and capital, as below.

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Net revenue return	4,658	6,252
Net capital (loss)/return	(3,583)	49,381
Net total return	**1,075**	**55,633**
Weighted average number of shares in issue during the year	112,868,089	112,598,345
Revenue return per share	4.13p	5.55p
Capital (loss)/return per share	(3.17)p	43.86p
Return per share	**0.96p**	**49.41p**

8. Dividends

Amounts recognised as distributions to equity holders in the year:

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
2019 final dividend 5.50p net paid on 112,875,331 shares (2018: 6.50p net paid on 112,800,331 shares)	6,208	7,332

Set out below is the total dividend payable in respect of the financial year under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2020 £'000	2019 £'000
2020 final dividend 3.5p (2019: 5.50p)	3,943*	6,204*

* Based on the number of shares in issue as at 18 September 2020 (2019: 112,800,331 shares), the latest practicable date prior to the publication of the Annual Report and Accounts.

** A final dividend of 5.50p per share was paid on 12 December 2019 to those shareholders on the register of shareholders as at 22 November 2019. Subject to shareholder approval at the 2020 Annual General Meeting, a final dividend of 3.5p per share will be paid on 27 November 2020 to those shareholders on the register of shareholders as at 23 October 2020.

9. Investments

	Year ended 31 May 2020 £'000	Year ended 31 May 2019 £'000
Market value of investments at beginning of year	993,246	926,757
Net unrealised gain at beginning of year	425,774	395,862
Cost of investments at beginning of year	567,472	530,895
Purchases at cost during the year	167,955	173,975
Sales at cost during year	(219,086)	(137,398)
Cost of investments at end of year	516,341	567,472
Net unrealised gain at end of year	396,988	425,774
Market value of investments at end of year	**913,329**	**993,246**
Listed on the UK stock exchange	188,938	234,438
Listed on overseas stock exchanges	724,391	758,808
Market value of investments at end of year	**913,329**	**993,246**

	2020 £'000	2019 £'000
(Losses)/gains on investments		
Net gain on the sale of investments	25,518	26,660
Movement in unrealised (losses)/gains	(28,786)	29,912
(Loss)/gain on investments	**(3,268)**	**56,572**

2020 transaction costs incurred during the year amounted to £418,092 (2019: £477,725).

10. Debtors

	2020 £'000	2019 £'000
Dividends receivable	700	2,464
Prepayments and accrued interest	46	33
Foreign recoverable tax	1,711	2,887
Sales for future settlement	1,588	–
	4,045	**5,384**

NOTES TO THE ACCOUNTS continued

11. Creditors – amounts falling due within one year

	2020 £'000	2019 £'000
Interest payable	35	232
Investment management fee payable	1,996	1,784
Other creditors and accruals	299	159
Short-term bank loans*	15,000	75,000
Purchases awaiting settlement	2,630	3,314
Performance fee payable	–	7,185
	19,960	**87,674**

* The £15.0 million outstanding sterling loan was renewed on 18 June 2020 with an interest rate of 0.80713% for the period to 11 September 2020.

12. Share premium

	2020 £'000	2019 £'000
At 1 June 2019	203,485	197,506
Issue of ordinary shares	648	5,979
At 31 May 2020	**204,133**	**203,485**

13. Special reserve

	2020 £'000	2019 £'000
At 1 June 2019	33,687	33,687
At 31 May 2020	**33,687**	**33,687**

On 23 January 2001, pursuant to a special resolution passed on 17 January 2001, court approval was granted for the reduction of the share premium account by 50%. The reduction was made to enable the Company to repurchase its own shares from the funds held in the special reserve created as a result of the reduction in the share premium account as and when deemed appropriate by the Board.

14. Capital redemption reserve

	2020 £'000	2019 £'000
At 1 June 2019	45	45
At 31 May 2020	**45**	**45**

15. Reserves

	Revenue reserve £'000	Capital reserve £'000	Total £'000
At 1 June 2019	13,416	675,721	689,137
Net return/(loss) for the year	4,658	(3,583)	1,075
Dividends paid	(6,208)	–	(6,208)
Shares repurchased	–	(81)	(81)
At 31 May 2020	**11,866**	**672,057**	**683,923**

The capital reserve includes £396,988,000 of investment holding gains (2019: £425,774,000). The capital reserve is not distributable except by way of redemptions or purchases of own shares per the Articles of Association. The amount of the capital reserve that is distributable is complex to determine and is not necessarily the full amount of the reserve as disclosed within these accounts.

16. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £922,917,000 (2019: £927,482,000) and on 112,864,311 (2019: 112,800,331) ordinary shares, being the number of ordinary shares in issue at the year end.

17. Net cash inflow/(outflow) from operating activities before taxation and interest

	2020 £'000	2019 £'000
Net return before finance costs and taxation	3,373	57,727
Loss/(gain) on investments	3,268	(56,572)
Realised loss on foreign currency	315	6
Decrease/(increase) in prepayments and accrued income	1,751	(856)
Increase/(decrease) in other creditors and accruals	342	(60)
Decrease in performance fee payable	(7,185)	(5,899)
Net cash inflow/(outflow) from operating activities before interest and taxation	**1,864**	**(5,654)**

NOTES TO THE ACCOUNTS continued

18. Analysis of changes in financing activities

	1 June 2019 £'000	Transactions in the year £'000	Cashflow £'000	31 May 2020 £'000
Bank loans	(75,000)	–	60,000	(15,000)
Equity dividends paid	–	6,208	(6,208)	–
Ordinary shares issued	–	(649)	649	–
Shares repurchased	–	81	(81)	–
Total	**(75,000)**	**5,640**	**54,360**	**(15,000)**

The Company renewed its loan facility with Scotiabank Europe PLC in September 2020 with a maximum drawable amount of £75 million available until September 2021. The amount of £15 million was drawn down as at financial year end 31 May 2020.

19. Financial instruments

Background
The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk;
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement;
- interest rate risk;
- liquidity risk; and
- credit and counterparty risk.

The Investment Manager's policies for managing these risks are summarised in the following paragraph and have been applied throughout the year.

(a) Foreign currency risk
A portion of the financial assets of the Company are denominated in currencies other than sterling with the result that the accounts can be significantly affected by currency movements.

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

Foreign currency sensitivity
The following tables illustrate the sensitivity of the profit after tax for the year and net assets to exchange rates for the Sterling against the Euro, Danish Krone, Swiss Franc, Norwegian Krone and Swedish Krona. It assumes the following changes in exchange rates:

£/Euro +/– 5% (2019: +/– 5%) £/Danish Krone +/– 5% (2019: +/– 5%) £/Swiss Franc +/– 10% (2019: +/– 5%)

£/Norwegian Krone +/– 15% (2019: +/– 5%) £/Swedish Krona +/– 5% (2019: +/– 5%)

This percentage has been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the Balance Sheet date.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

			2020			2019
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	(270)	30,682	30,412	(246)	32,768	32,522
Danish Krone	(41)	4,695	4,654	(31)	4,193	4,162
Swiss Franc	(15)	1,685	1,670	(4)	505	501
Norwegian Krone	–	–	–	(3)	346	343
Swedish Krona	–	–	–	(1)	128	127
	(326)	**37,062**	**36,736**	**(285)**	**37,940**	**37,655**

If sterling had strengthened against the currencies below this would have the following effect:

			2020			2019
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	270	(30,682)	(30,412)	246	(32,768)	(32,522)
Danish Krone	41	(4,695)	(4,654)	31	(4,193)	(4,162)
Swiss Franc	15	(1,685)	(1,670)	4	(505)	(501)
Norwegian Krone	–	–	–	3	(346)	(343)
Swedish Krona	–	–	–	1	(128)	(127)
	326	**(37,062)**	**(36,736)**	**285**	**(37,940)**	**(37,655)**

(b) Market price risk
By the very nature of its activities, the Company's investments are exposed to market price fluctuations. The Board reviews and agrees policies for managing this risk. The Investment Manager assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. Further information on the investment portfolio and investment policy is set out in the Investment Manager's review.

Other price risk sensitivity
The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2019: 20%) in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Company's equities at each year end date, with all other variables (except management and performance fees) held constant in the fair value price of the Company's equities.

19. Financial instruments continued

The impact of a 20% increase in the value of investments on the revenue return as at 31 May 2020 is a decrease of £402,000 (2019: £372,000) due to the impact on the management fee, and on the capital return is an increase of £182,666,000 (2019: £168,906,000) due to the increase in investments.

The impact of a 20% fall in the value of investments on the revenue return as at 31 May 2020 is an increase of £402,000 (2019: £372,000) due to the impact on the management fee, and on the capital return is a decrease of £182,666,000 (2019: £168,906,000) due to the decrease in investments.

(c) Interest rate risk
Interest rate movements may affect:

- the fair value of investments of any fixed interest securities;
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit; and
- the interest payable on the Company's floating interest term loans.

The Board reviews regularly the values of the Company's fixed interest rate securities. The Board imposes limits on the Company's borrowing to ensure gearing levels are appropriate to market conditions, and these are monitored and reviewed on a regular basis. The Company's borrowings are conducted through a fixed rate facility, which allows the Investment Manager to finance opportunities at competitive rates.

Interest rate sensitivity
As interest rates for any short term loans are fixed at the commencement of the loan, only cash at call is subject to interest rate movements.

All such deposits at call earn interest at the applicable daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the Company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the year.

The financial assets (excluding short-term debtors) consist of:

			2020			2019
	Floating rate £'000	Non-interest bearing £'000	Total £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Sterling	6,479	188,938	195,417	8,914	234,438	243,352
Euro	18,370	613,645	632,015	6,249	655,354	661,603
Danish Krone	654	93,894	94,548	895	83,865	84,760
Swedish Krona	–	–	–	–	2,567	2,567
Swiss Franc	–	16,852	16,852	3	10,098	10,101
Norwegian Krone	–	–	–	465	6,924	7,389
	25,503	**913,329**	**938,832**	**16,526**	**993,246**	**1,009,772**

The floating rate assets consist of cash deposits at call. Sterling cash deposits at call earn interest at floating rates based on daily Sterling Overnight Index Average (SONIA) rates.

The non-interest bearing assets represent the equity element of the investment portfolio at 31 May 2020.

The financial liabilities consist of:

			2020			2019
	Fixed rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Non-interest bearing £'000	Total £'000
Sterling	15,000	4,960	19,960	75,000	12,674	87,674
	15,000	**4,960**	**19,960**	**75,000**	**12,674**	**87,674**

The fixed rate liabilities consist of a short-term bank loan with Scotiabank Europe PLC.

(d) Liquidity risk
Liquidity risk is not considered significant. All liabilities are payable within three months.

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of short-term borrowings.

(e) Credit and counterparty risk
Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by the Manager's Risk Management Team and by dealing through Devon Equity Management Limited (previously Jupiter Asset Management Limited) with banks approved by the Financial Conduct Authority. The Company does not currently have scope to use derivatives in its investment policy. If it did, any derivative positions would be marked to market and exposure to counterparties would be monitored on a daily basis by the Investment Manager; the Board reviews it on a quarterly basis. The maximum exposure to credit risk at 31 May 2020 was £29,548,000 consisting of short term debtors and cash and cash equivalents (2019: £21,910,000).

The calculation is based on the Company's credit exposure as at 31 May 2020. There are no financial assets that are past due and the adoption of the expected credit loss model for impairment under IFRS 9 has not had a material impact on the Company. The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the Investment Manager's opinion, due to the low level of expected future losses on cash and receivables, no provision has been made for ECLs.

(f) Fair value of financial assets and financial liabilities
The financial assets and financial liabilities are carried in the Balance Sheet at their fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, short term bank loans and cash at bank).

Fair value hierarchy
IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

19. Financial instruments continued

Level 3 reflects financial instruments whose fair value is determined in whole using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the Balance Sheet are grouped into the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	2020 Total £'000	Level 1	Level 2	Level 3	2019 Total £'000
	913,329	–	–	913,329	993,246	–	–	993,246

(g) Use of derivatives
Pursuant to the Company's stated investment policy, the Company does not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes.

(h) Capital management policies and procedures
The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the investment adviser's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including shares from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- The value of any short-term loans must be supported by a level of readily realisable assets.
- As a public company, the Company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year, and the Company has complied with them.

As at 31 May 2020 the Company's total capital was £922,917,000 (2019: £927,482,000) made up of:

	2020 £'000	2019 £'000
Ordinary shares	1,129	1,128
Reserves	921,788	926,354
Total capital	**922,917**	**927,482**

20. Related parties

With effect from 15 November 2019 the Company appointed FundRock Management Company SA ('FundRock') as its Alternative Investment Fund Manager ('AIFM') in place of Jupiter Unit Trust Managers Limited ('JUTM'). Devon Equity Management Limited ('Devon') was appointed as delegated Investment Manager to FundRock in substitution for the Company's former investment manager, Jupiter Asset Management Limited.

JUTM was previously contracted to provide investment management services to the Company for a quarterly base management fee of 0.1875% (equivalent to 0.75% per annum) of the total assets of the Company (including drawn down borrowings under the Company's loan facilities) plus an annual performance fee equal to 15% of the outperformance of the then Benchmark Index (subject to a high water mark and an annual cap). Under the early termination arrangements agreed with Jupiter, the base management fee continued to accrue and be payable to Jupiter after termination but only up until 31 May 2020. It was also agreed that Jupiter would waive any entitlement to a performance fee from the termination date. No performance fee was accrued in relation to the period 1 June 2019 to 31 May 2020.

The investment management fee payable to JUTM for the period 1 June 2019 to 31 May 2020 was £7,677,000 (2019: £7,162,000) with £1,712,000 outstanding at year end (31 May 2019: £1,784,000).

In the period from 15 November 2019 up to and including 31 May 2020, in addition to the fee payable to Jupiter, the Company has agreed to pay a fee of 0.03% per annum of net assets to FundRock, as AIFM, and also a management fee of 0.10% per annum of net assets to Devon.

The fee payable to Devon for the period 15 November 2019 to 31 May 2020 was £505,000 with £228,000 outstanding at year end. The fee payable to FundRock for the period 15 November 2019 to 31 May 2020 was £149,000 with £56,000 outstanding at year end.

Under the new management arrangements, with effect from 1 June 2020, Devon and FundRock will be paid aggregate management fees of 0.90% per annum of net assets (i.e. excluding drawn down borrowings under the Company's loan facilities) up to £1 billion and 0.80% per annum on any net assets over this amount (with FundRock's fee being deducted from amounts due to Devon). No performance fee will be payable to either Devon or FundRock.

Fees payable to the Directors for the year ended 31 May 2020 were £159,000 (2019: £138,000) with £31,000 outstanding at year end (31 May 2019: £23,000). Fees paid to Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 41 to 44.

Devon Equity Management Limited is the Investment Manager with secretarial and fund administration services delegated to J.P. Morgan Europe. In line with good governance practice and fostered by the independence between key suppliers, the Company has put safeguards in place to ensure effective shareholder communication and engagement.

21. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments outstanding as at 31 May 2020 (2019: nil).

NOTES TO THE ACCOUNTS continued

22. Called-up share capital

As at 31 May 2020	Number	2020 £000	Number	2019 £000
Authorised				
Ordinary shares of 1p each	305,000	3,050	305,000	3,050
Issued, called-up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	112,800	1,128	112,100	1,121
Issue of ordinary shares	75	0.75	700	7
Repurchase of ordinary shares into treasury	(11)	(0)	–	–
Closing balance of ordinary shares	112,864	1,129	112,800	1,128
Treasury shares				
Balance brought forward	–	–	–	–
Repurchase of ordinary shares into treasury	11	–	–	–
Closing balance of ordinary shares held in treasury	11	–	–	–
Total	**112,875**	**1,129**	**112,800**	**1,128**

* During the year to 31 May 2020, the Company issued 75,000 ordinary shares on 24 June 2019 at an issue price of 869.3p and purchased 11,020 ordinary shares to be held in treasury on 9 March 2020 at a price of 722.3p. Since the year end, the Company has purchased 270,000 ordinary shares to be held in treasury.

23. Post balance sheet events

On 18 June 2020 the Company sold its entire former position in Wirecard AG following publication of information relating to accounting irregularities, as further described in the Chairman's statement on page 4 and in the Investment Manager's review on page 9. While the price realised on the sale of the Company's former position in Wirecard AG represented a profit relative to their original purchase prices, the sale resulted in a reduction of approximately 7.5% in the Company's estimated net asset value per share relative to the previous day's estimated net asset value per share. The sale of Wirecard AG post year end is a non-adjusting post balance sheet event.

On 15 September 2020, the Company sold its entire former position in Grenke AG in response to corporate governance concerns. The price realised on the sale of the position in Grenke AG represented a profit relative to their original purchase price in 2011. The sale of Grenke AG post year end is a non-adjusting post balance sheet event.

Since 1 June 2020 a total of 270,000 ordinary shares have been repurchased to be held in treasury (as at 18 September 2020).

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

The Company uses the following Alternative Performance Measures ("APMs"). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. No APMs have been identified or added since the prior year end.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market.

This price is not identical to the net asset value per share of the Company. If the share price is lower than NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. The discount is shown as a percentage of the NAV per share. Shares trading at a price above NAV per share are deemed to be at a premium.

		31 May 2020 pence	31 May 2019 pence
Net asset value per share	(a)	817.7	822.2
Share price per share	(b)	753.0	815.0
(Discount) or Premium (c = (b-a)/b)	**(c)**	**(7.9%)**	**(0.9%)**

Gearing – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a "prior charge" over the assets of a company, ranking before ordinary shareholders in their entitlement to capital and/or income. They may include preference shares; debentures; overdrafts and short and long-term loans from banks. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash". The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report. At year end, the Company had net cash on its balance sheet.

		31 May 2020 GBP	31 May 2019 GBP
Loan		15,000	75,000
Less Cash and cash equivalents		(25,503)	(16,526)
Total	(a)	(10,503)	58,474
Net asset value	(b)	922,917	927,482
Net gearing (c = a/b)	**(c)**	**0%**	**6.3%**

* Net gearing at 31 May 2020 is 0% given the positive net cash position of the Company. Gross gearing at year end was 1.6%.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES continued

Ongoing Charges – all operating costs that are payable by the Company, expressed as a proportion of the average net assets of the Company over the reporting year. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, non-recurring costs and the costs of buying back or issuing shares.

Ongoing charges calculation		31 May 2020 £'000	31 May 2019 £'000
Management fee		8,331	7,162
Administration fees		1,016	768
Total	(a)	9,347	7,930
Average daily net assets	(b)	947,337	883,634
Ongoing charges c= (a/b)*100	**(c)**	**0.99**	**0.90**

Total Return – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the share price or net asset value in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	2020		2019	
	Net asset value	Share price	Net asset value	Share price
Net asset value/Share price per share at 31 May 2019 (pence)	822.2	815.0		
Net asset value/Share price per share at 31 May 2020 (pence)	817.7	753.0		
Net asset value/Share price per share at 31 May 2018 (pence)			778.9	770.0
Net asset value/Share price per share at 31 May 2019 (pence)			822.2	815.0
Change in the year	-0.5%	-7.6%	5.6%	5.8%
Impact of dividend reinvestments	0.7%	0.7%	0.8%	0.8%
Total return for the year	**0.1%**	**-6.9%**	**6.4%**	**6.7%**

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Investment Fund – an Alternative Investment Fund ('AIF') is a collective investment undertaking, including investment compartments of such an undertaking, which (1) raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (2) does not require authorisation under the UCITS regime. The Company is an AIF.

AIFM/Alternative Investment Fund Manager – an Alternative Investment Fund Manager ('AIFM') is an entity that provides certain investment services, including portfolio and risk management services. The Company has appointed FundRock Management Company S.A. as its AIFM.

Alternative Investment Fund Managers Directive – a European Union Directive to provide a harmonised framework for monitoring and supervising risks posed by AIFMs and the AIFs they manage, and for strengthening the internal market in alternative funds.

Alternative Performance Measures – The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The Company uses the following Alternative Performance Measures which are all defined in this Glossary of Terms and their calculations detailed on pages 77 and 78: Discount/Premium; net asset value; Ongoing Charges and Total Return.

Benchmark – The Company's primary Benchmark Index, against which its performance is measured, is MSCI Europe Total Return Index in GBP. It also compares performance against the MSCI Europe ex-UK Total Return Index in GBP.

Discount* – The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Discount management – Discount management is the process of the buyback and issue of company shares by the Company, to and from its own holding or 'treasury' with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the Company's shares will not materially vary from its net asset value per share. The authority to repurchase the Company's shares is voted upon by the shareholders at each Annual General Meeting.

Gearing* – Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment Company gears, the higher the risk. Gearing is typically expressed as a percentage of Shareholders Funds.

Middle Market Price – The mid-market price is the mid-point between the buy and the sell prices.

Net asset value – The net asset value in relation to a fund is the market value of its assets less its liabilities (and is sometimes also referred to as Shareholders' Funds). The market value is usually determined by the price at which an investor can redeem a share. For valuation purposes it is common to express the net asset value on a per share basis.

Net asset value total return* – The net asset value return with dividends added back on their ex-dividend date.

Ongoing Charges* – Ongoing charges are the total expenses including both the investment management fee and other costs. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, non-recurring costs and the costs of buying back or issuing shares. Ongoing charges are expressed as a percentage of net asset value.

Premium* – The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES continued

Return – The return generated in a given period from the investments:

- **Revenue Return** reflects the dividend and interest from investments and other income net of expenses, finance costs and taxation;
- **Capital Return** reflects the capital gain or loss, excluding any revenue return; and
- **Total Return** reflects the aggregate of revenue and capital returns.

Share Price Total Return* – The share price return with dividends added back on their payment date.

Shareholders' Funds – Shareholders' funds are also described as "net asset value" and represent the total value of the Company's assets less the total value of its liabilities.

Treasury Shares – Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not pay dividends, have no voting rights and are excluded from the net asset value per share calculation.

* An Alternative Performance Measure.

ALTERNATIVE INVESTMENT FUND MANAGER'S DISCLOSURE

In compliance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has appointed FundRock Management Company SA ("FundRock") as the Company's Alternative Investment Fund Manager ("AIFM"). FundRock has delegated the portfolio management function to Devon Equity Management Limited. Details of the Management Agreement can be found in the Directors' Report on page 30.

The table below discloses information required by the Alternative Investment Fund Managers Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment management	The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FundRock Management Company SA. The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines.	Details of the Company's investment objective, strategy and investment policy, including limits, are on page 14.
Risk management	The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management. The AIFM has a Risk Management Process Document which is agreed with the Board and demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under the AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing. The Board, as part of UK corporate governance, remains responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.	The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of internal control and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 19 to 21 and in Note 19 to the Accounts on pages 70 to 75.
Valuation of illiquid assets	The AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company.	Not Applicable.
Leverage	The Company uses leverage (Gross Leverage and Commitment Leverage) to increase its exposure primarily to investee companies and currently no holds derivative instruments. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times.	The maximum gross leverage limits are 1.5 times. At 29 May 2020, actual gross leverage was 1.02 times. The maximum commitment leverage limits are 2.0 times. At 29 May 2020, actual commitment leverage was 1.03 times.

ALTERNATIVE INVESTMENT FUND MANAGER'S DISCLOSURE continued

Function	AIFM Role and Responsibility	AIFMD Disclosure
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually.	No new arrangements for managing the liquidity of the Company have been made. Further details can be found in Note 19 to the Accounts on pages 70 to 75.
Remuneration of the AIFM	The AIFM operates under the terms of FundRock Management Company SA Global Remuneration Policy. This ensures that the AIFM complies with the requirements of the FCA's Remuneration Code (SYSC19A); the AIFM Remuneration Code (SYSC19B) and the BIPRU Remuneration Code (SYSC19C).	Details of FundRock's Remuneration Policy can be found at https://www.fundrock.com/remuneration-policy/.

COMPANY INFORMATION

Directors	Andrew Sutch (Chairman) Philip Best Sharon Brown (appointed on 1 August 2019) Virginia Holmes The Rt Hon Lord Lamont of Lerwick John Wallinger (retiring at 2020 Annual General Meeting)
Registered office	123 Victoria Street London SW1E 6DE www.europeanopportunitiestrust.com www.devonem.com Telephone: 0203 985 0445 Email: enquiries@devonem.com
AIFM	FundRock Management Company S.A. H20 Building 30 rue de Gasperich L-586 Hesperange Luxembourg
Investment Manager & Secretary	Devon Equity Management Limited 123 Victoria Street London SW1E 6DE Authorised and regulated by the Financial Conduct Authority
Custodian	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP Authorised and regulated by the Financial Conduct Authority
Depositary	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

COMPANY INFORMATION continued

Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU **Telephone:** 0371 664 0300 Lines are open from 9.00am to 5.30pm Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. **Telephone (international)**: +44 (0)371 664 0300 (Calls outside the United Kingdom will be charged at the applicable International rate) www.linkassetservices.com Email: enquiries@linkgroup.co.uk
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Broker	Cenkos Securities plc 6-8 Tokenhouse Yard London EC2R 7AS Authorised and regulated by the Financial Conduct Authority
Company information	Registered at Companies House in England & Wales with number 4056870 An investment Company under s.833 of the Companies Act 2006 **LEI:** 549300XN7RXQWHN18849 **FATCA GIIN:** G0YWMG.99999.SL.826 **Sedol:** 0019772 **ISIN:** GB0000197722 **Ticker:** JEO.LN

The Company is a member of The Association of Investment Companies ("AIC") from whom general information on investment trusts can be obtained by telephoning 020 7282 5555 or by email to enquiries@theaic.co.uk.

FURTHER INFORMATION

Dividend Reinvestment Plan and Managing Your Account Online
Shareholders may elect for the Company's registrar, Link Asset Services, to reinvest dividends automatically on their behalf. The reinvestment plan terms and conditions are available upon request from the helpline, by email to shares@linkgroup.co.uk, or through www.signalshares.com. The helpline number is 0371 664 0300, or from overseas +44 (0) 371 664 0300. Calls to this number are charged at the standard geographical rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. Lines are open from 09.00am-5.30pm Monday to Friday.

Signal shares is an online portal enabling you to manage your shareholding online. If you are a direct investor you can view your shareholding, change the way the registrar communicates with you, register the way you wish to receive your dividends, and buy and sell shares. If you have not used this service before, all you need to do is enter the name of the Company and register your account. You will need your investor code (IVC) printed on your share certificate in order to register.

PRIIPs Key Information Document
We are required by the Packaged Retail and Insurance-based Investment Products ("PRIIPs") regulations introduced at the beginning of 2018 to provide investors with a key information document ("KID") which includes performance projections which are the product of prescribed calculations based on the Company's past performance. Whilst the content and format of the KID cannot be amended under the applicable EU regulations, the Board does not believe that these projections are an appropriate or helpful way to assess the Company's future prospects.

Accordingly, the Board urges shareholders also to consider the more complete information set out in the accounts, together with the monthly fact sheets and daily net asset value announcements, when considering an investment in the Company's shares.

ISA Qualification
The Company currently manages its affairs so as to be a qualifying investment trust under the Individual Saving Account (ISA) rules. As a result, under current UK legislation, the ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit, currently £20,000 (2020/21) in each tax year. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

Retail Distribution of Non-mainstream Products
The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non- mainstream investment products because they are shares in an investment trust.

General Data Protection Regulations
We have updated our privacy notice to align with the new data privacy law in the European Union, known as the General Data Protection Regulation (GDPR) to which we are subject. Data protection and the security of your information always has been, and remains, of paramount importance to us.

Any information concerning shareholders and other related natural persons (together the data subjects) provided to, or collected by or on behalf of, Devon Equity Management Limited and/or European Opportunities Trust PLC (the Controllers) (directly from data subjects or from publicly available sources) may be processed by the controllers as joint controllers, in compliance with the GDPR.

You are not required to take any action in respect of this notice, but we encourage you to read our privacy notice. Our privacy notice can be found on our website www.europeanopportunitiestrust.com. In the event that you hold your shares as a nominee, we request that you promptly pass on the details of where to find our privacy notice to the underlying investors and/or the beneficial owners.

Common Reporting Standards
With effect from 1 January 2016, The Organisation for Economic Cooperation and Development ('OECD') introduced Regulations for Automatic Exchange of Financial Account Information (the Common Reporting Standard, 'CRS'). HMRC enacted the CRS in the UK through The International Tax Compliance Regulations 2015.

These Regulations require all financial institutions to share certain information on overseas shareholders with HMRC; this scope includes an obligation for investment trust companies which had previously had no such reportable accounts under the UK FATCA regulations. Accordingly, the Company is required to provide information to HMRC on the tax residencies of a few non-UK based certificated shareholders and corporate entities on an annual basis. HMRC will in turn exchange this information with tax authorities in the country in which the shareholder may be resident for taxation purposes. HMRC has advised that the Company will not be required to provide such information on uncertificated holdings held through CREST. The Company has engaged Link Asset Services to provide such information on certificated holdings to HMRC, the deadline being 31 May annually.

MSCI data
This document contains information based on the MSCI Europe and the MSCI Europe ex-UK Indices. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Important Risk Warning
In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our shareholders to be cautious so that they can protect themselves and spot the warning signs. Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it.

If you have been offered an investment out of the blue, the chances are it's a high risk investment or a scam.

Checking the FCA Warning List
Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.

Getting impartial advice
Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it; You can report the firm or scam to the FCA by contacting their Consumer Helpline on 0800 111 6768 or using their online reporting form.

If you have lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk.

For further helpful information about investment scams and how to avoid them please visit www.fca.org.uk/scamsmart.

Further Information
Visit www.europeanopportunitiestrust.com for factsheets containing key information about performance, portfolio and pricing, the most recent annual and half-yearly reports and accounts and investor insights from Devon.

For investors who do not have access to the internet, documents are also available on request from the Devon Team on 0203 985 0445.

Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to enquiries@devonem.com. Further information about the Company is also available from third party websites such as www.morningstar.co.uk and www.theaic.com.

NOTICE OF ANNUAL GENERAL MEETING

This Notice of Meeting is an important document. If you are in any doubt as to what action to take, you should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of European Opportunities Trust PLC will be held at the offices of Devon Equity Management Limited, 123 Victoria Street, London, SW1E 6DE at 11.00 am on Monday, 16 November 2020.

The UK government has introduced measures to limit the impact and spread of the COVID-19. These measures include restrictions on gatherings of people in public, thereby limiting the ability of shareholders to attend the Annual General Meeting.

In normal circumstances, the Board values very highly the opportunity to meet shareholders in person at its Annual General Meeting. However, the health and safety of the Company's shareholders, advisers and Directors are of paramount importance. On this basis, and assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend the Company's Annual General Meeting in person.

In order to comply with relevant legal requirements, the Annual General Meeting will be convened with the minimum necessary quorum of two shareholders. This will be facilitated by the Company through the attendance of Directors of the Company who are shareholders. Only the statutory and formal business to meet the minimum legal requirements will be conducted at the Annual General Meeting and there will be no presentations.

The outcome of the resolutions will be determined by shareholder vote as usual, based on the proxy votes received. Shareholders are strongly encouraged to vote by proxy, appointing the "Chairman of the Meeting" as their proxy rather than any other person who will not be permitted to attend.

The voting results will be posted on the website following the Annual General Meeting and the Board will also make the customary announcement to the London Stock Exchange. Shareholders are invited to submit questions to the Board in advance of the meeting. Questions should be sent by email to enquiries@devonem.com before 5pm on Friday, 13 November 2020.

Shareholders will be asked to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions, except for resolutions 14, 15 and 16, which will be proposed as special resolutions:

ORDINARY BUSINESS

1. That the Report of the Directors and the audited Accounts of the Company for the year ended 31 May 2020 be received.

2. That the Directors' Remuneration Policy be approved.

3. That the Directors' Remuneration Report for the year ended 31 May 2020 be approved.

4. That a final dividend of 3.5p per ordinary share be paid in respect of the financial year ended 31 May 2020.

5. That Andrew Sutch be re-elected as a Director of the Company.

6. That Philip Best be re-elected as a Director of the Company.

7. That Sharon Brown be re-elected as a Director of the Company.

8. That Virginia Holmes be re-elected as a Director of the Company.

9. That The Rt Hon Lord Lamont of Lerwick be re-elected as a Director of the Company.

10. That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company.

11. That the Directors be authorised to agree the remuneration of the Auditors.

SPECIAL BUSINESS

12. That the Company continue in being as an investment trust.

13. That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the Directors under Section 551 of the Act, to allot shares in the capital of the Company ('shares') up to a maximum aggregate nominal amount of £375,314.37 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

14. That the Directors of the Company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 13 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities up to an aggregate nominal amount of £112,594.31 and

    (b) in addition to the authority referred to in (a) above, an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter,

    provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution 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 such an offer or agreement as if the authority hereby conferred had not expired.

15. That the Company be and is generally and unconditionally authorised 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 of the Act) of ordinary shares provided that:

    (a) the maximum number of shares that may be purchased is 16,877,887 ordinary shares, being 14.99% of the issued number of ordinary shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of ordinary shares at the date of passing the resolution;

    (b) the minimum price which may be paid shall be one pence per ordinary share;

    (c) the maximum price (excluding the expenses of such purchase) which may be paid for each ordinary share is the higher of:

        (i) 105% of the average middle market quotations for such ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation EC 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2273/2003); and

(d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

16. That a General Meeting other than the Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Devon Equity Management Limited
Company Secretary
123 Victoria Street
London SW1E 6DE

23 September 2020

NOTES FOR ANNUAL GENERAL MEETING

1. As referred to in the Notice of this meeting, assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend the Annual General Meeting in person this year. Shareholders are strongly encouraged to vote by proxy, appointing the "Chairman of the Meeting" as their proxy rather than any other person, who will not be permitted to attend. A form of proxy must be lodged at the Company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 11.00 am on Thursday, 12 November 2020. Electronic voting is available for this meeting. Please refer to notes 3 and 4 below for further details on electronic voting or how to obtain a hard copy form of proxy if required.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be entered on the Company's Register of Members at close of business on Thursday, 12 November 2020. If the meeting is adjourned then, to be so entitled, shareholders must be entered on the Company's Register of Members at close of business two non-working days prior to the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

3. Electronic proxy voting is available for this meeting. If you would like to submit your voting instructions using the web-based voting facility please go to www.signalshares.com. If you have not already registered with Signal Shares you will need your Investor Code which can be found on your share certificate. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu.

4. We have removed paper from the voting process to further reduce any environmental impact. A faster and more secure method of voting online is available via the Signal Shares portal at www.signalshares.com. You will however, be able request a paper proxy if you wish by contacting Link Asset Services , whose contact details are set out on page 84.

5. As at 18 September 2020 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 112,875,331 ordinary shares of 1p each, of which 270,000 were held in treasury. As a result, the total voting rights as at 18 September 2020 was 112,594,311.

6. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using 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 using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. 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 CRESTCo 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.

8. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by Link Asset Services. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged not less than 48 hours prior to the time of the Annual General Meeting as specified in the Notice of Annual General Meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. With reference to Note 1 of this Notice, this year shareholders are strongly encouraged to vote by proxy, appointing the "Chairman of the Meeting" as their proxy rather than any other person who will not be permitted to attend.

9. If you have disposed of your holding in the Company the report should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

10. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. With reference to Note 1 of this Notice, this year shareholders are strongly encouraged to vote by proxy, appointing the "Chairman of the Meeting" as their proxy rather than any other person who will not be permitted to attend.

11. A copy of the Notice of Meeting and other information required by section 311A of the Companies Act 2006, can be found at www.europeanopportunitiestrust.com.

12. Under the Companies Act 2006 (the "2006 Act"), the Company is required to answer any question about the business of the Annual General Meeting from a shareholder attending the meeting. The exceptions include if it is undesirable in the interests of the Company or the good order of the meeting, or if it would involve the disclosure of confidential information. In normal circumstances, the Board values very highly the opportunity to meet shareholders in person at its Annual General Meeting. However, the health and safety of the Company's shareholders, advisers and Directors are of paramount importance. On this basis, and assuming the continuation of containment and/or distancing measures, shareholders will not be able to attend the Company's Annual General Meeting in person. Shareholders are invited to submit questions to the Board in advance of the meeting. Questions should be sent by email to enquiries@devonem.com before 5pm on Friday, 13 November 2020.

13. Under Sections 338 and 338A of the 2006 Act, shareholders meeting the threshold requirements in those sections have the right to require the Company: (i) to give notice of a properly moved resolution which they intend to move at the meeting to all members of the Company; and/or (ii) to include in the business of the meeting any matter which may properly be included as business. A resolution will be deemed to be properly moved unless it would, if passed, be (a) ineffective by reason of inconsistency with the law or the Company's constitution; (b) defamatory; or (c) frivolous or vexatious. Requests made pursuant to this right must be accompanied by a statement setting out the grounds for the request, authenticated by the person(s) making it and received by the Company at least six clear weeks before the meeting. In the case of a matter to be included in the business the request must be accompanied by a statement setting out the grounds for the request.

14. Under Section 527 of the 2006 Act, shareholders meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous Annual General Meeting at which the annual accounts and reports were laid. The Company is required to pay the cost of publication and to forward any statement to the Company's Auditors at or before the time it is published. The statement can be dealt with as business at the Annual General Meeting.

15. Should you have any queries about voting or the Annual General Meeting please contact the Company's registrars Link Asset Services, whose contact details are set out on page 84.

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