

Murray International Trust PLC

Half Yearly Report

for the six months ended 30 June 2016



Contents

1	Highlights and Financial Calendar
2	Interim Board Report
4	Interim Board Report continued
5	Investment Portfolio
6	Investment Portfolio continued
7	Summary of Investment Changes
8	Condensed Statement of Comprehensive Income
9	Condensed Statement of Financial Position
10	Condensed Statement of Changes in Equity
11	Condensed Statement of Cash Flows
12	Notes to the Financial Statements
17	How to Invest in Murray International Trust PLC
19	Corporate Information

The Company

Murray International Trust PLC (the “Company” or the “Trust”) is an investment trust whose shares are traded on the London Stock Exchange and is a constituent of the FTSE Actuaries All-Share Index. Its Ordinary shares are listed on the premium segment of the London Stock Exchange. Some 25,000 of its shareholders are private investors. Murray International Trust PLC offers the advantage of exposure to world markets. The Company is invested in a diversified portfolio of international equities and fixed income securities.

Objective

The aim of Murray International Trust PLC is to achieve a total return greater than its benchmark (40% of the FTSE World UK and 60% of the FTSE World ex UK Indices) by investing predominantly in equities worldwide. Within this objective the Manager seeks to increase the Company's revenues in order to maintain an above average dividend yield.

Company Benchmark

The Company's benchmark is a composite index comprising 40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index.

Investment Manager

The Company's Alternative Investment Fund Manager is Aberdeen Fund Managers Limited (“AFML”) (authorised and regulated by the Financial Conduct Authority) and day to day management of the portfolio is delegated to Aberdeen Asset Managers Limited (“AAM”, the “Manager” or the “Investment Manager”).

Highlights and Financial Calendar

Financial Highlights

	30 June 2016	31 December 2015	% change
Total assets ^A (£'000)	1,557,471	1,285,193	+21.2
Equity shareholders' funds (£'000)	1,372,321	1,091,019	+25.8
Share price – Ordinary share	987.5p	829.5p	+19.0
Share price – B Ordinary share ^B	825.0p	725.0p	+13.8
Net asset value per Ordinary and B Ordinary share	1072.8p	849.0p	+26.4
Discount to net asset value per Ordinary share	8.0%	2.3%	

^A Represents total assets less current liabilities (excluding bank loans).

^B Subsequent to the period end all the B Ordinary shares in issue were converted into Ordinary shares.

Performance (total return)

	Six months ended 30 June 2016	Year ended 31 December 2015
Share price ^A	+22.7%	–15.2%
Net asset value per Ordinary and B Ordinary share	+30.1%	–7.8%
Benchmark	+10.0%	+2.6%

^A Mid to mid.

Total return represents the capital return plus dividends reinvested.

Source: Aberdeen Asset Management, Morningstar & Lipper

Financial Calendar

16 August 2016	Announcement of half yearly results
17 August 2016	Payment of first interim dividend
17 November 2016	Payment of second interim dividend
17 February 2017	Payment of third interim dividend
March 2017	Announcement of Annual Financial Results for year ending 31 December 2016
25 April 2017	Expected date for Annual General Meeting to be held in Glasgow at 12.30 p.m.
18 May 2017	Payment of final dividend

Interim Board Report

Background

The influence of sentiment and interest rate expectations dominated financial markets over the period under review. Widespread uncertainty initially prevailed as falling oil and commodity prices coupled with anxiety over potential higher short term interest rates induced significant market volatility. Constant evidence of lower than expected global growth and benign inflation contradicted consensus opinion of the need for tighter policy. The UK's Referendum on Europe produced a result unanticipated by pollsters or the markets, and an immediate period of market turmoil ensued, the most important outcome of which, for the Company, has been a sharp deterioration in the value of Sterling. For now, policy makers have reacted by retreating from any imminent policy tightening and offering conciliatory statements on monetary policy. Consequently, bond yields have sunk to even deeper historical lows and a tentative mood of optimism has returned to financial markets.

Performance and Dividends

The net asset value ("NAV") total return, with net income reinvested, for the six months to 30 June 2016 increased by 30.1% compared with a total return of 10.0% on the Company's benchmark (40% FTSE World UK and 60% FTSE World ex UK). Over the six month period the share price total return increased by 22.7% reflecting a move from a premium to a discount to NAV on which the shares traded.

Two interim dividends of 10.5p (2015: 10.5p) have been declared in respect of the period to 30 June 2016. The first interim dividend is payable on 17 August 2016 to shareholders on the register on 8 July 2016 and the second interim dividend will be paid on 17 November 2016 to shareholders on the register on 7 October 2016.

By far the largest contributing factor to positive overall portfolio returns was Sterling's weakness; with close to ninety percent of net assets invested internationally, the currency's depreciation proved positive for returns. In addition, increased portfolio diversification from constant recycling of profits over the past two years contributed both positive absolute and relative performance. This proved particularly relevant within the fixed income portfolio where recently established Emerging Market bonds significantly enhanced returns. On a regional basis within equity exposures, significant overweight positions in Asia and Latin America were positive from an asset allocation basis as both regional indices significantly increased in Sterling terms. Positive stock selection in Thailand, Taiwan, Singapore, Hong Kong, Chile and Brazil produced solid capital gains in excess of benchmark indices, as did defensively orientated exposures to the UK and North America. Despite negative local currency returns from Japan and European markets, the portfolio's exposure to selective companies in these regions

produced strong capital returns, further enhancing overall absolute and relative outperformance.

Management of Premium and Discount

The Board has continued to seek to manage the liquidity in the Company's shares. During the period under review, this has resulted in the Company purchasing in the market for treasury 756,163 Ordinary shares at a discount to the prevailing NAV (excluding income) and issuing 140,000 new Ordinary shares at a premium to the prevailing NAV (including income) per Ordinary share. Subsequent to the period end an additional 311,300 Ordinary shares have been purchased for treasury. As at the close of business on 15 August 2016, the exclusive of income NAV per share was 1136.1p and the share price was 1089.0p equating to a discount of 4.2% per Ordinary share.

The Board continues to believe that it is appropriate to seek to address temporary imbalances of supply and demand for the Company's shares which might otherwise result in a recurring material discount or premium. Subject to existing shareholder permissions (given at the last AGM) and prevailing market conditions over time, the Board intends to continue to buy back shares and issue new shares (or sell shares from treasury) if shares trade at a persistent significant discount to NAV (excluding income) or premium to NAV (including income). The Board believes that this process is in all shareholders' interests as it seeks to reduce volatility in the premium or discount to underlying NAV whilst also making a small positive contribution to the NAV.

Gearing

In May 2016 the Company agreed a new £15 million loan facility with The Royal Bank of Scotland plc ("RBS") which was drawn in full on 16 May 2016 and fixed for three years at an all-in rate of 1.467%. The new facility has been used to repay a maturing £15 million loan with RBS. At the same time the Company also repaid from its cash balances the YEN 1.6 billion loan with ING Bank N.V. At the period end the Company had net gearing of 11.9%.

Final Conversion of B Ordinary Shares

Following receipt of approval from shareholders at the general meetings held in April 2016, all remaining B Ordinary shares in issue on 30 June 2016 were converted into Ordinary shares with effect from 1 July 2016 and there was a bonus issue of one new Ordinary share for every 100 B Ordinary shares held. The final conversion and bonus issue resulted in the issue of 948,124 new Ordinary shares on 1 July 2016. Going forward the Board believes that the Company's capital structure is now simpler and more straightforward for shareholders and potential shareholders to understand and there will be future cost savings achieved from the exercise.

Directorate

I would like to reiterate the Board's sincere thanks to Lady Balfour of Burleigh, CBE, following her retirement at the AGM held in April 2016. I would also like to take this opportunity to welcome Mrs Alexandra Mackesy to the Board following her appointment on 1 May 2016. Alexandra is a former investment equity research analyst by background and, having spent the majority of her executive career in Asia, she brings further global perspective to the Board.

Outlook

Previously both the Manager and I have highlighted the extreme distortions in the financial landscape that monetary policy choices have produced over the past eight years. It is now estimated that some thirteen trillion US dollars equivalent of sovereign and corporate bonds trade at negative yields. This is unprecedented and scarcely explicable. It remains to be seen how this will play out in financial markets and the global economy, but policy makers seem certain to find it a struggle to navigate successfully the environment we are now in.

Corporate earnings globally, but particularly in the developed markets, are under some pressure, and prospects are more than usually opaque as consumers are wary of the prevailing economic and interest rate environments they are facing. The Company's portfolio emphasises holdings in nations that have favourable demographics, with reasonable growth and prosperity potential. This fact, in combination with maintained stock selection disciplines, underpins the investment positioning of the portfolio.

Kevin Carter

Chairman

16 August 2016

Principal Risks and Uncertainties

The Board has adopted a matrix of the key risks that affect the business. The major financial risks associated with the Company are detailed in note 17 to the Annual Report and Financial Statements for the year ended 31 December 2015 ("2015 Annual Report") and the other principal risks are summarised below. These risks represent the principal risks for the remaining six months of the year.

Details of the management of the risks and the Company's internal controls are disclosed on pages 9 and 10 of the 2015 Annual Report. They can be summarised as follows:

- Investment strategy and objectives;
- Investment portfolio, investment management;
- Financial obligations;
- Financial and Regulatory; and,
- Operational.

The result of the UK's referendum on membership of the EU may affect the Company's risk profile by introducing potentially significant new uncertainties and instability in financial markets as the United Kingdom negotiates its exit from the EU. These uncertainties could have a material direct or indirect effect on the Company, its financial condition and operations although the extent is not quantifiable at this time.

Related Party Transactions

AFML acts as Alternative Investment Fund Manager, AAM acts as Investment Manager and Aberdeen Asset Management PLC acts as Company Secretary to the Company; details of the service and fee arrangements can be found in the 2015 Annual Report, a copy of which is available on the Company's website. Details of the fees payable to Aberdeen group companies are disclosed in note 11 to the financial statements.

Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's assets consist of a diverse portfolio of listed equities and bonds which in most circumstances are realisable within a very short timescale. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half-Yearly Financial Report for the six months ended 30 June 2016 comprises the Half-Yearly Board Report, the Directors' Responsibility Statement and a condensed set of Financial Statements.

For and on behalf of the Board of Murray International Trust PLC

Kevin Carter
Chairman
16 August 2016

Investment Portfolio

As at 30 June 2016

Security	Country	Valuation £'000	Total assets %
British American Tobacco ^A	UK & Malaysia	74,915	4.8
Aeroportuario del Sureste ADS	Mexico	71,490	4.6
Taiwan Semiconductor Manufacturing	Taiwan	65,367	4.2
Unilever Indonesia	Indonesia	63,801	4.1
Philip Morris International	USA	59,352	3.8
Taiwan Mobile	Taiwan	54,542	3.5
Daito Trust Construction	Japan	48,475	3.1
Verizon Communications	USA	44,194	2.9
Singapore Telecommunications	Singapore	43,508	2.8
Roche Holdings	Switzerland	39,315	2.5
Top ten investments		564,959	36.3
Telus	Canada	38,311	2.5
Total	France	36,047	2.3
Sociedad Quimica Y Minera De Chile	Chile	32,335	2.1
Pepsico	USA	31,700	2.0
Banco Bradesco ^B	Brazil	30,914	2.0
Fomento Economico Mexicano	Mexico	30,446	1.9
Kimberly Clark de Mexico	Mexico	29,695	1.9
Royal Dutch Shell	UK	28,043	1.8
Public Bank	Malaysia	27,661	1.8
Johnson & Johnson	USA	27,217	1.7
Top twenty investments		877,328	56.3
Tenaris ADR	Mexico	23,731	1.5
Casino	France	23,580	1.5
Swire Pacific 'B'	Hong Kong	23,543	1.5
Vale do Rio Doce ^C	Brazil & USA	23,525	1.5
CME Group	USA	23,301	1.5
Telefonica Brasil	Brazil	23,094	1.5
ENI	Italy	22,549	1.5
Petroleos Mexicanos 5.5% 27/06/44	Mexico	20,277	1.3
Japan Tobacco	Japan	19,447	1.3
HSBC	UK	19,102	1.2
Top thirty investments		1,099,477	70.6
Standard Chartered	UK	18,874	1.2
Novartis	Switzerland	18,452	1.2
Federal Republic of Brazil 10% 01/01/17	Brazil	18,344	1.2
Siam Commercial Bank	Thailand	17,690	1.1
MTR	Hong Kong	17,009	1.1
Republic of South Africa 7% 28/02/31	South Africa	16,746	1.1
MTN	South Africa	16,061	1.0
Vodafone Group	UK	15,936	1.0
Engie	France	15,183	1.0
BHP Billiton	Australia	15,085	1.0
Top forty investments		1,268,857	81.5
Republic of Indonesia 6.125% 15/05/28	Indonesia	14,882	1.0

Investment Portfolio *continued*

As at 30 June 2016

Security	Country	Valuation £'000	Total assets %
Oversea-Chinese Bank	Singapore	14,473	0.9
Republic of Indonesia 7.0% 15/05/22	Indonesia	14,388	0.9
Petroleos De Venezuela 5.25% 12/04/17	Venezuela	14,080	0.9
Auckland International Airport	New Zealand	13,841	0.9
Potash Corporation of Saskatchewan	Canada	13,783	0.9
Bharti Airtel International 5.125% 11/03/23	India	13,742	0.9
Bayer	Germany	13,067	0.9
Atlas Copco	Sweden	13,038	0.8
Coca-Cola Amatil	Australia	12,863	0.8
Top fifty investments		1,407,014	90.4
Other investments		128,214	8.2
Total investments		1,535,228	98.6
Net current assets excluding bank loans		22,243	1.4
Total assets		1,557,471	100.0

^A Holding comprises equity holdings in both UK and Malaysia, split £51,820,000 and £23,095,000 respectively.

^B Holding comprises equity and fixed income securities, split £20,025,000 and £10,889,000 respectively.

^C Holding comprises equity and fixed income securities, split £8,549,000 and £14,976,000 respectively.

Summary of Investment Changes

	Valuation 30 June 2016		Appreciation (depreciation)	Transactions	Valuation 31 December 2015	
	£'000	%	£'000	£'000	£'000	%
Equities						
United Kingdom	160,387	10.3	22,594	–	137,793	10.7
North America	237,858	15.3	47,023	(27,304)	218,139	17.0
Europe ex UK	192,773	12.4	11,149	(51,894)	233,518	18.2
Japan	67,922	4.4	19,935	–	47,987	3.7
Asia Pacific ex Japan	377,393	24.2	71,984	44,850	260,559	20.3
Latin America	250,271	16.1	60,771	(7,105)	196,605	15.3
Africa	16,060	1.0	3,259	–	12,801	1.0
	1,302,664	83.7	236,715	(41,453)	1,107,402	86.2
Fixed income						
United Kingdom	6,823	0.4	(52)	–	6,875	0.5
Asia Pacific ex Japan	75,962	4.9	13,194	10,506	52,262	4.1
Latin America	133,033	8.5	30,359	9,298	93,376	7.3
Africa	16,746	1.1	3,482	58	13,206	1.0
	232,564	14.9	46,983	19,862	165,719	12.9
Other net assets	22,243	1.4	10,171	–	12,072	0.9
Total assets	1,557,471	100.0	293,869	(21,591)	1,285,193	100.0

^A Figure for 30 June 2016 excludes bank loan of £60,000,000 (31 December 2015 – £24,024,000) which is shown as a current liability in the Condensed Statement of Financial Position.

Summary of Net Assets

	Valuation 30 June 2016		Valuation 31 December 2015	
	£'000	%	£'000	%
Equities	1,302,664	94.9	1,107,402	101.5
Fixed income	232,564	17.0	165,719	15.2
Other net assets ^A	22,243	1.6	12,072	1.1
Bank loans and Debentures	(185,150)	(13.5)	(194,174)	(17.8)
	1,372,321	100.0	1,091,019	100.0

^A Excluding short-term bank loans.

Condensed Statement of Comprehensive Income

	Note	Six months ended 30 June 2016 (unaudited)			Six months ended 30 June 2015 (unaudited)		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on investments		–	283,687	283,687	–	(63,572)	(63,572)
Income	3	45,056	–	45,056	41,096	–	41,096
Investment management fees	11	(1,029)	(2,402)	(3,431)	(1,074)	(2,507)	(3,581)
Other expenses		(1,004)	–	(1,004)	(1,027)	–	(1,027)
Currency losses		–	(171)	(171)	–	(182)	(182)
Net return before finance costs and taxation		43,023	281,114	324,137	38,995	(66,261)	(27,266)
Finance costs		(683)	(1,593)	(2,276)	(719)	(1,678)	(2,397)
Return on ordinary activities before tax		42,340	279,521	321,861	38,276	(67,939)	(29,663)
Tax on ordinary activities	2	(3,582)	357	(3,225)	(1,453)	955	(498)
Return attributable to equity shareholders		38,758	279,878	318,636	36,823	(66,984)	(30,161)
Return per Ordinary share assuming full conversion of the B Ordinary shares (pence)	5	30.3	218.6	248.9	28.7	(52.2)	(23.5)

The total column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

Condensed Statement of Financial Position

	Notes	As at 30 June 2016 (unaudited) £'000	As at 31 December 2015 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss		1,535,228	1,273,121
Current assets			
Debtors		15,606	10,013
Cash and short-term deposits		9,595	4,648
		25,201	14,661
Creditors: amounts falling due within one year			
Bank loans		(60,000)	(24,024)
Other creditors		(2,958)	(2,589)
		(62,958)	(26,613)
Net current liabilities		(37,757)	(11,952)
Total assets less current liabilities		1,497,471	1,261,169
Creditors: amounts falling due after more than one year			
Bank loans and Debentures		(125,150)	(170,150)
Net assets		1,372,321	1,091,019
Capital and reserves			
Called-up share capital		32,135	32,128
Share premium account		349,541	349,338
Capital redemption reserve		8,230	8,230
Capital reserve	6	911,326	636,556
Revenue reserve		71,089	64,767
Equity shareholders' funds		1,372,321	1,091,019
Net asset value per Ordinary and B Ordinary share (pence)	7	1072.8	849.0

Condensed Statement of Changes in Equity

Six months ended 30 June 2016 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2015	32,128	349,338	8,230	636,556	64,767	1,091,019
Return on ordinary activities after taxation	–	–	–	279,878	38,758	318,636
Dividends paid (see note 4)	–	–	–	–	(32,436)	(32,436)
Purchase of own shares	–	–	–	(6,224)	–	(6,224)
Issue of new shares	7	203	–	1,116	–	1,326
Balance at 30 June 2016	32,135	349,541	8,230	911,326	71,089	1,372,321

Six months ended 30 June 2015 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2014	32,084	348,045	8,230	787,488	64,690	1,240,537
Return on ordinary activities after taxation	–	–	–	(66,984)	36,823	(30,161)
Dividends paid (see note 4)	–	–	–	–	(31,843)	(31,843)
Issue of new shares	39	1,293	–	(6)	–	1,326
Balance at 30 June 2015	32,123	349,338	8,230	720,498	69,670	1,179,859

Condensed Statement of Cash Flows

	Six months ended 30 June 2016 (unaudited) £'000	Six months ended 30 June 2015 (unaudited) £'000
Net return before finance costs and taxation	324,137	(27,266)
(Decrease)/increase in accrued expenses	(12)	73
Overseas withholding tax	(3,414)	(1,762)
Interest income	(1)	(215)
Dividend income	(35,454)	(31,425)
Fixed interest income	(9,601)	(7,751)
Realised losses/(gains) on foreign exchange transactions	1,536	(389)
Fixed interest income received	8,989	8,059
Dividends received	30,291	26,762
Interest received	1	215
Interest paid	(2,384)	(2,431)
(Gains)/losses on investments	(283,687)	63,572
Amortisation of fixed income book cost	(416)	(1,222)
Decrease in other debtors	19	26
Stock dividends included in investment income	–	(1,704)
Net cash flow from operating activities	30,004	24,542
Investing activities		
Purchases of investments	(118,437)	(24,862)
Sales of investments	140,923	12,570
Net cash from/(used in) investing activities	22,486	(12,292)
Financing activities		
Equity dividends paid	(32,436)	(31,843)
Share issue	1,326	1,326
Buyback of Ordinary shares	(6,224)	–
Loan repayment	(10,209)	(45,007)
Loan drawdown	–	50,000
Net cash used in financing activities	(47,543)	(25,524)
Increase/(decrease) in cash	4,947	(13,274)
Analysis of changes in cash during the period		
Opening balance	4,648	17,766
Increase/(decrease) in cash as above	4,947	(13,274)
Closing balances	9,595	4,492

Notes to the Financial Statements

1. Accounting policies

Basis of preparation

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The condensed interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements with the following exception; the Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016.

2. Taxation

The taxation expense reflected in the Condensed Statement of Comprehensive Income is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 31 December 2016 is an effective rate of 20%. This is in line with the current corporation tax rate of 20%.

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
3. Income		
Income from investments		
UK dividends	4,107	3,549
Overseas dividends	31,347	27,876
Overseas interest	9,601	7,751
Stock dividends	–	1,705
	45,055	40,881
Interest		
Deposit interest	1	215
Total income	45,056	41,096

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
4. Ordinary dividends on equity shares		
Third interim dividend 2015 of 10.50p (2014 – 10.00p)	13,398	12,736
Final dividend 2015 of 15.00p (2014 – 15.00p)	19,038	19,107
	32,436	31,843

A first interim dividend for 2016 of 10.50p (2015 – 10.50p) will be paid on 17 August 2016 to shareholders on the register on 8 July 2016. The ex-dividend date was 7 July 2016.

A second interim dividend for 2016 of 10.50p (2015 – 10.50p) will be paid on 17 November 2016 to shareholders on the register on 7 October 2016. The ex-dividend date is 6 October 2016.

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
5. Returns per share		
Based on the following figures:		
Revenue return	38,758	36,823
Capital return	279,878	(66,984)
Total return	318,636	(30,161)
Weighted average number of Ordinary shares	127,110,700	127,388,586
Weighted average number of B Ordinary shares	923,100	986,204
Weighted average number of Ordinary shares assuming conversion of B Ordinary shares	128,033,800	128,374,790

6. Capital reserves

The capital reserve reflected in the Condensed Statement of Financial Position at 30 June 2016 includes gains of £414,903,000 (31 December 2015 – gains of £160,847,000) which relate to the revaluation of investments held at the reporting date.

7. Net asset value

The net asset value per share and the net asset value attributable to the Ordinary shares (including conversion of the B Ordinary shares) at the period end calculated in accordance with the Articles of Association were as follows:

	As at 30 June 2016	As at 31 December 2015
Attributable net assets (£'000)	1,372,321	1,091,019
Number of shares in issue:		
Ordinary shares	126,985,789	127,601,952
B Ordinary shares	938,892	910,364
	127,924,681	128,512,316
Net asset value per share (pence)	1,072.8	849.0

8. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

Notes to the Financial Statements *continued*

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
Purchases	91	26
Sales	112	17
	203	43

9. Fair value hierarchy

FRS 102 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 Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016. This has not resulted in any reclassifications in levelling and the prior year comparative has been disclosed under the new hierarchy. The fair value hierarchy shall have the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 June 2016					
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,302,664	–	–	1,302,664
Quoted preference shares	a)	6,823	–	–	6,823
Quoted bonds	b)	196,685	29,056	–	225,741
Total		1,506,172	29,056	–	1,535,228
Net fair value		1,506,172	29,056	–	1,535,228

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 December 2015					
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,107,402	–	–	1,107,402
Quoted preference shares	a)	6,875	–	–	6,875
Quoted bonds	b)	127,326	31,518	–	158,844
Foreign exchange forward contracts	c)	–	351	–	351
Total		1,241,603	31,869	–	1,273,472
Net fair value		1,241,603	31,869	–	1,273,472

a) Quoted equities and preference shares

The fair value of the Company's investments in quoted equities and preference shares has been determined by reference to their quoted bid prices at the reporting date. Quoted equities and preference shares included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted bonds

The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Bonds included in Fair Value Levels 1 and 2 include Government Bonds and Corporate Bonds. Investments categorised as Level 2 are not considered to trade in active markets.

c) Foreign exchange forward contracts

The fair value of the Company's investment in foreign exchange forward contracts has been determined in relation to models using observable market inputs and hence are categorised in Fair Value Level 2.

10. Share capital

As at 30 June 2016 there were 126,985,789 (31 December 2015 – 127,601,952) Ordinary shares of 25p each in issue and 938,892 (31 December 2015 – 910,364) B Ordinary shares of 25p each in issue.

Subsequent to the period end 311,300 Ordinary shares have been bought back for treasury, and as detailed in the Interim Board Report on page 2, all remaining B Ordinary shares in issue on 30 June 2016 were converted into Ordinary shares with effect from 1 July 2016 and there was a bonus issue of one new Ordinary share for every 100 B Ordinary shares held. The final conversion and bonus issue resulted in the issue of 948,124 new Ordinary shares on 1 July 2016.

Following the share buybacks and conversion there were 127,622,613 Ordinary shares in issue at the date this Report was approved.

11. Transactions with the Manager

The Company has agreements with Aberdeen Fund Managers Limited ('AFML' or the 'Manager') for the provision of investment management, secretarial, accounting and administration and promotional activity services.

With effect from 1 January 2016, the Board and the Manager agreed a new basis for calculating the Company's management fees payable to AFML. The performance fee was discontinued and the annual management fee is now charged on net assets (i.e. excluding borrowings for investment purposes) averaged over the six previous quarters ('Net Assets'), on a tiered basis. The annual management fee is now charged at 0.575% of Net Assets up to £1,200 million, 0.5% of Net Assets between £1,200 million and £1,400 million, and 0.425% of Net Assets above £1,400 million. A fee of 1.5% per annum remains chargeable on the value of any unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves. During the period £3,431,000 (30 June 2015 – £3,581,000) of investment management fees were payable to the Manager, with a balance of £1,696,000 (30 June 2015 – £1,785,000) being payable to AFML at the period end.

Included in the charge above is a secretarial fee of £100,000 per annum which is chargeable 100% to revenue. During the period £50,000 (30 June 2015 – £50,000) of secretarial fees was payable to the Manager, with a balance of £25,000 (30 June 2015 – £25,000) being payable to AFML at the period end.

No fees are charged in the case of investments managed or advised by the Aberdeen Asset Management Group. The management agreement may be terminated by either party on the expiry of six month's written notice. On termination the Manager is entitled to receive fees which would otherwise have been due up to that date.

The promotional activities fee is based on a current annual amount of £425,000 (30 June 2015 – £500,000), payable quarterly in arrears. During the period £214,000 (30 June 2015 – £252,000) of fees was payable, with a balance of

Notes to the Financial Statements *continued*

£105,000 (30 June 2015 – £124,000) being payable to AFML at the period end.

12. Related party transactions

With effect from 1 January 2016, the Board and the Manager agreed a new basis for calculating the Company's management fees payable to AFML. Details of the new basis can be found in note 11.

The changes to the management fee arrangements constitute a smaller related party transaction for the purpose of LR 11.1.10 R of the Financial Conduct Authority's Listing Rules.

13. Segmental information

The Company is engaged in a single segment of business, which is to invest in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

14. The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 31 December 2015 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the Company's auditor was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The condensed interim financial statements have been prepared using the same accounting policies as contained within the preceding annual financial statements.

The financial information for the six months ended 30 June 2016 has not been audited or reviewed by the Company's auditor. The financial information for the six months ended 30 June 2015 was reviewed by the Company's auditor.

15. This Half-Yearly Financial Report was approved by the Board on 16 August 2016.

How to Invest in Murray International Trust PLC

Direct

Investors can buy and sell shares in Murray International Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of global companies by investment in an investment trust company and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited (AAM) runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including Murray International Trust PLC. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in Murray International Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry, where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £15,240 can be made in the tax year 2016/2017.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in Murray International Trust PLC while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested. As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

How to Invest in Murray International Trust PLC continued

Keeping You Informed

For internet users, detailed data on Murray International Trust PLC, including price, performance information and a monthly fact sheet is available from the Trust's website (murray-intl.co.uk) and the TrustNet website (trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:

Telephone: 0500 00 40 00

Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts

PO Box 11020

Chelmsford

Essex, CM99 2DB

Telephone: 0500 00 00 40

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Conduct Authority.

Corporate Information

Directors

K J Carter (Chairman)
J D Best (Senior Independent Director)
M Campbell
P W Dunscombe
D Hardie
A J Mackesy (*appointed 1 May 2016*)
Lady Balfour of Burleigh CBE (*retired 26 April 2016*)

Secretaries and Registered Office

Aberdeen Asset Management PLC
40 Princes Street
Edinburgh EH2 2BY

Registered in Scotland as an investment company
Company Number SC006705

Manager

Aberdeen Asset Managers Limited
Customer Services Department: 0500 00 00 40 (free when
dialling from a UK landline)

AIFM

Aberdeen Fund Managers Limited

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0371 664 0300
(lines are open 8.30am-5.30pm Mon-Fri)
Tel International: (+44 208 639 3399)
e-mail: shareholderenquiries@capita.co.uk
website: capitaassetservices.com

Depository

BNY Mellon Trust & Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Auditor

Ernst & Young LLP or EY
Ten George Street
Edinburgh EH2 2DZ

Trustee of the Debenture Stockholders

Bank of Scotland plc

Broker

Stifel Nicolaus Europe Limited

Website

murray-intl.co.uk

United States Internal Revenue Service FATCA Registration Number (GIIN)

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Points of Contact

The Chairman, the Senior Independent Director and the
Company Secretary at the registered office of the Company



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