

Investment objective

The Company invests primarily in UK securities with the long term objective of achieving:

- 1) an increase of the Net Asset Value per share by more than the growth in the FTSE All-Share Index; and
- 2) growth in dividends per share by more than the rate of UK inflation.

Further details of the investment trust's Investment Policy and Risk and Investment Limits can be found in the Report of the Directors contained within the investment trust's Annual Financial Report.

Key facts

Ticker	EDIN.L
Total Assets	£1,570.0m
Ordinary Shares:	
Share Price	698.0p
Capital NAV (debt at par)	718.5p
Cum-Income NAV (debt at par)	733.9p
Capital NAV (debt at fair)	700.5p
Cum-Income NAV (debt at fair)	716.0p
Discount to Cum-Income NAV (debt at par)	4.9%
Discount to Cum-Income NAV (debt at fair)	2.5%
Dividend Yield ²	3.4%
Gearing ³	9.6%
Ongoing Charges (incl. AMC)	0.60% (31 May 2015)
Annual Management Charge (AMC)	0.55% of Market Cap

² This is calculated by dividing the current financial year's dividends (this may include prospective dividends) by the current ordinary share price.

³ Gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and investments in money market funds. It is based on net borrowings as a percentage of net assets.

The Company may borrow money to provide gearing to the equity portion up to 25% of net assets.

Financial calendar

Year End	31 March
Annual Financial Report published	June
Half-Yearly Financial Report published	November
Dividend payment dates	February, May, July and November
7.75% Debenture Stock 2022 Interest Paid	31 March and 30 September
Annual General Meeting	July

Ordinary share price 5-year performance¹



Industry breakdown

	%
Financials	24.3
Consumer Goods	19.6
Health Care	16.0
Industrials	15.8
Consumer Services	8.3
Telecommunications	6.6
Utilities	6.0
Oil & Gas	3.4

Ordinary share price & NAV cumulative performance¹

	6 months	1 Year	3 Years	5 Years	10 Years
Share Price	7.9	18.8	67.8	127.9	228.4
Net Asset Value	8.9	16.8	74.5	128.7	169.4
FTSE All-Share Index	7.5	7.5	52.2	68.5	116.8

Rolling 12-month NAV performance¹

	31.3.10 31.3.11	31.3.11 31.3.12	31.3.12 31.3.13	31.3.13 31.3.14	31.3.14 31.3.15
Net Asset Value	12.2	15.3	21.3	12.2	16.4

Updated on a quarterly basis.

Standardised rolling 12-month performance¹

	31.3.10 31.3.11	31.3.11 31.3.12	31.3.12 31.3.13	31.3.13 31.3.14	31.3.14 31.3.15
Ordinary Share Price	16.5	17.6	20.1	8.0	15.7

Updated on a quarterly basis.

Past performance is not a guide to future returns.

Top 10 holdings

	% portfolio
Reynolds American - US common stock	5.3
Imperial Tobacco	5.1
British American Tobacco	4.7
BT Group	4.6
AstraZeneca	4.2
Roche - Swiss common stock	4.0
BAE Systems	3.9
BP	3.4
Provident Financial	3.0
Capita	2.9
Total	41.1

Breakdown by portfolio

	% portfolio
FTSE 100	53.9
FTSE 250 ex Inv Companies	24.7
International Equities	13.6
FTSE Small Cap Fledgling AIM ex Inv Companies	7.1
Other Split Cap & Inv Companies	0.2
Cash & Cash Equivalent	0.5
Total	100.0

¹ Ordinary share price performance figures have been calculated using daily closing prices with dividends reinvested. NAV performance figures have been calculated using daily NAV with dividends reinvested. The NAV used excludes current period revenue and values debt at par. All performance figures are in sterling as at 31 May 2015 unless otherwise stated. Source: Morningstar Source: Invesco Perpetual unless otherwise stated.

The Edinburgh Investment Trust plc

As at 31 May 2015

www.invescopetpetual.co.uk/edinburgh

Manager's report

Market and economic review

The FTSE All-Share index hit its low for the month on the day of the UK general election but reacted positively to news that the Conservative party had won an outright majority and finished the month up 1.4% (total return, £). The UK inflation rate for April turned negative for the first time in over 50 years, reflecting the fall in food and energy prices. Lower food and energy prices have been positive for consumer demand due to increasing average disposable incomes. That said, we do not expect prices to fall significantly from here given our view that the oil price has stabilised, leaving scope for positive inflation to re-emerge by the end of the year.

During the month specialist services companies Babcock and Capita saw their share prices rise significantly on news of the surprise outright victory for the Conservative party, inspiring hopes for a pick-up in central government outsourcing. The share prices of both Reynolds American and Imperial Tobacco advanced strongly on news that the US Federal Trade Commission (FTC) had approved the Reynolds's acquisition of Lorillard, announced last summer, as well as Imperial Tobacco's agreed purchase of Lorillard's sales force and a number of its North American brands, which had been contingent on the Reynolds acquisition going ahead. There were no significant detractors to performance during the month.

Portfolio review

The investment trust strategy remains unchanged from the recent past. The fund manager favours companies in the market which offer visibility of revenues, profits and cash-flows in this low growth world and which are managed for the primary purpose of delivering shareholder value in the form of a sustainable and growing dividend. We continue to believe that well managed companies which seek to deliver sustainable dividend growth provide the best long term investment opportunities.

Investment trust structure

The current number of ordinary shares in issue is 195,116,734.

The investment trust is authorised to buy back up to 14.99% of its ordinary shares for cancellation.

The Directors also obtained shareholder approval to authorise the allotment of up to 10% of the Company's issued share capital.

These authorities are renewed yearly to assist in discount control management.

The investment trust has the following prior charges in issue:

£100 million 7.75% debenture stock 2022

£100 million 364 day credit facility with Bank of New York Mellon

Shares in the investment trust are listed on the London Stock Exchange.

The investment trust is managed by Mark Barnett.

Important information

Issued on behalf of the board of the Edinburgh Investment Trust plc by Invesco Fund Managers Limited.

The value of investments and any income will fluctuate (this may partly be as a result of exchange rate fluctuations) and investors may not get back the full amount invested.

The investment trust may invest in derivatives. This means that the net asset value of the investment trust may, at times, be highly volatile. The use of derivative instruments involves certain risks (including market or communication breakdown, counterparty failure and credit risk) and there is no assurance that the objectives for the use of such instruments will be achieved.

The investment trust may use borrowings to invest in the market. The use of borrowings may enhance total return when the value of the investment trust's assets is rising, but it will have the opposite effect when asset values fall. The use of borrowings may increase the volatility of the share price and the net asset value per share. In certain circumstances, the investment trust may be required to repay borrowings and this could adversely affect income and capital returns.

When making an investment in an investment trust you are buying shares in a company that is listed on a stock exchange. The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares.

Where securities are mentioned in this document they do not necessarily represent a specific portfolio holding and do not constitute a recommendation to purchase, hold or sell.

Where Invesco Perpetual has expressed views and opinions, these may change.

Telephone calls may be recorded.

For more information on our products, please refer to the Investment Trust ISA and Savings Scheme Key Features and Terms & Conditions and the latest Annual or Half-Yearly Financial Reports. This information is available using the contact details shown.

Further information

Broker Services

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Invesco Perpetual is a business name of Invesco Fund Managers Limited and Invesco Asset Management Limited
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