

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/LON
Total Assets	£1,444.4m
Ordinary Shares:	
Share Price	605.0p
Capital NAV (debt at par)	633.2p
Cum-Income NAV (debt at par)	638.8p
Capital NAV (debt at fair)	617.9p
Cum-Income NAV (debt at fair)	623.5p
Discount to Cum-Income NAV (debt at par)	5.3%
Discount to Cum-Income NAV (debt at fair)	3.0%
Total Dividend	22.8p
Dividend Yield	3.8%
Gearing ²	15.8%
Ongoing Charges	0.60% (30 June 2014)

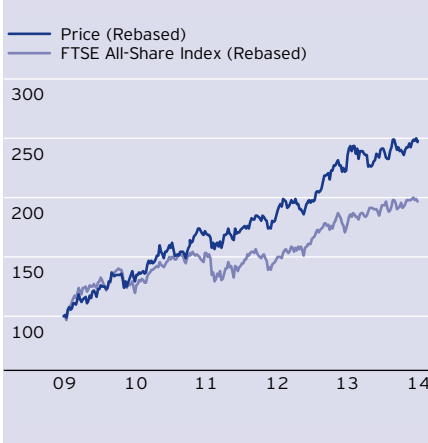
² Gearing reflects the amount of net borrowings invested, ie borrowings less cash and investments in money market funds. It is based on net borrowings as a percentage of shareholders' funds.

The Company has the ability to invest up to £200 million from its Debenture Stocks in the equity market. The Manager has full discretion over the amount of cash from the Company's Debenture Stocks to be invested in the equity market whilst the issuance, repurchase or restructuring of debt are for the Board to decide. The Board regularly reviews the level of gearing. Additionally, the Board keeps under review the cost of buying back debt.

Financial calendar

Year End	31 March
Annual Financial Report published	June
Half-Yearly Financial Report published	November
Interim Management Statements	January and July
Ordinary Share Dividends:	
Final Paid	July
Interims Paid	November, February and May
11.5% Debenture Stock 2014 Interest Paid	30 June and 31 December
7.75% Debenture Stock 2022 Interest Paid	31 March and 30 September
Annual General Meeting	18 July 2014

Ordinary share price 5-year performance¹



Industry breakdown

	%
Consumer Goods	21.7
Health Care	21.3
Financials	18.8
Industrials	17.4
Utilities	6.3
Consumer Services	6.2
Telecommunications	5.7
Oil & Gas	2.6

Ordinary share price & NAV cumulative performance¹

	6 months	1 Year	3 Years	5 Years	10 Years
Share Price	3.3	11.4	45.9	148.1	218.9
Net Asset Value	6.8	15.7	51.4	141.4	160.4
FTSE All-Share Index	1.6	13.1	29.2	96.7	128.8

Rolling 12-month NAV performance¹

	30.6.09 30.6.10	30.6.10 30.6.11	30.6.11 30.6.12	30.6.12 30.6.13	30.6.13 30.6.14
Net Asset Value	24.9	27.7	7.7	21.5	15.7

Updated on a quarterly basis.

Standardised rolling 12-month performance

	30.6.09 30.6.10	30.6.10 30.6.11	30.6.11 30.6.12	30.6.12 30.6.13	30.6.13 30.6.14
Ordinary Share Price	31.7	29.1	8.6	20.6	11.4

Updated on a quarterly basis.

Past performance is not a guide to future returns.

Top 10 holdings

	% portfolio
British American Tobacco	5.2
Imperial Tobacco	5.0
AstraZeneca	4.9
Roche - Swiss common stock	4.9
BT Group	4.8
Reynolds American - US common stock	4.5
GlaxoSmithKline	4.3
BAE Systems	4.1
Reckitt Benckiser	3.4
Rolls-Royce	3.0
Total	44.1

Breakdown by portfolio

	% portfolio
FTSE 100	58.3
FTSE 250	21.1
International Equities	15.0
FTSE Small Cap	5.5
Other Small Cap & Inv Companies	1.1
Cash/Cash Equiv.	-1.0
Total	100.0

Ordinary share price performance figures have been calculated using daily closing prices, on a sterling basis to 30 June 2014, except where otherwise stated, with dividends reinvested. Ordinary share NAV performance figures have been calculated using daily NAV, on a sterling basis to 30 June 2014 with dividends reinvested. The NAV used excludes current period revenue and values debt at par. Graph figures are at the end of the relevant month unless otherwise stated. Standardised past performance figures are to 30 June 2014. Source: Morningstar

¹ All performance figures should be viewed in conjunction with the standardised rolling 12-month performance table.

Source: Invesco Perpetual unless otherwise stated.

The Edinburgh Investment Trust plc

As at 30 June 2014

Manager's report

Market and economic review

The small fall in the FTSE All-Share index in June has seen a return to the pattern of trading witnessed earlier in the year whereby an 'up' month was followed by a 'down' month. Despite this lacklustre trend in the index, the economic news in the UK has continued to improve. The latest unemployment rate showed a fall to 6.6% from 6.8% previously and CPI inflation for May was released which showed a fall to 1.5% from 1.8% in April. Reflecting this news-flow, the Governor of the Bank of England indicated that the first rise in interest rates could happen sooner rather than later, but caveated that any such rises were likely to be in small increments.

Among the key contributors to performance over the month were Provident Financial, BTG and IP Group. BTG recently reported that its EkoSonic Endovascular System had received FDA clearance for treatment of pulmonary embolism in U.S, whilst IP Group reported positive Phase 2 results for one of its portfolio companies, Diurnal Limited. Portfolio holding, Thomas Cook saw its share price fall in June, following on from results in May which reported lower summer holiday bookings for 2014 than in 2013. Another detractor to performance was Centrica, which announced a departure from its senior management team.

Portfolio review

Over the last two years the UK equity market has made a considerable recovery, which we believe has allowed UK stock market valuations of companies to move closer to fair value. Despite this we believe that corporate earnings can grow from here, albeit at a more modest pace. Combining this with the ability to find value in individual companies, the fund manager believes positive returns can be made over the medium term.

Investment trust history and structure

Invesco Asset Management Limited was appointed to the role of manager and company secretary with effect from 15 September 2008 from Fidelity Investments International.

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 current authorities were approved by shareholders at the 19 July 2013 AGM.

The investment trust has the following prior charges in issue:

- £100 million 11.5% debenture stock 2014
- £100 million 7.75% debenture stock 2022

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 Asset Management 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 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

Telephone 0800 028 2121
adviserenquiry@invescopetual.co.uk

Investor Services

Telephone 0800 085 8677
enquiry@invescopetual.co.uk

www.invescopetual.co.uk/investmenttrusts

Invesco Perpetual is a business name of Invesco Asset Management Limited.
Authorised and regulated by the Financial Conduct Authority.
Registered in England No. 949417
Registered address Perpetual Park Perpetual Park Drive, Henley-on-Thames, Oxfordshire,
RG9 1HH, UK