

Investment objective

The Company invests primarily in UK securities with the long term objective of achieving an increase of the Net Asset Value per share by more than the growth in the FTSE All-Share Index; and 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 | £1,437.5m |
| Ordinary Shares: | |
| Share Price | 605.5p |
| Capital NAV (debt at par) | 618.6p |
| Cum-Income NAV (debt at par) | 635.3p |
| Capital NAV (debt at fair) | 602.7p |
| Cum-Income NAV (debt at fair) | 619.4p |
| Discount to Cum-Income NAV (debt at par) | 4.7% |
| Discount to Cum-Income NAV (debt at fair) | 2.2% |
| Total Dividend | 22.8p |
| Dividend Yield | 3.8% |
| Gearing ² | 16.0% |
| Ongoing Charges | 0.59% (30 April 2014) |

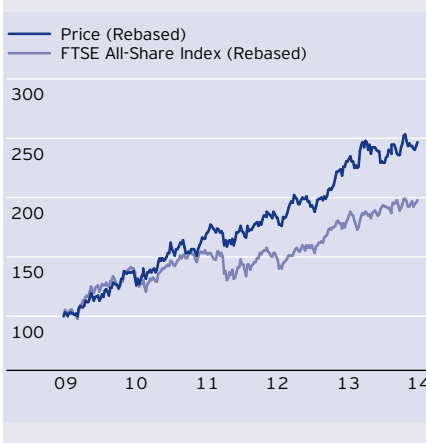
² Gearing reflects the amount of net borrowings invested, ie borrowings less cash and investments in money market funds. It is based on net borrowings as a percentage of shareholders' funds.

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 | July |

Ordinary share price 5-year performance¹



Sector breakdown

| | % |
|--------------------|------|
| Health Care | 23.9 |
| Consumer Goods | 21.6 |
| Financials | 18.1 |
| Industrials | 16.5 |
| Utilities | 6.8 |
| Telecommunications | 5.6 |
| Consumer Services | 5.0 |
| Oil & Gas | 2.5 |

Ordinary share price & NAV cumulative performance¹

| | % growth | | | | |
|----------------------|----------|--------|---------|---------|----------|
| | 6 months | 1 Year | 3 Years | 5 Years | 10 Years |
| Share Price | 7.3 | 6.8 | 49.2 | 146.4 | 217.5 |
| Net Asset Value | 4.4 | 12.0 | 50.9 | 137.0 | 153.8 |
| FTSE All-Share Index | 2.6 | 10.5 | 27.6 | 98.2 | 128.9 |

Rolling 12-month NAV performance¹

| | % growth | | | | |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 31.3.09 31.3.10 | 31.3.10 31.3.11 | 31.3.11 31.3.12 | 31.3.12 31.3.13 | 31.3.13 31.3.14 |
| Net Asset Value | 39.0 | 12.2 | 15.3 | 21.3 | 11.6 |

Updated on a quarterly basis.

Standardised rolling 12-month performance

| | % growth | | | | |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 31.3.09 31.3.10 | 31.3.10 31.3.11 | 31.3.11 31.3.12 | 31.3.12 31.3.13 | 31.3.13 31.3.14 |
| Ordinary Share Price | 45.7 | 16.5 | 17.6 | 20.1 | 8.0 |

Updated on a quarterly basis.

Past performance is not a guide to future returns.

Top 10 holdings

| | % portfolio |
|-------------------------------------|-------------|
| British American Tobacco | 6.0 |
| AstraZeneca | 5.4 |
| Imperial Tobacco | 5.1 |
| GlaxoSmithKline | 5.0 |
| Roche - Swiss common stock | 4.9 |
| Reynolds American - US common stock | 4.7 |
| BT Group | 4.6 |
| BAE Systems | 4.0 |
| Reckitt Benckiser | 3.3 |
| Rolls-Royce | 3.0 |
| Total | 46.0 |

Breakdown by portfolio

| | % portfolio |
|------------------------|--------------|
| FTSE 100 | 58.0 |
| FTSE 250 | 21.0 |
| International Equities | 16.0 |
| FTSE Small Cap | 5.0 |
| Total | 100.0 |

Ordinary share price performance figures have been calculated using daily closing prices, on a sterling basis to 30 April 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 April 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 31 March 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 April 2014

Manager's report

Market and economic review

After struggling to find much direction in 2014, the UK stock market found some upward momentum in April, largely on the back of M&A in the pharmaceutical sector. Tensions in Ukraine were an on-going issue, emerging market exposure remained a negative influence on company results and the World Bank downgraded its forecast for economic growth in China. There was further good news on the UK economy - this grew by 0.8% in the first quarter, 3.1% year-on-year, while CPI inflation fell to 1.6% and unemployment came down to 6.9%.

Best performer among the pharmaceutical sectors and a key contributor to the month's performance was Astra Zeneca, which saw its price rise by c. 20% over the month, reacting positively to a bid from Pfizer. Tobacco stocks also performed strongly with Imperial Tobacco to the fore. A key detractor to performance was Drax, which saw its share price fall sharply on a change in the government level of its support for the company's second biomass unit. Drax has taken legal advice and has challenged this decision.

Portfolio review

We believe the key to navigating the near term is to remain highly vigilant about the strength of corporate performance and to remain judicious in portfolio selection, given the increase in valuations. It is unlikely that the performance of the market in 2013 will be repeated in the current year.

The fund strategy is to focus on companies that have proven their ability to grow revenues, profits and free cash flow in this low growth world, coupled with management teams that are fully cognisant of the need to deliver sustainable, long-term, dividend growth.

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

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Investor Services

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Invesco Perpetual is a business name of Invesco Asset Management Limited.
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