



The Edinburgh Investment Trust plc

HALF-YEARLY FINANCIAL REPORT

SIX MONTHS TO 30 SEPTEMBER 2014



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If you have any queries about The Edinburgh Investment Trust plc or any of the other specialist funds managed by Invesco Perpetual, please contact the Investor Services Team on:

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Front Cover: Obsidian, volcanic, extrusive igneous rocks fracture in a distinctive way.

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FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

The Edinburgh Investment Trust plc (the 'Company') is a UK investment trust listed on the London Stock Exchange, which invests primarily in UK securities.

Investment Objective of the Company

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.

Performance Statistics

FOR THE SIX MONTHS TO 30 SEPTEMBER

Total Return (capital growth with income reinvested)

Net asset value (NAV) total return⁽¹⁾

– debt at par	+5.0
– debt at market value	+4.8

Share price total return⁽¹⁾

+4.6

FTSE All-Share Index total return⁽¹⁾

+1.2

2014
% CHANGE

Capital Return

NAV

– debt at par	643.65p	628.18p	+2.5
– debt at market value	627.66p	613.25p	+2.3

Share price⁽¹⁾

607.5p 594.0p +2.3

FTSE All-Share Index⁽¹⁾

3533.93 3555.59 –0.6

Discount:

– debt at par	5.6%	5.4%
– debt at market value	3.2%	3.1%

Gearing (at par):

– gross gearing ⁽²⁾	15.9%	16.3%
– net gearing ⁽³⁾	15.7%	15.7%

AT
30 SEPTEMBER
2014

AT
31 MARCH
2014

%
CHANGE

FOR THE SIX MONTHS TO 30 SEPTEMBER

Revenue Return

Revenue return per share

12.8p 12.1p +5.8

First interim dividend⁽⁴⁾

5.0p 5.0p —

Retail Price Index⁽¹⁾

1.1% 1.3%

2014

2013

%
CHANGE

Notes: 1. Source: Thomson Reuters Datastream.

2. Gross gearing: borrowings ÷ shareholders' funds.

3. Net gearing: borrowings less cash and investments in money market funds ÷ shareholders' funds.

4. Dividends declared in respect of the financial year.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Dear Shareholder,

The strong UK equity performance of the last two years to 31 March 2014 did not continue into the current six month reporting period to 30 September 2014. The FTSE All Share Index at the end of the six month period remained largely unchanged from its starting position, weighed down by concerns about earnings growth, the end of quantitative easing in the US and slower growth in China. However, against this backdrop, and in Mark Barnett's first full period as portfolio manager, I am pleased to be able to report reassuring investment performance against benchmark and the peer group. This performance and the conditions on both the economic and market fronts are detailed below and in the portfolio manager's report.

Performance

The Company produced a net asset value (NAV) total return for the six months to 30 September 2014 of 5.0% (debt at par) and 4.8% (debt at market), which compares with a total return of 1.2% for the FTSE All-Share Index, the Company's benchmark. The share price total return (share price with dividends reinvested) for the period was 4.6%. The portfolio continues to be concentrated in a relatively small number of sectors and its overweight or underweight positions in various sectors can be material drivers of the Company's relative investment performance.

The Company's share price at 30 September 2014 was 607.5p, an increase of 2.3% from the year end share price of 594.0p. The shares traded at a discount of 5.6% to NAV (debt at par) at 30 September 2014, marginally widening from the discount at the Company's year end of 5.4%. At 11 November 2014, the latest practical date to signing this report, the NAV was 663.4p, the share price was 636.0p and the resultant discount was 4.1% (debt at par) and 1.5% (debt at market value).

Management Fees

As reported to shareholders in the Annual Financial Report, the Company's management fees were renegotiated in January 2014. With effect from 1 April 2014, the management fee comprises a flat rate fee of 0.55% (previously 0.6%) per annum of market capitalisation with no performance fee.

Borrowings and Gearing

Following an extensive review, the Company put in place a 364 day £100 million revolving credit facility with Bank of New York Mellon. This facility was used to repay the Company's £100 million 11½% debenture which matured on 30 June 2014. From this date until the present time, the portfolio manager has chosen to draw down £100 million from the new facility. The savings from the decrease in borrowing costs are substantial, being £2.5 million for the three months since 30 June and, if

interest rates remain around their current levels until the Company's year end of March 2014, the saving for the year will be circa £7.5 million.

The Company continues to have a £100 million 7¾% debenture which matures in 2022. Combined with the new credit facility and using current interest rates, the weighted average cost of £200 million borrowings has reduced significantly from 9.625% pa to 4.5% pa.

The mixture of fixed debt and floating credit facility gives increased flexibility to the portfolio manager with respect to the gearing of the portfolio. Overall, gearing must be within the 25% net assets limit agreed by shareholders at the AGM and I reiterate the statement made in the 2014 annual report: that there is no intention at present to increase borrowings to this limit. At 30 September 2014, the Company's gross gearing had fallen to 15.9% (NAV with debt at par), a slight decrease from 16.3% at the Company's year end.

Dividend

The Board has declared an unchanged first interim dividend of 5.0 pence per share which will be paid on 28 November 2014 to shareholders on the register on 21 November 2014. Shares will be quoted ex-dividend on 20 November 2014.

Alternative Investment Fund Managers Directive (AIFMD)

As previously announced on 22 July 2014, the Company has entered into arrangements necessary to ensure compliance with the AIFMD. The Board has appointed Invesco Fund Managers Limited (IFML) as the Company's Alternative Investment Fund Manager and BNY Mellon Trust & Depositary (UK) Limited to act as the Company's depositary. It is not expected or intended that these new arrangements will result in any change to the way the Company's assets are invested.

Outlook

The portfolio manager report discusses a number of global macro-economic and geopolitical issues which highlight the uncertain nature of, and a challenging backdrop for financial markets. Additionally, the forthcoming UK general election and uncertainties around the UK's relationship with Europe, further complicates the picture. October saw the return of increased volatility in the financial markets and this may well continue to be a feature of the future for some time. However it is important to stress, as I have done in previous Chairman's statements, the Manager's unchanged investment approach which, with its emphasis on value driven long term investment growth, should provide resilience in periods of market weakness whilst still providing the opportunity for creating growth in shareholder value over the longer term.

125th Anniversary Booklet

Those shareholders who attended the 125th Annual General Meeting in July will have received a booklet setting out the 125 year history of the Company. A copy of this booklet will be sent to shareholders with this half-yearly report. I hope you enjoy reading it, and that the next 125 years are as rewarding for shareholders as the first 125 years.

Jim Pettigrew

Chairman

13 November 2014

MANAGER'S REPORT

05

Market Review

The six month period under review saw the UK equity market, as measured by the FTSE All-Share Index, rise by 1.2% (total return). In this period the market moved broadly sideways as the valuation re-rating, which had been in progress for the previous two years, was halted as a result of concerns over future profit growth caused by earnings disappointments and the impending end to the Quantitative Easing (QE) programme in the US. Furthermore, rising geopolitical risk, the Ebola outbreak and the prospect of UK domestic elections began to affect the previously stable backdrop for the market. Added to this, fears over China's slowing growth rate and a weakening European economy became more relevant concerns.

Earnings momentum was persistently negative throughout 2013 and the first half of 2014, particularly within the FTSE 100. This led to a steady and broadly based expansion of forward-based valuation multiples, as prices rose much quicker than earnings. Evidence that some share prices were not supported by a realistic assessment of underlying prospects came in the three months to 30 September 2014 as a series of high profile profits warnings, most notably in the food retailing, construction and mining sectors, resulted in some significant share price falls.

On the positive front, inflation remains subdued and although wage growth appears weak, the price of non-discretionary items such as petrol and food has fallen, thereby relieving some of the upward pressure on interest rates. Government bond yields have been supportive of equities over the period and the 30 year US government bond recently fell below 3%, suggesting that the market views the longer term outlook for global inflation as subdued. However, falling inflation and declining bond yields led to fears of global deflation, which in turn could lead to unwelcome pressure on company balance sheets and profit margins, hampering global economic recovery.

Portfolio Strategy and Review

The Company's net asset value, including reinvested dividends, rose by 5.0% (debt at par) and 4.8% (debt at market value) during the period under review, compared with a rise of 1.2% (total return) by the FTSE All-Share Index.

The Company's outperformance over the six month period reflected some strong contributions from across the portfolio, but most notably in the Tobacco sector. The most significant positive contributions came from the holdings in AstraZeneca, BAE Systems, Altria Group, Reynolds American and Imperial Tobacco.

AstraZeneca continued to grow its drugs pipeline in 2014, with the chief executive commenting post the company's half year results in July that 'significant progress' had been made and that there was 'visible momentum' across their cardiovascular, diabetes and respiratory franchises, as well as strong growth in the emerging markets. The attractions of AstraZeneca's pipeline were highlighted in April when Pfizer made a bid for the company which was subsequently rebuffed by the AstraZeneca board.

BAE Systems' share price rose amid growing instability in the Middle East and the ongoing implementation of its £1 billion share repurchase programme, and following the resolution of the Saudi contract negotiation. Altria Group, the US tobacco holding company which has a stake in SABMiller, saw its share price rise strongly, when the latter became the subject of takeover speculation. Meanwhile, Reynolds American and Imperial Tobacco have seen their share prices rise following merger and acquisition activity, whereby both companies are awaiting final US government approval for their planned acquisitions of Lorillard brands.

Amongst the detractors to performance over the period were Thomas Cook Group, GlaxoSmithKline and Drax Group. Thomas Cook Group saw its share price decline sharply when it failed to match last year's sales growth and more latterly in reaction to fears that the Ebola outbreak would negatively affect bookings. GlaxoSmithKline was impacted by what it described as intensifying competition and pricing pressure in the US respiratory market. Finally, the share price of Drax Group retreated on news that its plea to have a proposed power plant subsidy reinstated had been rejected by the UK's Court of Appeal.

Amongst the new investments the holding in Game Digital, a retailer of video games and consoles from shops and online, was a notable performer during the period, its share price having risen sharply post its stock market flotation in June.

In terms of portfolio activity, new investments comprised Game Digital and Friends Life and disposals included Sanofi, Paypoint and Catlin Group.

Outlook

The outlook for the UK equity market is likely to be more volatile for the foreseeable future. The key issues which will continue to overshadow the performance of the equity market remain the interplay between growing investor pessimism on the global economic outlook and the ability of policymakers to create the conditions to reinvigorate growth prospects where necessary. The recent performance of the Eurozone and Chinese economies in particular is concerning. Weaker than expected growth in these areas, and the deflationary forces which are exported, will undoubtedly have an impact on other developed economies such as the US and the UK which have been performing relatively well in 2014. The overall background for revenue growth is likely to remain subdued into 2015 and will give rise to further profit warnings which have been a feature of the recent newsflow in the market.

The influence of the UK and the US central banks in this environment is becoming weaker as their two main policy levers, interest rates and liquidity, have been fully exploited for a number of years. Their last remaining option now is to use speeches and policy guidance to influence the behaviour of economies and market participants. But this power also has its limitations as markets grow tired and sceptical of unfulfilled promises. It is certainly the case that policymakers are keen to change the current policy stance which has survived largely unchanged since 2008.

However, any change in monetary policy, be it through the tapering of QE or a move in short-term interest rates provides another headwind for the markets in the near future. Given the recent economic news it is likely that the anticipated increase in rates in the US and UK will be deferred until mid 2015 as there is very little sign of inflation pressure in these economies, despite rapidly falling levels of unemployment.

The political backdrop both domestically and internationally is the final issue which has taken on more relevance in the recent past but which is likely to remain an important influence for the next twelve months. The changes in the political agenda ahead of the UK general election in May 2015 are likely to be another source of uncertainty for the UK stockmarket.

Moments of market weakness in recent weeks are symptomatic of some of these concerns. It is true that equities continue to look attractive relative to other asset classes, but in some cases absolute valuations still look elevated where share prices do not appropriately anticipate the risk to earnings and cash-flows. The portfolio strategy is therefore largely unchanged. I put a high price on the companies in the market which offer visibility of revenues, profits and cash-flows in this low growth world and which are managed for the principal purpose of delivering shareholder value in the form of a sustainable and growing dividend.

Mark Barnett

Portfolio Manager

13 November 2014

Total Returns to 30 September 2014

	6 MONTHS	1 YEAR	2 YEARS	3 YEARS	5 YEARS	10 YEARS
NAV (debt at par) (%)	5.0	13.0	37.9	61.4	106.6	155.7
NAV (debt at market value) (%)	4.8	13.9	42.5	68.1	120.5	173.8
Share Price (%)	4.6	5.4	27.4	53.7	117.1	205.0
FTSE All-Share Index (%)	1.2	6.1	26.2	47.9	59.2	120.2

Source: Thomson Reuters Datastream.

Principal Risks and Uncertainties

The principal risk factors relating to the Company can be summarised as follows:

- **Market Risks** – a fall in the stock market as a whole will affect the performance of the portfolio, as well as the performance of individual portfolio investments; it also includes interest rate and currency risks;
- **Investment Performance Risk** – this is the stock specific risk that the stock selection process may not achieve the Company's published objectives;
- **Gearing and Borrowing Risk** – in addition to the debenture in issue, the Company may also borrow money for investment purposes. If the investments fall in value, the level of gearing will have an adverse impact on performance. If borrowing facilities could not be renewed, the Company might have to sell investments to repay any borrowings it has;
- **Income/Dividend Risk** – investment income may fail to reach the level required to meet the Company's income objective;
- **Share Price Risk** – the Company's prospects and NAV may not be fully reflected in the share price;
- **Control System Risk** – the Board relies on the effectiveness of the Manager's control systems which include control activities in fund management operations, financial controls, meeting regulatory requirements and managing relations with third parties;
- **Reliance on Third Party Providers Risk** – the Company has no employees, so is reliant upon the performance of third party service providers for it to function, particularly the Manager, custodian and registrar; and
- **Other Risks** – the Company may be affected by other risks such as business and strategic risks, and the perceived impact of the designated Investment Manager ceasing to be involved with the Company.

A detailed explanation of these principal risks and uncertainties can be found on pages 10 to 13 of the 2014 annual financial report, which is available on the Manager's website at www.invescopetual.co.uk/investmenttrusts.

In the view of the Board, these principal risks and uncertainties are substantially unchanged from the previous year end and are as much applicable to the remaining six months of the financial year, as they were to the six months under review. The risk associated with failure of the custodian is mitigated by the appointment, during the period, of a depositary. The depositary is ultimately responsible for safekeeping of the Company's assets and is strictly liable for the recovery of these in the event of loss.

As highlighted in the annual financial report, the Manager's style may result in a concentrated portfolio. In addition, the Manager manages other portfolios holding many of the same stocks as the Company which reflects the Manager's high conviction style of investment management. This could potentially increase liquidity risk under certain scenarios and market conditions.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months after the date of approval of these half year financial statements. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all its liabilities and ongoing expenses from its assets and revenue.

Related Party Transactions and Transactions with the Manager

Under United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties or related party transactions have been identified during the period.

With effect from 22 July 2014, Invesco Fund Managers Limited (IFML), a wholly owned subsidiary of Invesco Limited and associate company of Invesco Asset Management Limited (IAML), was appointed as Manager. Prior to 22 July 2014, IAML carried out these functions and continues to do so under delegated authority of IFML. Details of the basis of fees payable to the Manager remain unchanged and are as shown in the 2014 annual financial report which is available on the Manager's website.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE PREPARATION OF THE HALF-YEARLY FINANCIAL REPORT

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
- the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules; and
- the interim management report includes a fair review of the information required on related party transactions.

Signed on behalf of the Board of Directors.

Jim Pettigrew
Chairman

13 November 2014

INVESTMENTS IN ORDER OF VALUATION

AT 30 SEPTEMBER 2014

UK listed and ordinary shares unless stated otherwise.

^{AIM} Investments quoted on AIM.

INVESTMENT	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO
British American Tobacco	Tobacco	74,481	5.1
Roche – <i>Swiss common stock</i>	Pharmaceuticals & Biotechnology	74,113	5.1
AstraZeneca	Pharmaceuticals & Biotechnology	71,963	5.0
Imperial Tobacco	Tobacco	69,898	4.8
Reynolds American – <i>US common stock</i>	Tobacco	67,296	4.7
BT Group	Fixed Line Telecommunications	66,393	4.6
BAE Systems	Aerospace & Defence	64,366	4.4
GlaxoSmithKline	Pharmaceuticals & Biotechnology	49,351	3.4
Reckitt Benckiser	Household Goods & Home Construction	47,627	3.3
Altria – <i>US common stock</i>	Tobacco	41,776	2.9
Ten Top Holdings		627,264	43.3
SSE	Electricity	40,409	2.8
Rolls-Royce	Aerospace & Defence	38,767	2.7
BP	Oil & Gas Producers	37,764	2.6
Provident Financial	Financial Services	36,292	2.5
Capita	Support Services	33,262	2.3
Reed Elsevier	Media	32,978	2.3
Legal & General	Life Insurance	31,979	2.2
Babcock International	Support Services	30,764	2.1
Novartis – <i>Swiss common stock</i>	Pharmaceuticals & Biotechnology	30,165	2.1
BTG	Pharmaceuticals & Biotechnology	29,497	2.0
Twenty Top Holdings		969,141	66.9
Drax	Electricity	28,506	2.0
Compass	Travel & Leisure	28,427	2.0
Hiscox	Non-life Insurance	27,465	1.9
G4S	Support Services	26,464	1.8
Smith & Nephew	Healthcare Equipment & Services	23,992	1.7
London Stock Exchange	Financial Services	23,677	1.6
GAME Digital	General Retailers	23,600	1.6
Amlin	Non-life Insurance	23,257	1.6
Derwent London	Real Estate Investment Trusts	23,215	1.6
Shaftesbury	Real Estate Investment Trusts	22,555	1.6
Thirty Top Holdings		1,220,299	84.3

INVESTMENT	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO
Centrica	Gas & Water Multiutilities	22,110	1.5
Thomas Cook	Travel & Leisure	18,361	1.3
Beazley	Non-life Insurance	17,355	1.2
Rentokil Initial	Support Services	17,067	1.2
Lancashire	Non-life Insurance	14,707	1.0
NewRiver Retail ^{AIM}	Real Estate Investment Trusts	14,583	1.0
KCOM	Fixed Line Telecommunications	14,064	1.0
Raven Russia – Preference	Real Estate Investment & Services	9,324	
– Ordinary		4,100	
		13,424	0.9
Friends Life	Life Insurance	13,413	0.9
IP Group	Financial Services	12,626	0.9
Forty Top Holdings		1,378,009	95.2
N Brown	General Retailers	11,839	0.8
HomeServe	Support Services	11,656	0.8
CLS	Real Estate Investment & Services	11,121	0.8
Vectura	Pharmaceuticals & Biotechnology	8,131	0.6
Serco	Support Services	7,736	0.5
Burford Capital ^{AIM}	Investment Instruments	5,148	0.4
Stobart	Industrial Transportation	5,143	0.4
Chemring	Aerospace & Defence	3,534	0.3
Barclays Bank – <i>Nuclear Power</i> <i>Notes 28 Feb 2019</i>	Investment Instruments	1,863	0.1
Redde ^{AIM}	Financial Services	1,744	0.1
Fifty Top Holdings		1,445,924	100.0
Eurovestech – <i>Unquoted</i>	Financial Services	492	—
Proximagen – <i>Rights</i> <i>12 Sept 2017 – Unquoted</i>	Pharmaceuticals & Biotechnology	378	—
Total Holdings (52)		1,446,794	100.0

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2014 (UNAUDITED)		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Gains on investments	—	38,713	38,713
Foreign exchange losses	—	(14)	(14)
Income			
UK dividends – ordinary	22,478	—	22,478
– special	1,700	—	1,700
Overseas dividends – ordinary	4,420	—	4,420
– special	—	—	—
Scrip dividends	550	—	550
Income from money market funds	2	—	2
Underwriting and other income	—	—	—
	29,150	38,699	67,849
Operating costs			
Investment management fee – note 2	(979)	(2,284)	(3,263)
Performance fee – note 2	—	—	—
Other expenses	(434)	—	(434)
Net return before finance costs and taxation	27,737	36,415	64,152
Finance costs – note 2	(2,176)	(5,076)	(7,252)
Return on ordinary activities before tax	25,561	31,339	56,900
Tax on ordinary activities – note 3	(502)	—	(502)
Return on ordinary activities after tax	25,059	31,339	56,398
Return per ordinary share – note 4	12.8p	16.1p	28.9p

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses therefore no statement of recognised gains or losses is presented. No operations were acquired or discontinued in the period.

	SIX MONTHS TO 30 SEPTEMBER 2013 (UNAUDITED)			YEAR ENDED 31 MARCH 2014 (AUDITED)
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Gains on investments	—	41,484	41,484	112,468
Foreign exchange profits	—	169	169	154
Income				
UK dividends – ordinary	23,101	—	23,101	40,502
– special	1,092	22	1,114	3,463
Overseas dividends – ordinary	3,732	—	3,732	10,125
– special	—	—	—	311
Scrip dividends	572	—	572	969
Income from money market funds	3	—	3	11
Underwriting and other income	1	—	1	1
	28,501	41,675	70,176	168,004
Operating costs				
Investment management fee – note 2	(1,038)	(2,422)	(3,460)	(6,947)
Performance fee – note 2	—	(11,688)	(11,688)	(4,826)
Other expenses	(395)	(1)	(396)	(787)
Net return before finance costs and taxation	27,068	27,564	54,632	155,444
Finance costs – note 2	(2,925)	(6,826)	(9,751)	(19,501)
Return on ordinary activities before tax	24,143	20,738	44,881	135,943
Tax on ordinary activities – note 3	(532)	—	(532)	(1,417)
Return on ordinary activities after tax	23,611	20,738	44,349	134,526
Return per ordinary share – note 4	12.1p	10.6p	22.7p	69.0p

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)						
At 31 March 2014	48,779	6,639	24,676	1,086,473	61,244	1,227,811
Dividends paid – note 5	—	—	—	—	(26,341)	(26,341)
Net return on ordinary activities	—	—	—	31,339	25,059	56,398
At 30 September 2014	48,779	6,639	24,676	1,117,812	59,962	1,257,868
FOR THE YEAR ENDED 31 MARCH 2014 (AUDITED)						
At 31 March 2013	48,779	6,639	24,676	997,171	60,481	1,137,746
Dividends paid – note 5	—	—	—	—	(44,461)	(44,461)
Net return on ordinary activities	—	—	—	89,302	45,224	134,526
At 31 March 2014	48,779	6,639	24,676	1,086,473	61,244	1,227,811
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)						
At 31 March 2013	48,779	6,639	24,676	997,171	60,481	1,137,746
Dividends paid – note 5	—	—	—	—	(24,948)	(24,948)
Net return on ordinary activities	—	—	—	20,738	23,611	44,349
At 30 September 2013	48,779	6,639	24,676	1,017,909	59,144	1,157,147

CONDENSED BALANCE SHEET

Registered number SC1836

	AT 30 SEPTEMBER 2014 (UNAUDITED) £'000	AT 30 SEPTEMBER 2013 (UNAUDITED) £'000	AT 31 MARCH 2014 (AUDITED) £'000
Fixed assets			
Investments at fair value through profit or loss	1,446,794	1,366,062	1,420,220
Current assets			
Amounts due from brokers	1,454	—	—
Prepayments and accrued income	4,579	4,770	8,842
Tax recoverable	752	833	1,658
Cash and cash funds	3,073	2,067	7,025
	9,858	7,670	17,525
Creditors: amounts falling due within one year			
Amounts due to brokers	—	(3,532)	(3,596)
Accruals	(792)	(3,624)	(3,646)
Performance fee payable	—	—	(4,826)
11½% Debenture Stock 30 Jun 2014	—	(100,000)	(100,000)
Bank loan	(100,000)	—	—
	(100,792)	(107,156)	(112,068)
Net current assets/(liabilities)	(90,934)	(99,486)	(94,543)
Total assets less current liabilities	1,355,860	1,266,576	1,325,677
Creditors: amounts falling due after more than one year			
7¼% Debenture Stock 30 Sep 2022	(97,992)	(97,741)	(97,866)
Provision for performance fee	—	(11,688)	—
Net assets	1,257,868	1,157,147	1,227,811
Capital and reserves			
Share capital	48,779	48,779	48,779
Share premium	6,639	6,639	6,639
Capital redemption reserve	24,676	24,676	24,676
Capital reserve	1,117,812	1,017,909	1,086,473
Revenue reserve	59,962	59,144	61,244
Shareholders' funds	1,257,868	1,157,147	1,227,811
Net asset value per ordinary share			
Basic – note 6	643.65p	591.89p	628.18p

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2014 (UNAUDITED) £'000	SIX MONTHS TO 30 SEPTEMBER 2013 (UNAUDITED) £'000	YEAR ENDED 31 MARCH 2014 (AUDITED) £'000
Net return before finance costs and taxation	64,152	54,632	155,444
Scrip dividends	(550)	(572)	(969)
Gains on investments	(38,713)	(41,484)	(112,468)
Cash inflow from forward currency contracts	—	617	617
Decrease/(increase) in debtors	5,169	3,190	(1,707)
(Decrease)/increase in creditors and provisions	(4,860)	228	(6,612)
Overseas tax paid	(502)	(532)	(1,417)
Net cash inflow from operating activities	24,696	16,079	32,888
Servicing of finance	(9,946)	(9,625)	(19,250)
Financial investment			
Purchase of investments	(120,531)	(58,415)	(407,259)
Sale of investments	128,170	78,889	445,020
Net equity dividends paid – note 5	(26,341)	(24,948)	(44,461)
Net cash (outflow)/inflow before management of liquid resources and financing	(3,952)	1,980	6,938
Financing			
Bank loan drawn down	100,000	—	—
Repayment of Debenture Stock 30 June 2014	(100,000)	—	—
Net cash inflow/(outflow) from management of liquid resources	6,800	—	(6,800)
Increase in cash	2,848	1,980	138
Cashflow from movement in liquid resources	(6,800)	—	6,800
Debenture stock non-cash movement	(126)	(126)	(251)
Net debt at beginning of period	(190,841)	(197,528)	(197,528)
Net debt at end of period	(194,919)	(195,674)	(190,841)
Analysis of changes in net debt:			
Brought forward:			
Cash and cash funds	7,025	87	87
Debenture stock	(197,866)	(197,615)	(197,615)
Net debt brought forward	(190,841)	(197,528)	(197,528)
Movements in the period:			
Cash (outflow)/inflow from cash and cash funds	(3,952)	1,980	6,938
Cash inflow from bank loan drawn down	100,000	—	—
Cash outflow from repayment of Debenture Stock 30 June 2014	(100,000)	—	—
Debenture stock non-cash movement	(126)	(126)	(251)
Net debt carried forward	(194,919)	(195,674)	(190,841)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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1. Basis of preparation

These condensed financial statements of the Company have been prepared using the same accounting policies as those adopted in the 2014 annual financial report, which are consistent with applicable United Kingdom Accounting Standards, and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. These financial statements are prepared on a going concern basis.

2. Management fees and finance costs

As reported in the 2014 annual financial report, the management fee arrangements were amended. From 1 April 2014 the fees changed to a flat fee of 0.55% (previously 0.6%) per annum of market capitalisation with no performance fee. Investment management fee and finance costs are allocated 30% to revenue and 70% to capital.

3. Tax

Owing to the Company's status as an investment company no tax liability arises on capital gains. The tax charge represents withholding tax suffered on overseas income.

A deferred tax asset is not recognised in respect of surplus management expenses since the Directors believe that there will be no taxable profits in the future against which these can be offset.

4. Return per ordinary share

The basic revenue, capital and total returns per share are based on the returns after tax and the average number of shares in issue during the period as follows:

	SIX MONTHS TO 30 SEPTEMBER 2014 (UNAUDITED) £'000	SIX MONTHS TO 30 SEPTEMBER 2013 (UNAUDITED) £'000	YEAR ENDED 31 MARCH 2014 (AUDITED) £'000
Returns after tax:			
Revenue	25,059	23,611	45,224
Capital	31,339	20,738	89,302
Total return after tax	56,398	44,349	134,526
Weighted average number of shares in issue during the period	195,116,734	195,116,734	195,116,734

5. Dividends

	SIX MONTHS TO 30 SEPTEMBER 2014 (UNAUDITED) PENCE £'000	SIX MONTHS TO 30 SEPTEMBER 2013 (UNAUDITED) PENCE £'000	YEAR ENDED 31 MARCH 2014 (AUDITED) PENCE £'000
Dividends paid:			
Third interim	5.0 9,756	5.0 9,756	5.0 9,756
Final	8.5 16,585	7.8 15,219	7.8 15,219
First interim	— —	— —	5.0 9,756
Second interim	— —	— —	5.0 9,756
Return of unclaimed dividends from previous years	— —	— (27)	— (26)
	13.5 26,341	12.8 24,948	22.8 44,461

A first interim dividend of 5p (2013: 5p) for the year ended 31 March 2015, will be paid on 28 November 2014 to shareholders on the register on 21 November 2014.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

CONTINUED

6. Net asset value (NAV) per ordinary share

(a) Debt at par

The shareholders' funds in the balance sheet are accounted for in accordance with accounting standards, however, this does not reflect the rights of shareholders on a return of assets under the Articles of Association. These rights are reflected in the net assets with debt at par and the corresponding NAV per share.

	30 SEPTEMBER 2014 (UNAUDITED) PENCE	30 SEPTEMBER 2013 (UNAUDITED) PENCE	31 MARCH 2014 (AUDITED) PENCE
NAV per ordinary share	644.68	593.05	629.27
Less: unamortised discount and expenses arising from debenture issue	(1.03)	(1.16)	(1.09)
NAV – debt at par	643.65	591.89	628.18

(b) Debt at market value

	30 SEPTEMBER 2014 (UNAUDITED) PENCE	30 SEPTEMBER 2013 (UNAUDITED) PENCE	31 MARCH 2014 (AUDITED) PENCE
NAV – debt at par	643.65	591.89	628.18
Debenture debt at par	51.25	102.50	102.50
Debenture debt at market value	(67.24)	(121.07)	(117.43)
NAV – debt at market value	627.66	573.32	613.25

7. Share capital

	30 SEPTEMBER 2014 (UNAUDITED)	30 SEPTEMBER 2013 (UNAUDITED)	31 MARCH 2014 (AUDITED)
Allotted, called-up and fully paid			
Number of ordinary shares of 25p each	195,116,734	195,116,734	195,116,734

- It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.
- The financial information contained in this half-yearly financial report, which has not been audited, does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 September 2014 and 2013 has not been audited. The figures and financial information for the year ended 31 March 2014 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Register of Companies and included the Report of the Independent Auditors, which was unqualified.

By order of the Board
Invesco Asset Management Limited
Company Secretary
 13 November 2014

INDEPENDENT REVIEW REPORT

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 which comprises the condensed income statement, condensed reconciliation of movements in shareholders' funds, condensed balance sheet, condensed cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules (the 'DTR') of the UK's Financial Conduct Authority (the 'UK FCA'). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' Responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA. As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Statement 'Half-Yearly Financial Reports' as issued by the UK Accounting Standards Board.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 is not prepared, in all material respects, in accordance with the Statement 'Half-Yearly Financial Reports' as issued by the UK Accounting Standards Board and the DTR of the UK FCA.

Catherine Burnet

for and on behalf of KPMG LLP

Chartered Accountants

London

13 November 2014

DIRECTORS, MANAGER AND ADMINISTRATION

Directors

Jim Pettigrew, Chairman
 Victoria Hastings
 Gordon McQueen, Audit Committee Chairman
 Glen Suarez
 Maxwell Ward
 Sir Nigel Wicks, Senior Independent Director

Manager

Invesco Fund Managers Limited
 Perpetual Park, Perpetual Park Drive,
 Henley-on-Thames, Oxfordshire RG9 1HH

Company Secretary

Invesco Asset Management Limited
 6th Floor, 125 London Wall
 London EC2Y 5AS

Company Secretarial contact: Kelly Nice and
 Kevin Mayger

Registered Office

Quatermile One, 15 Lauriston Place
 Edinburgh EH3 9EP

Registered in Scotland: No. SC1836

Invesco Perpetual Investor Services

The Invesco Perpetual Investor Services Team,
 is available to assist you from 8.30 am to 6 pm
 Monday to Friday (excluding UK Bank Holidays):

☎ 0800 085 8677

www.invescoperpetual.co.uk/investmenttrusts

You can invest in the shares of the Company
 through an Invesco Perpetual Savings Scheme
 and ISA.

Savings Scheme and ISA Administration

For queries relating to both the Invesco Perpetual
 Investment Trust Savings Scheme and ISA,
 contact:

Invesco Perpetual, P.O. Box 11150
 Chelmsford CM99 2DL

☎ 0800 085 8677

The Company's ordinary shares and debentures qualify to be considered as mainstream investment products suitable for promotion to ordinary retail investors.

Manager's Website

Information relating to the Company can be
 found on the Manager's website at
www.invescoperpetual.co.uk/investmenttrusts.

The contents of websites referred to in this
 document, or accessible from links within
 those websites, are not incorporated into,
 nor do they form part of, this document.

Registrars

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

If you hold your shares direct and not through
 a Savings Scheme or ISA and have queries
 relating to your shareholding you should
 contact the registrars on:

☎ 0871 664 0300.

Calls cost 10p per minute plus network charges.
 From outside the UK: +44 (0)20 8639 3399.
 Lines are open Monday to Friday from 9 am to
 5.30 pm (excluding UK Bank Holidays).

Shareholders can also access their holding
 details via Capita's website
www.capitaassetservices.com or
www.capitashareportal.com.

The registrar provides an on-line and
 telephone share dealing service to existing
 shareholders who are not seeking advice on
 buying or selling. The website is
www.capitadeal.com or ☎ 0871 664 0454.

Calls cost 10p per minute plus network charges.
 From outside the UK +44 (0)20 3367 2699. Lines
 are open from 8 am to 4.30 pm Monday to
 Friday (excluding Bank Holidays).

Depository

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

Specialist Funds managed by Invesco Perpetual

Investing for Income, Income Growth and Capital Growth (from equities, fixed interest securities or property)

- from equities

- The Edinburgh Investment Trust plc

- Invesco Income Growth Trust plc

- Invesco Perpetual Select Trust plc – UK Equity Share Portfolio

- Invesco Perpetual Select Trust plc – Managed Liquidity Share Portfolio

- Keystone Investment Trust plc

- Perpetual Income and Growth Investment Trust plc

- from fixed interest securities

- City Merchants High Yield Trust Limited

- Invesco Perpetual Enhanced Income Limited

Investing in Smaller Companies

- Invesco Perpetual UK Smaller Companies Investment Trust plc

Investing Internationally

- Invesco Asia Trust plc

- Invesco Perpetual Select Trust plc – Global Equity Income Share Portfolio

Investing for Total Returns

- Invesco Perpetual Select Trust plc – Balanced Risk Share Portfolio

Investing in Multiple Asset Classes

- Invesco Perpetual Select Trust plc – see above for various investment classes

Please contact our Investor Services Team on 0800 085 8677 if you would like more information about the investment trusts or other specialist funds listed above. Further details are also available on the following website: www.invescoperpetual.co.uk/investmenttrusts



Invesco Fund Managers Limited

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☎ 01491 417000

Invesco Fund Managers Limited
and Invesco Asset Management Limited
are authorised and regulated by the
Financial Conduct Authority