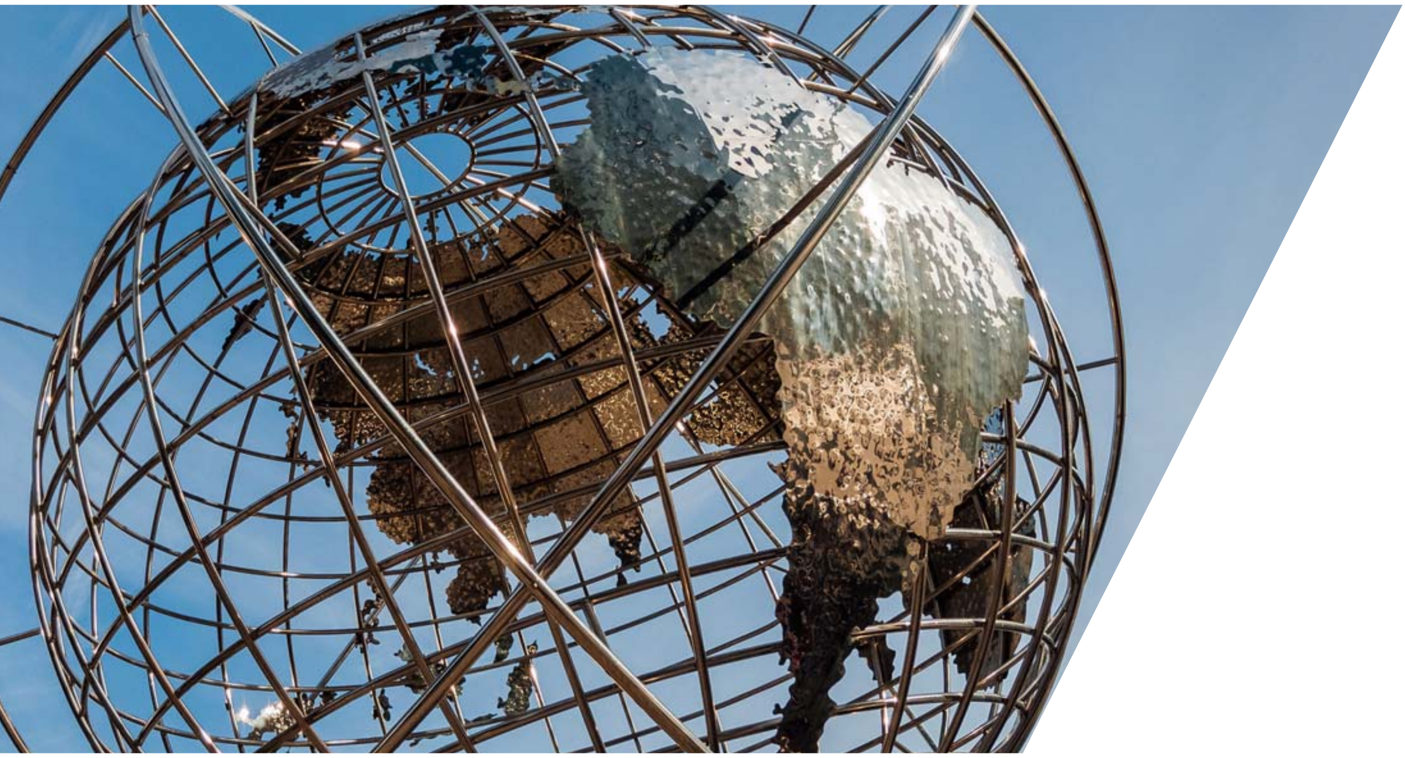
Murray International Trust PLC

A high conviction global portfolio built with the potential to grow capital and deliver a strong and rising income



Annual Report
31 December 2020

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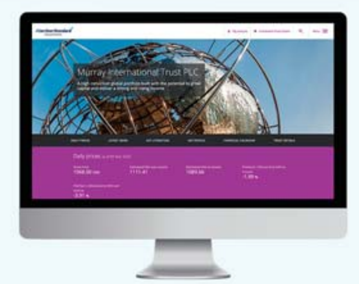

Visit our Website

To find out more about Murray International Trust PLC, please visit: **murray-intl.co.uk**

"Three interim dividends of 12.0p per share have been declared during the year. Your Board is now recommending a final dividend of 18.5p per share which is subject to shareholder approval. Subject to that approval, total Ordinary dividends for the year will amount to 54.5p (2019: 53.5p), an increase of 1.9% which compares favourably with the 1.2% increase in the Retail Prices Index in 2020."

Kevin Carter,
Chairman

"Relative underperformance, attractive absolute valuations and scope for significant sentiment change towards companies that remain productive, profitable and providers of the population's evolving needs offer compelling future investment opportunities for the Company going forward. By strict adherence to the proven practice of investing in high-quality, financially strong companies, great scope exists to capitalise on such positive prospects."

Bruce Stout,
Aberdeen Asset Managers Limited

Overview

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General

Highlights and Financial Calendar

Net asset value total return[AB] – 2020

+0.9%

2019 +12.4%

Share price total return[AB] – 2020

–5.3%

2019 +16.5%

Reference Index total return[BC] – 2020

+7.0%

2019 +21.1%

(Discount)/Premium to net asset value[AD] – 2020

–0.7%

2019 5.9%

Dividends per share[BE] – 2020

54.5p

2019 53.5p

Revenue return per share[B] – 2020

46.6p

2019 54.1p

Net gearing[AD] – 2020

13.4%

2019 11.3%

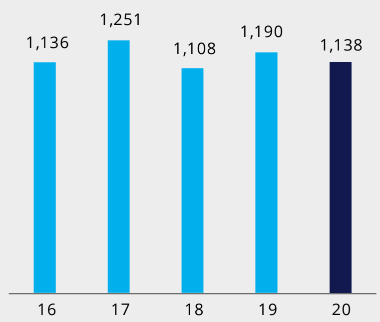
Ongoing charges ratio[AD]

0.68%

2019 0.65%

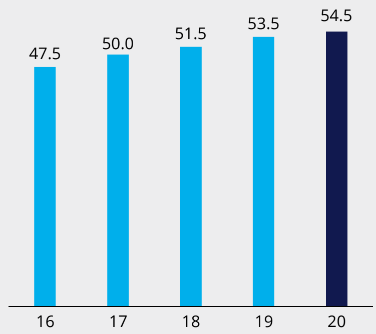
[A] Alternative Performance Measure (see pages 98 and 99).
[B] For the year to 31 December.
[C] Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.
[D] As at 31 December.
[E] Dividends declared for the year in which they were earned.

Net Asset Value per Share



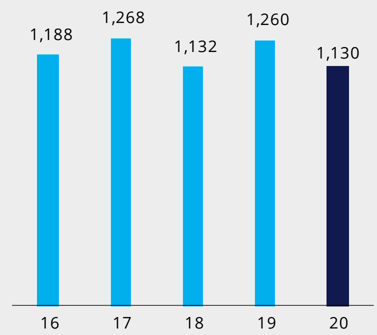
At 31 December – pence

Dividends per Share



Year ended 31 December – pence

Mid Market Price per Share



At 31 December – pence

Dividends

	Rate	Ex-dividend date	Record date	Payment date
1st interim	12.0p	2 July 2020	3 July 2020	14 August 2020
2nd interim	12.0p	1 October 2020	2 October 2020	19 November 2020
3rd interim	12.0p	7 January 2021	8 January 2021	19 February 2021
Proposed final	18.5p	1 April 2021	6 April 2021	18 May 2021
Total dividends	**54.5p**			

"In order to provide certainty, whilst encouraging and promoting interaction and engagement with our shareholders, the Board has decided to hold an interactive Online Shareholder Presentation which will be held at 11.00 a.m. on Tuesday 13 April 2021."

Kevin Carter, Chairman

Financial Calendar

Payment dates of quarterly dividends	18 May 2021 16 August 2021 19 November 2021 18 February 2022
Financial year end	31 December
Online Shareholder Presentation	13 April 2021 at 11.00 a.m.
Annual General Meeting (Edinburgh)	23 April 2021 at 3.00 p.m.

Highlights

	31 December 2020	31 December 2019	% change
Total assets less current liabilities (before deducting prior charges)	£1,661.6m	£1,738.8m	–4.4
Equity shareholders' funds (Net Assets)	£1,461.8m	£1,539.1m	–5.0
Market capitalisation	£1,451.4m	£1,629.6m	–10.9
Net Asset Value per Ordinary share[A]	1,138.2p	1,190.0p	–4.4
Share price – Ordinary share (mid market)[A]	1,130.0p	1,260.0p	–10.3
(Discount)/premium to Net Asset Value per Ordinary share[B]	–0.7%	5.9%	
Gearing (ratio of borrowings less cash to shareholders' funds)			
Net gearing[B]	13.4%	11.3%	
Dividends and earnings per Ordinary share			
Revenue return per share	46.6p	54.1p	–13.8
Dividends per share[C]	54.5p	53.5p	+1.9
Dividend cover (including proposed final dividend)[B]	0.86	1.01	
Revenue reserves[D]	£66.8m	£75.7m	
Operating costs			
Ongoing charges ratio[B]	0.68%	0.65%	

[A] Capital values.
[B] Considered to be an Alternative Performance Measure as defined on pages 98 and 99.
[C] The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 84) and assuming approval of the final dividend of 18.5p (2019 – fourth interim dividend of 17.5p).
[D] The revenue reserve figure does not take account of the third interim and final dividends amounting to £15,413,000 and £23,748,000 respectively (2019 – third interim dividend of £15,520,000 and fourth interim dividend of £22,647,000).

1. Glasgow's Finnieston Crane, a symbol of the city's industrial heritage. The Company's roots can be traced to Glasgow's thriving industrial and shipbuilding-based economy.

Strategic Report

Murray International Trust PLC is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company is an approved investment trust and aims to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities.

Chairman's Statement

"From an investment perspective, the Company's unconstrained global mandate offers great flexibility. Whilst the developed world's pandemic debt legacy may be long-lasting, numerous other parts of the world appear less constrained."

Kevin Carter, Chairman

Performance

2020 will long be remembered as an extraordinary chapter in the history of the world and financial markets. Against a backdrop of a global pandemic affecting over 200 countries and claiming the lives of over two million people, the general population, companies and policy makers found themselves operating in very unfamiliar territory. It was hardly surprising that equity and bond markets experienced widespread periodic volatility as the news flow continually reflected the unfolding circumstances. In an environment of evaporating demand and disrupted supply, numerous companies had no choice but to suspend or cut dividends in order to preserve cash and remain solvent. Over the year, the Company's total return on net assets ended marginally positive with quarterly dividend payments maintained despite the market disruption. During the darkest days of 2020, even such a relatively subdued outcome appeared overly optimistic.

The Company's net asset value ("NAV") posted a total return (i.e. with net income reinvested) of 0.9%. For comparative purposes, the total return for the Reference Index (comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020) was 7.0%. The share price posted a total return of –5.3%, reflecting a move from trading at a premium to NAV of 5.9% at the start of the year to a discount of 0.7% at the year end. Income per share generated from the Company's portfolio amounted to 46.6p for the year.

The Investment Manager's Review on pages 11 and 12 gives further details of performance including an attribution analysis. Rapidly changing social and work practices had a significant impact on corporate profitability and balance sheets. Regional equity markets highly weighted with companies exposed to technology and beneficiaries of social isolation, such as the NASDAQ in the United States, performed very well. Those with more of an income focus, such as the UK, tended to struggle. Whilst the Company's geographically diversified portfolio held up well relative to previous dividend recessions, negotiating the toughest income environment for close to twenty years proved very difficult. Yet, encouragingly, with adversity came numerous attractive opportunities to rebalance the portfolio and capitalise on the prevailing volatility, the outcomes of which are discussed further in the Investment Manager's Review on page 10.

Dividends and Dividend Policy

Three interim dividends of 12.0p per share (2019: three interims of 12.0p) have been declared during the year. Your Board is now recommending a final dividend of 18.5p per share (2019: fourth interim dividend of 17.5p) which is subject to shareholder approval. If approved at the Annual General Meeting, this final dividend will be paid on 18 May 2021 to shareholders on the register on 6 April 2021. Subject to this approval, total Ordinary dividends for the year will amount to 54.5p (2019: 53.5p), an increase of 1.9% which compares favourably with the 1.2% increase in the Retail Prices Index in 2020. This represents the 16th year of dividend increases for the Company and cements its position as an AIC 'Next Generation Dividend Hero'. The payment of the final dividend will use approximately £10.2 million from the Company's accumulated revenue reserves, amounting to approximately 15% of these reserves. This use of reserves is in line with the policy that I have highlighted to shareholders in previous years. I can confirm that the Board intends to maintain its progressive dividend policy, given the Company's investment objective. This means that, in some years, revenue will be added to reserves, while, in others, revenue may be taken from reserves to supplement earned revenue for that year, in order to pay the annual dividend. Shareholders should not be surprised or concerned by either outcome as, over time, the Company will aim to pay out what the underlying portfolio earns in sterling terms. We are also maintaining our present policy not to hedge the sterling translation risk of revenue arising from non-UK assets.

Investment Strategy Review

During the year, the Board conducted a strategic review of the Company's investment strategy in conjunction with the Manager and other advisers with the focus on dividend policy, ongoing charges and the promotion of the Company. In line with the Company's investment objective, the Board has encouraged the Manager to continue to seek out stocks that offer balanced yield and growth potential. It is pleasing to note that the management team remains positive about the availability of higher yielding investment opportunities that also have attractive growth prospects. As part of the review and consistent with the Company's stated investment objective, the Board has authorised the Manager to implement a limited strategy to write covered put and call options on the underlying portfolio investments from 2021 onwards with the aim of generating small additions to revenue. The Manager will also initiate modest stock lending on the portfolio and this is expected to provide a further small enhancement to the Company's revenue streams. The Investment Manager's Review on page 14 provides further detail about these strategies. The Board also continues to recognise the need to promote the Company and supports the Manager's continuing efforts to market the Company to a wider investor base.

Gearing

At the year end, total borrowings amounted to £200 million, representing net gearing (calculated by dividing the total assets less cash by shareholders' funds) of 13.4% (2019: 11.3%), all of which is drawn in sterling. On 14 May 2020, the Company agreed a new one year £50 million revolving credit facility ("RCF") with The Royal Bank of Scotland International Limited ("RBSI") which was drawn in full and used to repay a maturing £50 million fixed rate loan with RBSI. The Company is in the process of reviewing options for the RCF which expires in May 2021 and will update the market as soon as a decision has been taken.

Annual General Meeting ("AGM")

The Board has been monitoring closely the ongoing impact of the Covid-19 pandemic upon the arrangements for the Company's upcoming AGM on 23 April 2021. At the time of writing, elements of the National Lockdown remain in place and shareholder attendance at AGMs is not legally permissible. It is very difficult to predict the extent, if any, to which further Stay at Home regulations will be relaxed in the near future. Therefore, in order to provide certainty, whilst encouraging and promoting interaction and engagement with our shareholders, the Board has decided to hold an interactive Online Shareholder Presentation which will be held at 11.00 a.m. on Tuesday 13 April 2021. At the presentation, shareholders will receive updates from the Chairman and Manager and there will be the opportunity for an interactive question and answer session. Following the online presentation, shareholders will still have almost two weeks during which to submit their proxy votes prior to the AGM and I would encourage all shareholders to lodge their votes in advance in this manner. Full details on how to join the Online Shareholder Presentation can be found in my accompanying letter and further information on how to register for the event can be found on **www.workcast.com/register?cpak=1616117971176592.**

The AGM on 23 April 2021 will, by necessity, be a functional only AGM, and it will be held at 3.00 p.m. at the offices of Dickson Minto WS at 17 Charlotte Square, Edinburgh EH2 4DF. In the light of the Government guidance and social distancing measures, including the restrictions on public gatherings, and the possibility that these measures will remain in place in April, the AGM

Chairman's Statement Continued

will follow the minimum legal requirements for an AGM. Arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business be concluded. The Board considers these arrangements to be in the best interests of shareholders given the current circumstances.

The Board strongly discourages shareholders from attending the AGM and entry will be refused if Government guidance so requires or if the Chairman considers it to be necessary. Instead, shareholders are encouraged to exercise their votes in respect of the meeting in advance. Any questions from shareholders who are unable to join the Online Shareholder Presentation may be submitted to the company secretary at: ***Murray.International@aberdeenstandard.com****. The Board and/or the Manager will seek to respond to all such questions received either before, or after the AGM. Given the constantly evolving nature of the situation, should circumstances change significantly before the time of the AGM, we want to ensure that we are able to adapt arrangements and to welcome shareholders to the AGM, within safety constraints and in accordance with government guidelines. In the unlikely event that we consider that it has become possible to do so, we will notify shareholders of the changes by updating the Company's website at* ***murray-intl.co.uk*** *and through an RIS announcement, where appropriate, as early as is possible before the date of the meeting.*

On behalf of the Board I should like to thank shareholders in advance for their co-operation and understanding and I very much look forward to presenting to as many shareholders as possible at the Online Shareholder Presentation.

Management of Premium and Discount

At the AGM held in April 2020, shareholders renewed the annual authorities to issue up to 10% of the Company's issued share capital for cash at a premium and to buy back up to 14.99% of the issued share capital at a discount, to the prevailing net asset value. During the year, 973,341 Ordinary shares were purchased for Treasury and 80,000 new Ordinary shares were allotted at a premium to NAV under the Company's blocklisting facility. The Board will be seeking approval from shareholders to renew both authorities at the AGM in 2021. As in previous years, new or Treasury shares will only be issued at a premium to NAV (excluding income) and will only be bought back at a discount to NAV (including income). Resolutions to this effect will be proposed at the AGM and the Directors strongly encourage shareholders to support these proposals.

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. 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. Since the year end up to 4 March 2021, the Company has bought back a further 69,709 Ordinary shares for Treasury. At the latest practicable date, the NAV (excluding income) per share was 1133.4p and the share price was 1119.0p equating to a discount of 1.3% per Ordinary share.

Proposed Changes to Articles of Association

At the forthcoming AGM, a resolution is being proposed that relates to the adoption of new Articles of Association ("the Articles"). If passed, as well as a general updating of the Articles, new provisions will enable the Company to hold virtual and hybrid general meetings (including AGMs) in the future. This is in response to the challenges posed by Government restrictions on social interactions as a result of the Covid-19 pandemic. Notwithstanding this proposed change, the Board remains fully committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting whenever law and regulation permits in order to fulfil the Board's commitment to enable shareholders to meet and interact with the Board on a face-to-face basis. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a last resort to ensure the continued smooth operation of the Company. Your Board would only use virtual meetings in extreme operating circumstances where physical meetings are prohibited or not practicable.

Ongoing Charges Ratio

The Board remains focused on delivering value to shareholders and regularly reviews the ongoing charges ratio ("OCR"). The OCR for 2020 increased very slightly to 0.68% (2019: 0.65%) which in part reflects the small decline in net assets over the year. During the year, the Board conducted a detailed review of all costs with the aim of ensuring that all service providers' fees remained competitive and I should like to thank our service providers for their input into this process. This difficult, virus-impacted year has necessitated a significant increase in the level of operational scrutiny from the Board and Manager alike and I am pleased with the diligence, assistance and uninterrupted support that has been provided to the Company by all stakeholders.

Environmental, Social and Governance ("ESG") Matters

As part of its responsible stewardship of shareholders' assets, the Board continues to engage actively with the Manager with regard to the assessment and integration of ESG factors in the Manager's investment process. During the past year, ESG reporting by the Manager to the Board has been enhanced, including regular assessments of the Company's holdings and portfolio against industry benchmarks. Further information on the important work undertaken in this area by the Manager is provided in the Strategic Report on pages 18 to 21.

Climate Change

Your Board supports the principle of further regulation to promote climate change disclosures and considers that the related physical, transition and litigation risks are becoming increasingly likely and financially material. The Board's desire is, therefore, for the Manager to build an increasingly resilient portfolio and to seek to exploit opportunities arising from a net zero economy so far as this is consistent with the Company's investment objective, without becoming prescriptive on specific investment exclusion criteria. A key ingredient in building such a portfolio is seen as meaningful, regular and continuing dialogue with high emitting investee companies with a view not only to understanding better risk exposure and evolving business models but also to influence corporate behaviour in regard to climate change.

Directorate

As reported last year, in accordance with the Board's on-going succession planning, Simon Fraser joined the Board on 1 May 2020 and will succeed me as Chairman after my retirement at the AGM in April. Our Audit and Risk Committee Chair, Marcia Campbell, will also be retiring at the conclusion of the forthcoming AGM after completing nine years as a Board member. On behalf of the Board, I should like to take this opportunity to convey our sincere thanks to Marcia for her skilful leadership of the Audit and Risk Committee and significant contribution to the smooth and effective running of the Company. Claire Binyon will succeed Marcia as Chair of the Audit and Risk Committee at the conclusion of the forthcoming AGM. I should also like to wish Simon, and the entire Board, well when he assumes the role of Chairman upon my retirement. Finally, I have had the great privilege of serving in total with 10 fellow Directors, past and present, and would like to express my heartfelt thanks to each of them for the insight and service that they have delivered to shareholders and to me during my tenure as Chairman. It has also been a pleasure working with Bruce Stout, William Hemmings and Charles Mearns from the Manager. They have been a constant during my whole time on the Board and have unwaveringly cooperated with the Board to promote the best interests of shareholders.

The Company is in the process of recruiting a new independent non-executive Director using the services of an independent recruitment consultant. Shareholders will be updated when a candidate has been appointed.

Outlook

From an economic perspective, recovering from the Covid-19 induced worldwide recession presents numerous challenges. Virtually all sectors and businesses have experienced some degree of disruption, suggesting the landscape of the future is unlikely to return to the prior normality. The discovery and rollout of a number of effective vaccines against the virus hold out the prospect of emergence from the pandemic. However, the lasting legacy of enormous debt obligations accrued by some nations in response to Covid will linger for years to come. Clearly, the path ahead is not likely to be smooth.

From an investment perspective, the Company's unconstrained global mandate offers great flexibility. Whilst the developed world's pandemic debt legacy may be long-lasting, numerous other parts of the world appear less constrained. Recent evidence already shows growth rebounding and business recovering in a number of Asian and developing countries that quickly contained infection rates last year. There is the prospect of improving corporate profits and above average dividend and capital growth from many high-quality companies exposed to these markets. Portfolio exposures will continue to focus on such businesses in pursuit of the Company's long-term investment objective.

Kevin Carter,
Chairman
4 March 2021

Investment Manager's Review

Bruce Stout,
Aberdeen Asset
Managers Limited

Background

Exogenous shocks and financial markets are seldom compatible companions. The former conjures up chaos, the latter craves certitude. Past panics, manias and stock market crashes invariably blame an extraneous event as the catalyst of catastrophe yet, in truth, the facts usually suggest otherwise.

Forensic analysis of world-wide credit crunches, property collapses, banking blowouts or debt defaults clearly identify the DNA of disruption embedded in prolonged periods of unrealistic expectations and mismanagement. When historical post-mortems dissect the dramatic, destabilising events of the past twelve months, no such conclusions will be reached. In 2020, the Covid-19 virus caused the largest global recession in modern history, and nobody was to blame.

The scale of the worldwide impact was simply devastating. As the pandemic proliferated, simultaneous economic contractions reverberated around the globe like tumbling dominos. Rampant infections reduced labour supply and productivity, whilst enforced lock-downs, social-distancing and business failure constrained manufacturing output and the provision of essential services. By late spring, global economic activity was effectively paralysed. Sharply rising unemployment depressed incomes and household consumption, whilst government policy directives evoked radical changes to social behaviour. Virtually all economic sectors experienced some degree of disruption, with areas such as travel, tourism, culture, education and the arts being severely impacted. Keeping companies solvent became the business mantra for most, yet with adversity came opportunity for some. Prevailing circumstances rapidly transformed the fortunes of those business involved in 'e'. Revenues soared for companies providing e-banking, e-commerce, e-learning, e-currency and numerous other electronic services that thrived under social and economic isolation. Not surprisingly, so too did their equity valuations. For heavily technology weighted indices, such as the NASDAQ in the United States, 2020 witnessed huge total returns unrepresentative of evolving events within the broader economy.

Most businesses were less fortunate. Nowhere was this more pronounced, ironically, than in another sector beginning with 'e', namely energy. Evaporating demand for oil evoked unimaginable turmoil within energy markets. At the oil price nadir of close to minus $40 a barrel in April, oil companies were effectively paying customers to take possession of excessive unwanted inventories. Such distorted fundamentals spread into other supply/demand dynamics, causing great consternation to employees and investors alike. Uncertain as to whether the unfolding pandemic represented just a temporary distortion to the global economic cycle or was redefining economic reality in businesses such as commodities, real estate, retail and leisure, strong nerves and deep resolve were a constant pre-requisite.

Uncertainty prevailed throughout the summer until October's sudden breakthrough on Covid-19 vaccines dramatically changed sentiment. Anticipation of imminent inoculation rekindled belief that within a reasonable timeframe economic recovery could commence. Without caution towards realistic vaccination schedules well into 2021 or consideration of redressing mounting fiscal liabilities, all that mattered to financial markets was some semblance of certainty about the future, no matter how intangible that might be. By year end, hope sprang eternal.

Few investment managers could legitimately claim custodianship of portfolios consciously constructed to withstand/benefit from a global health pandemic. As Managers, we would certainly make no such assertion. The consequential positive and negative exaggerations to pre-pandemic business dynamics of companies held in the portfolio stretched quantifiable assumptions and proved challenging at times. Of great importance was sticking to our investment disciplines and processes against this unpredictable backdrop. Inevitably, some original investment reasoning irrevocably changed but, beyond the fog, some clear longer-term opportunities arose. Initial equity market weakness through February-March prompted a reduction in the portfolio's emerging market fixed income exposure with proceeds reinvested into equities. Capitalising on attractive valuations, new positions were established in pharmaceutical company **Abbvie** and global semi-conductor giant **Broadcom**. Both additions captured double-digit earnings and dividend growth with running yields above 6%. This strategic theme continued with additions to existing holdings in Canadian pipeline operator **TC Energy**, Brazilian financial services provider **Banco Bradesco** and Taiwanese semiconductor producer **GlobalWafers**.

Periodic bouts of volatility throughout the year constantly presented opportunities. Two new positions were established in China. The first, **China Resources Land,** maintains a leading position in mainland property development, whilst the second, **Ping An Insurance**, distinguishes itself as one of the world's most technologically advanced multi-line insurance providers. Bolstered by numerous Asian countries providing greater clarity on viral infection rates compared with trends emerging globally, such transparency inspired confidence. Overall Asian portfolio exposure was further boosted by a new position in **Hon Hai Precision**, a Taiwanese provider of electronic manufacturing services for numerous leading computer, smart phone and communication companies worldwide.

Another geographical region providing selective equity enticement was Europe. Dragged down by persistently changing containment strategies and ongoing Brexit negotiations, numerous companies remained scorned. The insurance sector proved particularly interesting where balance sheets remained strong and business prospects relatively unscathed. New positions were established in **Zurich Insurance**, a Swiss based worldwide provider of multiline insurance services, and leading Scandinavian general insurance underwriter **Tryg**, based in Denmark. Completing a trilogy of new European domiciled growth opportunities, a new position was also established in multinational power company **Enel.** Managing wind, solar, geothermal and hydropower plants in Europe, the Americas, Africa and Asia, Enel commands a leading position in the rapidly growing worldwide renewable energy market.

With overall portfolio transaction activity near twice the level of fiscal year 2019, the past twelve months clearly witnessed above-average portfolio turnover. Funds raised for new investment in equities came from a variety of sources. Close to 5% of net assets was raised from divesting **Emerging Market Bonds,** notably all **Brazilian Sovereign** and **Corporates** plus some **Indonesian Sovereign** bonds. Having performed strongly on both an absolute and relative basis, the switch into equities offered compelling value at the time. Over 3% of net assets was raised from ongoing reductions to **Taiwan Semiconductor**, one of the strongest performers over the period and still the portfolio's largest holding. Outright divestment of **Bank Pekao** in Poland and **Public Bank** in Malaysia centred on concerns over pandemic related damage to longer-term business objectives, whilst sales of smaller Brazilian equity holdings in **Ultrapar** and **Wilson Sons** provided capital for increased investment concentration into core Latin American holdings. The large position in **Unilever Indonesia** was switched into the **Unilever** parent company for yield enhancement at an attractive relative valuation, whilst reductions to strongly performing shares of Swedish Industrials **Epiroc** and **Atlas Copco** plus Chilean lithium producer **Socieda Quimica (Soquimich)** was symptomatic of profit recycling in line with the Company's disciplined investment process. The unique circumstances of 2020's investment landscape presented numerous unforeseen challenges but for the most part higher portfolio activity reflected the opportunity that accompanied adversity in what proved one of the most uncertain twelve-month periods in the Company's recent history.

Performance

The NAV total return for the year to 31 December 2020 with net dividends reinvested was 0.9%. This compared with the Reference Index total return of 7.0%. The top five and bottom five stock contributors to performance are detailed below:

Top Five Stock Contributors	%*	Bottom Five Stock Contributors	%*
Taiwan Semiconductor Manufacturing	2.7	Banco Bradesco	-1.0
Sociedad Quimica	1.9	Grupo Asur	-0.9
GlobalWafers	1.9	Singapore Telecommunications	-0.9
Samsung Electronics	1.1	Schlumberger	-0.8
Broadcom	1.1	Telefonica Brasil	-0.7

* % relates to the percentage contribution to return relative to the Reference Index (comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020)

The apparently sedate NAV total return of +0.9% over the period masked the most volatile year for asset valuations since the financial turmoil of 2008. Global equity market volatility oscillated sharply throughout the year, reflecting constantly changing sentiment towards the evolving pandemic. Daily portfolio net asset values vacillated accordingly, and at times excessively. At its low in late March, the NAV per share troughed at 826p, a decline of close to 30% from year end 2019. As previously mentioned, this prompted one of the most active periods of switching fixed income securities into equities, part of which undoubtedly aided

Investment Manager's Review Continued

the subsequent year end recovery in NAV, but also capitalised on yield enhancement, future dividend growth and very attractive equity valuations. Relative underperformance to the Reference Index must be noted but, given the prevailing portfolio orientation, is hardly surprising. Overall market conditions for dividend paying companies proved extremely hostile. The combination of debt-dependant companies with no choice but to cut dividends, companies cutting dividends to preserve cash, companies being mandated to cut dividends by regulators and companies "obliged" to cut dividends through political pressure produced the worst environment for income orientated funds in over twenty years. From an income perspective, the UK equity market witnessed the most severe dividend declines, the 44% contraction year-on-year wiping out eight years of dividend growth, but the rest-of-the-world was not immune either. It is debatable whether global financial markets have ever witnessed such concentrated worldwide economic uncertainty and corporate balance sheet stress in such a short period. Under such circumstances, the overall portfolio emerged relatively unscathed, the 14% reduction in earnings per share reflecting greater portfolio diversification across geographies, sectors and businesses.

Attribution Analysis

The attribution analysis below details the various influences on portfolio performance. In context, it should be noted that the Company's income objective gives rise to a portfolio of investments that differs significantly from the Reference Index in terms of geographical exposures, sector allocations and stock selection. During the period under review, when increasingly concentrated market (United States), sector (Technology) and stock (low-yielding) outperformance dominated composite index returns, the statistical limitations of relative attribution analysis were clearly evident. However, from the analysis in summary, of the 580 basis points (before expenses) of performance below the Reference Index, asset allocation added 10 basis points and stock selection detracted 610 basis points. Structural effects, relating to the fixed income portfolio and gearing net of borrowing costs, added 50 basis points of relative performance.

	Company		Reference Index[A]		Contribution from:		
	Weight %	Return %	Weight %	Return %	Asset Allocation %	Stock Selection %	Total %
UK	6.9	–17.2	4.1	–11.7	2.7	–0.5	2.2
Europe ex UK	18.8	1.6	13.6	8.4	0.1	–1.1	–1.0
North America	26.1	0.7	58.3	16.4	–1.7	–3.8	–5.5
Japan	1.0	–5.1	7.4	11.1	–0.1	–0.2	–0.3
Asia Pacific ex Japan	31.8	10.9	14.3	15.2	2.1	–2.0	0.1
Other International	15.4	–2.0	2.3	–18.7	–3.0	1.5	–1.5
Gross equity portfolio return	100.0	1.2	100.0	7.0	0.1	–6.1	–6.0
FX instruments, fixed Interest, cash and gearing effect		0.5					
Net portfolio return		1.7					
Management fees and administrative expenses		–0.7					
Tax charge		–0.3					
Technical differences		0.2					
Total return		**0.9**		**7.0**			

[A] Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.
Notes to Performance Analysis
Asset allocation effect – measures the impact of over or underweighting each asset category, relative to the Reference Index weights.
Stock selection effect – measures the effect of security selection within each category.
Technical differences – the impact of different return calculation methods used for NAV and portfolio performance.
Source: Aberdeen Standard Investments & BNP Paribas Securities Services Limited. Figures may appear not to add up due to rounding.

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Global Review

Previous annual reviews proffered extensive economic commentary on geographical regions primarily to update and inform on the investment backdrop supporting portfolio investment. With global economic activity being universally crippled by the pandemic last year, reflecting on the depth of regional recessions and deeply distorted macroeconomic trends arguably serves little productive purpose. Everyone suffered, some much more than others. Of far greater significance, perhaps, is the consideration of the economic and financial legacies the truly surreal experience of 2020 might bequeath. The range and magnitude of lasting effects will have significant influence on the investment landscape ahead.

In nominal dollars spent and aggregated infected population, the **United States** earned the unenviable accolade of leading the world in both. Breaching a raft of historical records, the nation's fiscal deficit spiralled upwards eclipsing imbalances recorded during World War Two and the 2008/09 financial crisis. For a country dependant on foreign capital financing of wayward fiscal and current account deficits, external confidence in its debt-servicing capability and resilience of the dollar is crucial. With debt interest escalating hourly, the outlook for spending, growth and income looks extremely compromised. At some point, higher taxes and tighter fiscal policy look inevitable. Significant revaluation of the technology sector predicated on the belief that rock-bottom interest rates will persist in perpetuity suggests an inherent vulnerability within the US equity market. The disconnect between Wall Street and Main Street grows ever wider.

The **UK's** Office of Budget Responsibility currently predicts around £400bn of required State borrowing for the financial year ending April 2021. To put this in context, before the pandemic the UK Government expected to borrow £55bn over the twelve-month period. Such a widening chasm in UK fiscal financing reflects the largest distortion between revenues and spending ever witnessed, making the UK one of the most structurally damaged nations from Covid-19. All evidence suggests the country is perilously close to debt servicing limits. Ahead for the UK economy lies a protracted path of constrained options, as policymakers attempt to manage an orderly reinvigoration of growth whilst simultaneously trying to restore some semblance of fiscal respectability in public finances. Investment opportunities against this backdrop could easily be "crowded out" by debt servicing obligations.

Similar debilitating debt dynamics now also prevail in **Europe**. With the European debt crisis of 2009-2011 still fresh in the memory, European policymakers must consider current escalating pandemic-related costs with great trepidation. Having suspended all EU Fiscal Treaty rules for member states, the medium-term outlook remains dominated by excessive spending and collapsing tax revenues. The resulting fiscal deficits threaten to eclipse previous depths, suggesting significant structural damage to the region's future borrowing capabilities. Just how such enormous imbalances will be addressed, by whom and over what time frame presents significant challenges for regional unity and next generation prosperity.

Aggregating cumulative consequences for **Asia** and the rest of the **Developing World** is virtually impossible. The cultural and economic diversity that produced vastly differing pandemic responses will likely produce a broad spectrum of future outcomes. Densely populated nations such as **India** and **Indonesia** suffered significantly and carry a legacy of higher unemployment and larger income declines. Similarly, the pandemic proved particularly problematic for **Latin America**. Unable to isolate effectively and protect a population disproportionately dependant on the informal economy and manufacturing industry, the scale of human suffering and economic disruption was relatively high. Yet certain summations can be made. For numerous **Asian** countries, from containment to recovery, the intent and execution of public policy was generally impressive. It is somewhat ironic that the region where Covid-19 originated should suffer less, both clinically and economically, but it very much looks like it. In other **Emerging Markets,** where infection rates were quickly contained through stringent mobility measures and effective information directives, the trajectory of recovery has already begun. Boosted by ongoing stimulus in China and pent-up demand exaggerated by Covid-19 restrictions, growth remains on track to recover sharply once clinical challenges subside.

Investment Manager's Review Continued

Summary of Investment Changes During the Year

	Valuation 31 December 2020 £'000	%	Appreciation/ (depreciation) £'000	Net purchases/ (sales) £'000	Valuation 31 December 2019 £'000	%
Equities						
United Kingdom	73,372	4.4	(29,655)	–	103,027	5.9
North America	380,614	22.9	(7,159)	79,608	308,165	17.7
Europe ex UK	274,030	16.4	(2,340)	68,615	207,755	12.0
Japan	13,848	0.8	(1,862)	–	15,710	0.9
Asia Pacific ex Japan	489,281	29.5	22,318	(64,508)	531,471	30.6
Latin America	218,535	13.2	(16,525)	(22,968)	258,028	14.8
Africa	5,995	0.4	(2,911)	–	8,906	0.5
	1,455,675	87.6	(38,134)	60,747	1,433,062	82.4
Preference shares						
United Kingdom	7,488	0.5	(189)	–	7,677	0.4
	7,488	0.5	(189)	–	7,677	0.4
Fixed income						
Europe ex UK	13,182	0.8	(4,140)	66	17,256	1.0
Asia Pacific ex Japan	69,365	4.2	1,431	(18,734)	86,668	5.0
Latin America	83,621	5.0	(7,347)	(47,682)	138,650	8.0
Africa	17,074	1.0	(1,267)	81	18,260	1.1
	183,242	11.0	(11,323)	(66,269)	260,834	15.1
Other net assets	15,227	0.9	(21,959)	–	37,186	2.1
Total assets[A]	**1,661,632**	**100.0**	**(71,605)**	**(5,522)**	**1,738,759**	**100.0**

[A] See definition on page 107.

Options Writing and Stock Lending

As indicated in the Chairman's Statement, the Board conducted an investment strategy review during the year. In line with the Company's stated investment objective, the Board has authorised the Manager to implement a limited strategy to write covered put and call options on the underlying portfolio investments with the aim of generating extra revenue in future years. The Manager has significant experience of using option strategies to enhance revenues for its clients. Option writing will only be conducted at levels where we would have considered entering into a transaction in the normal course of portfolio management, e.g. if the Manager would have been willing to sell a stock at a level 5% higher than the current share price that is where the option strike price would be written. This means that options writing will always relate to transactions that we would have been looking to enter into in any event and will not be speculative. The use of options represents a relatively low risk way of enhancing the returns from the portfolio and we would only write options where there is sufficient liquidity in the underlying stock within the portfolio.

We are also planning to initiate stock lending on the portfolio which is expected to provide a further, albeit modest, enhancement to the Company's revenue streams. Stock lending can offer strong risk adjusted returns to the Company and its shareholders. As Manager, we have extensive knowledge and experience in running profitable risk averse securities lending programmes across a range of clients, which have minimal impact on the day-to-day management of the portfolio and ensure that risk management remains pivotal in all transactions. All current lending programmes accept non-cash collateral only (in segregated accounts with no reinvestment or re-hypothecation of collateral), maintain full flexibility over all loans, including the full right of restriction and recall, and focus on lending only those assets with significant fees attached to them to ensure that less stock is lent whilst maintaining a reasonable revenue stream.

Outlook

Such a simultaneous threat to life and livelihood, health and wealth, occurring as it did throughout the world in 2020, has never happened in living memory. Undoubtedly, the clinical and economic damage afflicted on the global population will leave deep scars needing considerable time to heal. For a world prepared to do "whatever it takes" to alleviate a "nobody's fault recession", it is reasonable to assume short-term good intentions overlooked potential longer-term adverse consequences. In no way should this be taken as a criticism of government actions in response to Covid-19. Desperate to avoid systemic collapse, policymakers in developed economies had no choice but to throw the proverbial kitchen sink at the pandemic infused chaos. Unfortunately, for those nations where state intervention was the highest, the associated payback costs are likely to be the most onerous. Future clinical concerns aside, the exponential rise in financial burdens for those nations now represents a debt legacy that may sharply constrain growth and investment opportunities going forward. Countries such as the UK and the United States now find themselves at the undesirable vanguard of such longer-term debilitating debt dynamics.

For many nations, individuals and companies, life may well have irrevocably changed; correspondingly, for investors, the future financial landscape may also prove unfamiliar relative to the past. Yet, as always, it would be presumptuous to extrapolate the events and investment themes of an extremely distorted 2020 as the "new normal" since for the majority of world citizens the "old normal" is not a life choice but simply economic reality. Some sectors, industries and occupations most affected may ultimately face extinction, but classical economic theory would attribute evolution rather than the virus as ultimately responsible. For those subscribing to such logic, the pandemic merely hastened the process along. Yet where the truly intriguing collateral damage of the past twelve months has been most evident are those businesses written off by financial markets in their myopic pursuit of all things technology. Does the investment landscape really believe the world no longer needs such essential services as gas and electricity, construction materials like cement, concrete, iron and steel, not to mention other so-called cyclical assets be it property, insurance, Asia or Emerging Markets? Relative underperformance, attractive absolute valuations and scope for significant sentiment change towards companies that remain productive, profitable and providers of the population's evolving needs offer compelling future investment opportunities for the Company going forward. By strict adherence to the proven practice of investing in high-quality, financially strong companies, great scope exists to capitalise on such positive prospects.

Bruce Stout
Senior Investment Director

Martin Connaghan and Samantha Fitzpatrick
Investment Directors

Aberdeen Asset Managers Limited
4 March 2021

The Manager's Investment Process

The Manager's Investment Process

The Company's Alternative Investment Fund Manager is Aberdeen Standard Fund Managers Limited ("ASFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to Aberdeen Asset Managers Limited ("AAM"). AAM and ASFML are collectively referred to as the "Investment Manager" or the "Manager". Aberdeen Standard Investments ("ASI") is the investment arm of Standard Life Aberdeen plc, the ultimate parent of AAM and ASFML.

The Manager believes that deep fundamental research into companies, mediated through team debate and a rigorous stock selection process, is the key to unlocking investment insight and driving investment returns for clients such as the Company. The Manager utilises a truly bottom-up, fundamental stock-picking approach, where sector, regional and country allocations are a consequence of the bottom-up stock selection decisions, constrained by appropriate risk controls. The Manager operates a comprehensive risk system with tools that provide better insights for its individual fund managers and a more complete understanding of all risk exposures in the portfolios to ensure that the managers only take the sort of risk that the Manager is comfortable with and can back with insight from extensive first hand research.

The Manager takes a long term quality approach by focusing on companies that the research analysts identify as high quality. This involves assessing each company on five key factors, namely the durability of the business model and moat, the attractiveness of the industry, the strength of the financials, the capability of management, and assessment of the company's ESG credentials. In the assessment of what is an appropriate valuation for a company, the Manager focuses primarily on earnings yields, free cashflow yields and dividend yields, set against expected long-term growth rates for those elements. The Manager targets a double digit implied annual return. From this pool of companies the Manager looks to construct a focused portfolio of 40 - 60 companies, selecting those companies that have the most attractive quality and valuation characteristics, offering the best expected risk adjusted returns, within a diversified portfolio. Position sizes typically range from 1% to 5% and are considered on an absolute, rather than benchmark relative basis.

An overview of the investment process is provided below and further explanation of this process can be found on page 101.

Reference Index (*formerly Benchmark*)

Up to 27 April 2020, the Company's performance was measured against a composite Benchmark comprising 40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index. On 27 April 2020 shareholders approved the replacement of the Benchmark with a new Reference Index, the FTSE All World TR Index. Performance is now measured against a blend of the old composite Benchmark up to 27 April 2020 and the FTSE All World TR Index thereafter. Given the composition of the portfolio and the Manager's investment process, it is likely that the Company's investment performance may diverge, possibly significantly, from this Reference Index.

Delivering the Investment Policy

Day-to-day management of the Company's assets has been delegated to the Manager. The Manager invests in a diversified range of international companies and securities in accordance with the investment objective.

Bruce Stout has responsibility for portfolio construction across all regional segments and is assisted by Martin Connaghan and Samantha Fitzpatrick. The management team utilises a "Global Coverage List" which is constructed by each of the specialist country management teams. This list contains all buy (and hold) recommendations for each management team, which are then used by the portfolio manager as the Company's investment universe. Stock selection is the major source of added value over time.

Top-down investment factors are secondary in the Manager's portfolio construction, with stock diversification rather than formal controls guiding stock and sector weights. Market capitalisation is not a primary concern.

A detailed description of the investment process and risk controls employed by the Manager is disclosed on pages 101 and 102. A comprehensive analysis of the Company's portfolio is disclosed on pages 33 to 45 including a description of the twenty largest investments, the portfolio of investments by value, distribution of investments and distribution of equity investments. The portfolio attribution analysis is on page 12.

In addition to equity exposures, the investment mandate provides the flexibility to invest in fixed income securities. The process of identifying, selecting and monitoring both sovereign and corporate bonds follows exactly the same structure and methodology as that for equity investment, fully utilising the global investment resources of the Manager. As in the case of equity exposure, the total amount, geographical preference, sector bias and specific securities will ultimately depend upon relative valuation and future prospects.

At the year end, the Company's portfolio consisted of 53 equity and 24 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 holdings in the portfolio.

The Manager's Focus on ESG

Introduction
Whilst environmental, social and governance ("ESG") factors are not the over-riding criteria in relation to the investment decisions taken by the Manager for the Company, significant prominence is placed on ESG and climate related factors throughout the Manager's investment process. The following pages highlight the way that ESG and climate change are considered by the Manager. These processes are reviewed regularly and liable to change and the latest information will be available for download on the Company's website, **murray-intl.co.uk**.

Core beliefs: Assessing Risk, Enhancing Value
Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the consideration of ESG factors is a fundamental part of the Manager's investment process and has been for over 30 years. It is one of the key criteria on which the Manager assesses the investment case for any company in which it invests for three key reasons.

Responsible Investing – Integration of ESG into the Manager's Investment Process
"By embedding ESG factors into our active equity investment process we aim to reduce risk, enhance potential value for our investors and foster companies that can contribute positively to the world." Aberdeen Standard Investments

Financial Returns	ESG factors can be financially material – the level of consideration they are given in a company will ultimately have an impact on corporate performance, either positively or negatively. Those companies that take their ESG responsibilities tend to outperform those that do not.
Fuller Insight	Systematically assessing a company's ESG risks and opportunities alongside other financial metrics allows the Manager to make better investment decisions.
Corporate Advancement	Informed and constructive engagement helps foster better companies, protecting and enhancing the value of the Company's investments.

"*We believe that the market systematically undervalues the importance of ESG factors. We believe that in-depth ESG analysis is part of both fundamental company research and portfolio construction and will lead to better client outcomes." Aberdeen Standard Investments*

Researching Companies: Deeper Company Insights for Better Investor Outcomes
The Manager conducts extensive and high-quality fundamental and first-hand research to fully understand the investment case for every company in its global universe. A key part of the Manager's research involves focusing its extensive resources on analysis of ESG issues. The Manager's investment managers, ESG Equity Analysts and central ESG Investment Team collaborate to generate a deep understanding of the ESG risks and opportunities associated with each company. Stewardship and active engagement with every company are also fundamental to the investment process helping to produce positive outcomes that lead to better risk-adjusted returns.

ASI's Global ESG Infrastructure
ASI has around 150 equity professionals globally. Each systematically analyses ESG risks and opportunities as part of the Manager's research output for each company. Its central team and ESG equity analysts support the investment managers' first-hand company analysis, producing research into specific themes (e.g. labour relations or climate change), sectors (e.g. forestry) and ESG topics to understand and highlight best practice. Examples of thematic and sector research can be found on the Manager's website at: **aberdeenstandard.com/en/uk/investor/responsible-investing**.

Investment Managers	All ASI equity investment managers seek to engage actively with companies to gain insight into their specific risks and provide a positive ongoing influence on their corporate strategy for governance, environmental and social impact
ESG Equity Analysts	ASI has dedicated and highly experienced ESG equity analysts located across the UK, US, Asia and Australia. Working as part of individual investment teams, rather than as a separate department, these specialists are integral to pre-investment due diligence and post-investment ongoing company engagement. They are also responsible for taking thematic research produced by the central ESG Investment Team (see below), interpreting and translating it into actionable insights and engagement programmes for our regional investment strategies.
ESG Investment Team	This central team of more than 20 experienced specialists based in Edinburgh and London provides ESG consultancy and insight for all asset classes. Taking a global approach both identifies regions, industries and sectors that are most vulnerable to ESG risks and identifies those that can take advantage of the opportunities presented. Working with investment managers, the team is key to the Manager's active stewardship approach of using shareholder voting and corporate engagement to drive positive change.

Climate Change

The Manager has a duty to consider all factors that may have a financially material impact on returns. Climate change is such a key factor.

The related physical and transition risks are vast and are becoming increasingly financially material for many of our investments. Not only in the obvious high-emitting sectors, such as energy, utilities and transportation, but also along the supply chain, providers of finance and in those reliant on agricultural outputs and water.

In the Manager's view, companies that successfully manage climate change risks will perform better in the long-term. It is important that the Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

Adaptation measures are essential to help limit damages from the physical impacts of climate change. Comparable climate-related data is necessary to enable effective decision making, and is something the Manager actively sources and incorporates into its process. The Manager is supportive of the Task Force on Climate-related Financial Disclosures (TCFD) framework to strengthen climate reporting globally.

Regular engagement with high-emitting investee companies allows the Manager to better understand its exposure and management of climate change risks and opportunities. In actively managed investments, ownership provides a strong ability to challenge companies where appropriate. The Manager can also influence corporate behaviour positively in relation to climate-risk management.

The Manager believes that this is more powerful for an effective energy transition than a generic fossil fuel divestment approach. Through active engagement it is possible to steer investee companies towards ambitious targets and more sustainable low-carbon solutions. If there is limited progress in response to the engagement, the Manager will consider the ultimate option of selling its holdings.

The Manager strongly encourages companies to consider the social dimension of the energy transition to ensure it is inclusive and 'just'. This means worker and community needs are considered on the path to a low-carbon economy so they are not left stranded. Other social aspects, such as affordability and reliability of energy supply are also important. Influencing through engagement has worked particularly well in collaboration with other asset managers and asset owners as part of our involvement in Climate Action 100+. This is a five-year initiative to engage and influence high-emitting companies collaboratively.

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The Manager's Focus on ESG Continued

Consideration of climate change risks and opportunities is an integral part of the investment process and corporate engagement is seen as essential to ensuring that portfolio companies manage climate-related risks and support a 'just' energy transition. This is an important part of the role of an active investor.

The Manager provides climate change insights through research and data to investment decision makers. This helps assess the financial materiality of climate change risks and opportunities.

The Manager aims to influence the management of climate-related risks through engagement and voting and is part of Climate Action 100+ having signed the 2018 Just Transition statement.

From Laggards to Best in Class: Rating Company ESG Credentials

A systematic and globally-applied approach to evaluating stocks allows the Manager to compare companies consistently on their ESG credentials – both regionally and against their peer group.

The Manager captures the findings from its research and company engagement meetings in formal research notes.

Some of the key questions include:

- Which ESG issues are relevant for this company, how material are they, and how are they being addressed?
- What is ASI's assessment of the quality of this company's governance, ownership structure and management?
- Are incentives and key performance indicators aligned with the company's strategy and the interests of shareholders?

Having considered the regional universe and peer group in which the company operates, the Manager's equity team then allocates it an ESG rating between one and five (see below). This is applied across every stock that the Manager covers globally.

The Manager also uses a combination of external and proprietary in-house quantitative scoring techniques to complement and cross-check analyst-driven ESG assessments. ESG analysis is peer-reviewed within the equities team, and ESG factors impacting both sectors and stocks are discussed as part of the formal sector reviews. To be considered 'best in class', the management of ESG factors must be a material part of the company's core business strategy. It must provide excellent disclosure of data on key risks. It must also have clear policies and strong governance structures, among other criteria.

1. Best in class	2. Leader	3. Average	4. Below average	5. Laggard
ESG considerations are material part of the company's core business strategy Excellent disclosure Makes opportunities from strong ESG risk management	ESG considerations not marketing leading Disclosure is good, but not best in class Governance is generally very good	ESG risks are considered as a part of principal business Disclosure in line with regulatory requirements Governance is generally good but some minor concerns	Evidence of some financially material controversies Poor governance or limited oversight of key ESG issues Some issues in treating minority shareholders poorly	Many financially material controversies Severe governance concerns Poor treatment of minority shareholders

Working with Companies: Staying Engaged, Driving Change

Once ASI invests in a company, it is committed to helping that company maintain or raise their ESG standards further, using the Manager's position as a shareholder to press for action as needed. ASI actively engages with the companies in which it invests to maintain ESG focus and encourage improvement.

The Manager sees this programme of regular engagement as a necessary fulfilment of its duty as a responsible steward of clients' assets. It is also an opportunity to share examples of best practice seen in other companies and to use the Manager's influence to effect positive change. The Manager's engagement is not limited to the company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's clients. What gets measured gets managed, so the Manager strongly encourages companies to set clear targets or key performance indicators on all material ESG risks.

The investment process consists of four interconnected and equally important stages.

Monitor	Contact	Engage	Act
Ongoing due diligence · Business performance · Company financials · Corporate governance · Company's key risks and opportunities	**Frequent dialogue** · Senior executives · Board members · Heads of departments and specialists · Site visits	**Exercise rights** · Attend AGM/EGMs · Always vote · Explain voting decisions · Maximise influence to drive positive outcomes	**Consider all options** · Increase or decrease our shareholding · Collaborate with other investors · Take legal action if necessary

Novartis Case-Study 1

The Manager had several positive engagements with the Swiss-based pharmaceutical giant Novartis during the year. Novartis has recently developed its own ESG scorecard, which is a welcome step focusing the company on the financial materiality of ESG issues, including innovation, access to medicine, safety and ethical standards. Along with other pharmaceutical companies, it has brought its infrastructure and platforms to the fight against Covid-19. Its access to medicine targets includes reaching twice as many patients by 2025, focusing on low and middle-income countries. Finally, the company launched a 1.85 billion Euro ESG linked bond in September 2020. Bondholders may receive greater interest if Novartis does not meet its goals for expanding access to medicine in poorer countries and addressing key global health challenges.

Enel Case Study 2

Enel is an Italian multinational integrated power company. It has impressively reduced scope one emissions ('scope one' covers direct emissions from owned or controlled sources) by 47% since 2017 and while 17% of power generation still comes from coal, the group is committed to reducing that over the next ten years. Enel is already a leader in renewable energy generation globally, with the most installed and managed renewable capacity of any private company. Hydro represents two-thirds of renewable capacity, but more recent investment has been towards solar and wind.

Promoting the Company's Success (s172 Statement)

What We Do

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This s172 Statement, from 'What We Do' on page 22 to "Long-Term Investment" on page 25, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's investment objective is disclosed on page 26. The activities of the Company are overseen by the Board of Directors of the Company.

The Board's philosophy is that the Company should operate with a transparent culture where all parties are treated with respect as well as the opportunity to offer practical challenge and participate in positive debate which is focused on achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

The mechanics of how the Company operates are set out below. These mechanics, which have evolved over time, are designed to protect shareholders' interests.

Investment trusts, such as the Company, are long-term investment vehicles, with a recommended holding period of five or more years. Typically, investment trusts are externally managed, have no employees, and are overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Manager) and is responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and enhancing shareholder value over the longer-term.

Business Model

Investors appoint the Board of Directors and approve the Company's investment objective

The Board appoints the Investment Manager to deliver the Company's investment objective utilising its investment process and ESG engagement (see page 18)

The Board oversees the affairs of the Company by:

1. Ensuring the Manager complies with the portfolio and other guidelines set by the Board (see investment process on page 16 and portfolio listing on page 35)
2. Reviewing the performance of the Manager against the Reference Index, Key Performance Indicators (KPIs) and other comparators (see page 26)
3. Using borrowings where expected benefits outweigh the costs and risks (see gearing disclosures on page 27)
4. Monitoring share price premium and discount, share issuance and buybacks (see Chairman's Statement on page 8)
5. Determining dividend policy and the level of revenue reserves (see Chairman's Statement on page 7)
6. Ongoing monitoring of risks including key man, cyber and information security, safekeeping of assets (see risk disclosures on page 28)
7. Appointing and monitoring other service providers - depositary, registrar, auditor, broker (see page 24)
8. Reviewing the Ongoing Charges Ratio (see Chairman's Statement on Page 8)
9. Ensuring compliance with governance and regulatory requirements (see page 54)
10. Overseeing the Company's promotional programme and investor relations activities conducted by the Manager (see page 29)

Shareholder Engagement

Shareholders are key stakeholders in the Company – they look to the Manager to achieve the investment objective over time and to deliver a regular growing income together with some capital growth. In normal circumstances the Board is available to meet at least annually with shareholders at the Annual General Meeting and this includes informal meetings with them over lunch following the formal business of the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs, the Directors and Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly.

The following table describes some of the ways we engage with our shareholders:

AGM	Ordinarily the AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. In light of the ongoing restrictions surrounding Covid-19, the next AGM will be a functional only meeting. However, we have put in place arrangements for an interactive Online Shareholder Presentation at 11.00 a.m. on Tuesday 13 April 2021 and shareholders are encouraged to register and attend.
Annual and Half Yearly Reports	We publish a full Annual Report in March/April each year that contains a strategic report, governance section, financial statements and additional information; we also publish a Half Yearly Report in August/September. The reports are available online and in paper format.
Company Announcements	We issue announcements for all substantive news relating to the Company. Shareholders can find these announcements on the Company's website.
Results Announcements	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments. Details of financial results, the investment process and Manager together with Company announcements and contact details can be found here: **murray-intl.co.uk.**
Other Shareholder Engagement	We aim to join the Manager in meeting the largest shareholders together with prospective shareholders at the annual and interim results presentations.

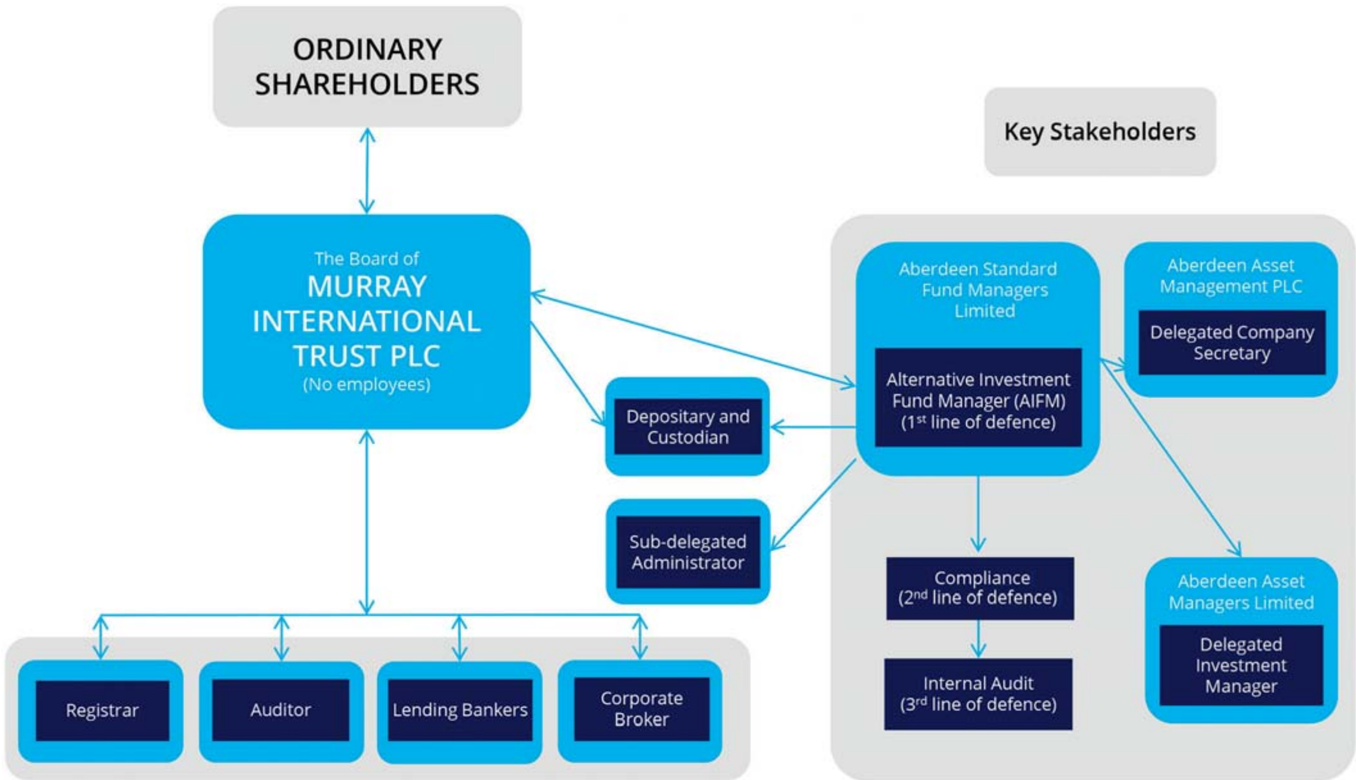
Promoting the Company's Success (s172 Statement) Continued

The Manager

The key service provider for the Company is the Alternative Investment Fund Manager and the performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on page 16 and further information about the Manager is given on page 101.

Other Service Providers

The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail. The aim is to ensure that contractual arrangements are good value for money, remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager and other relevant stakeholders. Reviews include those of the Company's depositary and custodian, share registrar and broker. The Audit and Risk Committee reviews the terms of engagement of the auditor. In addition the Manager operates a 'three lines of defence' model with the ASI business units responsible for adhering to applicable rules and regulations; the compliance team is then responsible for checking that the rules are being followed and then internal audit is responsible for independently reviewing these arrangements.



Principal Decisions

Pursuant to the Board's aim of promoting the long-term success of the Company, the following principal decisions have been taken during the year:

Investment Strategy Review

As explained in the Chairman's Statement, the Board has conducted an extensive investment strategy review in conjunction with the Manager in order to ensure that the Company remains competitive and the investment process adopted by the Manager remains effective and fit for purpose in the current markets. From shareholder feedback, it is clear that the Company's dividends are very attractive to shareholders and the review highlighted the potential use of stock lending and covered options to boost the level of revenue that the portfolio generates. The review included a focus on the Company's cost base in order to ensure that supplier costs remained competitive.

Portfolio

The Investment Manager's Review on pages 10 to 15 details the key investment decisions taken during the year and subsequently. The Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board. A list of the key portfolio changes can be found on pages 10 and 11.

Gearing

In May 2020 the Board agreed a new one year revolving credit facility of £50m to replace a maturing £50m facility. In light of the then escalating Covid-19 pandemic, the aim at the time of this renewal had been to ensure continuity whilst maintaining future flexibility in order not to lock in rates at a time when the markets were particularly volatile. The Board and Manager are now actively investigating options for the replacement of that £50m revolving credit facility that will be maturing in May 2021 with the focus being on enhancing shareholder returns over the longer-term.

Share Issuance/Buybacks

During the year, the Board has continued to review the trading in the Company's shares and has successfully issued a limited number of new shares in order to manage the level of premium to NAV at which the shares have been trading, to increase the size of the Company and improve the liquidity of the Company's shares. Also during the year, the Board has restarted share buybacks at times when the number of sellers has exceeded the number of buyers. The aim of the buybacks is to ensure that the discount to NAV does not become excessive, compared to the peer group.

ESG/Climate Change

As highlighted on page 18, the Board is responsible for overseeing the work of the Manager and this is not limited solely to the investment performance of the portfolio companies. The Board also has regard for environmental, social and governance matters (ESG) that subsist within the portfolio companies. The Board has conducted regular meetings with the Manager and is supportive of the Manager's pro-active approach to ESG and climate change engagement. During the year, at the Board's request, the Manager has reviewed and improved the quality and content of its ESG and associated reporting to the Board.

Directorate

The Directors welcomed Mr Simon Fraser to the Board, as an independent non-executive Director on 1 May 2020, following the retirement of Mr Peter Dunscombe on 24 April 2020. In accordance with the agreed succession plan, Dr Kevin Carter and Ms Marcia Campbell will be retiring from the Board at the AGM in 2021 and a process to find a new independent Director is currently underway. The Board believes that shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board. This provides continuity and maintains the Board's open and collegiate style. As part of the handover of Chairmanship, Dr Carter and Mr Fraser have conducted a number of meetings with shareholders during the year.

Long-Term Investment

The Company is in its 114th year. It is a long-term investor and the Board has in place the necessary procedures and processes to continue to promote the long-term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company grows over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

Promoting the Company's Success (s172 Statement) Continued

Key Performance Indicators (KPIs)

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determine the progress of the Company in pursuing its investment policy. The main KPIs (refer to glossary on page 107 for definition) identified by the Board in relation to the Company which are considered at each Board meeting are as follows:

KPI	Description
Performance versus Reference Index	**Absolute Performance:** The Board considers the Company's NAV total return figures to be the best indicators of performance over time and these are therefore the main indicators of performance used by the Board. **Relative Performance:** The Board also measures performance against the Reference Index and performance relative to investment trusts within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies. **Share Price Performance:** The Board also monitors the price at which the Company's shares trade relative to the Reference Index on a total return basis over time A graph showing absolute, relative and share price performance is shown on page 32 and further commentary on the performance of the Company is contained in the Chairman's Statement and Investment Manager's Review.
Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount/premium by the use of share buybacks and the issuance of new shares or the sale of Treasury shares, subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is shown on page 31.
Dividend	The Board's aim is to seek to increase the Company's revenues over time in order to maintain an above average dividend yield. Dividends paid over the past 10 years are set out on page 31 together with a graph showing dividend growth against CPI and RPI on page 32.
Gearing	The Board's aim is to ensure that gearing is kept within the Board's guidelines issued to the Manager as disclosed on page 27.

Investment Objective

The aim of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities.

Investment Policy

Asset Allocation

The Company's assets are currently invested in a diversified portfolio of international equities and fixed income securities spread across a range of industries and economies. The Company's investment policy is flexible and it may, from time to time, hold other securities including (but not limited to) index-linked securities, convertible securities, preference shares, unlisted securities, depositary receipts and other equity-related securities. The Company may invest in derivatives for the purposes of efficient portfolio management in the furtherance of its investment objective.

The Company's investment policy does not impose any geographical, sectoral or industrial constraints upon the Manager. The Board has set guidelines which the Manager is required to work within from meeting to meeting. It is the investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts), at the time of purchase. The Company currently does not have any investments in other investment companies. The Manager is authorised to enter into stock lending contracts and the Company plans to undertake limited stocklending activity in 2021.

Risk Diversification
The Manager actively monitors the Company's portfolio and attempts to mitigate risk primarily through diversification. The Company is permitted to invest up to 15% of its investments by value in any single holding (at the time of purchase) although typically, individual investments do not exceed 5% of the total portfolio.

Gearing
The Board considers that returns to shareholders can be enhanced by the judicious use of borrowing. The Board is responsible for the level of gearing in the Company and reviews the position on a regular basis. Any borrowing, except for short-term liquidity purposes, is used for investment purposes or to fund the purchase of the Company's own shares.

Total gearing will not in normal circumstances exceed 30% of net assets with cash deposits netted against the level of borrowings. At the year end, there was net gearing of 13.4% (calculated in accordance with Association of Investment Companies guidance) and particular care is taken to ensure that any bank covenants permit maximum flexibility in investment policy.

Changes to Investment Policy
Any material change to the investment policy will require the approval of the shareholders by way of an ordinary resolution at a general meeting. The Company will promptly issue an announcement to inform the shareholders and the public of any change of its investment policy.

Risk Management

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. A summary of the principal risks is set out below, together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's shares are published monthly on the Company's fact sheet and can also be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

With the help of a detailed risk matrix, the Board regularly undertakes a robust review of the principal risks and uncertainties facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board collectively discusses with the Manager areas where there may be risks emerging and maintains a register of these. In the event that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly.

The Board has kept the risks related to the Covid-19 pandemic under regular review. The impact of the pandemic on markets will continue to affect the value of the Company's investments due to ongoing disruption of supply chains and changes in demand for products and services, increased costs and potential cash flow issues. The pandemic has significantly impacted world stock markets as well as creating uncertainty around future dividend payments. However, the Board notes the Manager's robust and disciplined investment process which continues to focus on long-term company fundamentals including balance sheet strength and deliverability of sustainable earnings growth. The pandemic has also impacted the Company's third party service providers, with business continuity and home working plans having been implemented. The Board, through the Manager, has been closely monitoring all third party service arrangements and is pleased to report that it has not seen any reduction in the level of service provided to the Company to date.

Significant matters relating to the work of the Audit and Risk Committee are discussed in the Report of the Audit and Risk Committee on page 64 and further detail on financial risks and risk management is disclosed in note 18 to the financial statements. The Board continues to monitor the impact of the UK leaving the EU ("Brexit") which became effective on 31 January 2020. Following the expiry of the transition period on 1 January 2021 the Board does not believe that there will be a significant short to medium term impact on the Company from Brexit but will continue to monitor the longer term impact. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the current financial year.

Promoting the Company's Success (s172 Statement) Continued

Principal Risks	Mitigating Action
Investment strategy and objectives – if the Company's investment objective becomes unattractive and the Company fails to adapt to changes in investor demand, the Company may become unattractive to investors, leading to decreased demand for its shares and a widening discount.	The Board keeps the level of discount and/or premium at which the Company's shares trade as well as the investment objective and policy under review. The Board holds an annual strategy meeting where the Board reviews updates from the Manager and investor relations reports, and the Broker reports on the market. In addition, the Board is updated at each Board meeting on the make up of and any movements in the shareholder register and the Directors attend meetings with shareholders to keep abreast of investor opinion.
Investment portfolio, investment management – investing outside the investment restrictions and guidelines set by the Board or poor stock selection could result in poor performance and inability to meet the Company's objectives.	The Board sets and monitors its investment restrictions and guidelines and receives regular Board reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Manager attends all Board meetings. The Board also monitors the Company's share price relative to the NAV.
Financial obligations - the ability of the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's shares.	The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Manager together with the assets and liabilities of the Company and reviews these at each Board meeting. In addition, ASFML, as Alternative Investment Fund Manager, in conjunction with the Board, has set an overall leverage limit of 2.0x on a commitment basis (2.5x on a gross notional basis) and provides regular updates to the Board (see page 105).
Financial and Regulatory – the financial risks associated with the portfolio, including the impact of movements in foreign currency exchange rates, could result in losses to the Company. In addition, failure to comply with relevant regulation (including the Companies Act, the Corporation Taxes Act, the Alternative Investment Fund Managers Directive, Accounting Standards and the FCA's Listing Rules, Disclosure and Prospectus Rules) may have an impact on the Company.	The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements. The Board relies upon the Standard Life Aberdeen Group to ensure the Company's compliance with applicable regulations and from time to time employs external advisers to advise on specific concerns.
Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Standard Life Aberdeen Group) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.	The Board receives reports from the Manager on internal controls and risk management at each Board meeting. It receives assurances from all its significant service providers including the depositary, as well as back to back assurance from the Manager at least annually. Further details of the internal controls which are in place are set out in the Directors' Report on pages 56 and 57.
The Potential Impact of ESG Investment Principles Applying ESG and sustainability criteria in the investment process may result in the exclusion of assets in which the Company might otherwise invest. This may have a positive or negative impact on performance.	The Board supports and encourages the ESG analysis incorporated by the Manager as part of its investment decision making process and understands that over the short-term companies with weak ESG compliance may appear to perform strongly. Over the longer-term, the Board believes that companies with stronger ESG ratings will outperform.

Viability Statement

The Company does not have a fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long-term investment vehicle but, for the purposes of this viability statement, has decided that a period of five years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long-term horizon and the inherent uncertainties of looking out further than five years.

In assessing the viability of the Company over the review period, the Directors have considered the operational resilience of the Company including the regular updates and reporting received from the Manager and have focused upon the following factors:

- The principal and emerging risks detailed in the Strategic Report on pages 27 and 28;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's shares evidenced by the historical level of premium and/or discount;
- The level of income generated by the Company;
- The need to ensure that that the Manager and the Company's other third party service providers have suitable processes and controls in place to enable them to continue to provide their services to the Company within the context of the ongoing Covid-19 pandemic;
- The liquidity of the Company's portfolio - over 88% of the investments are categorised as level 1, held within active markets and realisable within seven days; and
- The profile of the Company's £200 million loan facilities which mature between May 2021 and May 2024 and the ability of the Company to refinance or repay the £50m facility that matures in May 2021.

Accordingly, taking into account the Company's current position, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due for a period of five years from the date of this Report. In making this assessment, the Board has considered scenario modelling prepared by the Manager which analysed the impact of matters such as significant economic and stock market volatility which could result in a substantial reduction in the liquidity of the portfolio, changes in investor sentiment or a significant reduction in earnings which could all have an impact on the assessment of the Company's prospects and viability in the future.

Promoting the Company

The Board recognises the importance of communicating the long-term attractions of your Company to prospective investors both for improving liquidity and for enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment companies under its management. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. The purpose of these initiatives is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. The Company's financial contribution to the programmes is matched by the Manager. The Manager reports quarterly to the Board providing an analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register.

Promoting the Company's Success (s172 Statement) Continued

Board Diversity Policy
The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 December 2020, there were three male Directors and three female Directors on the Board.

Environmental, Social and Human Rights Issues
The Company has no employees as the Board has delegated day-to-day management and administrative functions to Aberdeen Standard Fund Managers Limited. There are, therefore, no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined below and on page 18.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company, therefore, is not required to make a slavery and human trafficking statement.

Socially Responsible Investment Policy
The Company supports the UK's Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. While the delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

Further details on stewardship may be found on page 59.

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Website
murray-intl.co.uk

Kevin Carter
Chairman
4 March 2021

Results

Performance (Total Return)

	1 year % return	3 year % return	5 year % return	10 year % return
Share price[AB]	–5.3	+2.8	+71.8	+85.9
Net asset value per Ordinary share[A]	+0.9	+4.8	+68.6	+90.8
Reference Index[C]	+7.0	+22.8	+74.2	+147.5

[A] Considered to be an Alternative Performance Measure (see page 98 for more details).
[B] Mid to mid.
[C] Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.
Source: Aberdeen Standard Investments, Morningstar & Lipper

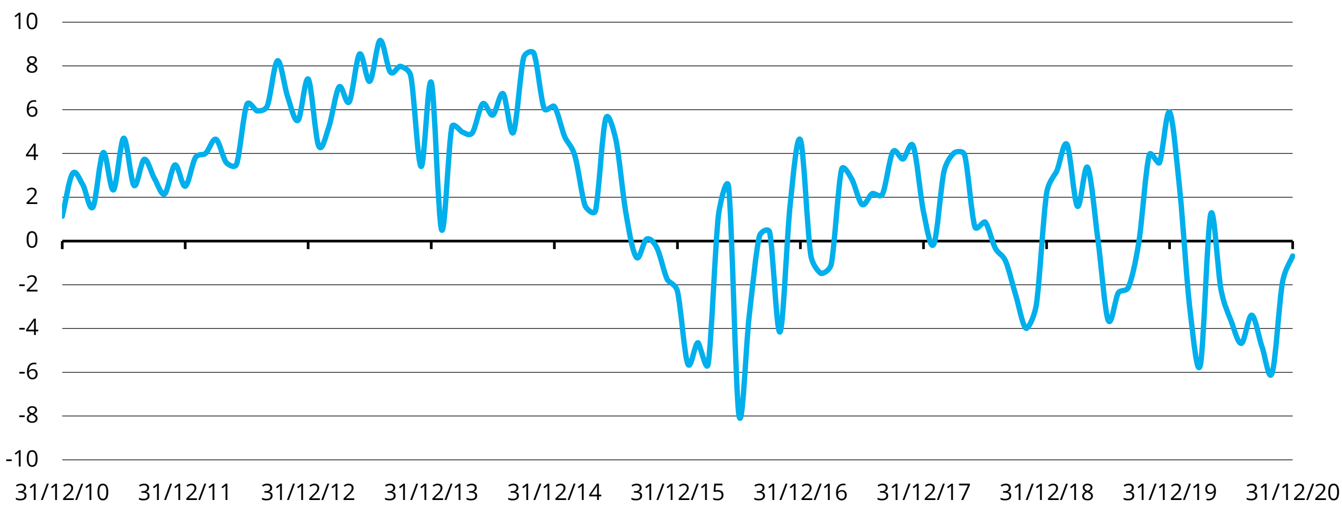
Ten Year Financial Record

Year end	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total revenue (£'000)	55,128	55,141	63,717	62,609	67,020	77,333	79,471	77,105	82,417	68,918
Per Ordinary share (p)										
Net revenue return[A]	43.6	39.8	43.8	40.8	45.7	51.2	51.8	49.6	54.1	46.6
Dividends[B]	37.0	40.5	43.0	45.0	46.5	47.5	50.0	51.5	53.5	54.5
Net asset value	892.2	975.8	981.0	966.6	849.0	1,135.7	1,251.4	1,107.8	1,190.0	1,138.2
Share price	**916.5**	**1048.0**	**1052.0**	**1026.0**	**829.5**	**1,188.0**	**1,268.0**	**1,132.0**	**1,260.0**	**1,130.0**
Shareholders' funds (£'000)	**999,252**	**1,192,243**	**1,236,718**	**1,240,537**	**1,091,019**	**1,447,879**	**1,599,129**	**1,419,588**	**1,539,055**	**1,461,827**

[A] Net revenue return per Ordinary share has been based on the average Ordinary share capital during each year (see note 9 on page 84).
[B] The figure for dividends per share reflects the years to which their declaration relates and not the years they were paid.

Share Price (Discount)/Premium to NAV (%)

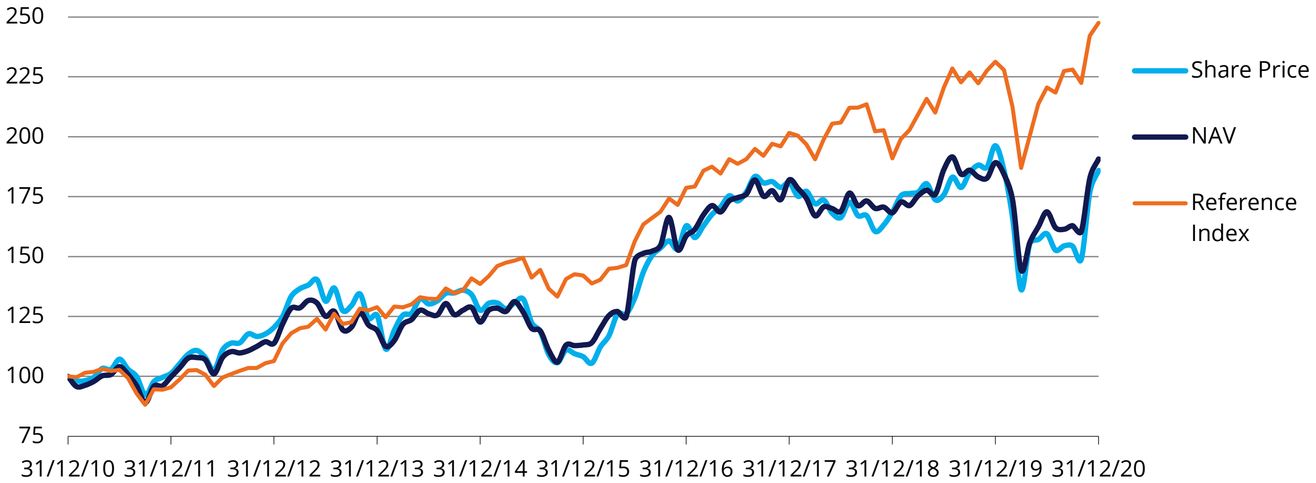
Ten years to 31 December 2020



Performance

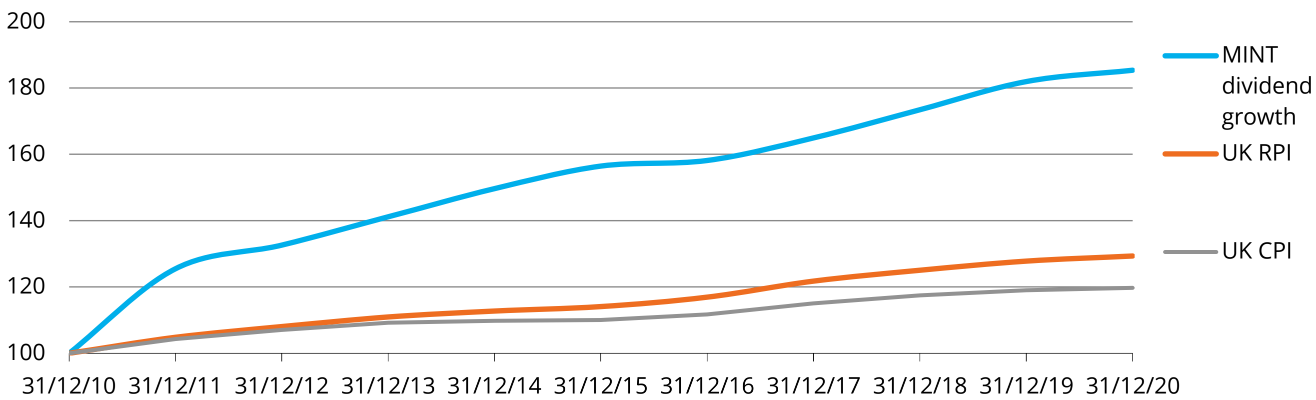
Net Asset Value and Share Price Total Return rebased to 100 (with net dividends reinvested)

Ten years to 31 December 2020



Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.

Comparison of Dividend Growth to Inflation (figures rebased to 100)

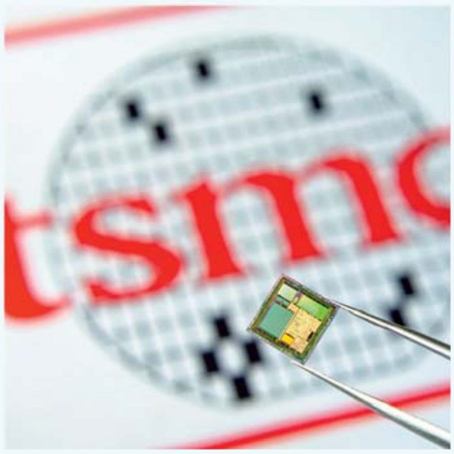


Portfolio

The Company maintains a diversified portfolio of investments. At the year end, the Company's portfolio consisted of 53 equity and 24 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 investments in the portfolio.


SAMSUNG


Roche



Ten Largest Investments

As at 31 December 2020

Taiwan Semiconductor Manufacturing

Taiwan Semiconductor Manufacturing is one of the largest integrated circuit manufacturers in the world. The company is involved in component design, manufacturing, assembly, testing and mass production of integrated circuits.

Aeroporto del Sureste ADS

Grupo Aeroporto del Sureste operates airports in Mexico. The company holds long-term concessions to manage airports in leading tourist resorts and major cities.

GlobalWafers

The company specialises in manufacturing silicon wafers for the global semiconductor industry. The company is vertically integrated, having production capability for wafer slicing, etching, diffusion and polishing. Finished products are sold to all leading technology companies worldwide.

Roche Holdings

Roche Holdings develops and manufactures pharmaceutical and diagnostic products. The company produces prescription drugs for a variety of medical conditions.

Samsung Electronics

Korean based Samsung Electronics manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, monitors, peripherals, televisions and home appliances. The company also has significant global market share of the mobile phone handsets and telecommunication equipment.

Sociedad Quimica Y Minera de Chile

Based in Chile, the Company produces and markets speciality fertilizers, including potassium nitrate, sodium nitrate and potassium sulphate for the agricultural industry. The Company also produces industrial chemicals including iodine and lithium, the latter of which is used extensively in the production of electric batteries.

CME Group

Based in Chicago, USA CME Group operates a derivatives exchange that trades futures contracts and options, interest rates, stock indexes, foreign exchange and commodities.

Verizon Communications

Verizon Communications is an integrated telecommunications company based in New York that provides wire line voice and data services, wireless services, internet services and published directory information.

Philip Morris International

Spun out from the Altria Group in 2008, Philip Morris International is one of the world's leading global tobacco companies. It manufactures and sells leading recognisable brands such as Marlboro, Parliament and Virginia Slims.

Broadcom Corporation

Broadcom designs, develops and markets digital and analogue semiconductors. The company offers wireless components, storage adaptors, networking processors, switches, fibre optic modules and optical sensors. Broadcom markets its products worldwide.

List of Investments

Company	Country	Valuation 2020 £'000	Total assets[A] %	Valuation 2019[B] £'000
Taiwan Semiconductor Manufacturing	Taiwan	82,638	5.0	83,350
Aeroporto del Sureste ADS	Mexico	72,113	4.3	77,863
GlobalWafers	Taiwan	55,300	3.3	24,048
Roche Holdings	Switzerland	51,146	3.1	48,953
Samsung Electronics	Korea	48,868	2.9	29,289
Sociedad Quimica Y Minera de Chile	Chile	46,657	2.8	35,271
CME Group	USA	45,256	2.7	51,495
Verizon Communications	USA	42,942	2.6	46,311
Philip Morris International	USA	42,360	2.6	44,925
Broadcom Corporation	USA	38,438	2.3	–
Top ten investments		**525,718**	**31.6**	
Oversea-Chinese Bank	Singapore	33,411	2.0	36,849
Vale do Rio Doce[C]	Brazil	32,664	2.0	47,137
Epiroc	Sweden	32,285	1.9	26,974
Total	France	31,597	1.9	41,662
AbbVie	USA	31,316	1.9	–
British American Tobacco	UK	29,788	1.8	35,547
Taiwan Mobile	Taiwan	29,612	1.8	56,406
Telus	Canada	28,918	1.7	29,234
Banco Bradesco	Brazil	27,461	1.7	36,563
Pepsico	USA	27,104	1.6	25,782
Top twenty investments		**829,874**	**49.9**	
BHP Group	Australia	26,950	1.6	24,875
Ping An Insurance	China	26,875	1.6	–
Atlas Copco	Sweden	26,402	1.6	26,216
Cisco Systems	USA	26,178	1.6	–
Intel Corporation	USA	25,517	1.5	31,604
Kimberly Clark de Mexico	Mexico	24,944	1.5	29,996
Zurich Insurance	Switzerland	24,729	1.5	–
Unilever	Netherlands	24,401	1.5	–
Hon Hai Precision Industry	Taiwan	23,927	1.5	–
Singapore Telecommunications	Singapore	23,016	1.4	34,054
Top thirty investments		**1,082,813**	**65.2**	

Company	Country	Valuation 2020 £'000	Total assets[A] %	Valuation 2019[B] £'000
Johnson & Johnson	USA	23,005	1.4	22,009
China Resources Land[D]	China	21,217	1.3	–
TC Energy	Canada	20,785	1.3	16,057
Tryg	Denmark	20,747	1.2	–
Telkom Indonesia Persero (formerly Telekomunikasi)	Indonesia	20,681	1.2	25,904
Tesco Lotus Retail Growth	Thailand	19,901	1.2	25,327
Siam Commercial Bank	Thailand	19,174	1.2	27,557
Telenor	Norway	18,699	1.1	20,282
Enel	Italy	18,520	1.1	–
Novartis	Switzerland	17,305	1.0	17,907
Top forty investments		**1,282,847**	**77.2**	
Castrol India	India	17,164	1.0	19,114
Royal Dutch Shell	UK	17,128	1.0	30,457
Republic of South Africa 7% 28/02/31	South Africa	17,074	1.0	18,260
Nutrien	Canada	16,025	1.0	16,484
Auckland International Airport	New Zealand	15,949	1.0	26,645
Republic of Indonesia 6.125% 15/05/28	Indonesia	15,746	1.0	15,306
Standard Chartered	UK	15,571	0.9	23,815
United Mexican States 5.75% 05/03/26	Mexico	15,365	0.9	15,165
Indocement Tunggal Prakarsa	Indonesia	15,048	0.9	20,690
America Movil Sab De 6.45% 05/12/22	Mexico	14,901	0.9	15,515
Top fifty investments		**1,442,818**	**86.8**	
Telefonica Brasil	Brazil	14,696	0.9	24,520
Japan Tobacco	Japan	13,848	0.8	15,710
Petroleos Mexicanos 6.75% 21/09/47	Mexico	13,717	0.8	15,126
Alfa 6.875% 25/03/44	Mexico	13,612	0.8	12,827
Republic of Dominica 6.85% 27/01/45	Dominican Republic	13,350	0.8	12,951
Schlumberger	USA	12,770	0.8	24,264
Republic of Indonesia 8.375% 15/03/34	Indonesia	12,128	0.7	11,627
Vodafone Group	UK	10,885	0.7	13,208
Swire Pacific 'B'	Hong Kong	9,550	0.6	15,706
HDFC Bank 7.95% 21/09/26	India	8,209	0.5	8,050
Top sixty investments		**1,565,583**	**94.2**	

List of Investments Continued

Company	Country	Valuation 2020 £'000	Total assets[A] %	Valuation 2019[B] £'000
Bayer	Germany	8,199	0.5	11,746
Power Finance Corp 7.63% 14/08/26	India	7,922	0.5	7,595
Petroleos Mexicanos 5.5% 27/06/44	Mexico	7,519	0.5	8,125
Republic of Turkey 8% 12/03/25	Turkey	6,638	0.4	8,687
Republic of Turkey 9% 24/07/24	Turkey	6,544	0.4	8,569
MTN	South Africa	5,995	0.4	8,906
Housing Dev Finance Corp 8.43% 04/03/25	India	5,483	0.3	5,485
Power Finance Corp 8.2% 10/03/25	India	5,452	0.3	5,283
Republic of Indonesia 10% 15/02/28	Indonesia	4,833	0.3	4,800
ICICI Bank 7.6% 07/10/23	India	4,810	0.3	4,795
Top seventy investments		**1,628,978**	**98.1**	
ICICI Bank 7.42% 27/06/24	India	4,782	0.3	4,678
General Accident 7.875% Cum Irred Pref	UK	3,808	0.2	3,836
Santander 10.375% Non Cum Pref	UK	3,680	0.2	3,841
Republic of Ecuador 0.5% 31/07/35	Ecuador	2,556	0.2	–
Republic of Ecuador 0.5% 31/07/30	Ecuador	1,833	0.1	–
Republic of Ecuador 0.5% 31/07/40	Ecuador	556	–	–
Republic of Ecuador 0.0% 31/07/30	Ecuador	212	–	–
Total investments		**1,646,405**	**99.1**	
Net current assets[A]		**15,227**	**0.9**	
Total assets[E]		**1,661,632**	**100.0**	

[A] Excluding bank loans.
[B] The 2019 column denotes the Company's holding at 31 December 2019.
[C] The 2019 holding comprises equity and fixed interest income securities split £26,529,000 and £20,608,000. Vale Overseas Limited 6.875% 21/11/36 was sold during 2020.
[D] Holding comprises £21,035,000 in parent company China Resources Land and £182,000 in a subsidiary China Resources Mixc Lifestyle Services.
[E] See definition on page 107.

Summary of Net Assets

	Valuation 31 December 2020		Valuation 31 December 2019	
	£'000	%	£'000	%
Equities	1,455,675	99.6	1,433,062	93.1
Preference shares	7,488	0.5	7,677	0.5
Fixed income	183,242	12.6	260,834	17.0
Other net assets	15,227	1.0	37,186	2.4
Prior charges[A]	(199,805)	(13.7)	(199,704)	(13.0)
Equity shareholders' funds	**1,461,827**	**100.0**	**1,539,055**	**100.0**

[A] See definition on page 107.

Sector/Geographical Analysis

As at 31 December 2020

Sector/Area	United Kingdom %	North America %	Europe ex UK %	Japan %	Asia Pacific ex Japan %	Latin America %	Africa %	2020 Total %	2019 Total %
Oil & Gas	**1.0**	**2.0**	**1.9**	**–**	**–**	**–**	**–**	**4.9**	**6.5**
Oil & Gas Producers	1.0	–	1.9	–	–	–	–	2.9	4.2
Oil Equipment, Services & Distribution	–	2.0	–	–	–	–	–	2.0	2.3
Basic Materials	**–**	**1.0**	**0.5**	**–**	**2.6**	**4.8**	**–**	**8.9**	**7.6**
Chemicals	–	1.0	0.5	–	1.0	2.8	–	5.3	4.7
Mining	–	–	–	–	1.6	2.0	–	3.6	2.9
Industrials	**–**	**–**	**3.5**	**–**	**3.9**	**4.3**	**–**	**11.7**	**12.3**
Construction & Materials	–	–	–	–	0.9	–	–	0.9	1.2
Electronic & Electrical Equipment	–	–	–	–	1.5	–	–	1.5	–
General Industrials	–	–	–	–	0.6	–	–	0.6	0.9
Industrial Engineering	–	–	3.5	–	–	–	–	3.5	3.1
Industrial Transportation	–	–	–	–	0.9	4.3	–	5.2	7.1
Consumer Goods	**1.8**	**4.2**	**1.5**	**0.8**	**–**	**1.5**	**–**	**9.8**	**12.0**
Beverages	–	1.6	–	–	–	–	–	1.6	2.5
Personal Goods	–	–	1.5	–	–	1.5	–	3.0	4.0
Tobacco	1.8	2.6	–	0.8	–	–	–	5.2	5.5
Health Care	**–**	**3.3**	**4.1**	**–**	**–**	**–**	**–**	**7.4**	**5.0**
Pharmaceuticals & Biotechnology	–	3.3	4.1	–	–	–	–	7.4	5.0
Telecommunications	**0.7**	**4.3**	**1.1**	**–**	**4.4**	**0.9**	**0.4**	**11.8**	**15.0**
Fixed Line Telecommunications	–	4.3	–	–	1.2	0.9	–	6.4	7.3
Mobile Telecommunications	0.7	–	1.1	–	3.2	–	0.4	5.4	7.7
Utilities	**–**	**–**	**1.1**	**–**	**–**	**–**	**–**	**1.1**	**0.5**
Gas Water & Multi-utilities	–	–	1.1	–	–	–	–	1.1	0.5
Financials	**0.9**	**2.7**	**2.7**	**–**	**7.3**	**1.7**	**–**	**15.3**	**13.9**
Banks	0.9	–	–	–	3.2	1.7	–	5.8	9.4
Financial Services	–	2.7	–	–	–	–	–	2.7	3.0
Life Insurance	–	–	–	–	1.6	–	–	1.6	–
Non-life Insurance	–	–	2.7	–	–	–	–	2.7	–
Real Estate Investment Services	–	–	–	–	1.3	–	–	1.3	–
Real Estate Investment Trusts	–	–	–	–	1.2	–	–	1.2	1.5

As at 31 December 2020

Sector/Area	United Kingdom %	North America %	Europe ex UK %	Japan %	Asia Pacific ex Japan %	Latin America %	Africa %	2020 Total %	2019 Total %
Technology	**–**	**5.4**	**–**	**–**	**11.3**	**–**	**–**	**16.7**	**9.6**
Technology Hardware & Equipment	–	5.4	–	–	11.3	–	–	16.7	9.6
Total equities	**4.4**	**22.9**	**16.4**	**0.8**	**29.5**	**13.2**	**0.4**	**87.6**	**82.4**
Fixed income	**0.5**	**–**	**0.8**	**–**	**4.2**	**5.0**	**1.0**	**11.5**	**15.5**
Total investments	**4.9**	**22.9**	**17.2**	**0.8**	**33.7**	**18.2**	**1.4**	**99.1**	**97.9**
Other net current assets								0.9	2.1
Total assets[A]								**100.0**	**100.0**

[A] See definition on page 107.

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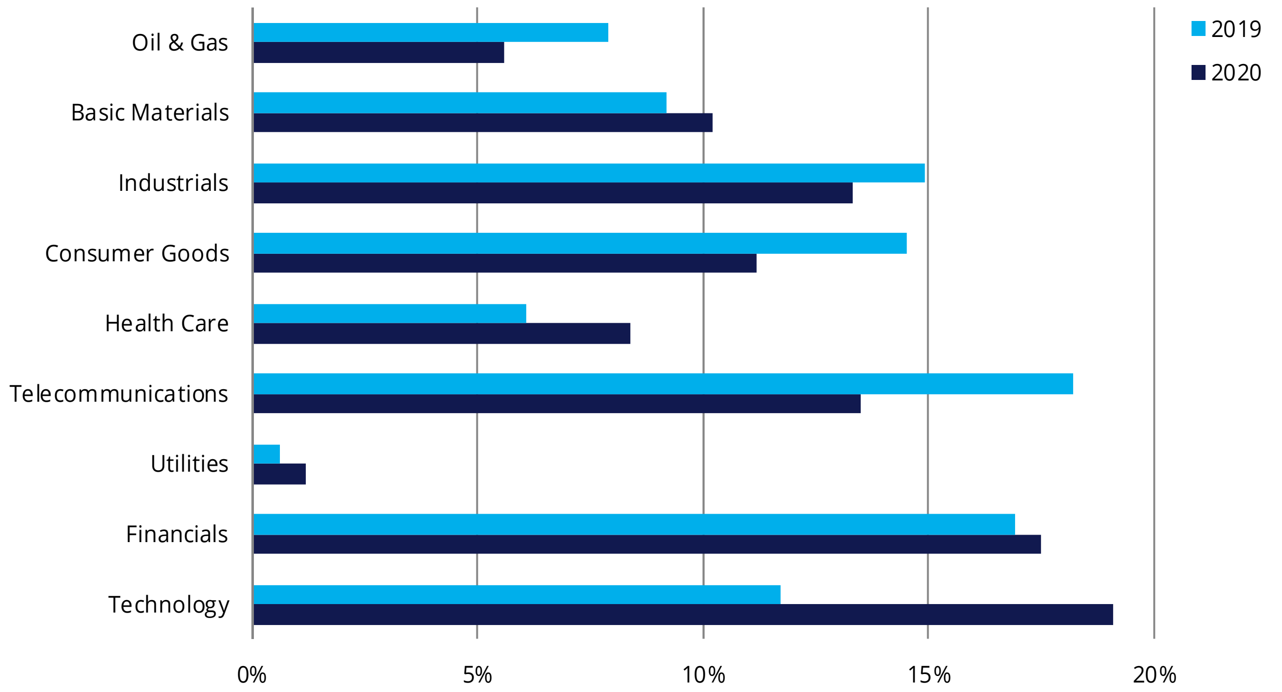
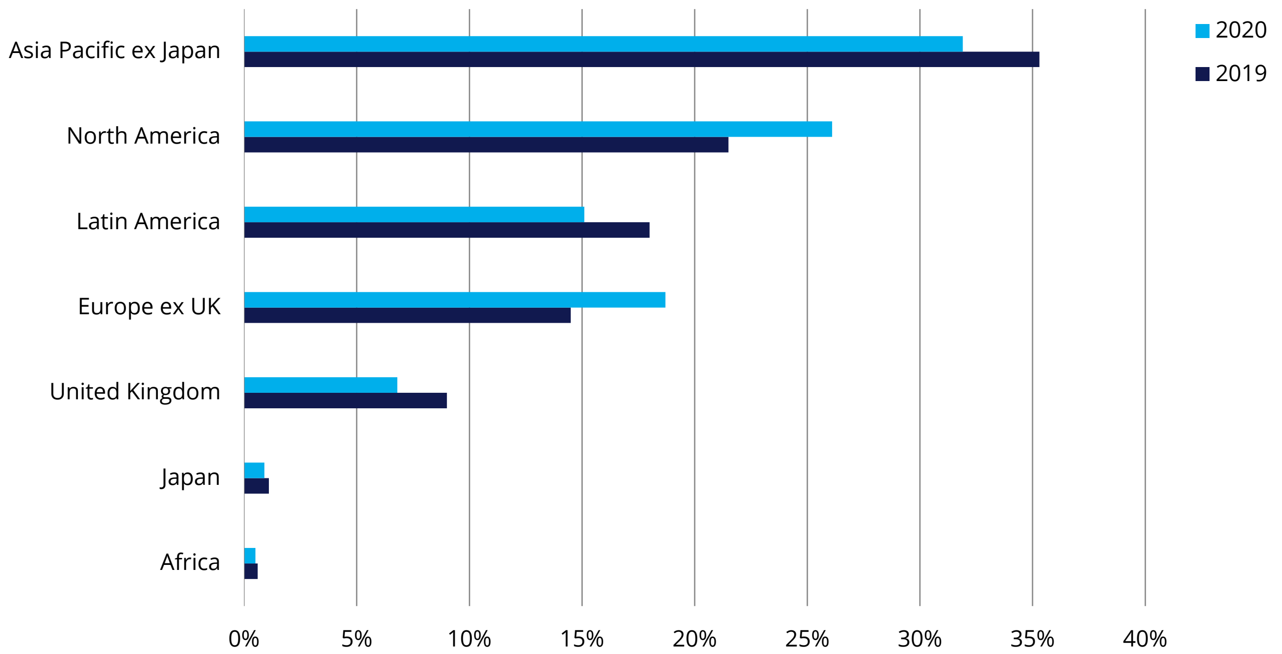
Sector/Geographical Analysis Continued

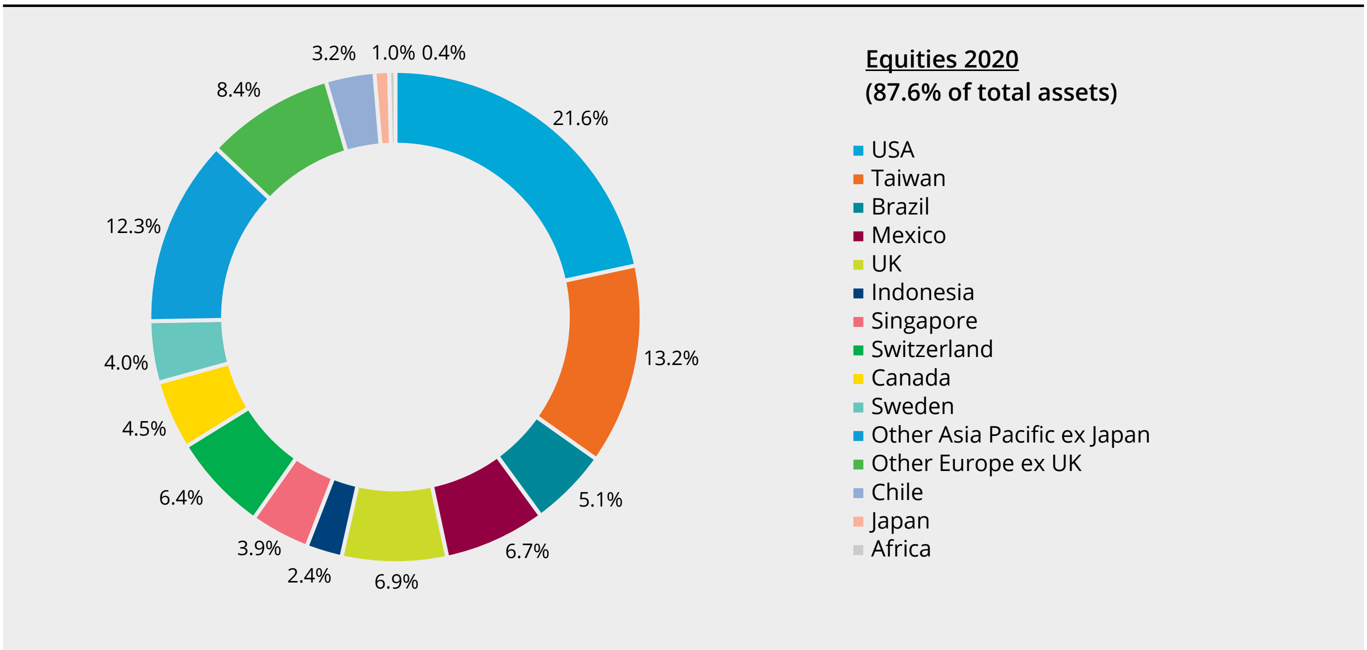
Total Equities Distribution by Sector



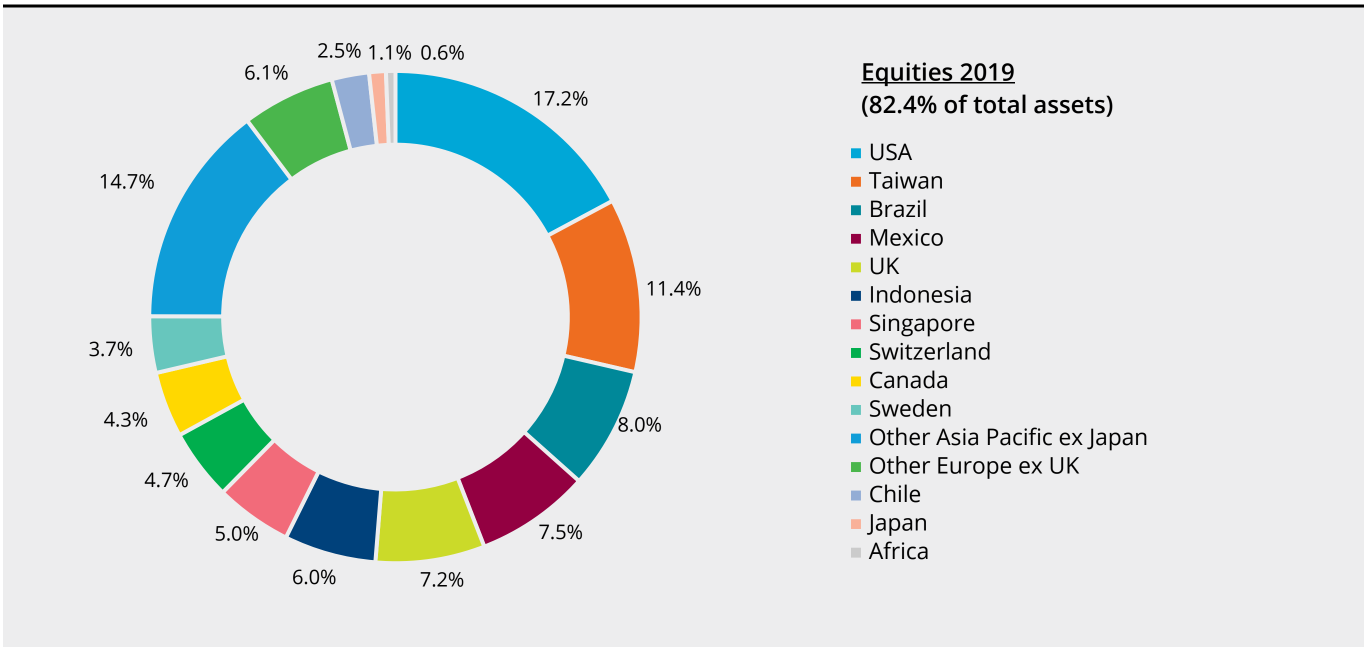
Total Equities Distribution by Geographic Region



Total Equities Distribution by Individual Country as at 31 December 2020

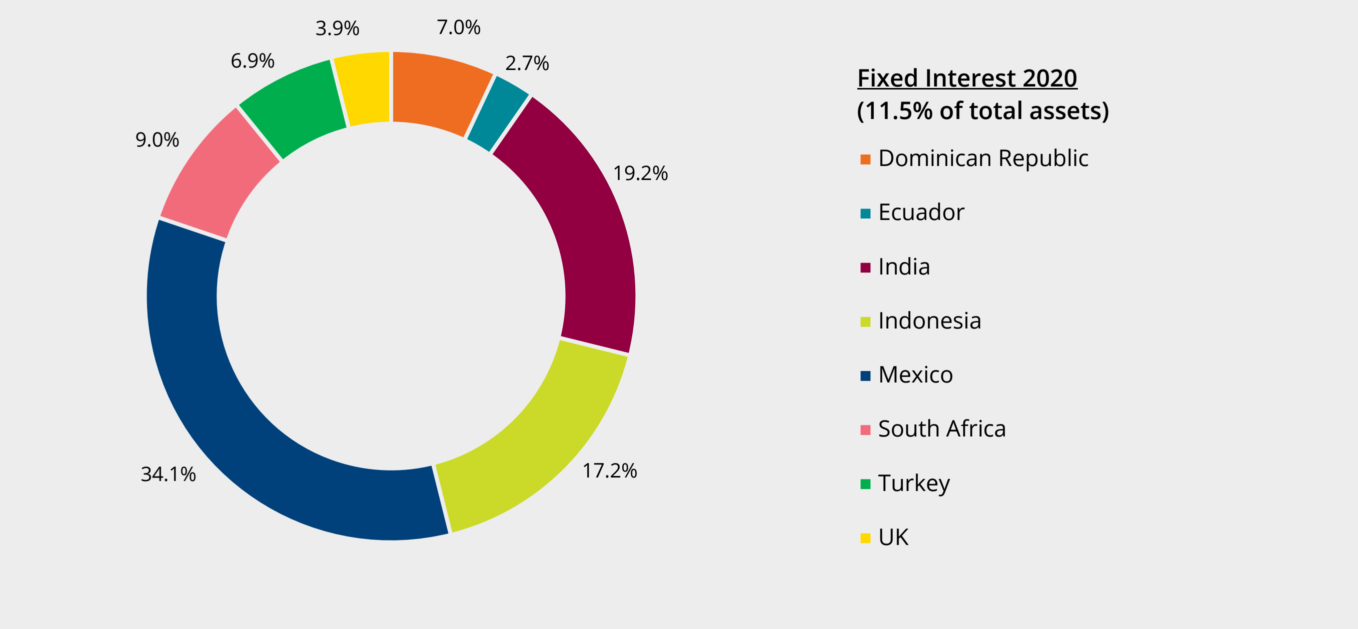


Total Equities Distribution by Individual Country as at 31 December 2019

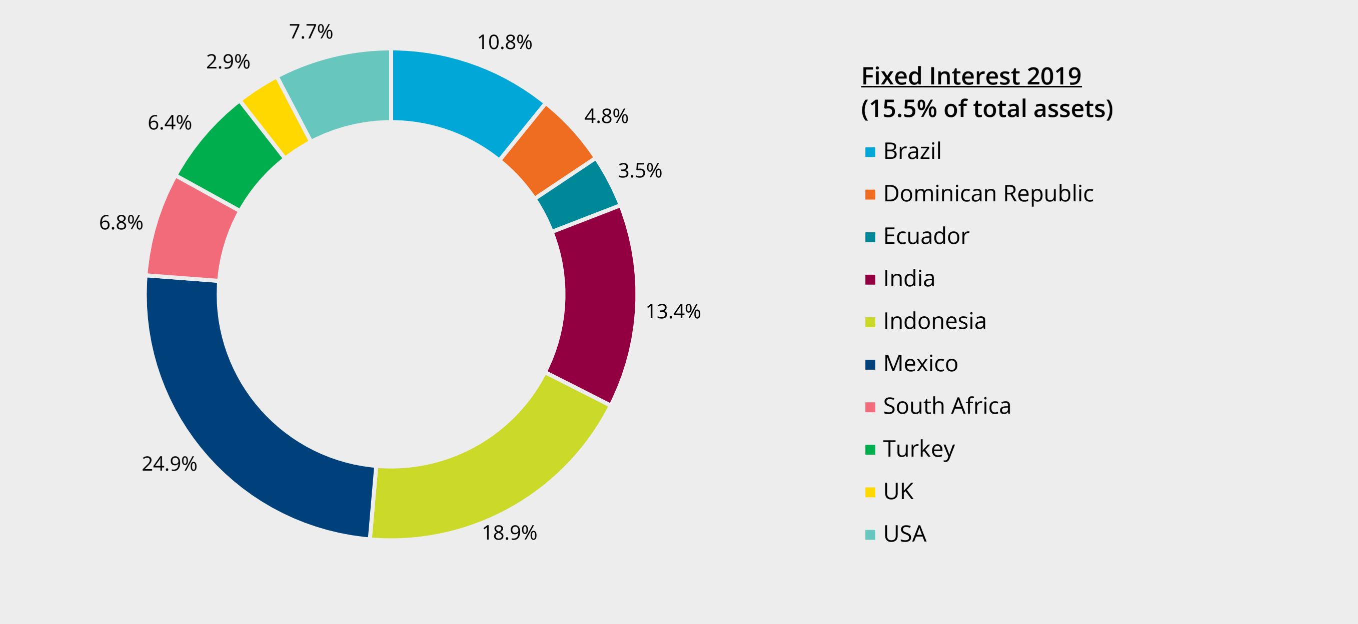


Sector/Geographical Analysis Continued

Total Fixed Interest Distribution by Individual Country as at 31 December 2020



Total Fixed Interest Distribution by Individual Country as at 31 December 2019



Investment Case Studies

Broadcom

Broadcom is a designer and manufacturer of semiconductor and infrastructure software products. Founded in 1961, it is headquartered in California and its products are used in data centre networking, servers and storage, home connectivity, broadband access, smartphones and other telecom equipment. The company has diversified into enterprise software and security with recent acquisitions of Symantec, from NortonLifeLock and CA Technologies. This company is exposed to several attractive end-markets with structural tailwinds, which should allow it to continue to return capital to shareholders via its attractive dividend pay-out from the impressive free cash flow it generates.

Hon Hai Precision

Established in Taiwan in 1974, Hon Hai Technology Group (Foxconn) is the world's largest electronics manufacturer. Its facilities produce products including Apple iPhone and iPad, Amazon Kindle, Sony Playstation, Microsoft Xbox and Nintendo game consoles. Foxconn is also the leading technology solution provider that continuously leverages its software and hardware expertise to integrate its unique manufacturing systems with emerging technologies. By capitalizing on its expertise in Cloud Computing, Mobile Devices, IoT, Big Data, AI, Smart Networks, and Robotics / Automation, the Group has expanded not only its capabilities into the development of electric vehicles, digital health and robotics, but also three key technologies – artificial intelligence, semiconductors and new-generation communications technology – which are crucial to driving its long-term growth strategy.

1. Intel is one of the world's leading designers and manufacturers of microprocessors. Photo © Intel Corporation
2. Ping An Insurance is a Chinese financial powerhouse with one of the best domestic life franchises. Photo © Ping An
3. Royal Dutch Shell is the world's largest producer of liquefied natural gas. Photo © Royal Dutch Shell

Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

Your Board of Directors

The Directors, all of whom are non-executive and independent of the Manager, supervise the management of Murray International Trust PLC and represent the interests of shareholders.

Kevin Carter

Status:
Chairman and Independent Non-Executive Director

Experience:
He was previously Managing Director and Head of EMEA Pension Advisory Group at JP Morgan Securities. Prior to that Dr Carter was Head of the European Investment Consulting Practice at Watson Wyatt and formerly CEO of Old Mutual Asset Managers in both the UK and the US. He is a trustee director of the Universities Superannuation Scheme and chairman of its investment committee and performs the same roles for the BBC Pension Scheme. He is also a director of JPMorgan American Investment Trust PLC, Aspect Capital Limited and Newton Investment Management Limited.

Length of Service:
He was appointed a Director on 23 April 2009

Last re-elected to the Board:
27 April 2020

Contribution:
The Nomination Committee has reviewed the contribution of Dr Carter and notes that he is retiring from the Board at the AGM in 2021. It would like to reiterate its thanks to him for his exemplary skill in chairing the Board since his appointment as Chairman in 2011.

Committee membership:
Management Engagement Committee (Chairman) and Nomination Committee (Chairman)

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
Dr Carter and Ms Binyon are non-executive directors of JPMorgan American Investment Trust PLC

Shareholding in Company:
65,000 Ordinary shares

Simon Fraser

Status:
Non-Executive Director and Chairman-Designate

Experience:
He was previously Global Chief Investment Officer of Fidelity International Ltd having held other senior roles within Fidelity including President of Fidelity's European and Institutional business. He spent time with Fidelity in Asia and in North America. He is currently Chairman of McInroy and Wood Ltd, The Investor Forum and the independent research boutique TS Lombard. He is also on the board of Fidelity Funds SICAV, Treasurer of the Kings Fund and a trustee of the Abbotsford Trust. On 1 March 2021 he was appointed to the board of Impax Environmental Markets plc.

Length of Service:
He was appointed a Director on 1 May 2020

Last re-elected to the Board:
n/a

Contribution:
The Nomination Committee has reviewed the contribution of Mr Fraser and notes that he has made an excellent contribution to the Company since his appointment in May 2020. The Directors are looking forward to working with him when he becomes Chairman following the AGM.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
None

Shareholding in Company:
Nil

Your Board of Directors Continued

Claire Binyon

Status:
Independent Non-Executive Director

Experience:
She is a chartered accountant who, following an early career in the City, held senior corporate development and strategic planning roles with global multinational businesses including inBev, Cadbury, DS Smith and Fenner (a Michelin group company). She is a non-executive director of JPMorgan American Investment Trust PLC.

Length of service:
She was appointed a Director on 1 May 2018

Last re-elected to the board:
27 April 2020

Contribution:
The Nomination Committee has reviewed the contribution of Ms Binyon in light of her forthcoming re-election at the AGM in April 2021 and has concluded that Ms Binyon continues to provide excellent global strategic and financial insight to the Board.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee. From the conclusion of the AGM in 2021 Ms Binyon will become Chairman of the Audit and Risk Committee.

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
Ms Binyon and Dr Carter are non-executive directors of JPMorgan American Investment Trust PLC

Shareholding in Company:
1,161 Ordinary shares

Marcia Campbell

Status:
Independent Non-Executive Director

Experience:
She was operations director at Ignis Asset Management having previously been group operations director and CEO Asia Pacific at Standard Life until 2010. She is a director of CNP Assurances in France, Marsh UK & Ireland, Charles Stanley Group PLC, Canada Life Group and Canada Life Limited and is a member of the independent governance committee for Aviva UK and ROI.

Length of Service:
She was appointed a Director on 27 April 2012

Last re-elected to the Board:
27 April 2020

Contribution:
The Nomination Committee has reviewed the contribution of Ms Campbell and notes that she is retiring from the Board at the AGM in 2021. It would like to express its thanks for her service to the Company and for the excellent manner in which she has chaired the Audit and Risk Committee.

Committee membership:
Audit and Risk Committee (Chairman), Management Engagement Committee, Nomination Committee and Remuneration Committee

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
None

Shareholding in Company:
17,174 Ordinary shares

David Hardie

Status:
Senior Independent Non-Executive Director

Experience:
He is a corporate lawyer by background and was formerly a partner of UK law firm, Dundas & Wilson (now part of CMS), where he was a partner for over 30 years and where he previously held various positions including head of corporate, managing partner and chairman. David is also a non-executive chairman of WNL Investments Limited.

Length of Service:
He was appointed a Director on 1 May 2014

Last re-elected to the Board:
27 April 2020

Contribution:
The Nomination Committee has reviewed the contribution of Mr Hardie in light of his forthcoming re-election at the AGM to be held in April 2020 and has concluded that he has chaired the Remuneration Committee diligently and provided significant legal experience and insight to the Board's deliberations through the year especially in connection with the proposed adoption of the new Articles of Association.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee (Chairman)

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
None

Shareholding in Company:
14,937 Ordinary shares

Alexandra Mackesy

Status:
Independent Non-Executive Director

Experience:
She is a former investment equity research analyst by background having spent the majority of her executive career in Asia. She is a non-executive director of JPMorgan China Growth & Income Trust plc and The Henderson Smaller Companies Investment Trust plc and a former director of The Scottish Oriental Smaller Companies Trust Plc, RENN Universal Growth Investment Trust Plc, Schroder Asian Total Return Investment Co Plc and Empiric Student Property Plc.

Length of Service:
She was appointed a Director on 1 May 2016

Last re-elected to the Board:
27 April 2020

Contribution:
The Nomination Committee has reviewed the contribution of Mrs Mackesy in light of her forthcoming re-election at the AGM to be held in April 2020 and concluded that she has provided significant investment insight and investment trust expertise to the Board during the year.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shared Directorships with any other Trust Directors:
None

Shareholding in Company:
Nil

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Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Results and Dividends

Details of the Company's results and proposed dividends are shown on pages 2 and 31 of this Report.

Investment Trust Status

The Company is registered as a public limited company (registered in Scotland No. SC006705) and has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 January 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2020 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure

The Company's capital structure is summarised in note 14 to the financial statements. At 31 December 2020, there were 128,438,662 fully paid Ordinary shares of 25p each (2019 – 129,332,003 Ordinary shares) in issue. At the year end there were 973,341 Ordinary shares held in Treasury (2019 – nil).

Share Issuance and Buybacks

During the year 80,000 new Ordinary shares were issued at a premium to NAV under the Company's blocklisting authority (2019: 406,531 Ordinary shares sold from Treasury and 781,927 new Ordinary shares issued) and 973,341 Ordinary shares were purchased in the market for Treasury (2019 – nil). Subsequent to the year end, a further 69,709 Ordinary shares have been purchased for Treasury at a discount to the prevailing NAV per share.

Share Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends and on a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

Borrowings

On 14 May 2020, the Company agreed a new £50 million revolving credit facility with the Royal Bank of Scotland International Limited ("RBSI") which was drawn in full and used to repay a maturing £50 million loan (also with RBSI). In May 2021 the £50 million revolving credit facility with RBSI is due to mature and the Directors are in the process of reviewing options to replace that facility.

Management and Secretarial Arrangements

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager under the terms of an investment management agreement dated 14 July 2014 (as amended). Under the terms of the agreement, the Company's portfolio is managed by Aberdeen Asset Managers ("AAM") by way of a group delegation agreement in place between ASFML and AAM. Investment management services are provided to the Company by ASFML. Company secretarial, accounting and administrative services have been delegated by ASFML to Aberdeen Asset Management PLC.

The annual management fee is charged on net assets (ie excluding borrowings for investment purposes), averaged over the six previous quarters ("Net Assets") on the following tiered basis: 0.5% of Net Assets up to £1,200m and 0.425% of Net Assets above £1,200m.

The secretarial fee of £100,000 per annum is included within the first tier of the annual management fee. 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 in line with the Board's long-term expectation of returns from revenue and capital. No fees are charged in the case of investments managed or advised by the Standard Life Aberdeen Group. The management agreement may be terminated by either party on the expiry of six months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due up to that date.

The Board considers the continued appointment of the Manager on the terms agreed to be in the interests of the shareholders as a whole because the Standard Life Aberdeen Group has the investment management, secretarial, promotional and administrative skills and expertise required for the effective operation of the Company.

The Board

The Board currently consists of six non-executive Directors. The names and biographies of the current Directors are disclosed on pages 49 to 51 indicating their range of experience as well as length of service. Mr Dunscombe retired from the Board on 24 April 2020.

The Directors will retire at the AGM in April 2021 and, with the exception of Dr Carter and Ms Campbell, each Director will stand for re-election (with Mr Fraser standing for election). Following Dr Carter's retirement, Mr Fraser will become Chairman of the Company, the Management Engagement and Nomination Committees and will stand down from the Remuneration and Audit and Risk Committees. Following Ms Campbell's retirement at the AGM in 2021 Ms Binyon will become Chairman of the Audit and Risk Committee.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively. The reasons for the re-election, where relevant, of the individual Directors are set out on pages 49 to 51.

In common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company. The Company's Articles of Association provide an indemnity to the Directors out of the assets of the Company against any liability incurred in defending proceedings or in connection with any application to the Court in which relief is granted.

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Management of Conflicts of Interest

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 21 to the financial statements and the Directors' Remuneration Report. No Directors had any other interest in contracts with the Company during the period or subsequently.

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors are required to disclose other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with their wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting. All proposed significant external appointments are also required to be approved, in advance, by the Chairman and then communicated to other Directors for information.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Directors' Report Continued

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2020:

Shareholder	No. of Ordinary shares held	% held
Rathbones	14,056,655	10.9
Hargreaves Lansdown [A]	11,307,177	8.8
Aberdeen Standard Retail Plans [A]	10,158,980	7.9
Interactive Investor [A]	9,757,161	7.6
Charles Stanley	6,899,398	5.4
Investec Wealth & Management	5,781,438	4.5
Smith & Williamson Wealth Management	5,163,206	4.0
AJ Bell	3,902,329	3.0

[A] Non-beneficial interests

There have been no significant changes notified in respect of the above holdings between 31 December 2020 and 4 March 2021.

Corporate Governance

The Corporate Governance Statement forms part of the Directors' Report. The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk**.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk**.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The full text of the Company's Corporate Governance Statement can be found on the Company's website, **murray-intl.co.uk**.

Directors have attended Board and Committee meetings during the year ended 31 December 2020 as follows (with their eligibility to attend the relevant meeting in brackets):

	Scheduled Board	Other Board	Nom Com	Audit Com	MEC/ Rem
K J Carter [A]	6 (6)	4 (4)	2 (2)	n/a	1 (1)
C. Binyon	6 (6)	3 (4)	2 (2)	3 (3)	2 (2)
M Campbell	6 (6)	3 (4)	2 (2)	3 (3)	2 (2)
S Fraser [B]	4 (4)	0 (0)	1 (1)	2 (2)	1 (1)
D Hardie	6 (6)	4 (4)	2 (2)	3 (3)	2 (2)
A Mackesy	6 (6)	3 (4)	2 (2)	3 (3)	2 (2)

[A] Dr Carter is not a member of either the Audit and Risk Committee or the Remuneration Committee but attended all Committee meetings by invitation

[B] Mr Fraser was appointed to the Board on 1 May 2020

Board Committees

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website **murray-intl.co.uk** and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

Audit and Risk Committee

The Report of the Audit and Risk Committee is on pages 63 and 64 of this Annual Report.

Management Engagement Committee ("MEC")
The MEC comprises all of the Directors. Dr Carter is the Chairman. The Committee reviews the performance of the Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms that have been agreed is in the interests of shareholders as a whole. The Committee is also responsible for the oversight of all other key service provider relationships.

Nomination Committee
All appointments to the Board of Directors are considered by the Nomination Committee which comprises the entire Board and is chaired by Dr Carter. The Board's overriding priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on page 30. When Board positions become available as a result of retirement or resignation, the Company ensures that a diverse group of candidates is considered.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board. The Board also takes the view that independence is not necessarily compromised by length of tenure on the Board. However, in compliance with the provisions of the AIC Code, it is expected that Directors will serve in accordance with the time limits laid down by the AIC Code. It is the policy of the Board that the Chairman of the Company should retire once he or she has served as a Director for nine years in line with current best practice of the Financial Reporting Council. However there could be circumstances where it might be appropriate to ask a Chair to stay on for a limited period and the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chairman clearly set out.

Dr Carter and Ms Campbell will retire from the Board with effect from the conclusion of the business at the AGM to be held in 2021. Accordingly, the Company has initiated a search for a new independent non-executive Director using the services of Nurole Limited, an independent external recruitment agent that has no other connections with the Company. A key requirement of the recruitment process was to ensure the continuity of the Board's open and inclusive culture, policies and practices which are judged to be essential to the future success of the Company. The Company will update shareholders as soon as a new appointment has been made.

The Committee has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self evaluation and a performance evaluation of the Board as a whole. An external evaluation was undertaken in 2018 by Stephenson & Co. an independent external board evaluation service provider that does not have any other connections with the Company. In 2020 questionnaires covering the Board, individual Directors, the Chairman and the Audit and Risk Committee Chairman were completed. The Chairman then met each Director individually to review their responses. This evaluation highlighted certain areas of further focus such as continuing professional development which will be addressed over time with input where necessary from the Company's advisors. Overall, the Committee has concluded that the Board has a relevant balance of experience and knowledge of investment markets, legal regulation and financial accounting and continues to work in a collegiate and effective manner. The Board intends to conduct the next externally facilitated evaluation of the Board during 2021.

In accordance with Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors of investment companies should be subject to annual re-election by shareholders, all the members of the Board, with the exception of Dr Carter and Ms Campbell, will retire at the forthcoming Annual General Meeting and will offer themselves for re-election (with Mr Fraser offering himself for election). In conjunction with the evaluation feedback, the Committee has reviewed each of the proposed reappointments and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their re-election at the forthcoming AGM. Details of the contributions provided by each Director during the year are disclosed on pages 49 to 51.

Remuneration Committee
The level of fees payable to Directors is considered by the Remuneration Committee which comprises the entire Board excluding the Chairman and which is chaired by Mr Hardie.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 60 to 62.

Going Concern
The Directors have undertaken a robust review of the Company's viability (refer to statement on page 29) and ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares and bonds. The equities and a

Directors' Report Continued

majority of the bond portfolio are, in most circumstances, realisable within a very short timescale.

The Company has a £50 million loan facility with RBSI which is due to mature in May 2021. The Directors are currently reviewing options to replace the facility. However, at this stage it is too early to confirm that the facility will be renewed. If acceptable terms are available, the Company expects to continue to access a similarly sized level of gearing. However, should the Board decide not to replace the facility any maturing debt would be repaid through the proceeds of equity and/or bond sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 27 and 28 including the major global economic disruption caused by the Covid-19 pandemic and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic environment, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Accountability and Audit

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware, and he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

BDO LLP was appointed independent auditor to the Company with effect from the AGM on 27 April 2020. BDO LLP has expressed its willingness to continue to be the Company's independent auditor and a Resolution to re-appoint BDO LLP as the Company's auditor will be put to the forthcoming AGM, along with a separate Resolution to authorise the Directors to fix the auditor's remuneration.

Internal Controls and Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 18 to the financial statements. The Board of Directors is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following the Financial Reporting Council's publication of "Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting" (the "FRC Guidance"), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the full year under review and up to the date of approval of the financial statements, and this process is regularly reviewed by the Board and accords with the relevant sections of the FRC Guidance.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board has prepared its own risk register which identifies potential risks relating to strategy, investment management, shareholders, marketing, gearing, regulatory and financial obligations, third party service providers and the Board. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed at least twice a year.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to ASFML within overall guidelines and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by ASFML's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC Guidance and includes financial, regulatory, market, operational and reputational risk. This helps the Manager's internal audit risk assessment model to identify those functions for review. Any relevant weaknesses identified through internal audit's review are reported to the Board and timetables are agreed for implementing improvements to systems, processes and controls. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review and up to the date of this Report are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria;
- there are specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Manager's investment process and financial analysis of the companies concerned include detailed appraisal and due diligence;
- as a matter of course the internal audit and compliance departments of ASFML continually review the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers and monitoring reports are received from these providers when required;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Manager, has decided to place reliance on the Manager's systems and internal audit procedures; and
- twice a year, at its Board meetings, the Board carries out an assessment of internal controls by considering documentation from the Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

In addition, the Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Board meets annually with representatives from BNY Mellon and reviews a control report covering the activities of the depositary and custodian.

Representatives from the Internal Audit Department of the Manager report six monthly to the Audit and Risk Committee of the Company and have direct access to the Directors at any time.

The Board has reviewed the effectiveness of the Manager's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation". The Board has also reviewed the Manager's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, by their nature, can provide reasonable but not absolute assurance against material misstatement or loss.

Discount Management Policy and Special Business at Annual General Meeting

Issue of Shares

In terms of the Companies Act 2006 (the "Act"), the Directors may not allot shares unless so authorised by the shareholders. Resolution 10 in the Notice of Annual General Meeting which will be proposed as an Ordinary Resolution will, if passed, give the Directors the necessary authority to allot shares up to an aggregate nominal amount of £3,209,224 (equivalent to 12,836,895 Ordinary shares or 10% of the Company's existing issued share capital at 4 March 2021, the latest practicable date prior to the publication of this Annual Report). Such authority will expire on the date of the 2022 Annual General Meeting or on 30 June 2022, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 561 of the Act provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 11 will, if passed, also give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £3,209,224 (equivalent to 12,836,895 Ordinary shares or 10% of the Company's existing issued share capital at 4 March 2021, the latest practicable date prior to the publication of this Annual Report), as if Section 561 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 10. This authority will also expire on the date of the 2022 Annual General Meeting or on 30 June 2022, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 10 and 11 to allot shares and disapply pre-emption rights only in

Directors' Report Continued

circumstances where this will be clearly beneficial to shareholders as a whole. Accordingly, issues will only be made where shares can be issued at a premium of 0.5% or more to NAV and there will never be any dilution for existing shareholders. The issue proceeds will be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. Resolution 11 will also disapply pre-emption rights on the sale of Treasury shares as envisaged above. Once again, the pre-emption rights would only be disapplied where the Treasury shares are sold at a premium to NAV of not less than 0.5%.

Share Buybacks

At the Annual General Meeting held on 27 April 2020, shareholders approved the renewal of the authority permitting the Company to repurchase its Ordinary shares.

The Directors wish to renew the authority given by shareholders at the last Annual General Meeting. The principal aim of a share buyback facility is to enhance shareholder value by acquiring shares at a discount to NAV, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to NAV per share, should result in an increase in the NAV per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the NAV per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not be more than the higher of (i) an amount equal to 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share.

It is currently proposed that any purchase of shares by the Company will be made from the capital reserve of the Company. The purchase price will normally be paid out of the cash balances held by the Company from time to time.

Special Resolution 12 will permit the Company to buy back shares and any shares bought back by the Company may be cancelled or held as Treasury shares. The benefit of the ability to hold Treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital and improve liquidity in its shares. The Company would only sell on Treasury shares at a premium to NAV. When shares are held in Treasury, all voting rights are suspended and no distribution (either by way of dividend or by way of a winding up) is permitted in respect of Treasury shares. If the Directors believe that there is no likelihood of re-selling shares bought back, such shares would be cancelled. During the year to 31 December 2020 the Directors have successfully used the share buyback authority to acquire 973,341 shares for Treasury.

Special Resolution 12 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue at the date of the Annual General Meeting (amounting to 19,242,506 Ordinary shares as at 4 March 2021). Such authority will expire on the date of the 2022 Annual General Meeting or on 30 June 2022, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Adoption of New Articles of Association

As explained in detail in the Chairman's Statement on page 8, the Directors are proposing Special Resolution 13 which seeks shareholder approval to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Existing Articles"). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

- provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);
- removal of the provision in the Existing Articles which expressly prohibits the distribution of capital profits such that the Company will have the ability to pay dividends from the Company's capital profits going forward where the Board considers it is in the best interests of shareholders to do so;
- increasing the limit on aggregate annual Directors' fees from £225,000 to £300,000;
- simplifying the procedure in relation to untraced shareholders by removing the requirement for the Company to publish

newspaper advertisements and clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company;

- a requirement for the Directors to submit themselves for re-election at each AGM of the Company (and removal of the retirement by rotation provisions); and
- updating the methods of settling cash dividends.

A summary of the principal amendments being introduced in the New Articles is set out in the Appendix to the AGM Notice (on pages 113 and 114). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the Appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. Notwithstanding this proposed change, the Board remains fully committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting whenever law, regulation and the circumstances permit in order to fulfil the Board's commitment to enable shareholders to meet and interact with the Board on a face-to-face basis. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a last resort to ensure the continued smooth operation of the Company. Your Board would only use wholly virtual meetings in extreme operating circumstances where physical meetings are prohibited or not practicable.

The full terms of the proposed amendments to the Company's articles of association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the Covid-19 pandemic. As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, **murray-intl.co.uk** from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Covid-19 related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at Bow Bells House, 1 Bread Street, London EC4M 9HH until the close of the AGM.

Recommendation

The Directors consider that the authorities requested above are in the best interests of the shareholders taken as a whole and recommend that all shareholders vote in favour of the resolutions, as the Directors intend to in respect of their own beneficial holdings of Ordinary shares amounting in aggregate to 102,122 shares, representing approximately 0.1% of the Company's issued share capital as at 4 March 2021.

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service and the Company's website (**murray-intl.co.uk**). The Company responds to letters from shareholders on a wide range of issues.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the Standard Life Aberdeen Group (either the Company Secretary or the Manager) in situations where direct communication is required and usually a representative from the Board meets with major shareholders on an annual basis in order to gauge their views.

In addition to the formal Annual General Meeting, the Board seeks regular engagement with the Company's major shareholders through roadshow meetings undertaken in conjunction with the Manager and Broker as well as private meetings, in order to understand their views on governance and performance against the company's investment objective and investment policy. The results of these meetings are formally reported back to the Board at the regular quarterly Board meetings and discussed.

By order of the Board of Murray International Trust PLC

Aberdeen Asset Management PLC
Secretary
1 George Street,
Edinburgh EH2 2LL

4 March 2021

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration.

Remuneration Committee

As recommended by the AIC Code, a Remuneration Committee has been established with written terms of reference, copies of which are available upon request from the Company Secretary and on the Company's website. The Remuneration Committee comprises the whole Board, excluding Dr Carter, and I, David Hardie, am the Chairman.

This Remuneration Report comprises three parts:

i. Remuneration Policy, which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently approved at the 27 April 2020 AGM;

ii. Implementation Report, which provides information on how the Remuneration Policy has been applied during the year and which is subject to an advisory vote on the level of remuneration paid during the year; and,

iii. Annual Statement of compliance with regulations.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on page 66.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. The Company currently has six independent non-executive Directors.

There have been no changes to the policy during the period of this Report nor are there any proposals for change in the foreseeable future. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered.

The Directors are non-executive and their fees are set within the limits of the Company's Articles of Association. The Board's policy on Directors' fees is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Fees are reviewed annually and, if considered appropriate, increased accordingly.

	31 December 2020 £	31 December 2019 £
Chairman	48,000	45,000
Chairman of Audit and Risk Committee	34,000	32,000
Director	28,000	26,000
Senior Independent Director	Extra 4,000	Extra 3,000

Articles Limit on Directors' Fees

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors per annum to £225,000. The level of cap may be increased by shareholder resolution from time to time and was last increased in 2012. The New Articles which are being proposed for adoption at the AGM in April 2021 seek to increase this ceiling to £300,000 in order to provide the Board with future flexibility.

Terms of Appointment

- The Company intends only to appoint non-executive Directors;
- All the Directors are non-executive appointed under the terms of Letters of Appointment;
- Directors must retire and be subject to re-election at the first AGM after their appointment and at least every three years thereafter. Currently the whole Board submits for annual re-election in line with best practice and the New Articles submitted for approval at the forthcoming AGM will embed annual re-election;
- It is the policy of the Board that the Chairman of the Company will normally retire once he or she has served as a Director for nine years (further details on page 55);
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (£28,000 for the year to 31 December 2020);
- No incentive or introductory fees will be paid to encourage a Directorship;
- The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits; and
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee;
- No Director has a service contract;
- No Director was interested in contracts with the Company during the period or subsequently;
- The terms of appointment provide that a Director may be removed without notice;
- Compensation will not be due upon leaving office; and
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors. The Company's Articles of Association provide an indemnity to the Directors out of the assets of the Company against any liability incurred in defending proceedings or in connection with any application to the Court in which relief is granted.

The Remuneration Policy was last approved by shareholders at the AGM on 27 April 2020. The Remuneration Policy is reviewed by the Remuneration Committee on an annual basis and the Remuneration Policy applies for the three year period ending 31 December 2022.

Implementation Report

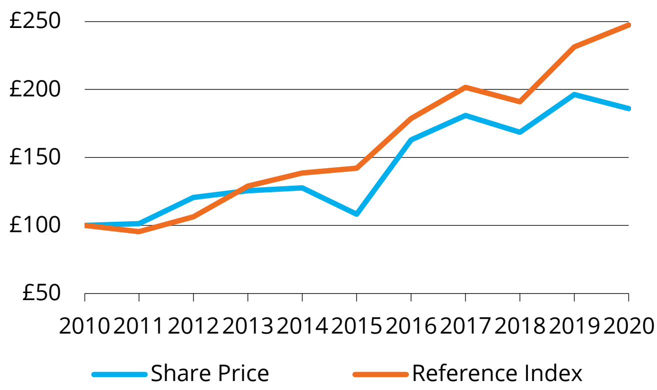
Directors' Fees

The Remuneration Committee carried out a review of the level of Directors' fees during the year encompassing a review of fees payable to directors of peer group companies as well as the wider sector. The Committee concluded that the annual fees payable to Directors should remain unchanged: Chairman £48,000, Audit and Risk Committee Chairman £34,000, Directors £28,000 with an extra £4,000 payable to the Senior Independent Director. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

During the year, the Board also carried out a review of investment performance. The following graph compares the total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 December 2010, compared with the total shareholder total return on the Company's Reference Index.

Please note that past performance is not a guide to future performance.



Statement of Voting at General Meeting

At the Company's last AGM held on 27 April 2020, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 31 December 2019 and the following proxy votes were received on the resolutions:

Resolution	For* %	Against %	Withheld %
(2) Receive and Adopt Directors' Remuneration Report	38.7m (99.4%)	174,341 (0.5%)	76,426
(3) Approve Directors' Remuneration Policy**	38.6m (99.3%)	230,057 (0.6%)	86,458

* Including discretionary votes
** Last voted upon on 27 April 2020

Spend on Pay

As the Company has no employees, the Directors do not consider that it is relevant to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown overleaf.

Overview Strategic Report Portfolio Governance Financial Statements Corporate Information General

Directors' Remuneration Report Continued

Fees Payable (Audited)

The Directors who served in the year received the following fees which exclude employers' National Insurance:

Director	2020 £	2019 £
K J Carter	48,000	45,000
C Binyon	28,000	26,000
M Campbell	34,000	32,000
S Fraser [A]	18,667	n/a
D Hardie [B]	30,733	26,000
A Mackesy	28,000	26,000
P W Dunscombe [C]	10,133	29,000
Total	**197,533**	**184,000**

[A] Appointed to the Board on 1 May 2020
[B] Appointed Senior Independent Director on 24 April 2020
[C] Retired from Board on 24 April 2020

The Directors' fees were last increased in December 2019, with effect from 1 January 2020 and this increase broadly reflected the impact of RPI over the three year period since the last increase.

Annual Percentage Change in Directors' Remuneration

The table below sets out the annual percentage change in Directors' fees for the past year.

Director	Year ended 31 December 2020 %
K J Carter	6.7
C Binyon	7.7
M Campbell	6.3
S Fraser [A]	n/a
D Hardie [B]	18.2
A Mackesy	7.7

[A] Appointed to the Board on 1 May 2020
[B] Appointed Senior Independent Director on 24 April 2020

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the table above.

Directors' Interests in the Company (Audited)

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 31 December 2020 and 31 December 2019 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the following table.

	31 December 2020 [B] Ordinary 25p	31 December 2019 Ordinary 25p
K J Carter	65,000	50,000
C Binyon	1,161	1,106
M Campbell	17,174	17,174
S Fraser	-	n/a
D Hardie	14,777	14,044
A Mackesy	-	-
P W Dunscombe [A]	3,850	3,850

[A] Retired from Board on 24 April 2020
[B] Or date of retirement

Subsequent to the period end Mr Hardie's beneficial holding has increased to 14,937 Ordinary shares respectively following reinvestment of the third interim dividend paid on 19 February 2021. With the exception of this further disclosure, the Directors' holdings were unchanged at 4 March 2021, being the nearest practicable date prior to the signing of this Annual Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I, David Hardie, Chairman of the Remuneration Committee, confirm that the Report on Remuneration Policy and the Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2020:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

The Directors' Remuneration Report was approved by the Board of Directors on 4 March 2021 and signed on its behalf by:

David Hardie
Remuneration Committee Chairman
4 March 2021

Report of Audit and Risk Committee

The Audit and Risk Committee has prepared this report in compliance with the September 2014 Competition and Markets Authority Order.

Audit and Risk Committee

As recommended by the AIC Code, an Audit and Risk Committee has been established with written terms of reference, copies of which are available upon request from the Company Secretary and on the Company's website. The Audit and Risk Committee comprises the whole Board (excluding Dr Carter) and I, Marcia Campbell, am the Chairman. Following my retirement from the Board at the AGM in 2021, Ms Binyon will become Audit and Risk Committee Chairman. Dr Carter is not a member of the Committee, but, as Chairman of the Company, he has a standing invitation to attend meetings and typically attends each Audit and Risk Committee as an observer. Following the retirement of Dr Carter at the AGM in 2021, Mr Fraser will become Chairman of the Company and will stand down from membership of this Committee. The members of the Audit and Risk Committee are each independent and free from any relationship that would interfere with our impartial judgement in carrying out our responsibilities. We have satisfied ourselves that at least one of the Committee's members has recent and relevant financial experience. We met three times during the year.

The terms of reference of the Audit and Risk Committee are reviewed and re-assessed for their adequacy on an annual basis. In accordance with those terms of reference:

- we review and monitor the internal control systems and risk management systems including review of non financial risks and the Manager's policy on information security (cyber risk) on which the Company is reliant. The Directors' statement on the Company's internal controls and risk management is set out in the Directors' Report;
- we consider whether there is a need for the Company to have its own internal audit function (refer to Directors' Report);
- we monitor the integrity of the half yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- we review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- we review the content of the Annual Report and financial statements and make recommendations to the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- we meet with the auditor to review the proposed audit programme of work and the findings of the auditor. The Directors also use this as an opportunity to assess the effectiveness of the audit process;
- we also meet in private with the auditor, without any representatives of the Manager being present, and we meet in private with a representative from the Manager's internal audit department;
- we develop and implement policy on the engagement of the auditor to supply non-audit services. There were non-audit fees of £3,500 (2019: nil) paid to the auditor during the year under review in connection with assurance work conducted on the Half Yearly Report;
- we review a statement from the Manager detailing the arrangements in place within the Standard Life Aberdeen Group whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- we make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor; and
- we monitor and review the auditor's independence, objectivity, effectiveness, resources and qualification.

Details of attendance at the Audit and Risk Committee meetings are shown in the Directors' Report.

The Board has received a report from BDO, its auditor, which notes that BDO has policies and procedures in place that instil professional values as part of its firm's culture and ensure that the highest standards of objectivity and independence and integrity are maintained.

Report of Audit and Risk Committee Continued

The Company's policy on non-audit services is to ensure that best value for the Company is achieved whilst ensuring compliance with regulations that are in place to maintain the independence of the auditor. The extent of non-audit services that can be provided by BDO is very limited. The Audit and Risk Committee has reviewed and approved the level of non-audit services provided by the independent auditor during the year, together with the independent auditor's procedures in connection with the provision of such services, and remains satisfied that the auditor's objectivity and independence is being safeguarded. The level of non-audit fees payable by the Company is not material in any way for BDO and the Audit and Risk Committee confirms its belief that BDO is independent in accordance with applicable ethical standards. Since its appointment, BDO has not provided any significant non-audit services to the Company. Deloitte and PwC provide local tax compliance services to the Company.

Significant Matters

During our review of the Company's financial statements for the year ended 31 December 2020, we considered the following significant matters:

Valuation, Existence and Ownership of Investments
Mitigation – The Board reviews monthly management accounts that include a full breakdown of the portfolio valuation. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 2(a) and 2(e) to the financial statements on pages 79 and 80. All investments are quoted and can be verified against daily market prices. 88.4% (2019: 84.2%) of investments are considered to be liquid and are therefore categorised as Level 1 in accordance with the FRS 102 fair value hierarchy. 11.6% (2019: 15.8%) of investments are considered to be subject to some risk of illiquidity and are therefore categorised as Level 2 within the FRS 102 fair value hierarchy. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts including a full portfolio listing are prepared each month and circulated to the Board. BNY Mellon has been appointed as custodian and depositary to safeguard the assets of the Company. The depositary checks the consistency and accuracy of its records on a monthly basis and reports its findings to ASFML. Separately, the investment portfolio is reconciled regularly by the Manager.

Correct Calculation of Management Fees
Mitigation - The management fees are calculated by the Manager and reviewed annually by the Audit and Risk Committee and auditor.

Recognition of Investment Income
Mitigation - The recognition of investment income is undertaken in accordance with accounting policy 2(b) to the financial statements on page 79. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Manager provides monthly internal control reports to the Board which are reviewed together with monthly revenue forecasts and dividend schedules.

Review of Auditor

We have reviewed the work undertaken by BDO, which is in its first year following appointment at the AGM on 27 April 2020 and are satisfied with the effectiveness of the auditor. The areas of focus included:

- independence - the auditor discusses with the Audit and Risk Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- quality of audit work including the ability to resolve issues in a timely manner - identified issues are satisfactorily and promptly resolved; its communications/presentation of outputs - the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and working relationship with management - the auditor has a constructive working relationship with the Board, the Committee and the Manager; and
- quality of people and service including continuity and succession plans - the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment company sector and retention or rotation of the partner.

BDO is in its first year as auditor to the Company and in accordance with present professional guidelines the Senior Statutory Auditor will be rotated after no more than five years and the year ended 31 December 2020 will be the first year for which the present Senior Statutory Auditor will serve. The Committee considers BDO, the Company's auditor, to be independent of the Company.

For and on behalf of the Audit and Risk Committee
Marcia Campbell,
Audit and Risk Committee Chairman
4 March 2021

Statement of Directors' Responsibilities

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the position, performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on **murray-intl.co.uk**, the Company's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the company, together with a description of the principal risks and uncertainties that they face.

For Murray International Trust PLC
Kevin Carter,
Chairman
4 March 2021

Independent Auditor's Report to the Members of Murray International Trust PLC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Murray International Trust Plc (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit and risk committee.

Independence

Following the recommendation of the audit and risk committee, we were appointed by members of the Company at the Annual General Meeting on 27 April 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 1 year, covering the year ending 31 December 2020. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of the going concern status and long-term viability of the Company
- Evaluating management's method of assessing the going concern in light of market volatility and the present uncertainties.
- Challenging management's assumptions and judgements made with regards to stress-testing forecasts
- Calculating financial ratios to ascertain the financial health of the Company
- Obtaining the loan agreements to identify the covenants and assess the likelihood of the them being breached based on management forecasts and our sensitivity analysis
- Performing calculations assessing the net asset position of the Company to understand the reliance on loans and debentures

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	*100% of investments at fair value through profit or loss* *100% of income*
Key audit matters	Valuation and Ownership of Investments Revenue Recognition
Materiality	£14.62m based on 1% of net assets

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Overview
Strategic Report
Portfolio
Governance
Financial Statements
Corporate Information
General

Independent Auditor's Report to the Members of Murray International Trust PLC Continued

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Valuation and ownership of investments (Note 2 (e) and 10 to the financial statements)</td><td>The investment portfolio at the year-end comprised of investments at fair value through profit or loss.

The investment portfolio is the most significant balance in the financial statements and is the key driver of performance. The Investment Manager's fee is based on the value of the net assets of the fund. As the investment manager is responsible for valuing investments for the financial statements, there is a potential risk of overstatement of investment valuations.</td><td>We have responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures on valuation:

· Confirmed that bid price has been used by agreeing to externally quoted prices;

· Reviewed trading volumes around year-end to check that there are no contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings

In respect of the ownership of investments we have obtained direct confirmation from the custodian regarding all investments held at the balance sheet date.

Key observations:
Based on our procedures performed we did not identify any material exceptions with regards to valuation or ownership of investments.</td></tr>
<tr><td>Revenue recognition (Note 2 (b) and 3 to the financial statements)</td><td>Income arises from dividends and can be volatile, but is often a key factor in demonstrating the performance of the portfolio. Judgement is required in the allocation of income to revenue or capital.</td><td>We have derived an independent expectation of income using data analytics based on the investment holding and distributions from independent sources. We have also cross checked the portfolio against corporate actions and special dividends and challenged whether these have been appropriately accounted for as income or capital.

We have analysed the population of dividend receipts to identify any items for further discussion that could indicate a potential capital distribution, for example where a dividend represents a particularly high yield.

We have then traced a sample of dividend income receipts to bank.

A sample of bond interest income was selected and recalculated for arithmetic accuracy and completeness.

We then traced a sample of bond interest (including overseas interest) income receipts to the bank statements.

Key observations:
Based on our procedures performed we did not identify any material exceptions with regards to revenue recognition.</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements
	2020
Materiality	£14.62m
Basis for determining materiality	1% of Net Assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance.
Performance materiality	£9.50m
Basis for determining performance materiality	As this is the first year on the audit performance materiality has been set at 65% of total materiality .

Specific materiality
We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items of £3.19m based on 5% of revenue return before tax. We further applied a performance materiality level of 65% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £160,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report the than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Murray International Trust PLC Continued

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	· The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 56; and · The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 29.
Other Code provisions	· Directors' statement on fair, balanced and understandable set out on page 65; · Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 27 and 28; · The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 56 and 57; and · The section describing the work of the audit and risk committee set out on pages 63 and 64.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: · the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and · the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: · adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or · the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or · certain disclosures of Directors' remuneration specified by law are not made; or · we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which the Company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and FRS 102. We also considered the company's qualification as an Investment Trust under UK tax legislation.

We considered compliance with this framework through discussions with the Audit and Risk Committee and performed audit procedures on these areas as considered necessary. Our procedures involved enquiries with Management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

Independent Auditor's Report to the Members of Murray International Trust PLC Continued

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

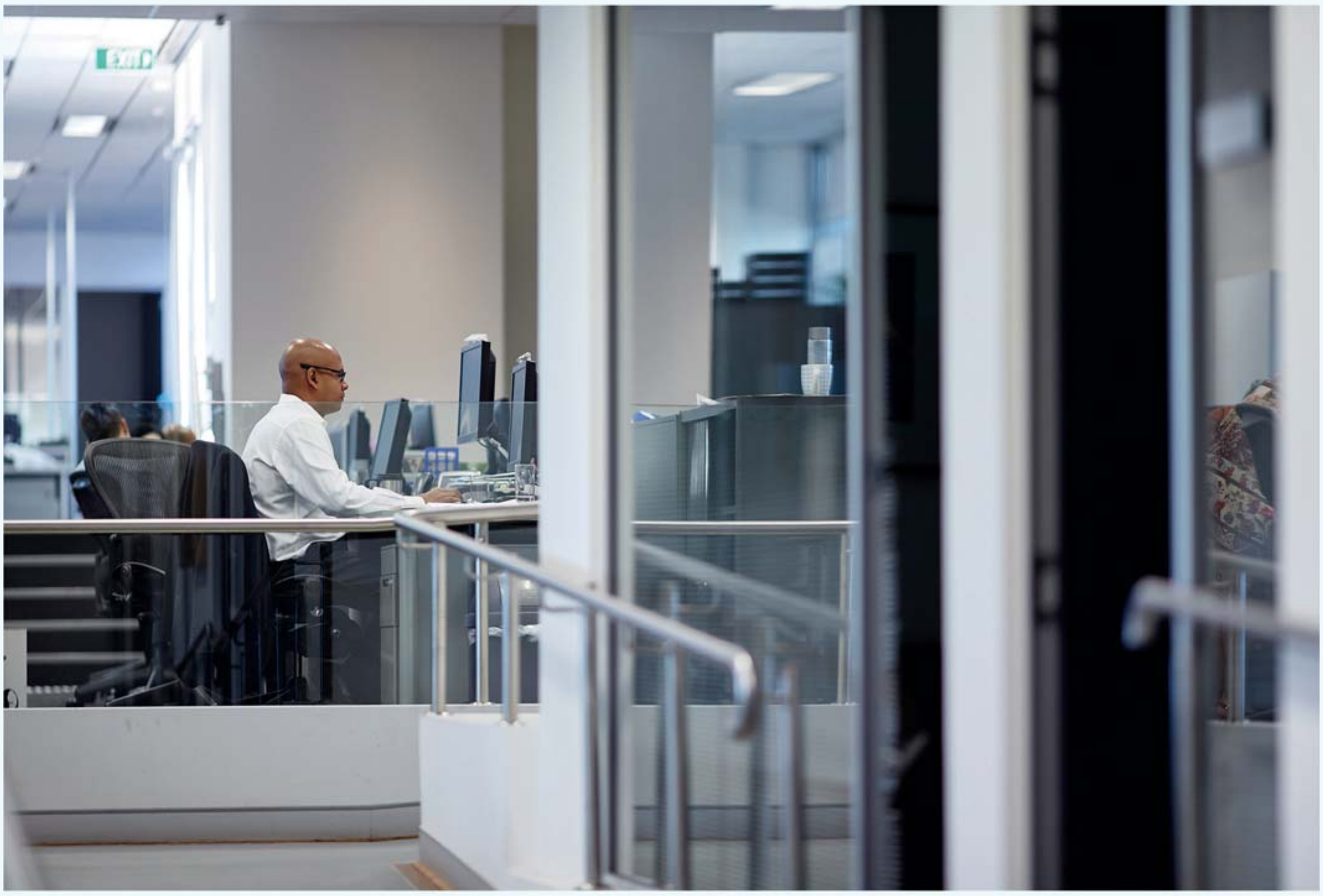
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
4 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

The Company's net asset value ("NAV") posted a total return (i.e. with net income reinvested) of 0.9%. For comparative purposes, the total return for the Reference Index (comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020) was 7.0%.



Statement of Comprehensive Income

		Year ended 31 December 2020			Year ended 31 December 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	10	–	(49,645)	(49,645)	–	109,664	109,664
Income	3	68,918	–	68,918	82,417	–	82,417
Investment management fees	4	(2,054)	(4,795)	(6,849)	(2,139)	(4,991)	(7,130)
Currency losses		–	(3,757)	(3,757)	–	(147)	(147)
Administrative expenses	5	(1,966)	–	(1,966)	(2,109)	–	(2,109)
Net return before finance costs and taxation		64,898	(58,197)	6,701	78,169	104,526	182,695
Finance costs	6	(1,189)	(2,775)	(3,964)	(1,283)	(2,994)	(4,277)
Return before taxation		63,709	(60,972)	2,737	76,886	101,532	178,418
Taxation	7	(3,513)	1,033	(2,480)	(7,138)	1,517	(5,621)
Return attributable to equity shareholders		**60,196**	**(59,939)**	**257**	**69,748**	**103,049**	**172,797**
Return per Ordinary share (pence)	9	**46.6**	**(46.4)**	**0.2**	**54.1**	**80.0**	**134.1**

The "Total" column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the return after taxation is also the total comprehensive income for the year. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

	Notes	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	10	1,646,405	1,701,573
Current assets			
Debtors	11	14,410	14,780
Cash and short-term deposits		3,208	30,040
		17,618	44,820
Creditors: amounts falling due within one year			
Bank loans	12,13	(50,000)	(50,000)
Other creditors	12	(2,391)	(7,634)
		(52,391)	(57,634)
Net current liabilities		(34,773)	(12,814)
Total assets less current liabilities		1,611,632	1,688,759
Creditors: amounts falling due after more than one year			
Bank loans	12,13	(149,805)	(149,704)
Net assets		**1,461,827**	**1,539,055**
Capital and reserves			
Called-up share capital	14	32,353	32,333
Share premium account		362,967	361,989
Capital redemption reserve		8,230	8,230
Capital reserve	15	991,513	1,060,756
Revenue reserve		66,764	75,747
Equity shareholders' funds		**1,461,827**	**1,539,055**
Net asset value per Ordinary share (pence)	16	**1,138.2**	**1,190.0**

The financial statements were approved and authorised for issue by the Board of Directors on 4 March 2021 and were signed on its behalf by:

Kevin Carter

Director

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2020

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2019		32,333	361,989	8,230	1,060,756	75,747	1,539,055
Return after taxation		–	–	–	(59,939)	60,196	257
Dividends paid	8	–	–	–	–	(69,179)	(69,179)
Issue of new shares	14	20	978	–	–	–	998
Buy back of shares to Treasury	14	–	–	–	(9,304)	–	(9,304)
Balance at 31 December 2020		**32,353**	**362,967**	**8,230**	**991,513**	**66,764**	**1,461,827**

For the year ended 31 December 2019

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2018		32,137	351,666	8,230	953,992	73,563	1,419,588
Return after taxation		–	–	–	103,049	69,748	172,797
Dividends paid	8	–	–	–	–	(67,564)	(67,564)
Issue of shares from Treasury	14	–	1,046	–	3,715	–	4,761
Issue of new shares	14	196	9,277	–	–	–	9,473
Balance at 31 December 2019		**32,333**	**361,989**	**8,230**	**1,060,756**	**75,747**	**1,539,055**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Net return before finance costs and taxation		6,701	182,695
Decrease in accrued expenses		(104)	(229)
Overseas withholding tax		(6,857)	(6,400)
Decrease/(increase) in accrued income		3,520	(413)
Interest paid		(4,019)	(4,183)
Losses/(gains) on investments		49,645	(109,664)
Currency losses		3,757	147
Increase in other debtors		(53)	(10)
Corporation tax received/(paid)		2,707	(541)
Net cash inflow from operating activities		55,297	61,402
Investing activities			
Purchases of investments		(257,535)	(159,028)
Sales of investments		256,648	158,516
Net cash used in investing activities		(887)	(512)
Financing activities			
Equity dividends paid	8	(69,179)	(67,564)
Ordinary shares bought back to Treasury	14	(9,304)	–
Issue of Ordinary shares from Treasury	14	–	4,761
Issue of Ordinary shares	14	998	9,473
Loan repayment		(50,000)	(15,000)
Loan drawdown		50,000	30,000
Net cash used in financing activities		(77,485)	(38,330)
(Decrease)/increase in cash		**(23,075)**	**22,560**
Analysis of changes in cash during the year			
Opening balance		30,040	7,627
Effect of exchange rate fluctuations on cash held		(3,757)	(147)
(Decrease)/increase in cash as above		(23,075)	22,560
Closing balances		**3,208**	**30,040**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

1. **Principal activity.** The Company is a closed-end investment company, registered in Scotland No SC006705, with its Ordinary shares being listed on the London Stock Exchange.

2. **Accounting policies**

(a) Basis of preparation. The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Company has a revolving loan facility which expires in May 2021. Having taken these factors into account as well as the impact of Covid-19 and having assessed the principal risks and other matters set out in the Viability Statement on page 29, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on page 56.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The areas requiring most significant judgement and assumption in the financial statements is the determination of the fair value hierarchy classification of quoted preference shares and bonds which have been assessed as being Level 2 due to them not being considered to trade in active markets and also the determination of whether special dividends received are considered to be revenue or capital in nature. The Directors do not consider there to be any significant estimates within the financial statements.

(b) Income. Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends are recognised on their due date. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to their circumstances.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income under taxation.

The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities.

Interest receivable from cash and short-term deposits is accrued to the end of the year.

(c) Expenses. All expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income. Expenses are charged against revenue except as follows:

– transaction costs on the acquisition or disposal of investments are charged against capital in the Statement of Comprehensive Income; and

– expenses are treated as a capital item in the Statement of Comprehensive Income and ultimately recognised in the capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 30% to revenue and 70% to the capital reserve to reflect the Company's investment policy and prospective income and capital growth.

Notes to the Financial Statements Continued

(d) Taxation. The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net return as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

(e) Investments. The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value. For listed investments, the valuation of investments at the year end is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange.

Gains and losses arising from changes in fair value are treated in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(f) Cash and cash equivalents. Cash comprises cash in hand and demand deposits. Cash equivalents includes bank overdrafts repayable on demand and short-term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(g) Short-term debtors and creditors. Both short-term debtors and creditors are measured at amortised cost and not subject to interest charges.

(h) Borrowings. Borrowings, which comprise interest bearing bank loans are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 30% to revenue and 70% to capital in the Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.

(i) Nature and purpose of reserves

Called-up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue. This reserve is not distributable.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p. This reserve is not distributable.

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This reserve is not distributable.

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (h) above. This reserve is not distributable except for the purpose of funding share buybacks to the extent that gains are deemed realised.

When the Company purchases its Ordinary shares to be held in Treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve. Should these shares be sold subsequently, the amount received is recognised as an increase in equity, and the resulting surplus on the transaction is transferred to the share premium account or where a deficit on the transaction then it is transferred from the capital reserve.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(j) **Foreign currency.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.

(k) **Segmental reporting.** The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(l) **Dividends payable.** Dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends are recognised in the financial statements in the period in which they are paid.

3. Income

	2020 £'000	2019 £'000
Income from investments (all listed)		
UK dividend income	5,855	9,123
Overseas dividends	47,138	52,126
Overseas interest	15,731	21,141
	68,724	82,390
Other income		
Deposit interest	2	24
Interest on corporation tax reclaim	192	3
Total income	**68,918**	**82,417**

Notes to the Financial Statements Continued

4. Investment management fees

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Investment management fees	**2,054**	**4,795**	**6,849**	**2,139**	**4,991**	**7,130**

The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of investment management, secretarial, accounting and administration and promotional activity services.

The annual management fee is 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 charged at 0.5% of Net Assets up to £1,200 million and 0.425% of Net Assets above £1,200 million. A fee of 1.5% per annum is 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 year £6,849,000 (2019 – £7,130,000) of investment management fees was payable to the Manager, with a balance of £1,680,000 (2019 – £1,799,000) being due at the year end.

Included within the management fee arrangements is a secretarial fee of £100,000 per annum which is chargeable 100% to revenue. During the year £100,000 (2019 – £100,000) of secretarial fees was payable to the Manager, with a balance of £25,000 (2019 – £25,000) being payable to ASFML at the year end. Subsequent to the year end, the Company and the Manager agreed to terminate the arrangement of allocating £100,000 of the management fee to secretarial fees with effect from 1 January 2021.

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

5. Administrative expenses

	2020 £'000	2019 £'000
Promotional activities[A]	400	394
Secretarial fees[B]	100	100
Registrars' fees	151	147
Directors' remuneration	198	184
Bank charges and custody fees	690	682
Depositary fees	136	149
Stock exchange fees	92	80
Printing and postage	88	78
Irrecoverable VAT	2	60
Auditor's fees for:		
– Statutory audit	30	35
– Other assurance services	4	–
Other expenses	75	200
	1,966	**2,109**

[A] In 2020 £400,000 (2019 – £394,000) was payable to ASFML to cover promotional activities during the year. At the year end £100,000 (2019 – £100,000) was due to ASFML.
[B] Details of the fee basis are contained in note 4.

6. Finance costs

	Revenue £'000	Capital £'000	2020 Total £'000	Revenue £'000	Capital £'000	2019 Total £'000
Bank loans	**1,189**	**2,775**	**3,964**	**1,283**	**2,994**	**4,277**

7. Taxation

	Revenue £'000	Capital £'000	2020 Total £'000	Revenue £'000	Capital £'000	2019 Total £'000
(a) Total tax charge						
Analysis for the year						
Current UK tax	837	–	837	1,892	–	1,892
Double taxation relief	(837)	–	(837)	(1,224)	–	(1,224)
Corporation tax prior year adjustment	(3,071)	–	(3,071)	(453)	–	(453)
Tax relief to capital	1,438	(1,438)	–	1,517	(1,517)	–
Irrecoverable overseas tax suffered	6,688	405	7,093	7,104	–	7,104
Overseas tax reclaimable	(1,542)	–	(1,542)	(1,698)	–	(1,698)
Total tax charge for the year	**3,513**	**(1,033)**	**2,480**	**7,138**	**(1,517)**	**5,621**

(b) **Factors affecting the tax charge for the year**. The UK corporation tax rate is 19% (2019 – 19%). The tax assessed for the year is lower than the corporation tax rate. The differences are explained below:

	Revenue £'000	Capital £'000	2020 Total £'000	Revenue £'000	Capital £'000	2019 Total £'000
Return before taxation	63,709	(60,972)	2,737	76,886	101,532	178,418
Return multiplied by the effective standard rate of corporation tax of 19% (2019 – 19%)	12,105	(11,585)	520	14,608	19,291	33,899
Effects of:						
Non taxable UK dividend income	(1,112)	–	(1,112)	(1,733)	–	(1,733)
Losses/(gains) on investments not taxable	–	9,433	9,433	–	(20,836)	(20,836)
Currency losses not taxable	–	714	714	–	28	28
Non taxable overseas dividends	(8,718)	–	(8,718)	(9,467)	–	(9,467)
Irrecoverable overseas tax suffered	6,688	405	7,093	7,104	–	7,104
Overseas tax reclaimable	(1,542)	–	(1,542)	(1,698)	–	(1,698)
Double taxation relief	(837)	–	(837)	(1,224)	–	(1,224)
Corporation tax prior year adjustment	(3,071)	–	(3,071)	(453)	–	(453)
Expenses not deductible for tax purposes	–	–	–	1	–	1
Total tax charge for the year	**3,513**	**(1,033)**	**2,480**	**7,138**	**(1,517)**	**5,621**

Notes to the Financial Statements Continued

The Company has not provided for deferred tax on chargeable gains or losses arising on the revaluation or disposal of investments as it is exempt from corporation tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset (2019 – same) arising as a result of there being no excess management expense to be utilised in future periods.

8. Ordinary dividends on equity shares

	2020 £'000	2019 £'000
Amounts recognised as distributions paid during the year:		
Third interim for 2019 of 12.0p (2018 – 11.5p)	15,520	14,736
Fourth interim dividend for 2019 of 17.5p (2018 – final dividend of 17.0p)	22,647	21,904
First interim for 2020 of 12.0p (2019 – 12.0p)	15,529	15,462
Second interim for 2020 of 12.0p (2019 – 12.0p)	15,483	15,462
	69,179	**67,564**

A third interim dividend was declared on 7 December 2020 with an ex date of 7 January 2021. This dividend of 12.0p was paid on 19 February 2021 and has not been included as a liability in these financial statements. The proposed final dividend for 2020 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158–1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £60,196,000 (2019 – £69,748,000).

	2020 £'000	2019 £'000
Three interim dividends for 2020 of 12.0p (2019 – 12.0p)	46,425	46,444
Proposed final dividend for 2020 of 18.5p (2019 – fourth interim dividend of 17.5p)	23,748	22,647
	70,173	**69,091**

The amount reflected above for the cost of the proposed final dividend for 2020 is based on 128,368,953 Ordinary shares, being the number of Ordinary shares in issue excluding those held in Treasury at the date of this Report.

9. Return per Ordinary share

	2020 £'000	2020 p	2019 £'000	2019 p
Returns are based on the following figures:				
Revenue return	60,196	46.6	69,748	54.1
Capital return	(59,939)	(46.4)	103,049	80.0
Total return	**257**	**0.2**	**172,797**	**134.1**
Weighted average number of Ordinary shares		**129,160,107**		**128,850,295**

10. Investments at fair value through profit or loss

	2020 £'000	2019 £'000
Opening book cost	1,276,337	1,225,730
Opening investment holdings gains	425,236	359,436
Opening fair value	1,701,573	1,585,166
Analysis of transactions made during the year		
Purchases at cost	252,553	164,010
Sales proceeds received	(256,648)	(158,516)
(Losses)/gains on investments	(49,645)	109,664
(Amortisation)/accretion of fixed income book cost	(1,428)	1,249
Closing fair value	**1,646,405**	**1,701,573**
Closing book cost	1,324,155	1,276,337
Closing investment gains	322,250	425,236
Closing fair value	**1,646,405**	**1,701,573**

The Company received £256,648,000 (2019 – £158,516,000) from investments sold in the period. The book cost of these investments when they were purchased was £203,307,000 (2019 – £114,652,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The portfolio valuation	2020 £'000	2019 £'000
Listed on stock exchanges:		
United Kingdom:		
– equities	100,322	127,902
– preference shares	7,488	7,677
Overseas:		
– equities	1,355,353	1,305,160
– fixed income	183,242	260,834
Total	**1,646,405**	**1,701,573**

Transaction costs. During the year 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 (losses)/gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2020 £'000	2019 £'000
Purchases	180	172
Sales	348	132
	528	**304**

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

Notes to the Financial Statements Continued

11. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Corporation tax refund	457	93
Overseas withholding tax	4,366	3,385
Other debtors	109	56
Accrued income	9,478	11,246
	14,410	**14,780**

None of the above amounts are overdue or impaired.

12. Creditors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Bank loans (note 13)	50,000	50,000
Amounts due to brokers	–	4,982
Accruals	2,391	2,652
	52,391	**57,634**

	2020 £'000	2019 £'000
Amounts falling due after more than one year:		
Bank loans (note 13)	**149,805**	**149,704**

All financial liabilities are measured at amortised cost.

13. Bank loans

	2020 £'000	2019 £'000
Unsecured bank loans repayable within one year:		
Revolving credit facilities		
– £50,000,000 at 0.72588% – 14 January 2021	50,000	–
– £50,000,000 at 2.4975% – 13 May 2020	–	50,000
Unsecured bank loans repayable in more than one year but no more than five years:		
Fixed rate term loan facilities		
– £60,000,000 at 1.714% – 31 May 2022	59,915	59,855
– £60,000,000 at 2.328% – 31 May 2023	59,935	59,908
– £30,000,000 at 2.25% – 16 May 2024	29,955	29,941
	199,805	**199,704**

The terms of these loans permit early repayment at the borrower's option which may give rise to additional amounts being either payable or repayable in respect of fluctuations in interest rates since drawdown. Since the Directors currently have no intention of repaying the loans early, then no such charges are included in the cash flows used to determine their effective interest rate.

During 2020 the Company entered into a revolving credit facility for £50 million with RBSI which was fully drawn down. As of the latest practicable date prior to signing of this report the £50 million loan had been drawn down to 15 March 2021 at an interest rate of 0.73325%.

The Company also has three fixed rate term loan facilities with RBSI, all of which are fully drawn down and have maturity dates of 31 May 2022, 31 May 2023 and 16 May 2024 respectively. Financial covenants contained within the relevant loan agreements provide, inter alia, that borrowings shall at no time exceed 40% of net assets and that the net assets must exceed £650 million. At 31 December 2020 net assets were £1,461,827,000 and borrowings were 13.7% thereof. The Company has complied with all financial covenants throughout the year.

14. Share capital

	Number	2020 £'000	Number	2019 £'000
Allotted, called up and fully paid Ordinary shares of 25p each:				
Balance brought forward	129,332,003	32,333	128,143,545	32,036
Ordinary shares issued from Treasury in the year	–	–	406,531	101
Ordinary shares bought back to Treasury in the year	(973,341)	(243)	–	–
Ordinary shares issued in the year	80,000	20	781,927	196
Balance carried forward	**128,438,662**	**32,110**	**129,332,003**	**32,333**
Treasury shares:				
Balance brought forward	–	–	406,531	101
Ordinary shares issued from Treasury in the year	–	–	(406,531)	(101)
Ordinary shares bought back to Treasury in the year	973,341	243	–	–
Balance carried forward	**973,341**	**243**	**–**	**–**

At 31 December 2020, shares held in Treasury represented 0.8% (2019 – 0%) of the Company's total issued share capital.

During the year 973,341 Ordinary shares were bought back to Treasury (2019 – 406,531 Ordinary shares were issued from Treasury) and 80,000 (2019 – 781,927) new Ordinary shares were issued. All these shares were issued at a premium to net asset value, enhancing net assets per share for existing shareholders. The issue prices ranged from 1,239p to 1,254p (2019 – 1,164p to 1,243p). The Ordinary shares bought back to Treasury cost a total of £9,304,000 (2019 – the issue of Ordinary shares from Treasury raised a total of £4,761,000 net of expenses) and the issue of new Ordinary shares raised £998,000 (2019 – £9,473,000) net of expenses. Subsequent to the year end a further 69,709 Ordinary shares have been bought back to Treasury at prices ranging from 1,088p to 1,103p costing a total of £768,000.

On a winding up of the Company, any surplus assets available after payment of all debts and satisfaction of all liabilities of the Company shall be applied in repaying the Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares according to the amount paid up on such shares respectively.

Voting rights. In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every 25p nominal amount of Ordinary shares held.

Notes to the Financial Statements Continued

15. Capital reserve

	2020 £'000	2019 £'000
At 31 December 2019	1,060,756	953,992
Movement in fair value gains	(49,645)	109,664
Capital expenses (including taxation)	(6,537)	(6,468)
Issue of shares from Treasury	–	3,715
Buy back of shares to Treasury	(9,304)	–
Currency losses	(3,757)	(147)
At 31 December 2020	**991,513**	**1,060,756**

Included in the total above are investment holdings gains at the year end of £322,250,000 (2019 – £425,236,000).

16. **Net asset value per share.** The net asset value per share and the net asset value attributable to the Ordinary shares, at the year end calculated in accordance with the Articles of Association and FRS 102 were as follows:

	As at 31 December 2020	As at 31 December 2019
Attributable net assets (£'000)	1,461,827	1,539,055
Number of Ordinary shares in issue (excluding Treasury)	128,438,662	129,332,003
Net asset value per share (pence)	1,138.2	1,190.0

17. Analysis of changes in net debt

	At 31 December 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2020 £'000
Cash and short-term deposits	30,040	(3,757)	(23,075)	–	3,208
Debt due within one year	(50,000)	–	–	–	(50,000)
Debt due after more than one year	(149,704)	–	–	(101)	(149,805)
	(169,664)	**(3,757)**	**(23,075)**	**(101)**	**(196,597)**

	At 31 December 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2019 £'000
Cash and short-term deposits	7,627	(147)	22,560	–	30,040
Debt due within one year	(15,000)	–	15,000	(50,000)	(50,000)
Debt due after more than one year	(169,676)	–	(30,000)	49,972	(149,704)
	(177,049)	**(147)**	**7,560**	**(28)**	**(169,664)**

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

18. **Financial instruments and risk management**. The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise listed equities and debt securities, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company may enter into derivative transactions for the purpose of managing market risks arising from the Company's activities in the form of swap contracts, forward foreign currency contracts, futures and options.

The Board has delegated the risk management function to Aberdeen Standard Fund Managers Limited ("ASFML") under the terms of its management agreement with ASFML (further details of which are included in the Directors' Report). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

Risk management framework. The directors of ASFML collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

ASFML is a fully integrated member of the Standard Life Aberdeen Group ("the Group"), which provides a variety of services and support to ASFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's Chief Executive Officer and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Group's corporate governance structure is supported by several committees to assist the board of directors of Standard Life Aberdeen plc, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk management. The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, foreign currency risk and price risk), (ii) liquidity risk and (iii) credit risk.

(i) Market risk. The fair value and future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and price risk.

Interest rate risk. Interest rate risk is the risk that interest rate movements will affect:

– the fair value of the investments in fixed interest rate securities; and
– the level of income receivable on cash deposits;

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Notes to the Financial Statements Continued

The Board reviews the values of the fixed interest rate securities on a regular basis.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate facilities, which are used to finance opportunities at low rates. Current bank covenant guidelines are detailed in note 13 on pages 86 and 87.

Interest risk profile. The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

At 31 December 2020	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non–interest bearing £'000
Assets					
Sterling	–	–	7,488	2,932	100,322
US Dollar	23.42	6.02	53,354	269	485,232
Other	6.25	7.32	129,888	7	870,121
Total assets			**190,730**	**3,208**	**1,455,675**
Liabilities					
Bank loans	1.66	1.73	(199,805)	–	–
Total liabilities			**(199,805)**	**–**	**–**

At 31 December 2019	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non–interest bearing £'000
Assets					
Sterling	–	–	7,677	12,122	127,902
US Dollar	20.84	6.83	78,934	–	408,012
Other	6.04	7.80	181,900	17,918	897,148
Total assets			**268,511**	**30,040**	**1,433,062**
Liabilities					
Bank loans	2.49	2.17	(199,704)	–	–
Total liabilities			**(199,704)**	**–**	**–**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans. The maturity dates of the Company's loans are shown in note 13 to the financial statements.

The fixed rate assets represents quoted preference shares and bonds.

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

The non-interest bearing assets represent the equity element of the portfolio.

Short-term debtors and creditors have been excluded from the above tables as they are not considered to be exposed to interest rate risk.

Interest rate sensitivity. The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the Statement of Financial Position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 25 basis points higher or lower (based on the current parameter used by the Manager's Investment Risk Department on risk assessment) and all other variables were held constant, the Company's revenue return for the year ended 31 December 2020 would increase/decrease by £8,000 (2019 – increase/decrease by £75,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.

The capital return would decrease/increase by £nil (2019 – increase/decrease by £13,260,000) using VAR ("Value at Risk") analysis based on a 10% shock to interest rates on the fixed interest portfolio positions at each year end.

Foreign currency risk. A significant proportion of the Company's investment portfolio is invested overseas whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investment holdings can result, indirectly, in changes in their valuations. Consequently the Statement of Financial Position can be affected by movements in exchange rates.

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Manager seeks, when deemed appropriate, to manage exposure to currency movements on borrowings by using forward foreign currency contracts as a hedge against potential foreign currency movements. At 31 December 2020 the Company did not have any forward foreign currency contracts (2019 – none).

The revenue account is subject to currency fluctuation arising on overseas income. The Company does not hedge this currency risk.

Notes to the Financial Statements Continued

Currency risk exposure. Currency risk exposure (excluding fixed interest securities) by currency of denomination:

	31 December 2020			31 December 2019		
	UK and overseas equity investments £'000	Net monetary assets[A] £'000	Total currency exposure £'000	UK and overseas equity investments £'000	Net monetary assets[A] £'000	Total currency exposure £'000
US Dollar	485,232	269	485,501	408,012	–	408,012
Taiwan Dollar	191,477	5	191,482	163,804	16,633	180,437
Euro	103,464	–	103,464	53,409	–	53,409
Mexican Peso	97,057	–	97,057	107,860	–	107,860
Swiss Franc	93,181	–	93,181	66,861	–	66,861
Canadian Dollar	65,727	–	65,727	61,776	–	61,776
Swedish Krone	58,688	–	58,688	53,189	–	53,189
Hong Kong Dollar	57,642	–	57,642	15,706	–	15,706
Singapore Dollar	56,426	–	56,426	70,903	–	70,903
Thailand Baht	39,075	–	39,075	52,884	–	52,884
Indonesian Rupiah	35,729	–	35,729	86,559	(4,982)	81,577
Norwegian Krone	18,699	–	18,699	20,282	–	20,282
Indian Rupee	17,164	2	17,166	19,114	2	19,116
New Zealand Dollar	15,949	–	15,949	26,645	–	26,645
Japanese Yen	13,848	–	13,848	15,710	–	15,710
South African Rand	5,995	–	5,995	8,906	–	8,906
Brazilian Real	–	–	–	17,834	–	17,834
Malaysian Ringgit	–	–	–	25,112	–	25,112
Australian Dollar	–	–	–	16,579	–	16,579
Polish Zloty	–	–	–	14,015	–	14,015
	1,355,353	276	1,355,629	1,305,160	11,653	1,316,813
Sterling	100,322	(196,873)	(96,551)	127,902	(187,582)	(59,680)
Total	**1,455,675**	**(196,597)**	**1,259,078**	**1,433,062**	**(175,929)**	**1,257,133**

[A] Reflects cash, short-term deposits and bank borrowings.

The asset allocation between specific markets can vary from time to time based on the Manager's opinion of the attractiveness of the individual markets.

Foreign currency sensitivity. The following table details the Company's sensitivity to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in sterling against the major foreign currencies in which the Company has exposure (based on exposure >5% of total exposure). The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates, being a reasonable range of fluctuations for the period.

	2020 Capital[A] £'000	2019 Capital[A] £'000
US Dollar	48,550	40,801
Taiwan Dollar	19,148	18,044
Euro	10,346	–
Mexican Peso	9,706	10,786
Swiss Franc	9,318	6,686
Canadian Dollar	6,573	–
Indonesian Rupiah	–	8,158
Singapore Dollar	–	7,090
Total	**103,641**	**91,565**

[A] Represents equity exposures to the relevant currencies.

Price risk. Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments. The Company's stated objective is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

Management of the risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on pages 16 and 17, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Price risk sensitivity. If market prices at the Statement of Financial Position date had been 10% higher or lower, which is a reasonable range of annual price fluctuations, while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 December 2020 would have increased/decreased by £145,568,000 (2019 – increase/decrease of £143,306,000) and equity would have increased/decreased by the same amount.

(ii) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due in line with the maturity profile analysed below.

At 31 December 2020	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Bank loans	50,000	60,000	60,000	30,000	–	–	200,000
Interest cash flows on bank loans	3,131	2,585	1,371	337	–	–	7,424
Cash flows on other creditors	2,085	–	–	–	–	–	2,085
	55,216	**62,585**	**61,371**	**30,337**	**–**	**–**	**209,509**

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At 31 December 2019	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Bank loans	50,000	–	60,000	60,000	30,000	–	200,000
Interest cash flows on bank loans	3,117	3,100	2,585	1,371	337	–	10,510
Cash flows on other creditors	7,634	–	–	–	–	–	7,634
	60,751	**3,100**	**62,585**	**61,371**	**30,337**	**–**	**218,144**

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities (note 13).

(iii) Credit risk. This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk

– where the Manager makes an investment in a bond, corporate or otherwise, the credit ratings of the issuer are taken into account so as to manage the risk to the Company of default;

– investments in quoted bonds are made across a variety of industry sectors and geographic markets so as to avoid concentrations of credit risk;

– transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;

– investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the daily review of failed trade reports. In addition, both stock and cash reconciliations to the custodian's records are performed daily to ensure discrepancies are investigated in a timely manner. The Manager's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's Risk Management Committee;

– cash is held only with reputable banks with acceptable credit quality. It is the Manager's policy to trade only with A- and above (Long-term rated) and A-1/P-1 (Short-term rated) counterparties.

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 December 2020 was as follows:

		2020		2019
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Quoted preference shares and bonds at fair value through profit or loss	190,730	190,730	268,511	268,511
Current assets				
Other debtors	109	109	56	56
Accrued income	9,478	9,478	11,246	11,246
Cash and short-term deposits	3,208	3,208	30,040	30,040
	203,525	**203,525**	**309,853**	**309,853**

None of the Company's financial assets is secured by collateral or other credit enhancements.

Credit ratings. The table below provides a credit rating profile using Moodys credit ratings for the quoted preference shares and bonds at 31 December 2020 and 31 December 2019:

	2020 £'000	2019 £'000
A3	14,901	30,680
Ba1	–	20,607
Baa1	15,365	–
Ba2	38,310	29,036
Baa2	32,707	50,782
Ba3	13,350	12,951
Baa3	17,292	58,179
Non-rated	58,805	66,276
	190,730	**268,511**

At 31 December 2020 Moodys credit ratings agency did not provide a rating for Ecuador bonds, Indian bonds, Turkish bonds and Irredeemable preference shares (2019 – Ecuador bonds, Indian bonds, Turkish bonds and Irredeemable preference shares) held by the Company and were accordingly categorised as non–rated in the table above. It was noted however that Fitch credit ratings agency do provide a B– rating for Ecuador bonds with a value of £5,157,000 (2019 – £9,298,000 with a B– rating) and a BB– rating for Turkish bonds with a value of £13,182,000 (2019 – £17,255,000 with a B+ rating). Whilst a substantial proportion of the fixed interest portfolio does not have a rating provided by Moodys, the Manager undertakes an ongoing review of their suitability for inclusion within the portfolio as set out in "Investment Process" and "Delivering the Investment Policy" on pages 16 and 17.

Fair values of financial assets and financial liabilities. The fair value of borrowings has been calculated at £203,597,000 as at 31 December 2020 (2019 – £201,026,000) compared to a carrying amount in the financial statements of £199,805,000 (2019 – £199,704,000) (note 12). The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The carrying value of all other assets and liabilities is an approximation of fair value.

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19. **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 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 in 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 Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 December 2020	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,455,675	–	–	1,455,675
Quoted preference shares	b)	–	7,488	–	7,488
Quoted bonds	b)	–	183,242	–	183,242
Total		**1,455,675**	**190,730**	**–**	**1,646,405**

As at 31 December 2019	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,433,062	–	–	1,433,062
Quoted preference shares	b)	–	7,677	–	7,677
Quoted bonds	b)	–	260,834	–	260,834
Total		**1,433,062**	**268,511**	**–**	**1,701,573**

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

b) **Quoted preference shares and bonds.** The fair value of the Company's investments in quoted preference shares and bonds has been determined by reference to their quoted bid prices at the reporting date. Investments categorised as Level 2 are not considered to trade in active markets.

20. **Capital management policies and procedures**. The investment objective of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

The capital of the Company consists of bank borrowings and equity, comprising issued capital, reserves and retained earnings. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

– the planned level of gearing which takes into account the Investment Manager's views on the market;

– the level of equity shares in issue; and

– the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

Details of the Company's gearing facilities and financial covenants are detailed in note 13 of the financial statements. The Company does not have any other externally imposed capital requirements.

21. Related party transactions

Directors' fees and interests. Fees payable during the year to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on page 62.

Transactions with the Manager. The Company has agreements with ASFML for the provision of management, secretarial, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return. Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAV and share price of the Company on the dividend reinvestment dates during the years ended 31 December 2020 and 31 December 2019.

Year ended 31 December 2020	Dividend rate	NAV	Share price
31 December 2019	N/A	1,190.00p	1,260.00p
2 January 2020	12.00p	1,192.52p	1,260.00p
2 April 2020	17.50p	894.96p	848.00p
2 July 2020	12.00p	1,027.56p	996.00p
1 October 2020	12.00p	989.17p	936.00p
31 December 2020	N/A	1,138.15p	1,130.00p
Total return		**+0.9%**	**–5.3%**

Year ended 31 December 2019	Dividend rate	NAV	Share price
31 December 2018	N/A	1,107.81p	1,132.00p
3 January 2019	11.50p	1,104.62p	1,120.00p
4 April 2019	17.00p	1,151.42p	1,172.00p
4 July 2019	12.00p	1,210.10p	1,172.00p
3 October 2019	12.00p	1,163.80p	1,150.00p
31 December 2019	N/A	1,190.00p	1,260.00p
Total return		**+12.4%**	**+16.5%**

Dividend cover. Revenue return per share of 46.6p (31 December 2019 – 54.1p) divided by total dividends per share of 54.5p (31 December 2019 – 53.5p) expressed as a ratio.

Net gearing. Net gearing measures the total borrowings of £199,805,000 (31 December 2019 – £199,704,000) less cash and cash equivalents of £3,208,000 (31 December 2019 – £25,058,000) divided by shareholders' funds of £1,461,827,000 (31 December 2019 – £1,539,055,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the year end of £nil (31 December 2019 – £4,982,000) as well as cash and short–term deposits of £3,208,000 (31 December 2019 – £30,040,000).

(Discount)/premium to net asset value per Ordinary share. The difference between the share price of 1,130.00p (31 December 2019 – 1,260.00p) and the net asset value per Ordinary share of 1,138.15p (31 December 2019 – 1,190.00p) expressed as a percentage of the net asset value per Ordinary share.

Ongoing charges. Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2020	2019
Investment management fees (£'000)	6,849	7,130
Administrative expenses (£'000)	1,966	2,109
Less: non-recurring charges[A] (£'000)	(81)	(96)
Ongoing charges (£'000)	**8,734**	**9,143**
Average net assets (£'000)	**1,346,488**	**1,499,807**
Ongoing charges ratio (excluding look-through costs)	**0.65%**	**0.61%**
Look-through costs[B]	**0.03%**	**0.04%**
Ongoing charges ratio (including look-through costs)	**0.68%**	**0.65%**

[A] Professional services comprising new Director recruitment costs and legal fees considered unlikely to recur.
[B] Costs associated with holdings in collective investment schemes as defined by the Committee of European Securities Regulators' guidelines on the methodology for the calculation of the ongoing charges figure, issued on 1 July 2010.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes amongst other things, the cost of borrowings and transaction costs.

Corporate Information

The Company's Manager is Aberdeen Asset Managers Limited, a subsidiary of Standard Life Aberdeen PLC, whose group companies as at 30 June 2020 had approximately £456 billion of assets under management.

Information about the Manager

Aberdeen Asset Managers Limited

The Company's Manager is Aberdeen Asset Managers Limited, a subsidiary of Standard Life Aberdeen PLC, whose group companies as at 30 June 2020 had approximately £456 billion of assets under management.

The Manager has its headquarters in Edinburgh and invests globally, operating from over 60 offices around the world. Its investment teams are generally based in the markets or regions in which they invest; in the UK its main investment centres are in London and Edinburgh.

The Aberdeen Standard Investments Global Equity Team

Bruce Stout, Senior Investment Director The management of the Company's assets is led by Bruce Stout who is assisted by Martin Connaghan and Samantha Fitzpatrick. The Global Equity Team is responsible for the construction of global equity portfolios. Bruce Stout is a Senior Investment Director on the Global Equity team. Bruce joined Aberdeen Asset Managers Limited (or acquired companies) in 1987 and has held a number of roles including investment manager on the emerging markets team. He has been directly involved in the management of the Company's assets since 1992 and Manager since 2004.

Martin Connaghan is an Investment Director on the Global Equity team. Martin joined Aberdeen Asset Managers Limited (or acquired companies) in 1998 and has held a number of roles including Trader, Credit Analyst and ESG Analyst. He has been focused on the management of global equity portfolios for the last fifteen years.

Samantha Fitzpatrick is an Investment Director on the Global Equity Team at Aberdeen Standard Investments. Samantha joined Aberdeen Asset Managers (or acquired companies) in 1998 and has been involved in the management of global equity portfolios for the last fifteen years. She is a CFA Charter holder.

The Investment Process, Philosophy and Style

Idea Generation

The Manager's scale affords coverage of a wide and dynamic universe, with in-depth, locally-sourced insights from c120 highly experienced equity professionals across the world, each engaged in fundamental stock research and insight generation. Research coverage is organised by region and on a sector basis, with analysts developing deep expertise which enables them to identify investment opportunities through fundamental knowledge at both the sector and stock level. The Manager has first-rate access to the companies which it researches, through structured meetings and regular conversations with key decision-makers and conducts several thousand company meetings per year, in addition to the many ESG engagements undertaken with companies. The Manager conducts over 6,000 company meetings each year and maintains a coverage list of global stocks of 2,000 stocks.

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Research

The Manager has developed a proprietary research platform used by all its equity, credit and ESG teams, giving instant access to research globally. The research is focused on four key areas:

- **Foundations** – the Manager analyses how the company makes money, the attractiveness and characteristics of its industry, and the strength and sustainability of the economic 'moat'. This includes a thorough evaluation of the environmental, social and governance (ESG) risks and opportunities of the company. Face-to-face meetings anchor how the Manager understands and challenges the key elements of a company's fundamentals: the evolution and growth of the business; the sustainable competitive advantage; management's track record of execution and managing risk; past treatment of minority shareholders; the balance sheet and financials; and ESG risks and opportunities of the company in question.

- **Dynamics** – the shorter- and longer-term dynamics of the business that will be the key determinants of its corporate value over time. Specifically the Manager looks for changes in the factors driving the market price of a stock, identifying the drivers that the wider market may not be pricing in. Understanding the dynamics behind these drivers allows the Manager to focus on the factors that will drive shareholder returns from a particular stock.

- **Financials and Valuation** – the Manager examines the strengths and weaknesses of the company's financials including a thorough analysis of the balance sheet, cash flow and accounting, the market's perception of the company's future prospects and value, and its own forecasts of future financials and how the stock should be priced. This includes significant focus on the dividend paying capability of each business, the potential for dividend growth and the sustainability of the payout.

- **Investment insight and risk** – the Manager articulates its investment thesis, explaining how it views a stock differently from the market consensus and how the Manager expects to crystallise value from the holding over time.

Integrated ESG Analysis

The detailed analysis of the Manager's embedded ESG process is contained on pages 18 to 21.

Idea Capture

To ensure that the Manager captures the best ideas from the global research platform, the Global Equity Team is fully integrated into the regional research process. The Team mirrors the sector specialisms across the various regional desks and they contribute to, and participate in, the investment debate of the stocks in their sector. Being fully integrated allows the Team to be present at all stages along the investment journey and build their own conviction into the underlying investment cases.

The Team attends company meetings as well as the regional teams' sector review meetings, facilitating deep knowledge of the companies and the degree of conviction underpinning the investment insights. This allows the Team to capture effectively the highest conviction ideas and the most important news flow across the research platform.

Peer Review

Having a common investment language facilitates effective communication and comparison of investment ideas through peer review which is a critical part of the process. All investment ideas are subject to rigorous peer review, both at regular meetings and on an ad hoc basis – and all team members debate stocks, meet companies from all industries, and given their dual fund manager / analyst role are incentivised to fully participate in the entire process.

Portfolio Construction/Risk Controls

Portfolios are built from the bottom up, prioritising high conviction stock ideas in a risk aware framework, giving clients access to the best investment ideas. Portfolio risk budgets are derived from clients' investment objectives and required outcomes. Peer review is an essential component of the construction process with dedicated portfolio construction pods (smaller dedicated groups of senior team members that have clear accountability for the strategy) debating stock holdings, portfolio structure and risk profiles.

As an active equity investor the Manager has adopted a principled portfolio construction process which actively takes appropriate and intentional risk to drive return. The largest component of the active risk will be stock-specific risk, along with appropriate levels of diversification. Risk systems monitor and analyse risk exposures across multiple perspectives breaking down the risk within the portfolio by industry and country factors, by currency and macro factors, and by other fundamental factors (quality, momentum, etc.). Consideration of risk starts at the stock level with the rigorous company research helping the Manager to avoid stock specific errors. The Manager ensures that any sector or country risk is appropriately sized and managed relative to the overall objectives of the Company.

Operational Risk and Independent Governance Oversight

Risk management is an integral part of the Manager's management process and portfolios are formally reviewed on a regular basis with the Manager's Global Head of Equities, the Portfolio Managers, the Manager's Investment Governance & Oversight Team (IGO) and members of the Manager's Investment Risk Team. This third party oversight both monitors portfolio risk and also oversees operational risk to ensure client objectives are met.

Investor Information

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (**murray-intl.co.uk**) and the TrustNet website (**trustnet.co.uk**). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

Twitter:

https://twitter.com/AberdeenTrusts

LinkedIn:

https://www.linkedin.com/company/aberdeen-standard-investment-trusts

Investor Warning

The Board has been made aware by the Manager that some investors have received telephone calls from people purporting to work for the Manager, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares. These callers do not work for the Manager and any third party making such offers has no link with the Manager. The Manager never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact the Manager's investor services centre using the details provided below.

Dividend Tax Allowance

The annual tax-free personal allowance on dividend income is £2,000 for the 2020/2021 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

Direct

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

Aberdeen Standard Investment Plan for Children

Aberdeen Standard runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. 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 all purchases. 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 Aberdeen Standard 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.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard runs a Share Plan (the "Plan") through which shares in the Company 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%). 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 Aberdeen Standard 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 £20,000 can be made in the tax year 2020/2021. 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. Investors have full voting and other rights of share ownership. 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 the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000, subject to a minimum per trust of £250.

Investor Information Continued

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Link Asset Services at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, Murray International Trust PLC, 1 George Street, Edinburgh EH2 2LL or by email at **CEF.CoSec@aberdeenstandard.com**.

If you have any questions about an investment held through the Aberdeen Standard Investment Trust Share Plan, Stocks and Shares ISA or Investment Plan for Children, please telephone the Manager's Customer Services Department on 0808 500 0040. Alternatively, email **inv.trusts@aberdeenstandard.com** or write to Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Literature Request Service

For literature and application forms for the Company and the Aberdeen Standard range of investment trust products, please telephone: 0808 500 4000. For information on the Aberdeen Standard Investment Plan for Children, Share Plan, ISA or ISA Transfer please write to Aberdeen Standard Investment Trust Administration, PO Box 11020, Chelmsford, Essex, CM99 2DB or telephone the Manager's Customer Services Department on 0808 500 00 40 (free from a UK landline). Terms and conditions for the Aberdeen Standard managed savings products can be found under the literature section of **invtrusts.co.uk**.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website:
www.invtrusts.co.uk/en/fund-centre/literature-order-form.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell YouInvest; Barclays Smart Investor; Charles Stanley Direct; EQi; Fidelity; Halifax; Hargreaves Lansdown; Interactive Investor; Novia; Transact; and Standard Life.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at **pimfa.co.uk.**

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk**.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768
https://register.fca.org.uk/
register@fca.org.uk

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 a relatively risk averse investment trust 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 securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) 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 FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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.

AIFMD Disclosures (Unaudited)

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and BNY Mellon as its depositary under the AIFMD. ASI and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website murray-intl.co.uk. There have been no material changes to the disclosures contained within the PIDD since its last publication in March 2020.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 18 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 104) and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2020 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 December 2020	1.26	1.27

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on pages 103 to 105 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority

Glossary of Terms

ASFML	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen PLC and acts as the Alternative Investment Fund Manager for the Company. ASFML is authorised and regulated by the Financial Conduct Authority.
ASI or Aberdeen Standard Investments	The investment arm of the Standard Life Aberdeen Group.
AIC	The Association of Investment Companies – the AIC is the trade body for closed-ended investment companies (**theaic.co.uk**).
AIFMD	The Alternative Investment Fund Managers Directive – The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
Common Reporting Standards or CRS	Under CRS the Company is required to provide personal information to HMRC on certain investors that purchase shares in the Company. This information will be provided annually to the local tax authority of the tax residencies of a number of non UK based certificated shareholders and corporate entities.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Disclosure Guidance and Transparency Rules or DTRs	The DTRs contain requirements for publishing and distributing annual financial reports, half-yearly financial reports and other regulatory statements, and are applicable to investment companies which are listed on the main market of the London Stock Exchange.
Dividend Cover	Revenue return per share divided by dividends per share expressed as a ratio.
Dividend Entitlements	The Ordinary shares carry the right to receive the revenue profits (including accumulated revenue reserves) of the Company available for distribution as dividend and determined to be distributed by way of interim and/or final dividend and at such times as the Directors may determine.
Electronic Communications	Any registered shareholders wishing to receive future communications from the Company electronically should contact Link Asset Services at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 (lines are open 9.00 a.m. -5.30 p.m. Mon-Fri).
Environmental, Social and Governance or ESG	ESG refers to the three key factors that can be used to measure the sustainability and impact on society of an investee company.
Gearing	Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return, however, a geared investment is riskier because of the borrowed money.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of ASFML.
Investment Manager or Manager	The Company's Alternative Investment Fund Manager is Aberdeen Standard Fund Managers Limited ("ASFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to Aberdeen Asset Managers Limited ("AAM"). AAM and ASFML are collectively referred to as the "Investment Manager" or the "Manager".
Key Information Document or KID	The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation requires the Manager, as the Company's PRIIP "manufacturer," to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks,

costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Key Performance Indicator or KPI	In accordance with the Companies Act 2006, the Strategic Report section of the Annual Report is required to contain Key Performance Indicators. These are factors by reference to which the development, performance or position of the business of the Company can be measured effectively.
Listing Rules	The FCA's Listing Rules are a set of regulations that are applicable to all companies that are listed on the London Stock Exchange.
MiFID	The Markets in Financial Instruments Directive 2004/39/EC (MiFID)is a European Union law that provides harmonised regulation for investment services across the 31 member states of the European Economic Area.
Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose includes current and long-term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.
Net Gearing/(Cash)	Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
PIDD or Pre-Investment Disclosure Document	The Manager and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD'), a copy of which can be found on the Company's website.
Premium	The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.
Prior Charges	The name given to all borrowings including debentures, long-term loans and short-term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Reference Index	A blended index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020. The Board recognises that the Manager does not manage the portfolio by reference to any particular market index. Instead, the Manager is seeking to find suitable companies with good potential for future earnings growth to support the yield requirement whilst also offering potential for capital growth. Therefore it is unlikely that the Company's own performance will ever align with any comparative index that is adopted. However, it is useful and best practice in the market to provide shareholders with a comparator index in order to assess performance over the longer-term.
Total Assets	The total assets less current liabilities as shown on the Balance Sheet with the addition of Prior Charges (as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.
Voting Rights	In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every 25p nominal amount of Ordinary shares held.
Winding-Up Entitlements	On a winding up of the Company, any surplus assets available after payment of all debts and satisfaction of all liabilities of the Company shall be applied in repaying the Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares pari passu according to the amount paid up on such shares respectively.

General

The AGM on 23 April 2021 will be functional only. **The Board has therefore decided to hold an interactive Online Shareholder Presentation which will be held at 11.00 a.m. on Tuesday 13 April 2021.** Further information on how to register for the event can be found on www.workcast.com/register?cpak=1616117971176592

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the one hundred and thirteenth Annual General Meeting of Murray International Trust PLC (registered in Scotland under company number SC006705) will be held at 3.00 p.m. on 23 April 2021 at the offices of Dickson Minto WS at 17 Charlotte Square, Edinburgh EH2 4DF for the following purposes:

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

1. To receive the Directors' Report, the Auditor's Report and audited financial statements for the year ended 31 December 2020.
2. To receive and adopt the Directors' Remuneration Report for the year ended 31 December 2020 (other than the Directors' Remuneration Policy).
3. To re-elect Mrs A Mackesy* as a Director of the Company.
4. To elect Mr S Fraser* as a Director of the Company.
5. To re-elect Mr D Hardie* as a Director of the Company.
6. To re-elect Ms C Binyon* as a Director of the Company.
7. To re-appoint BDO LLP as independent auditor of the Company.
8. To authorise the Directors to fix the remuneration of the independent auditor.
9. THAT a final dividend of 18.5p per Ordinary share in respect of the year ended 31 December 2020 be paid on 18 May 2021 to holders of the Ordinary shares of 25p in the capital of the Company on the register at close of business on 6 April 2021.

Special Business

As special business to consider and, if thought fit, pass the following resolutions in the case of resolution 10 as an Ordinary Resolution and in the case of resolutions 11 to 13 as Special Resolutions:

Authority to Allot

10. THAT the Directors be generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £3,209,224 (representing 10% of the total Ordinary share capital of the Company in issue on 4 March 2021) during the period expiring on the date of the next Annual General Meeting of the Company or on 30 June 2022, whichever is the earlier, but so that this authority, unless previously revoked, varied or renewed, shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares and grant rights in pursuance of such an offer or agreement as if such authority had not expired.

Disapplication of Pre-emption Rights

11. THAT the Directors be and they are hereby empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given in accordance with Section 551 of the Act by Resolution Number 10 as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:-

    (i) during the period expiring on the date of the next Annual General Meeting of the Company or on 30 June 2022, whichever is earlier, but so that this power shall, unless previously revoked, varied or renewed, enable the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;

    (ii) up to an aggregate nominal amount of £3,209,224 (representing 10% of the total Ordinary share capital of the Company in issue on 4 March 2021); and

    (iii) in the circumstances detailed in the section headed "Issue of Shares" on pages 57 and 58 of the Annual Report and at a price not less than 0.5% above the net asset value per share from time to time (as determined by the Directors and excluding Treasury shares).

    This power applies to a sale of Treasury shares which is an allotment of equity securities by virtue of Section 560(3) of the Act as if in the first paragraph of this Resolution the words 'pursuant to the authority given in accordance with Section 551 of the Act by Resolution Number 10' were omitted.

Notice of Annual General Meeting Continued

Authority to Make Market Purchases of Shares

12. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company on such terms and in such manner as the Directors from time to time determine, PROVIDED ALWAYS THAT:
    (i) the maximum number of shares hereby authorised to be purchased shall be an aggregate of 19,242,506 Ordinary shares or, if less, the number representing 14.99% of the respective class of shares in issue (excluding shares already held in Treasury) as at the date of the passing of this Resolution;
    (ii) the minimum price which may be paid for a share shall be 25p;
    (iii) the maximum price (exclusive of expenses) which may be paid for a share shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for a share taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid at the time the purchase is carried out;
    (iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);
    (v) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 30 June 2022, whichever is earlier, unless such authority is previously revoked, varied or renewed prior to such time; and
    (vi) the Company may make a contract or contracts to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract or contracts notwithstanding such expiry above.

Adoption of New Articles of Association

13. THAT the Articles of Association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

* The biographies of the Directors and reasons for re-election are detailed on pages 49 to 51 of this Annual Report.

1 George Street
Edinburgh
EH2 2LL

By order of the Board
Aberdeen Asset Management PLC
Secretary

4 March 2021

Notes:

(i) Only those shareholders registered in the register of members of the Company at close of business on 21 April 2021 shall be entitled to attend and/or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time ("the specified time"). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of shareholders to attend and/or vote at the adjourned meeting. If the Meeting is adjourned for a longer period, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and/or vote at the adjourned meeting is the close of business two days (excluding non working days) prior to the time of the adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.

(ii) As at 4 March 2021 (being the last practicable day prior to the publication of this Notice), the Company's issued share capital consisted of 128,368,953 Ordinary shares carrying one vote each on a poll and 1,043,050 Treasury shares. Therefore, the total voting rights in the Company as at 4 March 2021 are 128,368,953.

(iii) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her, provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A Form of Proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. However, given the restrictions on attendance this year, **only the Chairman of the meeting should be appointed as your proxy**. If another individual is appointed, it is likely that they will be refused entry to the Annual General Meeting and will be unable to represent you and your vote. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the Annual General Meeting, if they so wish but please note the general restriction on attendance this year. Details of how to appoint the Chairman of the Meeting as your proxy using the Form of Proxy are set out in the note to the Form of Proxy. In the event that a Form of Proxy is returned without an indication as to how the proxy shall vote on the resolutions, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes. You may also submit your proxy electronically using The Share Portal service at signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal identification Investor Code, this number can be found on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

(iv) To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power or authority) must be deposited with the Company's Registrar, for this purpose being PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible, but in any event not later than 3.00 p.m. on 21 April 2021. If you have any queries relating to the completion of the Form of Proxy, please contact Link Group on 0371 664 0300 (lines are open 9.00am to 5.30pm Mon-Fri). Link Group cannot provide advice on the merits of the business to be considered nor give any financial, legal or tax advice. Alternatively, if the shareholder holds his or her shares in uncertificated form (i.e. in CREST) they may vote using the CREST System (see note (x) below).

(v) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office or the address specified in note (iv) above before the commencement of the meeting or adjourned meeting at which the proxy is used.

(vi) Where there are joint holders of any share, any one of such persons may vote at any meeting, and if more than one of such persons is present at any meeting personally or by proxy, the vote of the senior holder who tenders the vote shall be accepted to the exclusion of the votes of other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company.

(vii) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the shareholder who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that shareholder, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interests in the Company (including any administrative matter). The statement of the rights of shareholders in relation to the appointment of proxies in notes (iii) to (v) does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.

(viii) Any corporation which is a shareholder may authorise such person as it thinks fit to act as its representative at this meeting. Any person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of the same shares, they vote the shares in the same way). To be able to attend and vote at the Annual General Meeting, corporate representatives will be required to produce prior to their entry to the Meeting evidence satisfactory to the Company of their appointment. However, given the restrictions on attendance at the Annual General Meeting this year, shareholders should note that any corporate representative attempting to attend the Annual General Meeting in person is likely to be refused entry and any corporations which are members are therefore advised to instead appoint the Chairman of the meeting as their proxy.

(ix) To allow effective constitution of the Annual General Meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

(x) Notes on CREST Voting:

1. CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which is available to download from the Euroclear UK & Ireland ("Euroclear") website (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

2. In order for a proxy appointment or instruction made using the CREST system to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 3.00 p.m. on 21 April 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications Host) from which the issuer's agent is able to retrieve the message. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or CREST sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by a particular time. For further

Notice of Annual General Meeting Continued

information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case, a proxy form must be received by the Company's registrars no later than 3.00 p.m. on 21 April 2021.

(xi) Shareholders are advised that unless otherwise provided, the telephone numbers and website addresses which may be set out in this Notice or the Form of Proxy/Letter of Direction are not to be used for the purpose of serving information or documents on the Company including the service of information or documents relating to proceedings at the Company's Annual General Meeting. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's shares already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

(xii) In accordance with Section 311A of the Companies Act 2006, the contents of this notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website murray-intl.co.uk.

(xiii) Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a shareholder attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.

(xiv) Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006, that the shareholders propose to raise at the Meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later that the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on the website.

(xv) Participants in the Aberdeen Standard Investment Trust Share Plan, Plan for Children and ISA are entitled to vote by completing the enclosed Letter of Direction and returning it to the Company's registrars.

(xvi) A copy of the proposed new articles of association of the Company, together with a copy showing all of the proposed changes to the existing articles of association, will be available for inspection on the Company's website, **murray-intl.co.uk** from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Covid-19 related restrictions are lifted before the AGM, a hard copy of these documents will also be available for inspection at Bow Bells House, 1 Bread Street, London EC4M 9HH until the close of the AGM.

(xvii) Given the continued risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association and Government advice as at the date of this Notice, the AGM will be a functional only meeting and shareholders are strongly discouraged from attempting to attend the meeting. If law or Government guidance so requires at the time of the meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the meeting. Should the Government guidance change and the restrictions on public gatherings be relaxed significantly by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending the meeting.

Appendix – Changes to Articles of Association

Summary of the Principal Amendments to the Company's Articles of Association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 13 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, **murray-intl.co.uk**, from the date of the AGM Notice until the close of the AGM.

Hybrid/Virtual-only Shareholder Meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

Payment of Dividends from Capital

The proposed New Articles allow for the payment of dividends from the Company's capital profits.

The Companies Act 2006 (Amendment of Part 23) (Investment Companies) Regulations 2012 removed the requirement that the articles of association of an investment company must prohibit the distribution of capital profits. In compliance with the previous statutory regime, the Company has a provision in its Existing Articles which expressly prohibits the distribution of capital profits.

However, in the light of the amended statutory rules and in order to provide the Board with increased flexibility in relation to the payment of dividends in the future, the Board no longer considers it appropriate to have such a prohibition in the Company's articles and therefore proposes that it is removed. The proposed New Articles therefore reflect this change and remove all references to the prohibition of the distribution of capital profits.

The Investment Manager remains positive about the dividend generation from the Company's investments and the Board does not presently intend to change its approach to the payment of dividends by utilising this new power to pay dividends out of capital. However, the Board may seek to use this power in the future where it considers it is in the best interests of shareholders to do so.

Increase in the Limit on Aggregate Annual Directors' Fees

The Existing Articles currently state that the remuneration of the Directors should not exceed in aggregate the sum of £225,000 per annum. The Company proposes to amend the Existing Articles by increasing the maximum aggregate sum to £300,000 per annum in order to provide the Board with future flexibility.

Appendix Continued

Minor Amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

- deleting the provisions in the Existing Articles relating to B ordinary shares as these are now redundant;
- clarifying that the consideration (if any) received by the Company upon the sale of any share which is forfeited by a shareholder pursuant to the New Articles will belong to the Company;
- simplifying the procedure in relation to untraced shareholders by removing the requirement for the Company to publish newspaper advertisements and clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company;
- a requirement for the Directors to submit themselves for re-election at each AGM of the Company (and removal of the retirement by rotation provisions);
- inserting a procedure in the event that an insufficient number of Directors are re-elected at an AGM;
- updating the methods of settling cash dividends; and
- inserting a power to enable the Company to make scrip dividends.

These changes reflect modern best practice and are intended to relieve certain administrative burdens on the Company.

Shareholder Information

Stock Exchange Codes	SEDOL	ISIN
Ordinary shares of 25p each	0611190	GB0006111909

Annual General Meeting

The Annual General Meeting will be a functional only meeting, on 23 April 2021 at 3.00 p.m. at at the offices of Dickson Minto WS at 17 Charlotte Square, Edinburgh EH2 4DF.

Online Shareholder Presentation

In light of the difficulties surrounding attendance at the AGM the Directors will be holding an Online Shareholder Presentation at 11:00 a.m. on Tuesday 13 April 2021. Further details and how to register are included in the Chairman's Statement.

Recent Ordinary Share Capital History

Year ended 31 December	Shares Issued Ordinary 25p	Share Buybacks Ordinary 25p	Shares in Issue Ordinary 25p
2011	7,966,775	n/a	111,131,628
2012	10,145,888	n/a	121,283,242
2013	3,840,500	n/a	125,126,207
2014	2,232,500	n/a	127,361,901
2015	130,000	n/a	127,601,952
2016	155,625	1,081,463	127,484,238
2017	301,642	n/a	127,785,880
2018	357,665	n/a	128,143,545
2019	1,188,458	n/a	129,332,003
2020	80,000	973,341	128,438,662

History

Murray International Trust PLC started its life in 1907 as The Scottish Western Investment Company Limited. The Scottish Western of the early days was very highly geared but it was mainly invested in bonds, though the international spread resembled today's, with countries such as Argentina, China, Japan, Canada and many others appearing in the portfolio. Although the range of currencies was much smaller, multi currency or even gold-backed bonds were commonplace, as many of the era's bond certificates show. The big move into equities came after the 1930s slump, when bond defaults forced the purchase of higher yielding equities to fund the costs of the Company's gearing. The Managers were not slow to spot an opportunity, but it started as Hobson's choice, and was only later hailed as brilliant foresight.

In 1929 just under 20% of the assets were in equities, in 1940 38%, in 1948 51% of the assets, which were still only £2.65 million. After deducting the preference shares (which were repaid in 1999) and debentures, the Company was effectively over 100% geared into equities by the start of the great post war boom. After a number of amalgamations, the Company emerged as a generalist investment trust. However, there was an excess of trusts with a similar broad remit, so towards the end of the 1970s the Board defined the investment brief more narrowly as the achievement of growth in income and capital through a well diversified portfolio. Symbolised by the name change from Murray Western to Murray International Trust PLC in 1984, the focus has since been on a relatively high yielding portfolio of equities in a well diversified mix of world markets.

In 2008 the Board circulated to all shareholders a short booklet to commemorate the centenary of the incorporation of the Company on 18 December 1907. In 2018 the Centenary Booklet was updated. Copies are available on the website, **murray-intl.co.uk** or from the Company Secretary.

Corporate Information

Directors
K J Carter (Chairman)
C Binyon
M Campbell
S Fraser
D Hardie
A Mackesy

Secretaries and Registered Office
Aberdeen Asset Management PLC
1 George Street
Edinburgh EH2 2LL

e-mail: **CEF.CoSec@aberdeenstandard.com**

Registered in Scotland as an Investment Company
Company Number SC006705

Website
murray-intl.co.uk

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

Manager
Aberdeen Asset Managers Limited
Customer Services Department: 0808 500 00 40 (free when dialling from a UK landline)

AIFM
Aberdeen Standard Fund Managers Limited

Broker
Stifel Nicolaus Europe Limited

Registrars
Link Asset Services
Link Group
10th Floor, Central Square
29 Wellington Street
Leeds LS1 4DL

Tel: 0371 664 0300
(lines are open 9.00am-5.30pm Mon-Fri)
Tel International: (+44 208 639 3399)
e-mail: **enquiries@linkgroup.co.uk**
Share portal: **signalshares.com**

Depositary
The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

Auditor
BDO LLP

United States Internal Revenue Service FATCA Registration Number (GIIN)
8Y8Z2N.99999.SL.826

Legal Entity Identifier (LEI)
549300BP77JO5Y8LM5

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www.fsc.org

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