

Murray International Trust PLC

Half Yearly Report
for the six months ended 30 June 2016



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The Company

Murray International Trust PLC (the "Company" or the "Trust") is an investment trust whose shares are traded on the London Stock Exchange and is a constituent of the FTSE Actuaries All-Share Index. Its Ordinary shares are listed on the premium segment of the London Stock Exchange. Some 25,000 of its shareholders are private investors. Murray International Trust PLC offers the advantage of exposure to world markets. The Company is invested in a diversified portfolio of international equities and fixed income securities.

Objective

The aim of Murray International Trust PLC is to achieve a total return greater than its benchmark (40% of the FTSE World UK and 60% of the FTSE World ex UK Indices) by investing predominantly in equities worldwide. Within this objective the Manager seeks to increase the Company's revenues in order to maintain an above average dividend yield.

Company Benchmark

The Company's benchmark is a composite index comprising 40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index.

Investment Manager

The Company's Alternative Investment Fund Manager is Aberdeen Fund Managers Limited ("AFML") (authorised and regulated by the Financial Conduct Authority) and day to day management of the portfolio is delegated to Aberdeen Asset Managers Limited ("AAM", the "Manager" or the "Investment Manager").

Highlights and Financial Calendar

Financial Highlights

| | 30 June 2016 | 31 December 2015 | % change |
|---|--------------|------------------|----------|
| Total assets ^A (£'000) | 1,557,471 | 1,285,193 | +21.2 |
| Equity shareholders' funds (£'000) | 1,372,321 | 1,091,019 | +25.8 |
| Share price – Ordinary share | 987.5p | 829.5p | +19.0 |
| Share price – B Ordinary share ^B | 825.0p | 725.0p | +13.8 |
| Net asset value per Ordinary and B Ordinary share | 1072.8p | 849.0p | +26.4 |
| Discount to net asset value per Ordinary share | 8.0% | 2.3% | |

^A Represents total assets less current liabilities (excluding bank loans).

^B Subsequent to the period end all the B Ordinary shares in issue were converted into Ordinary shares.

Performance (total return)

| | Six months ended 30 June 2016 | Year ended 31 December 2015 |
|---|----------------------------------|--------------------------------|
| Share price ^A | +22.7% | -15.2% |
| Net asset value per Ordinary and B Ordinary share | +30.1% | -7.8% |
| Benchmark | +10.0% | +2.6% |

^A Mid to mid.

Total return represents the capital return plus dividends reinvested.

Source: Aberdeen Asset Management, Morningstar & Lipper

Financial Calendar

| | |
|------------------|--|
| 16 August 2016 | Announcement of half yearly results |
| 17 August 2016 | Payment of first interim dividend |
| 17 November 2016 | Payment of second interim dividend |
| 17 February 2017 | Payment of third interim dividend |
| March 2017 | Announcement of Annual Financial Results for year ending 31 December 2016 |
| 25 April 2017 | Expected date for Annual General Meeting to be held in Glasgow at 12.30 p.m. |
| 18 May 2017 | Payment of final dividend |

Interim Board Report

Background

The influence of sentiment and interest rate expectations dominated financial markets over the period under review. Widespread uncertainty initially prevailed as falling oil and commodity prices coupled with anxiety over potential higher short term interest rates induced significant market volatility. Constant evidence of lower than expected global growth and benign inflation contradicted consensus opinion of the need for tighter policy. The UK's Referendum on Europe produced a result unanticipated by pollsters or the markets, and an immediate period of market turmoil ensued, the most important outcome of which, for the Company, has been a sharp deterioration in the value of Sterling. For now, policy makers have reacted by retreating from any imminent policy tightening and offering conciliatory statements on monetary policy. Consequently, bond yields have sunk to even deeper historical lows and a tentative mood of optimism has returned to financial markets.

Performance and Dividends

The net asset value ("NAV") total return, with net income reinvested, for the six months to 30 June 2016 increased by 30.1% compared with a total return of 10.0% on the Company's benchmark (40% FTSE World UK and 60% FTSE World ex UK). Over the six month period the share price total return increased by 22.7% reflecting a move from a premium to a discount to NAV on which the shares traded.

Two interim dividends of 10.5p (2015: 10.5p) have been declared in respect of the period to 30 June 2016. The first interim dividend is payable on 17 August 2016 to shareholders on the register on 8 July 2016 and the second interim dividend will be paid on 17 November 2016 to shareholders on the register on 7 October 2016.

By far the largest contributing factor to positive overall portfolio returns was Sterling's weakness; with close to ninety percent of net assets invested internationally, the currency's depreciation proved positive for returns. In addition, increased portfolio diversification from constant recycling of profits over the past two years contributed both positive absolute and relative performance. This proved particularly relevant within the fixed income portfolio where recently established Emerging Market bonds significantly enhanced returns. On a regional basis within equity exposures, significant overweight positions in Asia and Latin America were positive from an asset allocation basis as both regional indices significantly increased in Sterling terms. Positive stock selection in Thailand, Taiwan, Singapore, Hong Kong, Chile and Brazil produced solid capital gains in excess of benchmark indices, as did defensively orientated exposures to the UK and North America. Despite negative local currency returns from Japan and European markets, the portfolio's exposure to selective companies in these regions

produced strong capital returns, further enhancing overall absolute and relative outperformance.

Management of Premium and Discount

The Board has continued to seek to manage the liquidity in the Company's shares. During the period under review, this has resulted in the Company purchasing in the market for treasury 756,163 Ordinary shares at a discount to the prevailing NAV (excluding income) and issuing 140,000 new Ordinary shares at a premium to the prevailing NAV (including income) per Ordinary share. Subsequent to the period end an additional 311,300 Ordinary shares have been purchased for treasury. As at the close of business on 15 August 2016, the exclusive of income NAV per share was 1136.1p and the share price was 1089.0p equating to a discount of 4.2% per Ordinary share.

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. Subject to existing shareholder permissions (given at the last AGM) and prevailing market conditions over time, the Board intends to continue to buy back shares and issue new shares (or sell shares from treasury) if shares trade at a persistent significant discount to NAV (excluding income) or premium to NAV (including income). 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.

Gearing

In May 2016 the Company agreed a new £15 million loan facility with The Royal Bank of Scotland plc ("RBS") which was drawn in full on 16 May 2016 and fixed for three years at an all-in rate of 1.467%. The new facility has been used to repay a maturing £15 million loan with RBS. At the same time the Company also repaid from its cash balances the YEN 1.6 billion loan with ING Bank N.V. At the period end the Company had net gearing of 11.9%.

Final Conversion of B Ordinary Shares

Following receipt of approval from shareholders at the general meetings held in April 2016, all remaining B Ordinary shares in issue on 30 June 2016 were converted into Ordinary shares with effect from 1 July 2016 and there was a bonus issue of one new Ordinary share for every 100 B Ordinary shares held. The final conversion and bonus issue resulted in the issue of 948,124 new Ordinary shares on 1 July 2016. Going forward the Board believes that the Company's capital structure is now simpler and more straightforward for shareholders and potential shareholders to understand and there will be future cost savings achieved from the exercise.

Directorate

I would like to reiterate the Board's sincere thanks to Lady Balfour of Burleigh, CBE, following her retirement at the AGM held in April 2016. I would also like to take this opportunity to welcome Mrs Alexandra Mackesy to the Board following her appointment on 1 May 2016. Alexandra is a former investment equity research analyst by background and, having spent the majority of her executive career in Asia, she brings further global perspective to the Board.

Outlook

Previously both the Manager and I have highlighted the extreme distortions in the financial landscape that monetary policy choices have produced over the past eight years. It is now estimated that some thirteen trillion US dollars equivalent of sovereign and corporate bonds trade at negative yields. This is unprecedented and scarcely explicable. It remains to be seen how this will play out in financial markets and the global economy, but policy makers seem certain to find it a struggle to navigate successfully the environment we are now in.

Corporate earnings globally, but particularly in the developed markets, are under some pressure, and prospects are more than usually opaque as consumers are wary of the prevailing economic and interest rate environments they are facing. The Company's portfolio emphasises holdings in nations that have favourable demographics, with reasonable growth and prosperity potential. This fact, in combination with maintained stock selection disciplines, underpins the investment positioning of the portfolio.

Kevin Carter

Chairman

16 August 2016

Interim Board Report continued

Principal Risks and Uncertainties

The Board has adopted a matrix of the key risks that affect the business. The major financial risks associated with the Company are detailed in note 17 to the Annual Report and Financial Statements for the year ended 31 December 2015 ("2015 Annual Report") and the other principal risks are summarised below. These risks represent the principal risks for the remaining six months of the year.

Details of the management of the risks and the Company's internal controls are disclosed on pages 9 and 10 of the 2015 Annual Report. They can be summarised as follows:

- Investment strategy and objectives;
- Investment portfolio, investment management;
- Financial obligations;
- Financial and Regulatory; and,
- Operational.

The result of the UK's referendum on membership of the EU may affect the Company's risk profile by introducing potentially significant new uncertainties and instability in financial markets as the United Kingdom negotiates its exit from the EU. These uncertainties could have a material direct or indirect effect on the Company, its financial condition and operations although the extent is not quantifiable at this time.

Related Party Transactions

AFML acts as Alternative Investment Fund Manager, AAM acts as Investment Manager and Aberdeen Asset Management PLC acts as Company Secretary to the Company; details of the service and fee arrangements can be found in the 2015 Annual Report, a copy of which is available on the Company's website. Details of the fees payable to Aberdeen group companies are disclosed in note 11 to the financial statements.

Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's assets consist of a diverse portfolio of listed equities and bonds which in most circumstances are realisable within a very short timescale. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half-Yearly Financial Report for the six months ended 30 June 2016 comprises the Half-Yearly Board Report, the Directors' Responsibility Statement and a condensed set of Financial Statements.

For and on behalf of the Board of Murray International Trust PLC

Kevin Carter
Chairman
16 August 2016

Investment Portfolio

As at 30 June 2016

| Security | Country | Valuation £'000 | Total assets % |
|---|---------------|--------------------|-------------------|
| British American Tobacco ^A | UK & Malaysia | 74,915 | 4.8 |
| Aeroportuario del Sureste ADS | Mexico | 71,490 | 4.6 |
| Taiwan Semiconductor Manufacturing | Taiwan | 65,367 | 4.2 |
| Unilever Indonesia | Indonesia | 63,801 | 4.1 |
| Philip Morris International | USA | 59,352 | 3.8 |
| Taiwan Mobile | Taiwan | 54,542 | 3.5 |
| Daito Trust Construction | Japan | 48,475 | 3.1 |
| Verizon Communications | USA | 44,194 | 2.9 |
| Singapore Telecommunications | Singapore | 43,508 | 2.8 |
| Roche Holdings | Switzerland | 39,315 | 2.5 |
| Top ten investments | | 564,959 | 36.3 |
| Telus | Canada | 38,311 | 2.5 |
| Total | France | 36,047 | 2.3 |
| Sociedad Quimica Y Minera De Chile | Chile | 32,335 | 2.1 |
| Pepsico | USA | 31,700 | 2.0 |
| Banco Bradesco ^B | Brazil | 30,914 | 2.0 |
| Fomento Economico Mexicano | Mexico | 30,446 | 1.9 |
| Kimberly Clark de Mexico | Mexico | 29,695 | 1.9 |
| Royal Dutch Shell | UK | 28,043 | 1.8 |
| Public Bank | Malaysia | 27,661 | 1.8 |
| Johnson & Johnson | USA | 27,217 | 1.7 |
| Top twenty investments | | 877,328 | 56.3 |
| Tenaris ADR | Mexico | 23,731 | 1.5 |
| Casino | France | 23,580 | 1.5 |
| Swire Pacific 'B' | Hong Kong | 23,543 | 1.5 |
| Vale do Rio Doce ^C | Brazil & USA | 23,525 | 1.5 |
| CME Group | USA | 23,301 | 1.5 |
| Telefonica Brasil | Brazil | 23,094 | 1.5 |
| ENI | Italy | 22,549 | 1.5 |
| Petroleos Mexicanos 5.5% 27/06/44 | Mexico | 20,277 | 1.3 |
| Japan Tobacco | Japan | 19,447 | 1.3 |
| HSBC | UK | 19,102 | 1.2 |
| Top thirty investments | | 1,099,477 | 70.6 |
| Standard Chartered | UK | 18,874 | 1.2 |
| Novartis | Switzerland | 18,452 | 1.2 |
| Federal Republic of Brazil 10% 01/01/17 | Brazil | 18,344 | 1.2 |
| Siam Commercial Bank | Thailand | 17,690 | 1.1 |
| MTR | Hong Kong | 17,009 | 1.1 |
| Republic of South Africa 7% 28/02/31 | South Africa | 16,746 | 1.1 |
| MTN | South Africa | 16,061 | 1.0 |
| Vodafone Group | UK | 15,936 | 1.0 |
| Engie | France | 15,183 | 1.0 |
| BHP Billiton | Australia | 15,085 | 1.0 |
| Top forty investments | | 1,268,857 | 81.5 |
| Republic of Indonesia 6.125% 15/05/28 | Indonesia | 14,882 | 1.0 |

Investment Portfolio *continued*

As at 30 June 2016

| Security | Country | Valuation £'000 | Total assets % |
|--|-------------|--------------------|-------------------|
| Oversea-Chinese Bank | Singapore | 14,473 | 0.9 |
| Republic of Indonesia 7.0% 15/05/22 | Indonesia | 14,388 | 0.9 |
| Petroleos De Venezuela 5.25% 12/04/17 | Venezuela | 14,080 | 0.9 |
| Auckland International Airport | New Zealand | 13,841 | 0.9 |
| Potash Corporation of Saskatchewan | Canada | 13,783 | 0.9 |
| Bharti Airtel International 5.125% 11/03/23 | India | 13,742 | 0.9 |
| Bayer | Germany | 13,067 | 0.9 |
| Atlas Copco | Sweden | 13,038 | 0.8 |
| Coca-Cola Amatil | Australia | 12,863 | 0.8 |
| Top fifty investments | | 1,407,014 | 90.4 |
| Other investments | | 128,214 | 8.2 |
| Total investments | | 1,535,228 | 98.6 |
| Net current assets excluding bank loans | | 22,243 | 1.4 |
| Total assets | | 1,557,471 | 100.0 |

^A Holding comprises equity holdings in both UK and Malaysia, split £51,820,000 and £23,095,000 respectively.

^B Holding comprises equity and fixed income securities, split £20,025,000 and £10,889,000 respectively.

^C Holding comprises equity and fixed income securities, split £8,549,000 and £14,976,000 respectively.

Summary of Investment Changes

| | Valuation 30 June 2016 | | Appreciation (depreciation) £'000 | Transactions £'000 | Valuation 31 December 2015 | |
|-----------------------|---------------------------|--------------|---|-----------------------|-------------------------------|--------------|
| | £'000 | % | | | £'000 | £'000 |
| Equities | | | | | | |
| United Kingdom | 160,387 | 10.3 | 22,594 | – | 137,793 | 10.7 |
| North America | 237,858 | 15.3 | 47,023 | (27,304) | 218,139 | 17.0 |
| Europe ex UK | 192,773 | 12.4 | 11,149 | (51,894) | 233,518 | 18.2 |
| Japan | 67,922 | 4.4 | 19,935 | – | 47,987 | 3.7 |
| Asia Pacific ex Japan | 377,393 | 24.2 | 71,984 | 44,850 | 260,559 | 20.3 |
| Latin America | 250,271 | 16.1 | 60,771 | (7,105) | 196,605 | 15.3 |
| Africa | 16,060 | 1.0 | 3,259 | – | 12,801 | 1.0 |
| | 1,302,664 | 83.7 | 236,715 | (41,453) | 1,107,402 | 86.2 |
| Fixed income | | | | | | |
| United Kingdom | 6,823 | 0.4 | (52) | – | 6,875 | 0.5 |
| Asia Pacific ex Japan | 75,962 | 4.9 | 13,194 | 10,506 | 52,262 | 4.1 |
| Latin America | 133,033 | 8.5 | 30,359 | 9,298 | 93,376 | 7.3 |
| Africa | 16,746 | 1.1 | 3,482 | 58 | 13,206 | 1.0 |
| | 232,564 | 14.9 | 46,983 | 19,862 | 165,719 | 12.9 |
| Other net assets | 22,243 | 1.4 | 10,171 | – | 12,072 | 0.9 |
| Total assets | 1,557,471 | 100.0 | 293,869 | (21,591) | 1,285,193 | 100.0 |

^A Figure for 30 June 2016 excludes bank loan of £60,000,000 (31 December 2015 – £24,024,000) which is shown as a current liability in the Condensed Statement of Financial Position.

Summary of Net Assets

| | Valuation 30 June 2016 | | Valuation 31 December 2015 | |
|-------------------------------|---------------------------|--------|-------------------------------|--------|
| | £'000 | % | £'000 | % |
| Equities | 1,302,664 | 94.9 | 1,107,402 | 101.5 |
| Fixed income | 232,564 | 17.0 | 165,719 | 15.2 |
| Other net assets ^A | 22,243 | 1.6 | 12,072 | 1.1 |
| Bank loans and Debentures | (185,150) | (13.5) | (194,174) | (17.8) |
| | 1,372,321 | 100.0 | 1,091,019 | 100.0 |

^A Excluding short-term bank loans.

Condensed Statement of Comprehensive Income

| | Note | Six months ended 30 June 2016 (unaudited) | | | Six months ended 30 June 2015 (unaudited) | | |
|--|------|---|------------------|----------------|---|------------------|-----------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains/(losses) on investments | | – | 283,687 | 283,687 | – | (63,572) | (63,572) |
| Income | 3 | 45,056 | – | 45,056 | 41,096 | – | 41,096 |
| Investment management fees | 11 | (1,029) | (2,402) | (3,431) | (1,074) | (2,507) | (3,581) |
| Other expenses | | (1,004) | – | (1,004) | (1,027) | – | (1,027) |
| Currency losses | | – | (171) | (171) | – | (182) | (182) |
| Net return before finance costs and taxation | | 43,023 | 281,114 | 324,137 | 38,995 | (66,261) | (27,266) |
| Finance costs | | (683) | (1,593) | (2,276) | (719) | (1,678) | (2,397) |
| Return on ordinary activities before tax | | 42,340 | 279,521 | 321,861 | 38,276 | (67,939) | (29,663) |
| Tax on ordinary activities | 2 | (3,582) | 357 | (3,225) | (1,453) | 955 | (498) |
| Return attributable to equity shareholders | | 38,758 | 279,878 | 318,636 | 36,823 | (66,984) | (30,161) |
| Return per Ordinary share assuming full conversion of the B Ordinary shares (pence) | 5 | 30.3 | 218.6 | 248.9 | 28.7 | (52.2) | (23.5) |

The total column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations.

Condensed Statement of Financial Position

| | Notes | As at 30 June 2016 (unaudited) £'000 | As at 31 December 2015 (audited) £'000 |
|--|-------|---|---|
| Non-current assets | | | |
| Investments at fair value through profit or loss | | 1,535,228 | 1,273,121 |
| Current assets | | | |
| Debtors | | 15,606 | 10,013 |
| Cash and short-term deposits | | 9,595 | 4,648 |
| | | 25,201 | 14,661 |
| Creditors: amounts falling due within one year | | | |
| Bank loans | | (60,000) | (24,024) |
| Other creditors | | (2,958) | (2,589) |
| | | (62,958) | (26,613) |
| Net current liabilities | | (37,757) | (11,952) |
| Total assets less current liabilities | | 1,497,471 | 1,261,169 |
| Creditors: amounts falling due after more than one year | | | |
| Bank loans and Debentures | | (125,150) | (170,150) |
| Net assets | | 1,372,321 | 1,091,019 |
| Capital and reserves | | | |
| Called-up share capital | | 32,135 | 32,128 |
| Share premium account | | 349,541 | 349,338 |
| Capital redemption reserve | | 8,230 | 8,230 |
| Capital reserve | 6 | 911,326 | 636,556 |
| Revenue reserve | | 71,089 | 64,767 |
| Equity shareholders' funds | | 1,372,321 | 1,091,019 |
| Net asset value per Ordinary and B Ordinary share (pence) | 7 | 1072.8 | 849.0 |

Condensed Statement of Changes in Equity

Six months ended 30 June 2016 (unaudited)

| | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|--|---------------------------|--------------------------------------|---|-----------------------------|-----------------------------|------------------|
| Balance at 31 December 2015 | 32,128 | 349,338 | 8,230 | 636,556 | 64,767 | 1,091,019 |
| Return on ordinary activities after taxation | – | – | – | 279,878 | 38,758 | 318,636 |
| Dividends paid (see note 4) | – | – | – | – | (32,436) | (32,436) |
| Purchase of own shares | – | – | – | (6,224) | – | (6,224) |
| Issue of new shares | 7 | 203 | – | 1,116 | – | 1,326 |
| Balance at 30 June 2016 | 32,135 | 349,541 | 8,230 | 911,326 | 71,089 | 1,372,321 |

Six months ended 30 June 2015 (unaudited)

| | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|--|---------------------------|--------------------------------------|---|-----------------------------|-----------------------------|------------------|
| Balance at 31 December 2014 | 32,084 | 348,045 | 8,230 | 787,488 | 64,690 | 1,240,537 |
| Return on ordinary activities after taxation | – | – | – | (66,984) | 36,823 | (30,161) |
| Dividends paid (see note 4) | – | – | – | – | (31,843) | (31,843) |
| Issue of new shares | 39 | 1,293 | – | (6) | – | 1,326 |
| Balance at 30 June 2015 | 32,123 | 349,338 | 8,230 | 720,498 | 69,670 | 1,179,859 |

Condensed Statement of Cash Flows

| | Six months ended 30 June 2016 (unaudited) £'000 | Six months ended 30 June 2015 (unaudited) £'000 |
|--|--|--|
| Net return before finance costs and taxation | 324,137 | (27,266) |
| (Decrease)/increase in accrued expenses | (12) | 73 |
| Overseas withholding tax | (3,414) | (1,762) |
| Interest income | (1) | (215) |
| Dividend income | (35,454) | (31,425) |
| Fixed interest income | (9,601) | (7,751) |
| Realised losses/(gains) on foreign exchange transactions | 1,536 | (389) |
| Fixed interest income received | 8,989 | 8,059 |
| Dividends received | 30,291 | 26,762 |
| Interest received | 1 | 215 |
| Interest paid | (2,384) | (2,431) |
| (Gains)/losses on investments | (283,687) | 63,572 |
| Amortisation of fixed income book cost | (416) | (1,222) |
| Decrease in other debtors | 19 | 26 |
| Stock dividends included in investment income | – | (1,704) |
| Net cash flow from operating activities | 30,004 | 24,542 |
| Investing activities | | |
| Purchases of investments | (118,437) | (24,862) |
| Sales of investments | 140,923 | 12,570 |
| Net cash from/(used in) investing activities | 22,486 | (12,292) |
| Financing activities | | |
| Equity dividends paid | (32,436) | (31,843) |
| Share issue | 1,326 | 1,326 |
| Buyback of Ordinary shares | (6,224) | – |
| Loan repayment | (10,209) | (45,007) |
| Loan drawdown | – | 50,000 |
| Net cash used in financing activities | (47,543) | (25,524) |
| Increase/(decrease) in cash | 4,947 | (13,274) |
| Analysis of changes in cash during the period | | |
| Opening balance | 4,648 | 17,766 |
| Increase/(decrease) in cash as above | 4,947 | (13,274) |
| Closing balances | 9,595 | 4,492 |

Notes to the Financial Statements

1. Accounting policies

Basis of preparation

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The condensed interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements with the following exception; the Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016.

2. Taxation

The taxation expense reflected in the Condensed Statement of Comprehensive Income is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 31 December 2016 is an effective rate of 20%. This is in line with the current corporation tax rate of 20%.

| | Six months ended 30 June 2016 £'000 | Six months ended 30 June 2015 £'000 |
|--------------------------------|---|---|
| 3. Income | | |
| Income from investments | | |
| UK dividends | 4,107 | 3,549 |
| Overseas dividends | 31,347 | 27,876 |
| Overseas interest | 9,601 | 7,751 |
| Stock dividends | – | 1,705 |
| | 45,055 | 40,881 |
| Interest | | |
| Deposit interest | 1 | 215 |
| Total income | 45,056 | 41,096 |

| | Six months ended 30 June 2016 £'000 | Six months ended 30 June 2015 £'000 |
|---|---|---|
| 4. Ordinary dividends on equity shares | | |
| Third interim dividend 2015 of 10.50p (2014 – 10.00p) | 13,398 | 12,736 |
| Final dividend 2015 of 15.00p (2014 – 15.00p) | 19,038 | 19,107 |
| | 32,436 | 31,843 |

A first interim dividend for 2016 of 10.50p (2015 – 10.50p) will be paid on 17 August 2016 to shareholders on the register on 8 July 2016. The ex-dividend date was 7 July 2016.

A second interim dividend for 2016 of 10.50p (2015 – 10.50p) will be paid on 17 November 2016 to shareholders on the register on 7 October 2016. The ex-dividend date is 6 October 2016.

| | Six months ended 30 June 2016 £'000 | Six months ended 30 June 2015 £'000 |
|--|---|---|
| 5. Returns per share | | |
| Based on the following figures: | | |
| Revenue return | 38,758 | 36,823 |
| Capital return | 279,878 | (66,984) |
| Total return | 318,636 | (30,161) |
| Weighted average number of Ordinary shares | 127,110,700 | 127,388,586 |
| Weighted average number of B Ordinary shares | 923,100 | 986,204 |
| Weighted average number of Ordinary shares assuming conversion of B Ordinary shares | 128,033,800 | 128,374,790 |

6. Capital reserves

The capital reserve reflected in the Condensed Statement of Financial Position at 30 June 2016 includes gains of £414,903,000 (31 December 2015 – gains of £160,847,000) which relate to the revaluation of investments held at the reporting date.

7. Net asset value

The net asset value per share and the net asset value attributable to the Ordinary shares (including conversion of the B Ordinary shares) at the period end calculated in accordance with the Articles of Association were as follows:

| | As at 30 June 2016 | As at 31 December 2015 |
|--|-----------------------|---------------------------|
| Attributable net assets (£'000) | 1,372,321 | 1,091,019 |
| Number of shares in issue: | | |
| Ordinary shares | 126,985,789 | 127,601,952 |
| B Ordinary shares | 938,892 | 910,364 |
| | 127,924,681 | 128,512,316 |
| Net asset value per share (pence) | 1,072.8 | 849.0 |

8. Transaction costs

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

Notes to the Financial Statements *continued*

| | Six months ended 30 June 2016 £'000 | Six months ended 30 June 2015 £'000 |
|-----------|---|---|
| Purchases | 91 | 26 |
| Sales | 112 | 17 |
| | 203 | 43 |

9. 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 Company has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016. This has not resulted in any reclassifications in levelling and the prior year comparative has been disclosed under the new hierarchy. 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 within 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 Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

| As at 30 June 2016 | Note | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------|------------------|------------------|------------------|------------------|
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equities | a) | 1,302,664 | – | – | 1,302,664 |
| Quoted preference shares | a) | 6,823 | – | – | 6,823 |
| Quoted bonds | b) | 196,685 | 29,056 | – | 225,741 |
| Total | | 1,506,172 | 29,056 | – | 1,535,228 |
| Net fair value | | 1,506,172 | 29,056 | – | 1,535,228 |

| As at 31 December 2015 | Note | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------|------------------|------------------|------------------|------------------|
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equities | a) | 1,107,402 | – | – | 1,107,402 |
| Quoted preference shares | a) | 6,875 | – | – | 6,875 |
| Quoted bonds | b) | 127,326 | 31,518 | – | 158,844 |
| Foreign exchange forward contracts | c) | – | 351 | – | 351 |
| Total | | 1,241,603 | 31,869 | – | 1,273,472 |
| Net fair value | | 1,241,603 | 31,869 | – | 1,273,472 |

a) Quoted equities and preference shares

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

b) Quoted bonds

The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Bonds included in Fair Value Levels 1 and 2 include Government Bonds and Corporate Bonds. Investments categorised as Level 2 are not considered to trade in active markets.

c) Foreign exchange forward contracts

The fair value of the Company's investment in foreign exchange forward contracts has been determined in relation to models using observable market inputs and hence are categorised in Fair Value Level 2.

10. Share capital

As at 30 June 2016 there were 126,985,789 (31 December 2015 – 127,601,952) Ordinary shares of 25p each in issue and 938,892 (31 December 2015 – 910,364) B Ordinary shares of 25p each in issue.

Subsequent to the period end 311,300 Ordinary shares have been bought back for treasury, and as detailed in the Interim Board Report on page 2, all remaining B Ordinary shares in issue on 30 June 2016 were converted into Ordinary shares with effect from 1 July 2016 and there was a bonus issue of one new Ordinary share for every 100 B Ordinary shares held. The final conversion and bonus issue resulted in the issue of 948,124 new Ordinary shares on 1 July 2016.

Following the share buybacks and conversion there were 127,622,613 Ordinary shares in issue at the date this Report was approved.

11. Transactions with the Manager

The Company has agreements with Aberdeen Fund Managers Limited ('AFML' or the 'Manager') for the provision of investment management, secretarial, accounting and administration and promotional activity services.

With effect from 1 January 2016, the Board and the Manager agreed a new basis for calculating the Company's management fees payable to AFML. The performance fee was discontinued and the annual management fee is now 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 now charged at 0.575% of Net Assets up to £1,200 million, 0.5% of Net Assets between £1,200 million and £1,400 million, and 0.425% of Net Assets above £1,400 million. 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. During the period £3,431,000 (30 June 2015 – £3,581,000) of investment management fees were payable to the Manager, with a balance of £1,696,000 (30 June 2015 – £1,785,000) being payable to AFML at the period end.

Included in the charge above is a secretarial fee of £100,000 per annum which is chargeable 100% to revenue. During the period £50,000 (30 June 2015 – £50,000) of secretarial fees was payable to the Manager, with a balance of £25,000 (30 June 2015 – £25,000) being payable to AFML at the period end.

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

The promotional activities fee is based on a current annual amount of £425,000 (30 June 2015 – £500,000), payable quarterly in arrears. During the period £214,000 (30 June 2015 – £252,000) of fees was payable, with a balance of

Notes to the Financial Statements *continued*

£105,000 (30 June 2015 – £124,000) being payable to AFML at the period end.

12. Related party transactions

With effect from 1 January 2016, the Board and the Manager agreed a new basis for calculating the Company's management fees payable to AFML. Details of the new basis can be found in note 11.

The changes to the management fee arrangements constitute a smaller related party transaction for the purpose of LR 11.1.10 R of the Financial Conduct Authority's Listing Rules.

13. Segmental information

The Company is engaged in a single segment of business, which is to invest in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

14. The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 31 December 2015 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the Company's auditor was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The condensed interim financial statements have been prepared using the same accounting policies as contained within the preceding annual financial statements.

The financial information for the six months ended 30 June 2016 has not been audited or reviewed by the Company's auditor. The financial information for the six months ended 30 June 2015 was reviewed by the Company's auditor.

15. This Half-Yearly Financial Report was approved by the Board on 16 August 2016.

How to Invest in Murray International Trust PLC

Direct

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

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

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited (AAM) runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including Murray International Trust PLC. 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 entry where applicable. 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 AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in Murray International Trust PLC 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%) on entry, where applicable. 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 AAM 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 £15,240 can be made in the tax year 2016/2017.

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. 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 Murray International Trust PLC while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

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.

How to Invest in Murray International Trust PLC continued

Keeping You Informed

For internet users, detailed data on Murray International Trust PLC, including price, performance information and a monthly fact sheet is available from the Trust's website (murray-intl.co.uk) and the TrustNet website (trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:

Telephone: 0500 00 40 00

Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts

PO Box 11020

Chelmsford

Essex, CM99 2DB

Telephone: 0500 00 00 40

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Conduct Authority.

Corporate Information

Directors

K J Carter (Chairman)
J D Best (Senior Independent Director)
M Campbell
P W Dunscombe
D Hardie
A J Mackesy (*appointed 1 May 2016*)
Lady Balfour of Burleigh CBE (*retired 26 April 2016*)

Secretaries and Registered Office

Aberdeen Asset Management PLC
40 Princes Street
Edinburgh EH2 2BY

Registered in Scotland as an investment company
Company Number SC006705

Manager

Aberdeen Asset Managers Limited
Customer Services Department: 0500 00 00 40 (free when
dialling from a UK landline)

AIFM

Aberdeen Fund Managers Limited

Registrars

Capita Asset Services
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34 Beckenham Road
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Tel: 0371 664 0300
(lines are open 8.30am-5.30pm Mon-Fri)
Tel International: (+44 208 639 3399)
e-mail: shareholderenquiries@capita.co.uk
website: capitaassetservices.com

Depository

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

Auditor

Ernst & Young LLP or EY
Ten George Street
Edinburgh EH2 2DZ

Trustee of the Debenture Stockholders

Bank of Scotland plc

Broker

Stifel Nicolaus Europe Limited

Website

murray-intl.co.uk

United States Internal Revenue Service FATCA Registration Number (GIIN)

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Points of Contact

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



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