

# Murray International Trust PLC

A globally diversified investment trust, investing for  
growth and income since 1907



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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. The Company offers the advantage of exposure to world markets by being invested in a diversified portfolio of international equities and fixed income securities.

## Objective

The aim of the Company 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 Manager is Aberdeen Fund Managers Limited ("AFML", the "AIFM" or the "Manager") which has delegated the investment management of the Company to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are wholly owned subsidiaries of Standard Life Aberdeen plc, which was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017. Aberdeen Standard Investments is a brand of the investment businesses of the merged entity.

## Highlights and Financial Calendar

	30 June 2018	31 December 2017	% change
Total assets less current liabilities (before deducting prior charges)	£1,632.9m	£1,783.9m	-8.5
Equity shareholders' funds (Net Assets)	£1,448.3m	£1,599.1m	-9.4
Share price – Ordinary share (mid market)	1,140.0p	1,268.0p	-10.1
Net Asset Value per Ordinary share	1,130.2p	1,251.4p	-9.7
Premium to Net Asset Value per Ordinary share	0.9%	1.3%	
Ongoing charges ratio <sup>A</sup>	0.69%	0.64%	

<sup>A</sup> Considered to be an Alternative Performance Measure. Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses (annualised) divided by the average cum income net asset value, with debt at fair value, throughout the year. The ratio for 30 June 2018 is based on forecast ongoing charges for the year ending 31 December 2018.

## Performance (Total Return<sup>A</sup>)

	Six months ended 30 June 2018	Year ended 31 December 2017
Share price <sup>B</sup>	-7.5%	+11.0%
Net asset value per Ordinary share	-8.0%	+14.7%
Benchmark	+2.2%	+12.8%

<sup>A</sup> Total return represents the capital return plus dividends reinvested in the period of 28.0p and is considered to be an Alternative Performance Measure.

<sup>B</sup> Mid to mid.

Source: Aberdeen Fund Managers Limited, Morningstar & Lipper.

## Financial Calendar

15 August 2018	Announcement of half yearly results
17 August 2018	Payment of first interim dividend
19 November 2018	Payment of second interim dividend
19 February 2019	Payment of third interim dividend
March 2019	Announcement of Annual Financial Results for year ending 31 December 2018
25 April 2019	Expected date for Annual General Meeting to be held in Glasgow at 12.30 p.m.
17 May 2019	Payment of final dividend

# Interim Board Report

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## Background

The period under review has been particularly difficult for the Company as politics and protectionism dominated the financial landscape. The issue of trade protectionism proved the greatest influence on financial markets. Instigated by the United States, under the guise of 'America First', retributive tariffs have quickly escalated worldwide. As global growth prospects diminished with each and every new import tax, numerous financial markets took fright. The consequential rout, particularly in those Asian and Emerging markets most exposed to global trade, proved punitive for the Company over the period.

## Performance and Dividends

The net asset value (NAV) total return, with net income reinvested, for the six months to 30 June 2018 decreased by 8.0% compared with a total return of +2.2% for the Company's benchmark (40% FTSE World UK and 60% FTSE World ex UK). Over the six month period, the share price total return decreased by 7.5%.

Following significant capital appreciation throughout fiscal years 2016 and 2017, the overall portfolio struggled with numerous negative influences over the six month period. By far the largest contributing factor to absolute overall negative returns was the Company's material exposure to Asia and Emerging Markets. Despite arguably superior growth prospects at the individual company level, international investor sentiment became almost universally negative, influenced by the potentially regressive impacts of protectionism. Against Sterling, the Brazilian Real and Indian Rupee declined 11% and 6% respectively over the six month period. This sharp currency weakness against Sterling and rapid outflows by short-term investors caused extreme weakness in Asian equities, Latin American equities and Emerging Market bonds. Taken together, the Company's overweight exposure to these asset classes accounted for about seventy percent of absolute and relative underperformance. Such extreme volatility within financial markets is not without precedent but, over such a short time period, the recent aversion to the Emerging Markets Asset class appears excessive and overdone, especially given underlying fundamentals.

On a sector basis, it is worth noting the continued outperformance of US and Chinese Technology stocks over the period (to which the Company, for income reasons, has little exposure) and also the disappointing relative performance of consumer staple companies. Overall, portfolio diversification proved ineffective in what became an increasingly "polarised" market environment. We remain confident in the Manager's disciplined and

pragmatic approach in pursuit of the long term investment objectives of the Company.

## Management of Premium and Discount

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, 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.

During the period under review, this has resulted in the sale from Treasury of 357,665 Ordinary shares at a premium to the prevailing NAV (including income) per Ordinary share. No shares were bought by the Company during the period or subsequently. As at the close of business on 14 August 2018, the NAV per share was 1148.8p (exclusive of income) and the share price was 1150.0p equating to a premium of 0.1% per Ordinary share.

## Gearing

The Company recently agreed a new £60 million loan facility with The Royal Bank of Scotland plc ("RBS") to replace an expiring facility of the same amount. The new facility was drawn in full on 31 May 2018 and fixed for five years at an all-in rate of 2.328%. At the period end the Company had net gearing of 11.3%.

## Directorate

As indicated in the last Annual Report, Mr Jim Best retired from the Board at the conclusion of the AGM on 26 April 2018. On 1 May 2018 Ms Claire Binyon joined the Board as an independent non executive Director, following the conclusion of a rigorous search conducted with the assistance of an independent external recruitment agency. Ms Binyon is a chartered accountant who, following an early career in corporate finance in the City, has embarked on a successful career working for global multinationals in areas of corporate development, strategic planning and finance. Ms Binyon is currently group corporate development director at Fenner PLC, having previously served as head of strategy and corporate development at DS Smith Plc, following similar roles in other multinational companies including Cadbury plc and InBev S.A.



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## Outlook

I have previously openly cautioned on the difficulties inherent in the current financial landscape and the risks associated with attempting to reverse over a decade of unorthodox economic policies. The United States Federal Reserve is raising interest rates against a backdrop of record indebtedness and this will pose significant challenges for governments and households globally. Nearly ten years into a business cycle, during which the unorthodox policy of quantitative easing has dominated, adjusting monetary policy safely will likely prove tough to achieve. For financial markets currently close to record high valuations and increasingly accustomed to only upward momentum, the likelihood of slower growth and lower corporate profits remains largely ignored, at least for now.

Positioning the portfolio to withstand the probable increase in market volatility that will accompany these developing realities is not going to be straightforward. Delivering the Company's investment objective over the long term will best be achieved by investing in companies with sound fundamentals and competent managements, in combination with the Company's ability to construct a portfolio with wide global diversification.

**Kevin Carter**

Chairman

15 August 2018

# Directors' Disclosures

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## 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 2017 ("2017 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 2017 Annual Report. They can be summarised as follows:

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

## 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 2017 Annual Report, a copy of which is available on the Company's website. Details of the transactions with the Manager including the fees payable to Aberdeen group companies are disclosed in note 11 of this Half Yearly Report.

## Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, 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 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 Half Yearly Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these 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 2018 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  
15 August 2018

# Investment Portfolio

As at 30 June 2018

Security	Country	Valuation £'000	Total assets %
Taiwan Semiconductor Manufacturing	Taiwan	69,760	4.3
Aeroporto del Sureste ADS	Mexico	66,857	4.1
Sociedad Quimica Y Minera De Chile	Chile	63,677	3.9
Taiwan Mobile	Taiwan	54,904	3.4
British American Tobacco <sup>A</sup>	UK & Malaysia	53,799	3.3
Daito Trust Construction	Japan	49,180	3.0
Total	France	46,164	2.8
Vale do Rio Doce <sup>B</sup>	Brazil & USA	44,541	2.7
Unilever Indonesia	Indonesia	43,765	2.7
Philip Morris International	USA	42,809	2.6
Top ten investments		<b>535,456</b>	<b>32.8</b>
CME Group	USA	39,728	2.4
Verizon Communications	USA	38,121	2.3
Royal Dutch Shell	UK	36,904	2.3
Telus	Canada	34,950	2.1
Roche Holdings	Switzerland	33,638	2.1
Singapore Telecommunications	Singapore	32,508	2.0
Public Bank	Malaysia	30,267	1.8
BHP Billiton	Australia	27,296	1.7
HSBC	UK	27,007	1.7
Intel Corp	USA	26,362	1.6
Top twenty investments		<b>862,237</b>	<b>52.8</b>
Kimberly Clark de Mexico	Mexico	25,872	1.6
Banco Bradesco	Brazil	23,434	1.4
Standard Chartered	UK	23,153	1.4
Auckland International Airport	New Zealand	20,831	1.3
Epiroc	Sweden	20,793	1.3
Pepsico	USA	20,617	1.3
Telefonica Brasil	Brazil	20,409	1.3
Tesco Lotus Retail Growth	Thailand	20,233	1.2
Atlas Copco	Sweden	19,749	1.2
Siam Commercial Bank	Thailand	19,684	1.2
Top thirty investments		<b>1,077,012</b>	<b>66.0</b>
Japan Tobacco	Japan	19,664	1.2
Oversea-Chinese Bank	Singapore	19,398	1.2
MTR	Hong Kong	18,833	1.2
Swire Pacific 'B'	Hong Kong	18,787	1.1
Nutrien	Canada	18,776	1.1
Johnson & Johnson	USA	18,383	1.1
Republic of South Africa 7% 28/02/31	South Africa	18,312	1.1
Novartis	Switzerland	17,227	1.1
Vodafone Group	UK	16,544	1.0
Inmarsat	UK	16,500	1.0
Top forty investments		<b>1,259,436</b>	<b>77.1</b>

## Investment Portfolio continued

As at 30 June 2018

Security	Country	Valuation £'000	Total assets %
Bank Pekao	Poland	15,995	1.0
Bayer	Germany	15,912	1.0
Engie	France	14,614	0.9
Indocement Tungal Prakarsa	Indonesia	14,430	0.9
Coca-Cola Amatil	Australia	14,412	0.9
Petroleos Mexicanos 6.75% 21/09/47	Mexico	14,284	0.9
Republic of Indonesia 6.125% 15/05/28	Indonesia	14,033	0.9
Weir Group	UK	14,000	0.8
United Mexican States 5.75% 05/03/26	Mexico	13,741	0.8
Republic of Indonesia 7.0% 15/05/22	Indonesia	13,402	0.8
Top fifty investments		1,404,259	86.0
Other investments		213,953	13.1
<b>Total investments</b>		<b>1,618,212</b>	<b>99.1</b>
<b>Other net current assets</b>		<b>14,690</b>	<b>0.9</b>
<b>Total assets</b>		<b>1,632,902</b>	<b>100.0</b>

<sup>A</sup> Holding comprises equity holdings in both UK and Malaysia, split £38,300,000 and £15,499,000 respectively.

<sup>B</sup> Holding comprises equity and fixed income securities, split £25,833,000 and £18,708,000 respectively.

## Summary of Investment Changes

	Valuation 30 June 2018		Appreciation/ (depreciation)	Transactions	Valuation 31 December 2017	
	£'000	%	£'000	£'000	£'000	%
<b>Equities</b>						
United Kingdom	199,703	12.2	(16,282)	1,705	214,280	12.0
North America	239,746	14.7	(13,313)	(3,157)	256,216	14.4
Europe ex UK	195,836	12.0	(13,069)	40,547	168,358	9.4
Japan	68,844	4.2	(12,542)	5,621	75,765	4.3
Asia Pacific ex Japan	393,312	24.1	(42,074)	4,956	430,430	24.1
Latin America	247,014	15.1	(56,253)	(12,264)	315,531	17.7
Africa	13,045	0.8	(4,881)	–	17,926	1.0
	1,357,500	83.1	(158,414)	37,408	1,478,506	82.9
<b>Preference shares</b>						
United Kingdom	7,673	0.5	(979)	–	8,652	0.5
	7,673	0.5	(979)	–	8,652	0.5
<b>Fixed income</b>						
Europe ex UK	17,703	1.1	(8,290)	94	25,899	1.4
Asia Pacific ex Japan	82,644	5.1	(8,884)	10,078	81,450	4.6
Latin America	134,380	8.2	(11,500)	303	145,577	8.2
Africa	18,312	1.1	(1,534)	31	19,815	1.1
	253,039	15.5	(30,208)	10,506	272,741	15.3
<b>Other net current assets</b>	14,690	0.9	(9,275)	–	23,965	1.3
<b>Total assets<sup>A</sup></b>	<b>1,632,902</b>	<b>100.0</b>	<b>(198,876)</b>	<b>47,914</b>	<b>1,783,864</b>	<b>100.0</b>

<sup>A</sup> Figure for 30 June 2018 excludes bank loan of £15,000,000 (31 December 2017 – £60,000,000) which is shown as a current liability in the Condensed Statement of Financial Position.

## Summary of Net Assets

	Valuation 30 June 2018		Valuation 31 December 2017	
	£'000	%	£'000	%
Equities	1,357,500	93.7	1,478,506	92.5
Preference shares	7,673	0.5	8,652	0.5
Fixed income	253,039	17.5	272,741	17.1
Other net assets <sup>A</sup>	14,690	1.0	23,965	1.5
Bank loans	(184,632)	(12.7)	(184,735)	(11.6)
	<b>1,448,270</b>	<b>100.0</b>	<b>1,599,129</b>	<b>100.0</b>

<sup>A</sup> Excluding bank loans.

## Condensed Statement of Comprehensive Income (unaudited)

	Note	Six months ended 30 June 2018			Six months ended 30 June 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(148,913)	(148,913)	-	104,018	104,018
Income	2	39,485	-	39,485	42,578	-	42,578
Investment management fees	11	(1,254)	(2,927)	(4,181)	(1,153)	(2,690)	(3,843)
Other expenses		(956)	(18)	(974)	(1,041)	-	(1,041)
Currency gains/(losses)		-	305	305	-	(320)	(320)
<b>Net return before finance costs and taxation</b>		<b>37,275</b>	<b>(151,553)</b>	<b>(114,278)</b>	<b>40,384</b>	<b>101,008</b>	<b>141,392</b>
Finance costs		(608)	(1,417)	(2,025)	(642)	(1,498)	(2,140)
<b>Return before taxation</b>		<b>36,667</b>	<b>(152,970)</b>	<b>(116,303)</b>	<b>39,742</b>	<b>99,510</b>	<b>139,252</b>
Taxation	3	(3,824)	800	(3,024)	(4,327)	789	(3,538)
<b>Return attributable to equity shareholders</b>		<b>32,843</b>	<b>(152,170)</b>	<b>(119,327)</b>	<b>35,415</b>	<b>100,299</b>	<b>135,714</b>
<b>Return per Ordinary share (pence)</b>	<b>5</b>	<b>25.67</b>	<b>(118.94)</b>	<b>(93.27)</b>	<b>27.78</b>	<b>78.66</b>	<b>106.44</b>

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.

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



## Condensed Statement of Financial Position (unaudited)

	Notes	As at 30 June 2018 £'000	As at 31 December 2017 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss		1,618,212	1,759,899
<b>Current assets</b>			
Debtors		16,848	22,772
Cash and short-term deposits		21,275	4,296
		38,123	27,068
<b>Creditors: amounts falling due within one year</b>			
Bank loans		(15,000)	(60,000)
Other creditors		(23,433)	(3,103)
		(38,433)	(63,103)
<b>Net current liabilities</b>		(310)	(36,035)
<b>Total assets less current liabilities</b>		1,617,902	1,723,864
<b>Creditors: amounts falling due after more than one year</b>			
Bank loans		(169,632)	(124,735)
<b>Net assets</b>		<b>1,448,270</b>	<b>1,599,129</b>
<b>Capital and reserves</b>			
Called-up share capital		32,137	32,137
Share premium account		351,666	350,681
Capital redemption reserve		8,230	8,230
Capital reserve	6	983,927	1,132,829
Revenue reserve		72,310	75,252
<b>Equity shareholders' funds</b>		<b>1,448,270</b>	<b>1,599,129</b>
<b>Net asset value per Ordinary share (pence)</b>	7	<b>1,130.19</b>	<b>1,251.41</b>

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

## Condensed Statement of Changes in Equity (unaudited)

### Six months ended 30 June 2018

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2017	32,137	350,681	8,230	1,132,829	75,252	1,599,129
Return after taxation	–	–	–	(152,170)	32,843	(119,327)
Dividends paid (see note 4)	–	–	–	–	(35,785)	(35,785)
Issue of shares from Treasury	–	985	–	3,268	–	4,253
<b>Balance at 30 June 2018</b>	<b>32,137</b>	<b>351,666</b>	<b>8,230</b>	<b>983,927</b>	<b>72,310</b>	<b>1,448,270</b>

### Six months ended 30 June 2017

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2016	32,137	349,581	8,230	986,968	70,963	1,447,879
Return after taxation	–	–	–	100,299	35,415	135,714
Dividends paid (see note 4)	–	–	–	–	(33,783)	(33,783)
Issue of shares from Treasury	–	182	–	525	–	707
<b>Balance at 30 June 2017</b>	<b>32,137</b>	<b>349,763</b>	<b>8,230</b>	<b>1,087,792</b>	<b>72,595</b>	<b>1,550,517</b>

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

## Condensed Statement of Cash Flows (unaudited)

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000
Net return before finance costs and taxation	(114,278)	141,392
(Decrease)/increase in accrued expenses	(38)	195
Overseas withholding tax	(2,774)	(3,032)
Interest income	(3)	-
Dividend income	(29,043)	(30,980)
Fixed interest income	(10,439)	(11,598)
Fixed interest income received	12,202	9,754
Dividends received	27,047	29,488
Interest received	3	-
Interest paid	(2,151)	(2,467)
Losses/(gains) on investments	148,913	(104,018)
Amortisation of fixed income book cost	(554)	3,385
Increase in other debtors	(21)	(4)
Corporation tax paid	(323)	-
<b>Net cash from operating activities</b>	<b>28,541</b>	<b>32,115</b>
<b>Investing activities</b>		
Purchases of investments	(51,759)	(114,348)
Sales of investments	71,729	129,092
<b>Net cash from investing activities</b>	<b>19,970</b>	<b>14,744</b>
<b>Financing activities</b>		
Equity dividends paid	(35,785)	(33,783)
Issue of Ordinary shares from Treasury	4,253	707
Loan repayment	(60,000)	(60,000)
Loan drawdown	60,000	60,000
<b>Net cash used in financing activities</b>	<b>(31,532)</b>	<b>(33,076)</b>
<b>Increase in cash</b>	<b>16,979</b>	<b>13,783</b>
<b>Analysis of changes in cash during the period</b>		
Opening balance	4,296	3,897
Increase in cash as above	16,979	13,783
<b>Closing balance</b>	<b>21,275</b>	<b>17,680</b>

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

# 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.

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000
<b>2. Income</b>		
<b>Income from investments</b>		
UK dividends	5,191	5,716
Overseas dividends	23,852	25,264
Overseas interest	10,439	11,598
	<b>39,482</b>	<b>42,578</b>
<b>Interest</b>		
Deposit interest	3	–
<b>Total income</b>	<b>39,485</b>	<b>42,578</b>

## 3. 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 2018 is 19%. This is in line with the current corporation tax rate.

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 profit as reported in the Condensed 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.

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000
<b>4. Ordinary dividends on equity shares</b>		
Third interim dividend 2017 of 11.0p (2016 – 10.5p)	14,056	13,386
Final dividend 2017 of 17.0p (2016 – 16.0p)	21,729	20,397
	<b>35,785</b>	<b>33,783</b>

A first interim dividend for 2018 of 11.5p (2017 – 11.0p) will be paid on 17 August 2018 to shareholders on the register on 6 July 2018. The ex-dividend date was 5 July 2018.

A second interim dividend for 2018 of 11.5p (2017 – 11.0p) will be paid on 19 November 2018 to shareholders on the register on 5 October 2018. The ex-dividend date is 4 October 2018.

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000
<b>5. Return per Ordinary share</b>		
Based on the following figures:		
Revenue return	32,843	35,415
Capital return	(152,170)	100,299
<b>Total return</b>	<b>(119,327)</b>	<b>135,714</b>
<b>Weighted average number of Ordinary shares</b>	<b>127,933,000</b>	<b>127,502,083</b>

#### 6. Capital reserves

The capital reserve reflected in the Condensed Statement of Financial Position at 30 June 2018 includes gains of £379,950,000 (31 December 2017 – gains of £569,301,000) 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 at the period end calculated in accordance with the Articles of Association were as follows:

	As at 30 June 2018	As at 31 December 2017
Attributable net assets (£'000)	1,448,270	1,599,129
Number of Ordinary shares in issue	128,143,545	127,785,880
Net asset value per share (pence)	1,130.19	1,251.41

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

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000
Purchases	63	59
Sales	72	42
	<b>135</b>	<b>101</b>

#### 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 fair value hierarchy has 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.

## Notes to the Financial Statements continued

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:

		Level 1	Level 2	Level 3	Total
	Note	£'000	£'000	£'000	£'000
<b>As at 30 June 2018</b>					
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	1,357,500	-	-	1,357,500
Quoted preference shares	b)	-	7,673	-	7,673
Quoted bonds	b)	-	253,039	-	253,039
<b>Total</b>		<b>1,357,500</b>	<b>260,712</b>	<b>-</b>	<b>1,618,212</b>

		Level 1	Level 2	Level 3	Total
	Note	£'000	£'000	£'000	£'000
<b>As at 31 December 2017</b>					
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	1,478,506	-	-	1,478,506
Quoted preference shares	b)	-	8,652	-	8,652
Quoted bonds	b)	-	272,741	-	272,741
<b>Total</b>		<b>1,478,506</b>	<b>281,393</b>	<b>-</b>	<b>1,759,899</b>

**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.

### 10. Share capital

As at 30 June 2018 there were 128,143,545 (31 December 2017 – 127,785,880) Ordinary shares of 25p each in issue excluding those held in Treasury.

### 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.

The 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 0.575% 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 £4,181,000 (30 June 2017 – £3,843,000) of investment management fees was payable to the Manager, with a balance of £2,091,000 (30 June 2017 – £1,980,000) being payable to AFML at the period end.

Included within the management fee arrangements is a secretarial fee of £100,000 per annum which is chargeable 100% to revenue. During the period £50,000 (30 June 2017 – £50,000) of secretarial fees was payable to the Manager, with a balance of £25,000 (30 June 2017 – £25,000) being payable to AFML at the period end.



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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.

The promotional activities fee is based on a current annual amount of £425,000 (30 June 2017 – £425,000), payable quarterly in arrears. During the period £213,000 (30 June 2017 – £214,000) of fees was payable, with a balance of £106,000 (30 June 2017 – £105,000) being payable to AFML at the period end.

## 12. 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.

13. 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 2017 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 2018 and 30 June 2017 has not been audited or reviewed by the Company's auditor.

14. This Half-Yearly Financial Report was approved by the Board on 15 August 2018.

# 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 Standard Investments (ASI) 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

ASI 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 ASI 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 2018/2019.

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.

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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.

### 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](http://murray-intl.co.uk)) and the TrustNet website ([trustnet.co.uk](http://trustnet.co.uk)). Alternatively you can call 0808 500 0040 for trust information.

### Literature Request Service

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

Telephone: 0808 500 4000

Email: [aam@lit-request.com](mailto: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: 0808 500 0040

Terms and conditions for the ASI managed savings products can be found under the literature section of [invtrusts.co.uk](http://invtrusts.co.uk).

*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

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## Directors

K J Carter (Chairman)  
P W Dunscombe (Senior Independent Director)  
C. Binyon (*appointed 1 May 2018*)  
M Campbell  
D Hardie  
A J Mackesy

## Secretaries and Registered Office

Aberdeen Asset Management PLC  
40 Princes Street  
Edinburgh EH2 2BY

Registered in Scotland as an investment company  
Company Number SC006705

## Website

[murray-intl.co.uk](http://murray-intl.co.uk)

## Points of Contact

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

## Investment Manager

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

## AIFM

Aberdeen Fund Managers Limited

## Broker

Stifel Nicolaus Europe Limited

## Registrars

Link Asset Services  
(formerly Capita Asset Services)  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0371 664 0300  
Tel International: +44 208 639 3399  
(lines are open 9.00am - 5.00pm Mon – Fri)  
e-mail: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)  
share portal: [signalshares.com](http://signalshares.com)

## Depositary

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

## Auditor

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

## United States Internal Revenue Service FATCA Registration Number (GIIN)

8Y8Z2N.99999.SL.826

## Legal Entity Identifier (LEI)

549300BP77JO5Y8LM5









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