Murray International Trust PLC

Annual Report
31 December 2014

Aberdeen

Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all your Ordinary or B Ordinary shares in Murray International Trust PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report – Company Summary

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 and B 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.

What is an Investment Trust?
Investment trusts are a way to make a single investment that gives you a share in a much larger portfolio. A type of collective investment, they let you spread your risk and access investment opportunities you might not find on your own.

Investment Objective
The aim of the Company is to achieve a total return greater than its benchmark by investing predominantly in equities worldwide. Within this objective the Manager will seek 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") and day to day management of the portfolio is delegated to Aberdeen Asset Managers Limited ("AAM", the "Manager" or the "Investment Manager").

Alternative Investment Fund Manager*
Aberdeen Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority (* appointed as required by EU Directive 2011/61/EU)

Website
Up-to-date information can be found on the Company's website - www.murray-intl.co.uk

Pre-investment Disclosure Document (PIDD)
The Alternative Investment Fund Manager Directive ("AIFMD") requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of Murray International Trust PLC, to make available to investors certain information prior to such investors' investment in the Company. The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as "UCITS".

The Company's PIDD is available for viewing at www.murray-intl.co.uk.

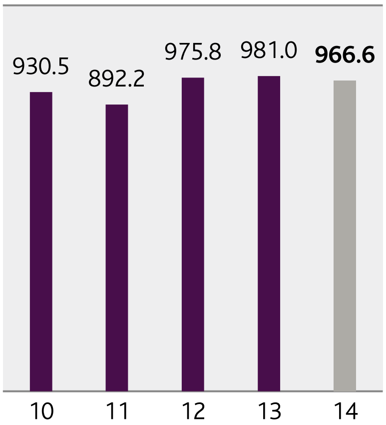
Strategic Report – Financial Highlights and Calendar

Financial Highlights

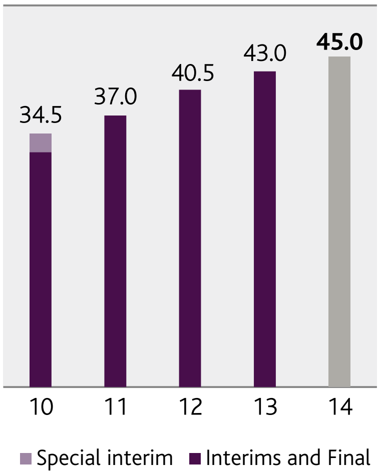
	2014	2013
Net asset value per Ordinary and B Ordinary share total return	+3.0%	+4.6%
Share price total return	+1.7%	+4.1%
Benchmark total return	+7.5%	+21.2%
Net asset value performance against the benchmark total return	–4.5%	–16.6%
Earnings per share (revenue)	40.8p	43.8p
Dividends per share[A]	45.0p	43.0p

[A] The proposed final dividend of 15.0p per Ordinary share is subject to shareholder approval at the Annual General Meeting.

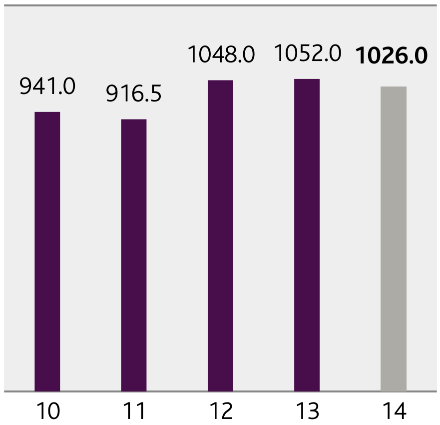
Net Asset Value per Ordinary and B Ordinary shares
At 31 December – pence



Dividends per Ordinary share
pence



Share price per Ordinary share
At 31 December – pence



Financial Calendar

28 April 2015	Annual General Meeting at the Glasgow Royal Concert Hall, Glasgow at 12.30 p.m.
15 May 2015	Payment of proposed final dividend for 2014 (15.0p)
August 2015	Half yearly results announced
17 August 2015	Payment of first interim dividend
17 November 2015	Payment of second interim dividend
18 February 2016	Payment of third interim dividend

Strategic Report – Overview of Strategy

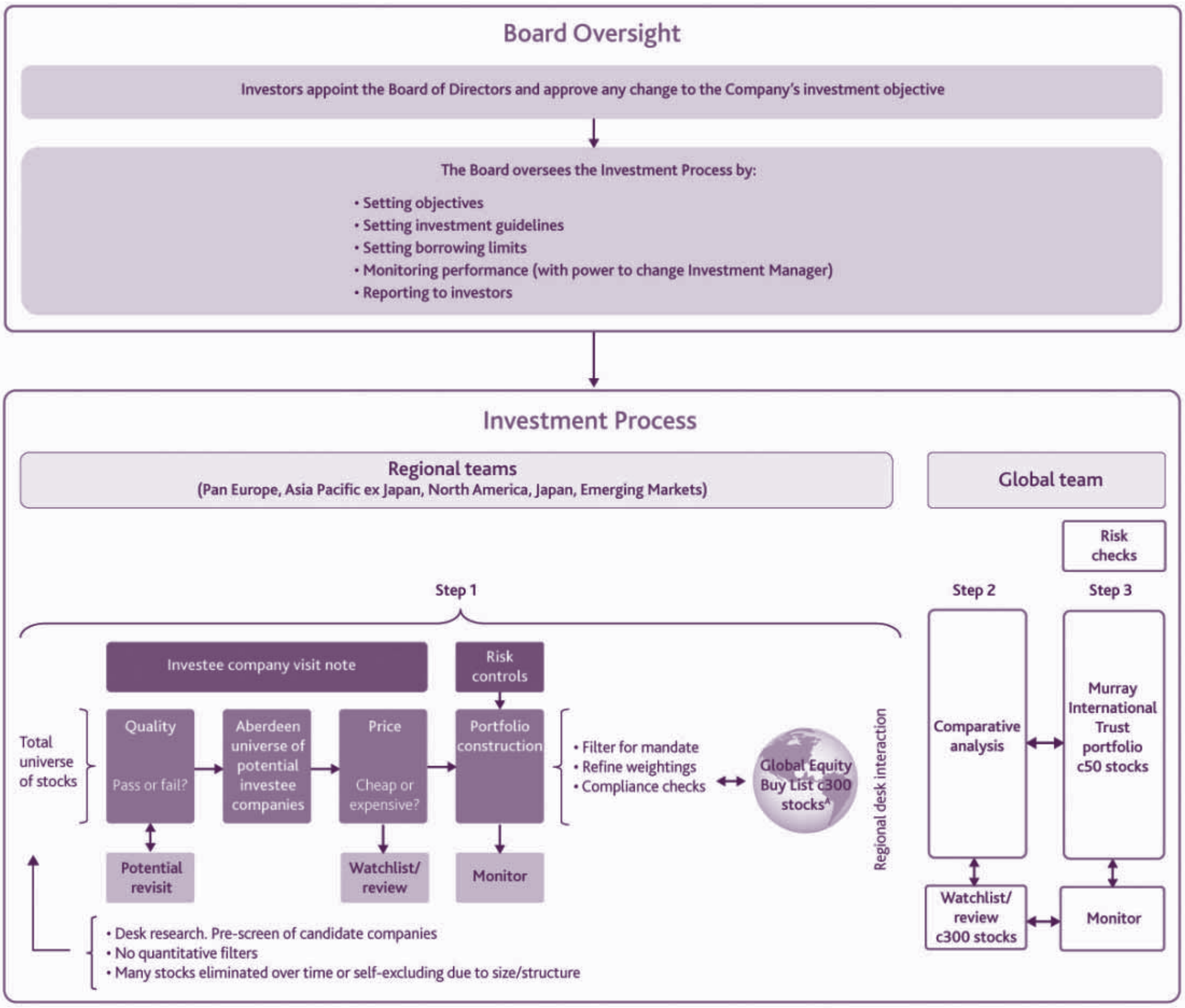
Aim

The business of the Company is that of an investment trust and the Directors do not envisage any change in this activity in the foreseeable future. The aim of the Company is to achieve a total return greater than its benchmark by investing predominantly in equities worldwide. Within this objective the Manager will seek to increase the Company's revenues in order to maintain an above average dividend yield. The processes to achieve this are shown below.

The Company's investment objective and financial highlights are shown on pages 1 and 2. A review of the Company's activities is given in the Chairman's Statement on pages 7 to 9 and the Manager's Review on pages 10 to 13. The review includes an analysis of the business of the Company and its principal activities, likely future developments of the business, the recommended dividend and details of any acquisition of its own shares by the Company.

Investment Process

The Investment Manager has its own investment process, which, in the case of the Company, is overseen by the Board. The process is summarised below.



Investment Policy

Asset Allocation

The Company's assets are 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. The Company's investment policy does not impose any geographical, sectoral or industrial constraints upon the Manager. The Board has agreed 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.

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 stock (at the time of purchase).

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 13.8% (calculated in accordance with AIC guidance) and particular care is taken to ensure that any bank covenants permit maximum flexibility of 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.

Delivering the Investment Policy

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

The portfolio manager, Bruce Stout, has responsibility for portfolio construction across all regional segments. As can be seen from the diagram on page 3, the Aberdeen management team utilises a "Global Equity Buy 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.

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 3 and 65. A comprehensive analysis of the Company's portfolio is disclosed on pages 16 to 22 including a description of the twenty largest investments, the portfolio of investments by value, attribution analysis, distribution of investments and distribution of equity investments.

At the year end the Company's portfolio consisted of 46 equity and 18 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 stocks in the portfolio.

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 19 to the Financial Statements and the other principal risks are summarised below.

Discount and Premium Control Policy

The market value of, and the income derived from, the shares can fluctuate and, notwithstanding the Board's discount and premium control policy, may not always reflect the Net Asset Value per share. There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. No assurance can be given that any sale of the Company's investments would realise proceeds which would be sufficient to repay any borrowings or provide funds for any capital repayment to shareholders. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments.

The market value of the shares, as well as being affected by the Net Asset Value, also takes into account the dividend yield and prevailing interest rates, supply and demand for the shares, market conditions and general investor sentiment.

The Company operates a discount and premium control policy. The operation of the discount control element of this policy could lead to a significant reduction in the size of the Company over time, which would increase the Company's total expense ratio and prejudice the ability of the Company to pay satisfactory levels of dividend to shareholders. When demand exceeds supply, the Company will consider issuing new shares and/or selling shares held in treasury at a small premium to the Net Asset Value per share. Any such new issue or sale will be dependent on market conditions generally at the relevant time, upon shareholders in general meeting conferring appropriate authorities on the Board to issue further shares and, where required under the Prospectus Rules, upon a prospectus having been approved by the Financial Conduct Authority and published. The ability of the Company to operate the discount control policy will depend on the Company being able to purchase its own shares, which will be dependent upon shareholders in general meeting conferring authority on the Board to purchase its own shares. The Directors will seek renewal of this authority from shareholders annually and at other times should this prove necessary. However, there can be no guarantee that the requisite shareholder approvals will be obtained.

In accordance with the Listing Rules, the extent of each buy-back authority which will be sought by the Company from shareholders in general meeting will be limited to 14.99% of the Company's issued share capital as at the date on which such authority is granted. In order to continue purchasing its own shares once any such authority has been exhausted, the Company would be required to seek a renewal of such authority from shareholders in general meeting.

The ability of the Company to purchase its own shares will be subject to the Companies Act 2006 and all other applicable legislation, rules and regulations of any government, regulatory body or market applicable to the Directors or the Company and, in particular, will be dependent on the availability of distributable reserves.

Borrowings

The Company uses borrowings for investment purposes. The use of borrowings can enhance the total return on the shares where the return on the Company's underlying assets exceeds the cost of borrowing. It is likely to have the opposite effect where the return on the underlying assets is below the cost of borrowing. As a result, the use of borrowings by the Company will increase the volatility of the Net Asset Value per share.

There is no guarantee that any borrowings of the Company would be refinanced on their maturity either at all or on terms that are acceptable to the Company.

Foreign Currency Risks

The Company's investments are principally in overseas securities. The Company accounts for its activities and reports its results in sterling. The Company currently hedges most of the foreign currency exposure in respect of the liabilities attached to its borrowings. Where the Company does not hedge its currency exposure, which is currently the case with the investment portfolio, the movement of exchange rates will have a favourable or unfavourable effect on the gains and losses experienced on investments and the income derived from investments which are made or realised in currencies other than pounds sterling.

Regulatory Risks

Cessation of Investment Trust Status: The Company attempts to conduct its business so as to satisfy the conditions for approval as an investment trust under Part 24 Chapter 4 of the Corporation Tax Act 2010. The Company has been accepted by HM Revenue & Customs as an investment trust, subject to the Company continuing to meet the relevant eligibility conditions of Corporation Tax Act 2010, for all financial years commencing on or after 1 January 2012. Any breach of the eligibility conditions could lead to the Company being subject to tax on capital gains.

Tax and Accounting: Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders or alter the post-tax returns to shareholders. Representations in this document concerning the taxation of investors are based upon current tax law and practice which are subject to change. Any change in accounting standards may adversely affect the value of the Company's assets in its books of account or restrict the ability of the Company to pay dividends.

Serious breach of Laws or other regulations: Any serious breach of other regulations such as the Listing Rules, AIFMD, the Companies Act or Accounting Standards, could lead to suspension from the London Stock Exchange and reputational damage. The Board receives regular compliance reports from the Manager to monitor compliance with regulations.

Operational Risk

In common with other investment companies, the Company has no employees. The Company therefore relies on services provided by third parties, including AFML and AAM in particular, to whom responsibility for the management of the Company has been delegated under a management agreement (the “Management Agreement”) (further details of which are set out on pages 25 and 26). The terms of the Management Agreement cover the necessary duties and responsibilities expected of the Investment Manager. The

Board reviews the overall performance of AFML and AAM on a regular basis and compliance with the Management Agreement on an annual basis.

Contracts with other third party providers, including share registrar and custodial services, are entered into after appropriate due diligence. Thereafter, each contract, and the performance of the provider, is subject to regular review. The security of the Company's assets is the responsibility of the depositary and custodian, BNY Mellon Trust & Depositary (UK) Limited. The effectiveness of the internal controls of the depositary is subject to periodic review.

Investment Strategy Risk

The Company's investment strategy requires investment in equity and fixed income stockmarkets, which may lead to loss of capital. Separately, inappropriate asset allocation or level of gearing, as part of the investment strategy adopted by the Company, may result in underperformance against either the Company's benchmark and/or its peer group, leading to the establishment of a discount.

The Board seeks to manage these risks by diversifying its investments, as set out in the investment restrictions and guidelines agreed with the Manager, and on which the Company receives regular reports from the Manager. At each Board meeting, the Directors review the investment process with the Manager by assessing relevant management information including revenue forecasts, absolute/relative performance data, attribution analysis and liquidity/risk reports. The Board holds a separate, annual meeting devoted to investment strategy.

Key Performance Indicators (KPIs)

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. Below are the main KPIs which have been identified by the Board for determining the progress of the Company:

- Net Asset Value Total Return.
- Share Price Total Return.
- Discount/Premium.
- Benchmark Total Return.
- Dividend.
- Level of Gearing.

A record of these measures is disclosed on page 14.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge to allow the Board to fulfil its obligations. At 31 December 2014, there were four male Directors and two female Directors. The Company has no employees. The Board's statement on diversity is set out on page 32.

Environmental, Social and Human Rights Issues

The Company has no employees as it is managed by AAM. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 34.

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 emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Duration

The Company does not have a fixed life.

Kevin Carter
Chairman
9 March 2015

Strategic Report - Chairman's Statement

Kevin Carter
Chairman

Highlights

- Net Asset Value Total Return of 3.0%
- Benchmark Total Return of 7.5%
- Total Ordinary dividend increased by 4.7% compared with 2013
- £24m of new shares issued at a premium during the year

Performance

It is disappointing to report that the Trust has underperformed its benchmark in 2014, notwithstanding a positive Net Asset Value Total Return of 3.0% and an increase of 4.7% in dividends compared with 2013. Well above average capital gains achieved by global equity markets in 2013 were unlikely to be repeated in 2014 and so it proved. With the Federal Reserve in the United States finally reducing monetary stimulus and the rest of the world struggling to grow, the environment for corporate profits remained challenging, and already generally elevated equity market ratings were unable to expand further in aggregate. There was significant divergence between strength in the United States, and weakness in most other major developed indices. Contrary to widespread expectations of twelve months ago, sovereign bond markets responded positively to rapidly declining inflation and performed well, more than making up for last year's losses. This primarily reflected a reduction in investors' appetite for risk plus a sharp appreciation of the US dollar against all its major trading partners. The Benchmark Total Return of 7.5% was positively affected by the performance of United States equities in which the Trust is underweight. The Trust's greater geographical diversification and focus on above average yield proved a drag on relative performance. Temporary distortions in dividend payments of three Latin American holdings also accounted for a shortfall in overall revenues. During the year the Trust's exposure to equities was reduced to below 100% for the first time since 2009. Commensurate exposure to fixed income securities rose as the Trust took advantage of opportunities in periods of market panic. The Manager's Review commencing on page 10 of the Annual Report contains an attribution analysis which shows the factors affecting net asset performance.

Background

At the beginning of 2014 investor sentiment and consensus held that global economic growth would accelerate, interest rates would rise and normality would return to prevailing economic relationships. What ultimately transpired was almost exactly the opposite. While the United States honoured its stated intention to stop printing money, the UK maintained its unorthodox policies and Japan created extra liquidity. By year end a distressed Europe was even considering such extreme measures, despite all the destabilising unintended consequences that they bring. Now, in early 2015, the European Central Bank has finally succumbed to the same approach used by their central bank colleagues. Behind every unit of currency printed remains the belief that somehow additional liquidity holds the key to restoring economic growth. Instead of lubricating the global economic engine, all this extra liquidity has, so far, become largely immobilised. Technically, the velocity of money has slowed dramatically thereby neutralising the policy objectives it was intended to deliver. As a consequence, economic activity remained hostage to stubbornly high unemployment, declining real incomes, onerous debt servicing obligations and a puzzling failure to see any gains in productivity. In most consumer-dependent societies, consumer purchasing power was eroded, and savers in particular continued to endure negative real rates of interest on their savings. This has incentivised aggressive price competition from companies keen to stimulate demand to produce top-line growth, especially as continued cost savings are becoming harder to generate. Falling oil and commodity prices have added to prevailing deflationary pressures. This general environment has caused bond yields to decline sharply, to levels not seen since the great depression of the 1930s, or in some cases, ever. Muted growth combined with lower inflation eliminated any need for tighter monetary policy in 2014, especially in demand-deficient Europe. Risk aversion amongst equity investors rose sharply, causing numerous global stock markets to decline in local currency terms. With corporate profits and dividend growth being generally disappointing, market valuations appear very stretched indeed. Against such a backdrop, the Trust's immediate aspirations were to preserve capital and grow its dividend, objectives which ultimately were achieved, albeit with periods of uncomfortable volatility along the way.

Dividends

We have been able to continue the trend of increasing the level of dividends paid, despite the impact arising from some dividends in Latin America that were expected to be paid in 2014 which were accounted for in 2013, depressing the dividends received in 2014. A more normal pattern of payments is expected in 2015. Accordingly, three interim dividends of 10.0p (2013: three interims of 9.5p) have been declared during the year. Your Board is now recommending a final dividend of 15.0p (2013: 14.5p) which, subject to the approval of shareholders at the Annual General Meeting, will be paid on 15 May 2015 to shareholders on the register on 7 April 2015. Subject to approval of the final dividend, the total Ordinary dividend for the year will amount to 45.0p, an increase of 4.7% from last year (2013: 43.0p). B Ordinary shareholders will receive their capitalisation issue of B Ordinary shares at the same time as each dividend is paid. Accordingly, subject to approval at the Annual General Meeting, B Ordinary shareholders will be issued on 15 May 2015 with new B Ordinary shares equivalent in Net Asset Value to the recommended final dividend for the year just ended. The payment of the final dividend will necessitate a transfer from the Company's brought forward revenue reserves of £5.3 million.

Issue of New Shares

At the Annual General Meeting held in April 2014 shareholders renewed the annual authority to issue up to 10% of the Company's issued share capital for cash at a premium to the prevailing asset value at the time of each issue. During the year we have continued to see demand for the Company's shares resulting in the issue of over two million new shares. The Board will be seeking approval from shareholders to renew the authority to issue new shares for cash in 2015 and as in previous years, to avoid diluting the asset value of existing shareholders, new shares will only be issued at a premium to net asset value. Resolutions to this effect will be proposed at the Annual General Meeting and the Directors strongly encourage shareholders to support this proposal. Subsequent to the period end, the Ordinary shares have continued to trade at a premium to NAV per share albeit at a reduced level. At the time of writing the inclusive of income NAV per share was 994.4p and the share price was 1037.0p equating to a premium of 4.3% per Ordinary share. A further 15,000 new Ordinary shares were issued subsequent to the period end.

Gearing

At the year end total borrowings amounted to the equivalent of £188.6 million representing net gearing (calculated by dividing the total assets less cash by shareholders' funds) of 13.8% (2013: 15.1%) of which approximately £53.5 million has been drawn in Yen with the remainder drawn in Sterling. During the year a new £15 million facility was agreed with The Royal Bank of Scotland and drawn in full, fixed for just over two years. The Company has a Yen8.4 billon loan that is due to mature in May 2015 and the Directors are in the process of reviewing options to replace this facility.

Alternative Investment Fund Managers Directive

As I reported at the time of the Half Yearly Report, in August 2014, the Company appointed Aberdeen Fund Managers Limited (''AFML''), to act as the Company's Alternative Investment Fund Manager ("AIFM") and entered into a new management agreement with AFML on 14 July 2014. Under this agreement, AFML has delegated portfolio management services to Aberdeen Asset Managers Limited, which continues to act as the Company's Investment Manager. There was no change to the commercial arrangements from the previous investment management agreement. In addition, on the same date, the Company entered into a depositary agreement with AFML and BNY Mellon Trust & Depositary (UK) Limited which replaced the previous custodial arrangements. The appointment of a depositary was a new requirement under the Directive which has resulted in an increase in administrative costs estimated to be of the order of £100,000 per annum. These regulatory changes have also placed additional periodic disclosure requirements on the Company's AIFM, AFML. As a result, your Annual Report contains an additional un-audited disclosure page which you will find at the end of this document.

Annual General Meeting

This year's Annual General Meeting will be held in Glasgow on 28 April 2015 at 12.30 p.m. at the Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow G2 3NY. As at previous AGMs, there will be a presentation from the Manager and an opportunity to meet the Directors and Manager and ask questions. I should be grateful if you would confirm your attendance by completing the separate notice that will accompany the Annual Report and returning it together with an indication of any particular questions. I hope as many shareholders as possible will be able to attend.

Directorate

Fred Shedden retired from the Board at the conclusion of the Annual General Meeting on 29 April 2014 and I should like to reiterate the Board's thanks and appreciation for the contribution made by Fred as a Director of the Company and in his previous role as Chairman of the Audit Committee. Following a detailed search using the services of an independent external recruitment consultancy, David Hardie was appointed to the Board with effect from 1 May 2014. David has brought to the Board considerable expertise, being a corporate lawyer by background who was until recently a partner of UK law firm, Dundas & Wilson (now part of CMS Cameron McKenna), where he had also previously held various positions including head of corporate, managing partner and chairman.

Outlook

In the business of investing, when attempting to predict the future, the past often provides some useful guidance. The unfortunate truth is just how unrecognisable today's global economic landscape has become. Government balance sheets bear the strain of record debts and unsustainable financing obligations. Central banks have presided over an expansion of their balance sheets that defies any prior experience. Negative inflation rates are pressurising consumers to delay future purchases now that expectations of lower prices tomorrow are gaining credence. Banks are beginning to charge customers to deposit cash and bond yields have reached unprecedented lows. For investors the search for income has become a real challenge. Such economic conditions offer little guidance for the future, other than to illustrate how difficult the investment landscape ahead might be. In a world that is increasingly inter-dependent and reliant on free movement of capital, finding safe havens for savings at attractive valuations remains the challenge. Your Board believes that the best way of navigating this environment is for the Trust to continue with its approach of broad portfolio diversification, emphasising high quality companies with diversified income streams, sound business models and competent management.

Kevin Carter
Chairman
9 March 2015

Strategic Report - Manager's Review

Bruce Stout
Senior Investment Manager

Background

Certain maxims exist globally irrespective of country, creed or culture. Oil and water don't mix; foundations built on sand don't last; pouring petrol on fire won't extinguish flames. Applying such logical thought and common sense to the financial world, it would be reasonable to assume borrowing more money won't reduce debt. Self-evident, perhaps, but seemingly beyond comprehension for central bank policymakers. Complicit with relentlessly layering more debt on top of existing debt in a futile attempt to solve the chronic global debt crisis, their actions remain beyond contempt. Unfortunately such practice continued to dominate recent global economic policy. Ironically, as financial regulators belatedly scrutinised commercial bank balance sheets in pursuit of adequate capital ratios, no-one questioned the balance sheets of the central banks themselves. Excessively burdened by distressed bond purchases and quantitative easing obligations, many ended the year close to breaking point. Renewed tensions towards European unity and Greece, in particular, emphasised exactly this point. In a year which began fearing interest rate rises and inflation, ended with policy generally unchanged and prices falling. Central banks proved powerless to counter escalating deflationary forces as stimulative measures failed to reinvigorate growth. The private sector suffered significantly. Faced with stubbornly high unemployment and declining real incomes, households preferred to save gains from falling food and energy prices rather than spend. Standards of living fell, particularly in Europe and the UK, as debt deleveraging dominated domestic finances. Retail and service sector businesses endured a torrid twelve months coping with intense competition and cautious consumers. The vulnerabilities of purely consumer spending based economies were cruelly exposed. Business confidence, investment and expansion succumbed to inertia associated with focusing on cost control above all else. Few were brave enough to expand in a world of deficient domestic demand. Owners of financial assets faced a similar dilemma to that of last year. Plummeting bond yields all but extinguished returns from cash; global equity markets remained unsupported by corporate profitability; and increasing volatility tested the resolve of complacent investor sentiment. History will show positive aggregate returns for the global equity index in 2014 but for many it proved a year of painful financial losses. Thankfully, global diversification did provide protection from individual country and sector weakness in a year best described as "walking on eggshells".

Investor sentiment cooled significantly from the widespread euphoria associated with 2013's equity market returns. Consistently disappointing economic data dashed hopes of any return to normal financial relationships. Sovereign bonds in the developed world ignored deteriorating credit conditions and performed well, but most equity markets struggled to make progress. The UK market only just scraped into positive territory, with paltry overall dividend growth of less than 2.0% reflecting declining business confidence. Japan stormed into 2014 leading the popularity polls but ultimately failed to deliver expected returns. A Sterling return of 2.7% from such Central Bank largesse proved extremely disappointing. Plagued by deepening deflation and widespread austerity, domestic European companies found profit growth hard to come by. Negative market returns of 2%, 3% and 4% from Italy, France and Germany respectively emphasised growing concerns regarding the region's future. The portfolios +15% return from its 9.0% weighting in Switzerland proved resilient under the circumstances. Asia ex Japan also provided some bright spots. Taiwan, Indonesia, China and Hong Kong all delivered strong capital and income growth, primarily due to quality companies focusing on creating shareholder value. Improving fundamentals across the region augur well for this trend to continue. By far the widest divergence of returns was witnessed in the Americas. North America recorded the largest gains in Sterling terms, up 19.6%, propelled to historical highs by excessive corporate share buybacks and expanding valuations, while Latin America drifted downwards, declining by 7.1%. South of the Rio Grande, rising risk aversion and disenchantment towards the asset class negatively affected sentiment throughout. Encouragingly the broader Emerging Market asset class is now firmly out of favour with international investors. Selling pressures, which prompted three consecutive years of negative fund flows out of equities, tangibly abated towards year end. The process of improving sentiment can now begin.

Performance

The Net Asset Value total return for the year to 31 December 2014 with net dividends reinvested was 3.0% compared with a return on the benchmark of 7.5%. A full attribution analysis is given on page 20, which details the various influences on portfolio performance. In summary, of the 419 basis points (before expenses) of performance below the benchmark, asset allocation deleted 268 basis points and stock selection deleted 151 basis points. Structural effects relating to the fixed income portfolio and gearing, net of borrowing and hedging costs, deleted a further 31 basis points of relative performance.

North America

The disconnect between economic fundamentals and the American stock market clearly widened over the period. Unrestrained enthusiasm for equities inflated prices to historical highs, yet support from improving macro-economics and corporate profitability was conspicuously absent. The US equity market in Sterling terms returned over 20.0%, despite the overall decline of US pre-tax corporate profits. The process of exiting quantitative easing, the grotesque practice of expanding liquidity through printing money deployed so religiously by policymakers since 2009, dominated the financial landscape. Concluded by year end and proving less painful than expected, hopes were high for a return to economic normality. Reality suggested something very different. The legacy left from QE shows a misguided experiment with lasting negative consequences: five years of monetary madness during which credit growth remained anaemic, banks showed no appetite to lend, US nominal growth failed to meaningfully accelerate and reflation did not occur. The dubious desire to "inflate away" excessive debt was not fulfilled as outstanding sovereign liabilities spectacularly boomed. For the next generation, record outstanding debt of $60 trillion is an inheritance it could well do without. In context, this mountainous liability is equivalent to borrowing $80 million each day, every day, since the birth of modern times. Realistically, it may take another 2000 years to pay it back! For quite simply, in the absence of domestic savings, the United States needs to attract foreign capital to finance such fiscal profligacy. With ten year bond yields below 2.0% and falling fast, prospective buyers are rapidly diminishing. Dealing with the unintended consequences of QE also involves facing financial market challenges. For there can be no doubt such unorthodox monetary policy has inflated asset prices way above fundamental values. Last year witnessed US companies issuing cheap debt to buy expensive equities, as corporate America funded record share buybacks in a cosmetic attempt to show earnings per share growth. Without the availability of ample liquidity, this process will likely stop. Similarly, the escalating stampede toward technology stocks so prevalent of late, had its roots in easy money. Enduring negative real returns on bank deposits, savers eagerly embraced the equity cult. A parabolic rise in the technology-heavy US Nasdaq index is testimony to investors increasingly being seduced by concepts over cash flow, new paradigms over profits, delusions over dividends. How long such asset inflationary madness will prevail is tough to predict but for those who paid the wrong price, capital will ultimately be destroyed. For the beleaguered US economy, already struggling with anaemic demand and constrained consumer confidence, an opaque outlook awaits. Without the Federal Reserve printing money can it stand on its own two feet? In the hostile environment of remote Scottish islands it is said that if the wind ever stopped blowing the people would fall over. Let us hope the US economy avoids the same fate now the blast from quantitative easing is extinguished. Net divestment from the region selectively continued, leaving a residual portfolio of high quality, defensive companies.

UK

"It couldn't happen to us, could it?" The "it" being deflation; the "us" being the UK economy: the possibility being descent into what only Japan has endured for the past twenty years. In a world becoming increasingly accustomed to unorthodox economics, stranger things have happened. Faltering growth, falling prices and falling incomes confronted an already fragile UK economic landscape in 2014. Imbalances continued to deteriorate with record current account deficits, negative net investment and stubbornly high fiscal shortfalls adding to existing woes. Britain's time-honoured tendency to live beyond its means prevailed, as did common perceptions that its inability to pay its way in the world doesn't matter. Lessons learnt from history suggest it most certainly does. As total household, business, financial and government debt breached record highs, Britain increasingly faced a Hobson's choice. Issue more debt to finance existing debt or sell off assets to foreign buyers. The problem is, the more prices fall, the more bond yields fall. The lower bond yields go, the more reluctant foreign capital becomes to re-finance existing debt rollovers. By year end the UK economy had entered extremely uncomfortable territory. Insufficient domestic savings exposed the potential vacuum in financing should international capital find more attractive returns elsewhere. It may not be long before it does. Somewhat irrationally, despite such fundamental fragilities, sentiment within and towards domestic financial assets remained relatively upbeat. Policymakers peddled persistent optimism, citing rising house prices and Sterling strength as confirmation that all was well. Positive rhetoric was resolute and relentless, yet, to the more critical observer, constantly without substance. Beneath the veneer of respectability, structural decline proved all too evident, highlighting a rising age profile, stagnation of wages, persistently weak capital spending and ongoing erosion of international competitiveness. Those expecting a return to long term average economic growth and prosperity are likely to be disappointed. Divestment from UK equities continued to be implemented through the outright sale of Centrica and profit taking in British American Tobacco. With Sterling adjudged to be increasingly overvalued and the outlook for corporate profits diminishing, better opportunities were deemed to exist elsewhere.

Europe

European policymakers increasingly found themselves impotent to influence the impacts of deflationary pressures sweeping across the continent. Economic stagnation prevailed as 27 million Europeans (12% of the workforce) remained unemployed. Real incomes continued to contract from Portugal to Poland and all countries in-between, keeping consumption muted. Widespread austerity provided the catalyst for rising social unrest, set against a backdrop of politicians promising much but delivering little. The problem was virtually no orthodox policy measures were left with which to act. Previous stimulative measures had already reduced interest rates to essentially zero and expanded sovereign debts beyond rational comfort levels. From a policy perspective, the cupboard was bare. The European Central Bank frantically discussed emergency measures yet remained powerless as the deflationary spiral gathered downward momentum. Falling prices took inflation into negative territory, households began deferring spending, the windfall tax relief of lower energy costs was saved, not spent. All classic deflationary trends; all extremely worrying. For European companies domestically focused, business conditions were extremely tough: downward pressure on selling prices, revenue growth, gross margins and ultimately operating margins. Hardly an inspiring environment for equity investment, and so it proved. In Sterling terms, most European stock markets declined over the period, the only notable exception being a positive return of 6.9% from Switzerland. Portfolio activity within the region focused on staying defensive, emphasising quality companies with high overseas earnings. Despite overall equity valuations appearing relatively attractive, Europe remains plagued by numerous economic abnormalities and unrecognisable economic relationships. Negative nominal interest rates in Switzerland and Germany currently mean depositors must pay to deposit money in banks! Ten year bond yields in Europe hover around lows not witnessed in centuries! Sovereign balance sheets, crippled with debt only just solvent in the eyes of the beholders! There can be no doubt such challenges will test the resolve of the political establishment and European unity. Pressure is building on the ECB to print money in Europe. For politicians whose economic planning horizons rarely extend beyond the next election, the temptation is there. Conventional wisdom equates printing money with stimulus and growth thereby making life easier for incumbent governments. How naïve. For those unimpressed by the emperor's new clothes, QE is the left hand lending money to the right hand, QE is the monetary equivalent of methadone, QE is perpetuating dependence on cheap money, QE is unsustainable debt creation and QE is ultimately the debasement of an untenable currency. Sadly, at the eleventh hour, the ECB capitulated and succumbed. Desperate times indeed but such desperate measures have no respected place in fundamental long term investment.

Latin America

Black gold and the blue Brazil. Without doubt oil prices and Latin America's largest economy were popularly perceived as having exerted greatest influence on financial market performance in 2014. Headline returns of +1.7% from sovereign bonds and –7.1% from regional equities in Sterling terms suggested negative forces at work. Closer inspection actually identified a confluence of factors contributing to investor scepticism towards the region but simplicity dictated Brazil and oil were to blame. In a world of rising risk aversion, no deeper explanation was required. Constant criticism was levelled at Brazil. Economic growth disappointed, the country's high dependency on food and commodity exports constraining prosperity as international demand softened. Manufacturing output received a welcome boost from improved global competitiveness courtesy of a weakening currency, but not enough to offset inactivity elsewhere. Productivity remained problematic as the nation stopped to host the World Cup and stayed economically disengaged and distracted by the Presidential election. The closest fought political campaign in decades witnessed the incumbent president Rouseff only just holding office by the skin of her teeth. The razor-thin victory margin combined with increasingly audible frustration of middle class Brazilians towards ineffective government suggests change is on the horizon. Restored fiscal rectitude, reduced State intervention and re-invigorated economic momentum are required. A refreshed cabinet of respected policy makers now has the task in hand. Elsewhere in Latin America, weaker currencies and lower oil prices affected relative prospects both positively and negatively, but for Mexico the consequences proved more ambiguous. Lower energy prices undermined business confidence over recently secured energy reforms. With an estimated U$50bn of oil-related foreign direct investment at risk such sentiment was well founded albeit perhaps premature. A prolonged period of low oil prices will be required before a true assessment can be made. For the wider population, such issues were of little concern. Falling unemployment, four per cent. wage growth and benign inflation kept consumer confidence on an upward trajectory. In effect, business as usual for the private sector. Portfolio holdings performed well operationally although dividends from Grupo Asur and Femsa, both of which paid twice in fiscal 2013 for advantageous tax reasons, were noticeable by their absence. Both companies are expected to revert to normal schedules this year. Against an increasingly hostile dividend environment elsewhere in the world, income returns from the region remain very attractive. This, combined with attractive diversification characteristics and opportunities for capital gain, support a positive investment case.

Japan and Asia

Remaining fully committed to the monetary experiment dubbed Abenomics, which the world welcomed with evangelical equanimity less than eighteen months ago, the Bank of Japan continued to turn previously conservative Japanese macro-economic management upside down. Radical, populist, monetary policies designed to inflate asset prices were relentlessly pursued throughout the year. Scant regard seemed to be paid to their effectiveness or not.

Unsurprisingly, enthusiasm waned sharply as the real effects of Abenomics monetary vandalism percolated into the population's psyche. Lower real incomes, loss of international purchasing power, sharply higher import costs, higher taxes and escalating debt obligations now prevailed for an aging population accustomed to dealing with deflation. Above all, as policy makers contrived to create negative real interest rates, Japanese savers were consigned to watching their wealth eaten away by inflation. The enigma that is Japanese economic policy became even more puzzling. Why create negative saving returns when the whole nation is totally dependent on domestic savings? Forcing bond yields to zero through printing money is tantamount to cutting off the hand that feeds you. In response, the savings ratio in Japan became the dis-saving ratio falling into negative territory for the first time since 1955. Where this leaves Japan is almost impossible to predict. Who will finance unsustainable government debt at rates that guarantee negative returns? Where does support for the currency come from? Economic reforms, wage increases and widespread immigration needed to replenish depleting pension funds remain as elusive as ever. With only political promises to cling onto, time is rapidly running out for policy makers to deliver.

Politics dominated the economic and financial landscape elsewhere in Asia. Thailand's rich history of political drama was updated as yet another military coup witnessed the arrival of yet another non-elected government complete with martial law and social curfews. Domestic investors remained distinctly unperturbed as the "having seen it all before" mentality clearly prevailed. A positive return of +23.6% from the Thai equity reinforced such sentiment. Conversely, in India, democratic political change may prove momentous. Populist candidate Modi swept to a landslide victory on a mandate for investment change. The opportunity now exists for previous barriers to business associated with insular family dynasties and entrenched political self-interest to be dismantled. Similarly, Indonesia democratically voted for change and reform, with new president Widodo intent on delivering results rather than just potential. Politically induced currency and bond market weakness ahead of both these elections provided the opportunity to invest in local currency sovereign and corporate debt. Improving economic fundamentals and attractive growth dynamics will hopefully reward this investment going forward. Economic news emanating from China also gripped investors' attention. Engineering the sharpest currency devaluation for years, the Bank of China underlined its commitment to radically changing policy if deemed in the national interest. Unlike Washington or Westminster, Beijing has no intention of pandering to domestic financial markets. Excess credit within the Chinese shadow banking system will clearly no longer be tolerated. Such measures combined with other pragmatic policies currently quietly delivering progress across the region, greatly enhance the positive investment case for Asia. Double digit portfolio returns based on solid profit and dividend gains, contributed positively to absolute and relative performance during 2014. Despite reduced overall exposure to the region arising primarily from the takeover of Wing Hang Bank, prevailing opportunities suggest long term positives remain very much intact.

Conclusion

Neither a borrower nor a lender be. Not so much a global maxim, more a Scottish mantra. A philosophical concept built on common sense and fiscal prudence, yet in today's world, unfortunately, neither possible nor pragmatic. For without some debt to oil the wheels of commerce the global financial system simply could not function. Alas debt dependency, built up over decades, has disfigured private and public sector balance sheets beyond any point of recognition. Fearing widespread austerity and fragile democracy, policy makers pump even more credit into the financial arteries of an already desperately indebted system. In the United States alone, the national debt is on pace to double during the eight years of the current administration. In other words, from the most recent two-term presidency the US government will accumulate as much debt as it did under all the other presidents in US history. For those advocates of easy money and blinkered short-termism, none of this matters. Unfortunately in the real world it most certainly does. Crippling debt-financing commitments condemn numerous global economies to a future of lower growth, persistent unemployment, lower wages, lower living standards and few opportunities. Companies operating in such environments can expect intense competition, constant pressure on margins and capital constraints on innovation. Cost control will reign supreme. For those more fortunate to have global presence, the focus on higher growth, higher profitability markets become paramount. To find these, companies must embrace regions with abundant savings, countries not constrained by irresponsible credit cultures and consumers benefitting from rising real incomes and increasing confidence. Whether in Asia, Africa or South America the challenge remains the same: identify solid growth businesses with strong balance sheets and proven management teams willing to return cash to shareholders, then invest for the long term. Possessing exactly the type of flexible investment mandate to pursue such global opportunities, Murray International will continue to emphasise truly global diversification in pursuit of its capital and income objectives.

Bruce Stout
Aberdeen Asset Managers Limited
Senior Investment Manager
9 March 2015

Strategic Report - Results

Financial Highlights

	31 December 2014	31 December 2013	% change
Total assets less current liabilities (before deducting prior charges)	£1,429,179,000	£1,427,525,000	
Equity shareholders' funds (Net Assets)	£1,240,537,000	£1,236,718,000	
Market capitalisation	£1,317,337,000	£1,328,538,000	–0.8
Share price – Ordinary share (mid market)	1026.0p	1052.0p	–2.5
Share price – B Ordinary share (mid market)	1087.5p	1305.0p	–16.7
Net Asset Value per Ordinary and B Ordinary share	966.6p	981.0p	–1.5
Premium to Net Asset Value on Ordinary shares	6.1%	7.2%	
Gearing (ratio of borrowings less cash to shareholders' funds)			
Net gearing[A]	13.8%	15.1%	
Dividends and earnings per Ordinary share			
Revenue return per share	40.8p	43.8p	–6.8
Dividends per share[B]	45.0p	43.0p	+4.7
Dividend cover (including proposed final dividend)	0.91	1.02	
Revenue reserves[C]	£64,690,000	£68,120,000	
Ongoing charges[D]			
Excluding performance fee	0.73%	0.66%	
Including performance fee	0.73%	0.66%	

[A] Calculated in accordance with AIC guidance "Gearing Disclosures post RDR" (see definition on page 69).
[B] The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 51) and assuming approval of the 15.0p (2013 – 14.5p) final dividend.
[C] The revenue reserve figure does not take account of the third interim and final dividends amounting to £12,736,000 and £19,104,000 respectively (2013 – £11,887,000 and £18,163,000).
[D] Ongoing charges are calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

Performance (total return)

	1 year % return	3 year % return	5 year % return	10 year % return
Share price[A]	+1.7	+26.0	+62.3	+237.0
Net asset value per Ordinary and B Ordinary share	+3.0	+22.9	+53.0	+195.3
Benchmark	+7.5	+45.2	+59.2	+123.9

Total return represents the capital return plus dividends reinvested.
[A] Mid to mid.

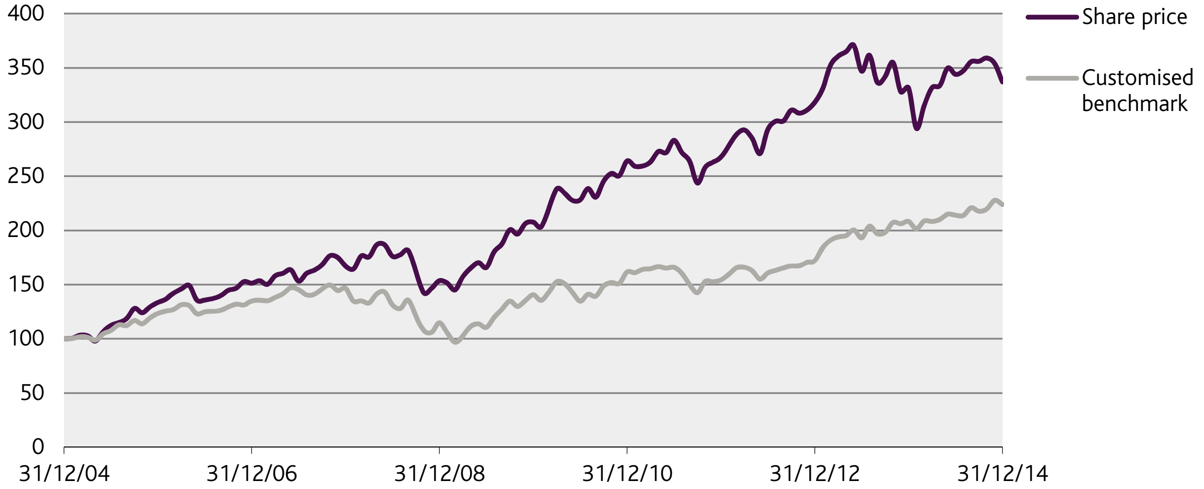
Dividends

	Rate	xd date	Record date	Payment date
1st interim	10.0p	09 July 2014	11 July 2014	15 August 2014
2nd interim	10.0p	09 October 2014	10 October 2014	17 November 2014
3rd interim	10.0p	08 January 2015	09 January 2015	18 February 2015
Proposed final	15.0p	02 April 2015	07 April 2015	15 May 2015
Total dividends	**45.0p**			

Strategic Report - Performance

Share Price Total Return rebased to 100 (with net dividends reinvested)

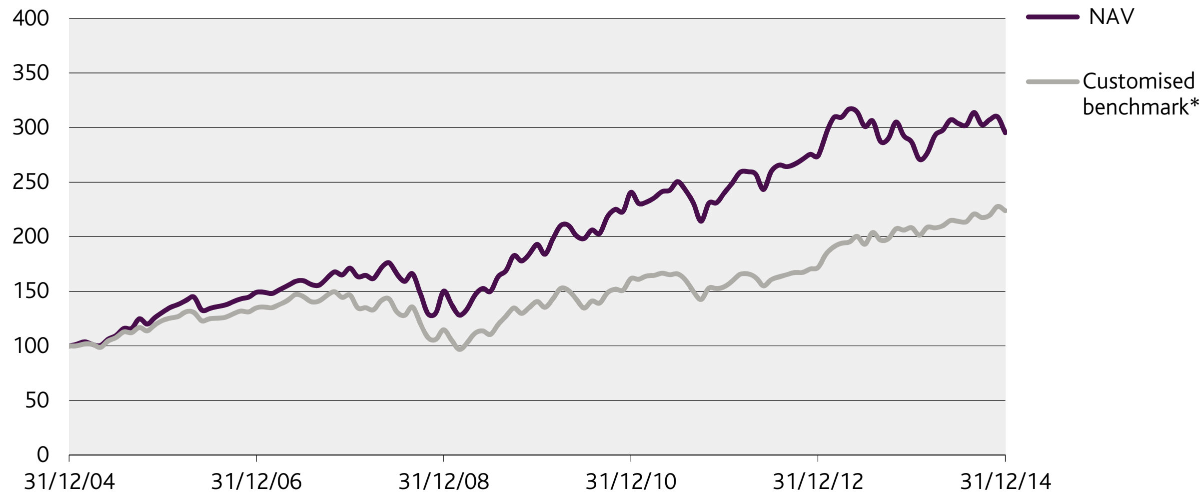
Ten years to 31 December 2014



* 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.

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

Ten years to 31 December 2014



* 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.

Ten Year Financial Record

Year end	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total revenue (£'000)	21,922	24,566	26,776	32,242	36,571	46,607	55,128	55,141	63,717	62,609
Per Ordinary share (p)										
Net revenue return[A]	17.4	19.5	21.0	24.7	29.2	38.2	43.6	39.8	43.8	40.8
Dividends[B]	17.3	19.0	21.0	23.2	27.0	34.5	37.0	40.5	43.0	45.0
Net asset value per Ordinary/B Ordinary share[C]	597.5	660.7	736.8	625.8	772.9	930.5	892.2	975.8	981.0	966.6
Shareholders' funds (£'000)	523,633	579,268	646,237	568,827	741,813	967,676	999,252	1,192,243	1,236,718	1,240,537

[A] Net revenue return per Ordinary share has been based on the average Ordinary share capital during each year, including conversion of B Ordinary shares into Ordinary shares during each year (see note 9 on pages 51 and 52).

[B] The figure for dividends per share reflects the years to which their declaration relates and not the years they were paid.

[C] Net Asset Values per Ordinary and B Ordinary share have been calculated after deducting loans at nominal values and have not been adjusted for the B Ordinary scrip issues (see note 14 on page 54).

Investment Portfolio – Twenty Largest Investments

As at 31 December 2014

Company	Country	Valuation 2014 £'000	Total assets[A] %	Valuation 2013 £'000
1 (2) 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 such as Cancun and Cozumel, plus cities such as Oaxaca, Veracruz and Merida.	Mexico	63,189	4.4	56,445
2 (1) British American Tobacco[B] British American Tobacco is the holding company for a group of companies that manufacture, market and sell cigarettes and other tobacco products. The group sells over 300 brands in approximately 180 markets around the world.	UK & Malaysia	59,873	4.2	57,822
3 (6) Taiwan Semiconductor Manufacturing Taiwan Semiconductor Manufacturing Company is one of the largest integrated circuit manufacturers in the world. The company is involved in component design, wafer manufacturing, assembly, testing and mask production of integrated circuits which are used in the computer, communication and electronics industries.	Taiwan	49,615	3.5	37,014
4 (7) Unilever Indonesia Unilever Indonesia, a majority owned subsidiary of Unilever NV, manufactures soaps, detergents, margarine, oil and cosmetics. The company also produces dairy based foods, ice cream and tea beverages.	Indonesia	46,760	3.3	36,117
5 (11) Taiwan Mobile Taiwan Mobile is the leading provider of cellular telecommunications services in Taiwan. Although predominantly a wireless network operator, the company also sells and leases cellular telephony equipment.	Taiwan	44,323	3.1	34,141
6 (3) 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.	USA	40,740	2.9	41,029
7 (5) Roche Holdings Roche Holdings develops and manufactures pharmaceutical and diagnostic products. The company produces prescription drugs in the areas of cardiovascular, respiratory diseases, dermatology, metabolic disorders, oncology and organ transplantation.	Switzerland	38,310	2.7	37,204
8 (13) Telus Telus is a telecommunications company providing a variety of communication products and services. The company provides voice, data, internet and wireless services to businesses and consumers throughout Canada.	Canada	37,094	2.6	33,240
9 (16) Zurich Financial Services Zurich provides insurance-based financial services. The company offers general and life insurance products and services for individuals, small businesses, commercial enterprises, mid-sized and large corporations plus multinational companies.	Switzerland	36,213	2.5	31,564
10 (9) Casino Casino operates a wide range of hypermarkets, supermarkets and convenience stores. In addition to domestic operations in France the company operates various retail formats in Vietnam, Thailand, Colombia and Brazil.	France	33,508	2.3	34,838
Top ten investments		**449,625**	**31.5**	

[A] See definition on page 70.

[B] Holding comprises UK and Malaysia securities split £37,450,000 (2013 – £35,618,000) and £22,423,000 (2013 – £22,204,000).

Company	Country	Valuation 2014 £'000	Total assets[A] %	Valuation 2013 £'000
11 (8) Nordea				
Nordea is a financial services group that provides banking services, financial products and related advisory services. The company's activities include investment banking, deposit and credit services, insurance products and securities trading. Nordea predominantly services the Scandinavian countries and the Baltic region.	Sweden	32,767	2.3	35,779
12 (12) Fomento Economico Mexicano				
Fomento Economico Mexicano (FEMSA) produces, distributes and markets non-alcoholic beverages throughout Latin America as part of the Coca Cola system. The company also owns and operates OXXO convenience stores in Mexico and Colombia and holds a stake in the Heineken brewing company.	Mexico	32,169	2.3	33,675
13 (-) Verizon Communications				
Verizon Communications is an integrated telecommunications company based in New York that provides wire line voice and data services, wireless services, internet servives and published directory information. The Company also provides netwotk services for the Federal Government.	USA	31,749	2.2	26,692
14 (20) Singapore Telecommunications				
Singapore Telecommunications is a communications company providing a diverse range of communications services including fixed-line telephony, mobile, data, internet, satellite and pay television. The company operates throughout the Asian Pacific region.	Singapore	31,710	2.2	29,323
15 (-) Daito Trust Construction				
Daito Trust Construction operates building construction and property leasing businesses. The Company plans and constructs private apartments and commercial buildings mainly for land owners throughout Japan. Daito Trust also provides brokerage and maintenance sevices.	Japan	31,134	2.2	23,975
16 (17) Royal Dutch Shell				
Royal Dutch Shell, through numerous international subsidiaries and global partnerships, explores for and produces oil, gas and petroleum products. In addition to producing fuels, chemicals and lubricants, the company owns and operates petrol filling stations worldwide.	UK	30,369	2.2	31,008
17 (-) Pepsico				
Pepsico operates worldwide beverage, snack and food businesses. The Company manufactures or use contract manufacturers, markets and sells a variety of grain-based snacks, carbonated and non-carbonated beverages and various food products. Pepsico is a global company with operations in numerous countries throughout the world.	USA	30,322	2.1	25,035
18 (-) Banco Bradesco[C]				
Banco Bradesco is one of Brazil's leading banks. In addition to attracting deposits and making loans, the bank offers a full range of commercial banking services, including personal credit, mortgages, lease financing, mutual funds, securities brokerage and internet banking services. Bradesco also offers credit cards, insurance and pension funds.	Brazil	28,910	2.0	23,562
19 (15) Total				
Total is a fully integrated international energy company involved in exploration, production, refining, transportation and marketing of oil and natural gas. The company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives and resins.	France	28,705	2.0	32,231
20 (4) Vale do Rio Doce[D]				
Vale is one of the world's largest, fully-integrated, natural resources companies. Based in Brazil, the company produces iron-ore, manganese, alloys, gold, nickel, copper, aluminium, potash and numerous other minerals. In addition to its mining assets, Vale also owns and operates railways and maritime terminals.	Brazil & USA	28,144	1.9	37,809
Top twenty investments		**755,604**	**52.9**	

[A] See definition on page 70.

[C] Holding comprises equity and fixed income securities split £19,527,000 (2013 – £15,130,000) and £9,383,000 (2013 – £8,432,000).

[D] Holding comprises equity and fixed income securities split £13,270,000 (2013 – £24,091,000) and £14,874,000 (2013 – £13,718,000).

The value of the 20 largest investments represents 52.9% (2013 – 50.9%) of total assets. The figures in brackets denote the position at the previous year end. (-) denotes not previously in 20 largest investments.

Investment Portfolio – Other Investments

As at 31 December 2014

Company	Country	Valuation 2014 £'000	Total assets[A] %	Valuation 2013 £'000
MTN	South Africa	26,949	1.9	27,523
Johnson & Johnson	USA	26,826	1.9	29,306
Souza Cruz	Brazil	26,090	1.8	34,252
Potash Corporation of Saskatchewan	Canada	25,861	1.8	22,666
Public Bank	Malaysia	25,761	1.8	24,774
Telefonica Brasil	Brazil	25,725	1.8	21,678
Baxter International	USA	25,382	1.8	22,673
Standard Chartered	UK	23,779	1.7	32,640
HSBC	UK	23,735	1.6	25,834
Kimberly Clark de Mexico	Mexico	23,685	1.6	29,012
Top thirty investments		1,009,397	70.6	
Sociedad Quimica Y Minera De Chile	Chile	22,953	1.6	–
BHP Billiton	Australia	22,216	1.6	29,904
Tenaris ADR	Mexico	21,326	1.5	29,003
ENI	Italy	21,058	1.5	27,210
Petroleos Mexicanos 5.5% 27/06/44	Mexico	19,625	1.4	16,528
Republic of South Africa 7% 28/02/31	South Africa	19,425	1.4	–
GDF Suez	France	19,000	1.3	17,894
Federal Republic of Brazil 10% 01/01/17	Brazil	18,329	1.3	–
Novartis	Switzerland	17,872	1.2	15,457
Nestlé	Switzerland	16,468	1.1	15,504
Top forty investments		1,207,669	84.5	
Weir Group	UK	14,808	1.0	21,320
Oversea-Chinese Bank	Singapore	14,238	1.0	12,194
Coca-Cola Amatil	Australia	13,813	1.0	18,390
Swire Pacific 'B'	Hong Kong	13,695	1.0	12,194
Atlas Copco	Sweden	12,332	0.9	11,507
Republic of Venezuela 5.75% 26/02/16	USA	12,314	0.9	–
Bharti Airtel International 5.125% 11/03/23	India	11,636	0.8	–
Wilson & Sons	Brazil	11,038	0.8	11,869
Hypermarcas 6.5% 20/04/21	USA	10,800	0.7	10,133
Republic of Indonesia 8.375% 15/03/34	Indonesia	10,434	0.7	–
Top fifty investments		1,332,777	93.3	
Republic of Indonesia 6.125% 15/05/28	Indonesia	9,928	0.7	–
Republic of Indonesia 7.0% 15/05/22	Indonesia	9,887	0.7	–
Federal Republic of Brazil 10% 01/01/18	Brazil	9,008	0.6	–
Petroleos De Venezuela 5.25% 12/04/17	Venezuela	8,850	0.6	–
PTT Exploration and Production	Thailand	8,733	0.6	12,237
Vodafone Group	UK	7,287	0.5	14,220
Republic of Indonesia 9.5% 15/07/23	Indonesia	4,428	0.3	4,070
Republic of Indonesia 10% 15/02/28	Indonesia	4,419	0.3	4,008
Comcast	USA	3,719	0.3	–
General Accident 7.875% Cum Irred Pref	UK	3,416	0.2	3,094
Top sixty investments		1,402,452	98.1	
Santander 10.375% Non Cum Pref	UK	3,150	0.2	2,805
Federal Republic of Brazil 11% 17/08/40	USA	2,730	0.2	2,741
Total investments		**1,408,332**	**98.5**	
Net current assets		**20,847**	**1.5**	
Total assets[A]		**1,429,179**	**100.0**	

[A] See definition on page 70.

Summary of Net Assets

	Valuation 31 December 2014 £'000	%
Equities	1,225,696	98.8
Fixed income	182,636	14.7
Other net assets	20,847	1.7
Prior charges[A]	(188,642)	(15.2)
Equity shareholders' funds	**1,240,537**	**100.0**

Summary of Investment Changes During the Year

	Valuation 31 December 2014 £'000	%	Appreciation/ (depreciation) £'000	Transactions £'000	Valuation 31 December 2013 £'000	%
Equities						
United Kingdom	159,644	11.2	(21,432)	(23,376)	204,452	14.3
North America	221,693	15.5	20,786	266	200,641	14.1
Europe ex UK	256,233	17.9	(10,855)	7,901	259,187	18.2
Japan	31,134	2.2	6,846	(14,336)	38,624	2.7
Asia Pacific ex Japan	271,071	19.0	27,543	(67,589)	311,117	21.8
Latin America	258,972	18.1	(28,314)	9,971	277,315	19.4
Africa	26,949	1.9	(574)	–	27,523	1.9
	1,225,696	85.8	(6,000)	(87,163)	1,318,859	92.4
Fixed income						
United Kingdom	6,566	0.4	756	(10,840)	16,650	1.2
Europe ex UK	–	–	386	(14,750)	14,364	1.0
Asia Pacific ex Japan	50,732	3.5	2,771	39,883	8,078	0.6
Latin America	105,913	7.4	(7,073)	49,660	63,326	4.4
Africa	19,425	1.4	(92)	19,517	–	–
	182,636	12.7	(3,252)	83,470	102,418	7.2
Other net assets	20,847	1.5	14,599	–	6,248	0.4
Total assets[A]	**1,429,179**	**100.0**	**5,347**	**(3,693)**	**1,427,525**	**100.0**

[A] See definition on page 70.

Attribution Analysis

As at 31 December 2014

	Company		Benchmark		Contribution from:		
	Weight %	Return %	Weight %	Return %	Asset Allocation %	Stock Selection %	Total %
UK	13.0	–8.0	40.0	0.6	1.8	–1.2	0.6
Europe ex UK	22.6	–0.7	10.4	0.2	–0.8	–0.3	–1.1
North America	18.1	14.6	37.2	19.6	–2.6	–0.4	–3.0
Japan	2.5	32.3	5.3	2.7	0.1	0.6	0.7
Asia Pacific ex Japan	22.2	13.4	5.4	5.0	1.3	0.2	1.5
Other International	21.6	–5.5	1.7	1.3	–2.5	–0.4	–2.9
Gross equity portfolio return	100.0	3.3	100.0	7.5	–2.7	–1.5	–4.2
FX instruments, fixed interest, cash and gearing effect		0.7					
Net portfolio return		4.0					
Management fees and administrative expenses		–0.8					
Tax charge		–0.3					
Share issuance effect		0.1					
Total return		**3.0**		**7.5**			

Benchmark is 40% FTSE UK World Index and 60% FTSE World ex-UK Index

Notes to Performance Analysis

Stock Selection effect – measures the effect of security selection within each category.

Asset Allocation effect – measures the impact of over or underweighting each asset category, relative to the benchmark weights.

Share issuance – the enhancement to performance of new shares being issued at premium to NAV.

Source: Aberdeen Asset Management & BNP Paribas

Distribution of Investments

Year to 31 December 2014

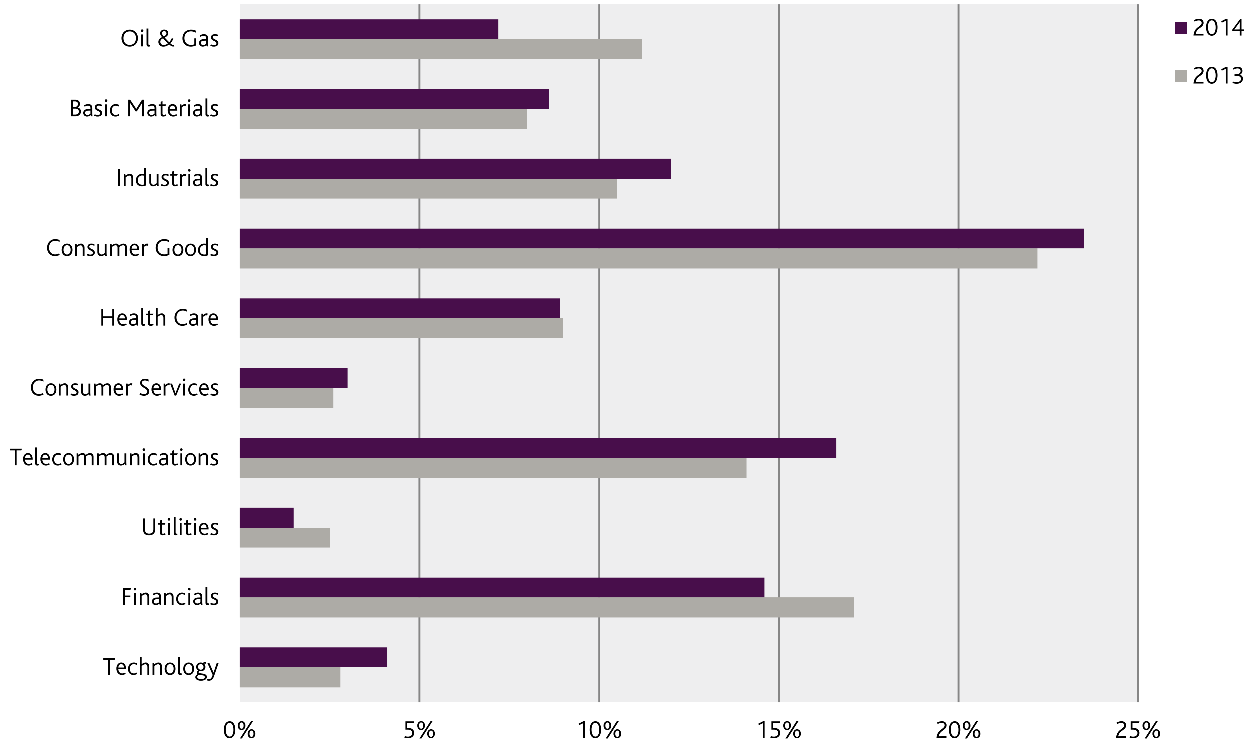
Sector/Area	United Kingdom %	North America %	Europe ex UK %	Japan %	Asia Pacific ex Japan %	Latin America %	Africa %	2014 Total %	2013 Total %
Oil & Gas	**2.1**	**–**	**3.5**	**–**	**0.6**	**–**	**–**	**6.2**	**10.4**
Oil & Gas Producers	2.1	–	3.5	–	0.6	–	–	6.2	10.4
Basic Materials	**1.6**	**1.8**	**–**	**–**	**–**	**4.0**	**–**	**7.4**	**7.4**
Chemicals	–	1.8	–	–	–	1.6	–	3.4	1.6
Industrial Metals & Mining	–	–	–	–	–	1.5	–	1.5	2.0
Mining	1.6	–	–	–	–	0.9	–	2.5	3.8
Industrials	**1.0**	**–**	**0.9**	**2.2**	**1.0**	**5.2**	**–**	**10.3**	**9.7**
Construction & Materials	–	–	–	2.2	–	–	–	2.2	1.7
General Industrials	–	–	–	–	1.0	–	–	1.0	0.9
Industrial Engineering	1.0	–	0.9	–	–	–	–	1.9	2.3
Industrial Transportation	–	–	–	–	–	5.2	–	5.2	4.8
Consumer Goods	**2.6**	**4.9**	**1.1**	**–**	**5.9**	**5.7**	**–**	**20.2**	**20.5**
Beverages	–	2.1	–	–	1.0	2.2	–	5.3	5.5
Food Producers	–	–	1.1	–	–	–	–	1.1	1.1
Personal Goods	–	–	–	–	3.3	1.7	–	5.0	4.5
Tobacco	2.6	2.8	–	–	1.6	1.8	–	8.8	9.4
Health Care	**–**	**3.7**	**3.9**	**–**	**–**	**–**	**–**	**7.6**	**8.3**
Health Care Equipment & Services	–	1.8	–	–	–	–	–	1.8	1.6
Pharmaceuticals & Biotechnology	–	1.9	3.9	–	–	–	–	5.8	6.7
Consumer Services	**–**	**0.3**	**2.3**	**–**	**–**	**–**	**–**	**2.6**	**2.4**
Food & Drug Retailers	–	–	2.3	–	–	–	–	2.3	2.4
Media	–	0.3	–	–	–	–	–	0.3	–
Telecommunications	**0.5**	**4.8**	**–**	**–**	**5.2**	**1.8**	**1.9**	**14.2**	**13.0**
Fixed Line Telecommunications	–	4.8	–	–	–	1.8	–	6.6	5.7
Mobile Telecommunications	0.5	–	–	–	5.2	–	1.9	7.6	7.3
Utilities	**–**	**–**	**1.3**	**–**	**–**	**–**	**–**	**1.3**	**2.3**
Gas Water & Multiutilities	–	–	1.3	–	–	–	–	1.3	2.3
Financials	**3.4**	**–**	**4.9**	**–**	**2.8**	**1.4**	**–**	**12.5**	**15.8**
Banks	3.4	–	2.3	–	2.8	1.4	–	9.9	12.4
Nonlife Insurance	–	–	2.6	–	–	–	–	2.6	3.4
Technology	**–**	**–**	**–**	**–**	**3.5**	**–**	**–**	**3.5**	**2.6**
Technology Hardware & Equipment	–	–	–	–	3.5	–	–	3.5	2.6
Total equities	**11.2**	**15.5**	**17.9**	**2.2**	**19.0**	**18.1**	**1.9**	**85.8**	**92.4**
Fixed income	**0.4**	**–**	**–**	**–**	**3.5**	**7.4**	**1.4**	**12.7**	**7.2**
Total investments	**11.6**	**15.5**	**17.9**	**2.2**	**22.5**	**25.5**	**3.3**	**98.5**	**99.6**
Other net current assets								1.5	0.4
Total assets[A]								**100.0**	**100.0**

[A] See definition on page 70.

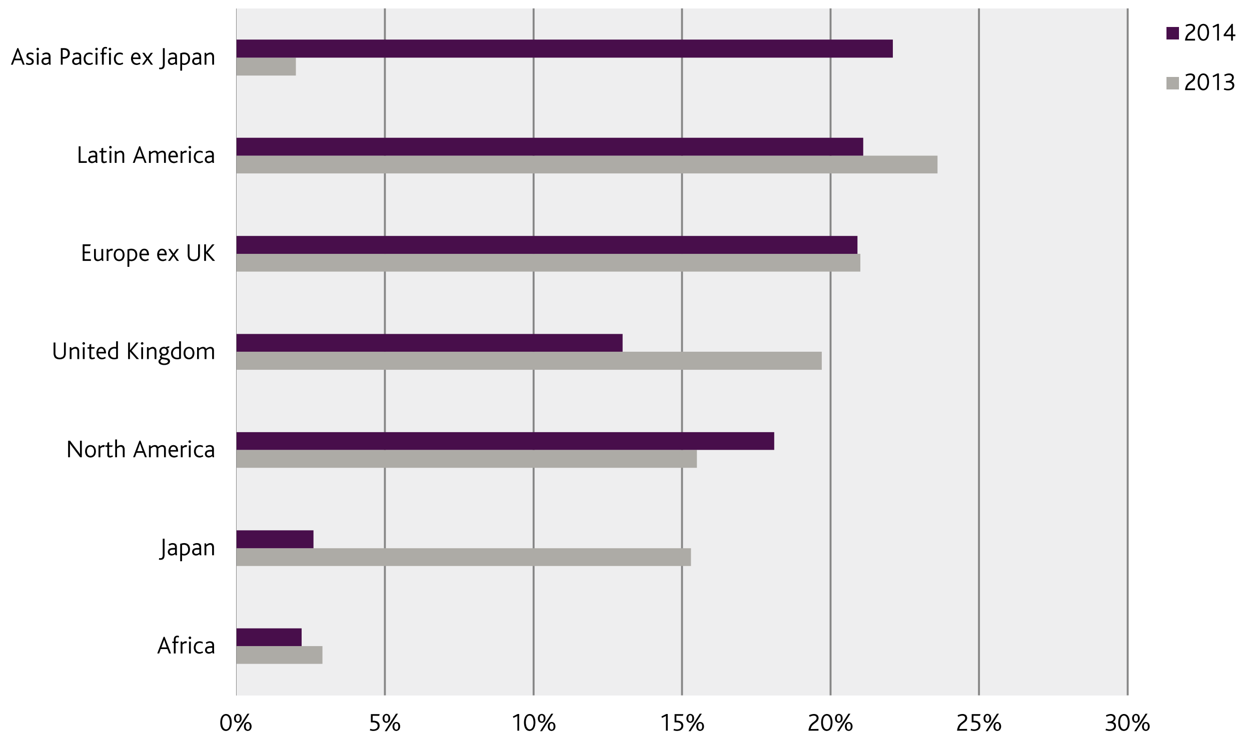
Distribution of Equity Investments

As at 31 December 2014

Total Equities Distribution by Sector



Total Equities Distribution by Geographic Region



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
Relevant experience and other directorships: 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 Lowland Investment Company plc and JPMorgan American Investment Trust PLC.
Length of Service: He was appointed a Director on 23 April 2009
Last re-elected to the Board: 29 April 2014
Committee member: 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: None
Shareholding in Company: 20,000 Ordinary shares

Lady Balfour of Burleigh CBE

Status: Independent Non-Executive Director and Senior Independent Director
Relevant experience and other directorships: She taught politics and modern history at Oxford University, before moving to the Central Policy Review Staff in the Cabinet Office. She has worked for governments in many countries and for a number of public companies. She was formerly chairman of the Nuclear Liabilities Fund and is chairman of the Nuclear Liabilities Financing Assurance Board. Her other current directorships are The Scottish Oriental Smaller Companies Trust plc and Albion Enterprise VCT PLC.
Length of Service: She was appointed a Director on 30 September 2003
Last re-elected to the Board: 29 April 2014
Committee member: Audit 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: 1,300 Ordinary shares

James Best

Status: Independent Non-Executive Director
Relevant experience and other directorships: He is a Partner of Arkios Limited in London and was formerly Chairman of Kalahari Energy, a Botswana company active in alternative fuel. He has worked in New York, London and Singapore as a banker, most notably with UBS, HSBC and earlier with Credit Suisse.
Length of Service: He was appointed a Director on 30 June 2005
Last re-elected to the Board: 29 April 2014
Committee member: Audit 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: 47,500 Ordinary shares

Your Board of Directors continued

Marcia Campbell

Status: Independent Non-Executive Director
Relevant experience and other directorships: She was operations director at Ignis Asset Management having previously been group operations director and CEO Asia Pacific at Standard Life. She is a director of CNP Assurances in France and Sainsbury's Bank.
Length of Service: She was appointed a Director on 27 April 2012
Last re-elected to the Board: 29 April 2014
Committee member: Audit 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: 5,726 Ordinary shares

Peter Dunscombe

Status: Independent Non-Executive Director
Relevant experience and other directorships: He was previously head of pensions investment at the BBC Pension Trust and prior to that he was joint managing director at Imperial Investments Limited. He is a member of the investment committees of The Pensions Trust, Reed Elsevier Pension Fund, The Nuffield Foundation and St James's Place plc and a director of HG Capital Trust Plc and GCP Student Living plc.
Length of Service: He was appointed a Director on 29 April 2011
Last re-elected to the Board: 29 April 2014
Committee member: Audit 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: 3,850 Ordinary shares

David Hardie

Status: Independent Non-Executive Director
Relevant experience and other directorships: He is a corporate lawyer by background and was until recently a partner of UK law firm, Dundas & Wilson (now part of CMS Cameron McKenna), 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 head of venture philanthropy at Inspiring Scotland and non-executive chairman of two private companies: W N Lindsay Limited and Keppie Design Limited.
Length of Service: He was appointed a Director on 1 May 2014
Last re-elected to the Board: n/a
Committee member: Audit 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: 4,114 Ordinary shares

Directors' Report

Introduction

The Directors present their report and the audited financial statements for the year ended 31 December 2014.

The Directors disclosed on pages 23 and 24 (with the exception of D Hardie who was appointed on 1 May 2014) held office throughout the year under review and, together with A C Shedden who retired from the Board on 29 April 2014, were the only Directors who served during the year.

A review of the Company's activities is given in the Strategic Report on pages 1 to 15. This includes the overall strategy of the business of the Company and its principal activities, main risks faced by the Company, likely future developments of the business, the recommended dividend and any details of acquisition of its own shares by the Company.

Status

The Company is an investment trust whose shares are traded on the London Stock Exchange and its Ordinary and B Ordinary shares are listed on the premium segment of the London Stock Exchange. The Company 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 2014 so as to enable it to comply with the ongoing requirements for investment trust status.

The affairs of the Company were conducted in such a way 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 in the future.

The Company is registered as a public limited company. The Company's registration number is SC006705. The Company has no employees and the Company makes no political donations.

Results and Dividends

The total gain attributable to equity shareholders for the year amounted to £35.4 million.

A final dividend for the year ended 31 December 2013 of 14.5p per Ordinary share was paid on 16 May 2014. Interim dividends of 10.0p each were paid on 15 August 2014, 17 November 2014 and 18 February 2015 making a total distribution to Ordinary shareholders of £55.3 million. The Directors are recommending a final dividend for the year ended 31 December 2014 of 15.0p per Ordinary share payable on 15 May 2015 to holders of Ordinary shares on the register at close of business on 7 April 2015.

Whenever a cash dividend is paid on the Ordinary shares, a bonus issue of B Ordinary shares is made to the holders of B Ordinary shares. In connection with the final dividend the Directors will make a corresponding capitalisation issue of B Ordinary shares credited as fully paid. This capitalisation issue will be equivalent in asset value to the final dividend now recommended on the Ordinary shares but excluding any tax credit thereon. Subject to the approval of shareholders of the final dividend, definitive certificates in respect of the capitalisation issue will be posted on 15 May 2015. Fractional entitlements will be sold for the benefit of B Ordinary shareholders. The new B Ordinary shares will rank equally with the existing B Ordinary shares.

Resolution No. 11 to approve the final dividend will be proposed at the Annual General Meeting.

The Net Asset Value per Ordinary and B Ordinary share at 31 December 2014 was 966.6p (2013 – 981.0p).

Share Capital

At 31 December 2014 there were 127,361,901 Ordinary shares and 975,063 B Ordinary shares in issue representing 99.24% and 0.76% respectively of the total issued capital. During the year 2,232,500 new Ordinary shares were issued for cash at a premium to the prevailing NAV per share; 42,624 new B Ordinary shares were issued by way of capitalisation issue in lieu of dividends; and, 3,194 B Ordinary shares were converted into new Ordinary shares.

Management and Secretarial Arrangements

The Company's investment management arrangements with the Aberdeen Asset Management Group were reorganised during the year and the Company has appointed Aberdeen Fund Managers Limited ("AFML"), a wholly owned subsidiary of Aberdeen Asset Management PLC, as its alternative investment fund manager with effect from 15 July 2014. In order to facilitate this appointment, the Company terminated its existing investment management agreement with Aberdeen Asset Managers Limited ("AAML") and entered into a new management agreement with AFML. The new management agreement is made on the same commercial terms as the previous agreement with AAML and is also compliant with the new regulatory regime. Under these new arrangements, the Company's portfolio will continue to be managed by AAML by way of a group delegation agreement in place between AFML and Aberdeen.

Investment management services are provided to the Company by AFML. Company secretarial, accounting and administrative services have been delegated by AFML to Aberdeen Asset Management PLC.

For the year ended 31 December 2014, the management and secretarial fees payable to AFML were calculated and charged on the following basis:

- an investment management fee payable to AFML of 0.5% per annum of the value of total assets, less unlisted investments and all current liabilities excluding monies borrowed to finance the investment objectives of the Company, averaged over the six previous quarters. A fee of 1.5% per annum is charged on the value of unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves.

Included in the charge of 0.5% above is a secretarial fee of £100,000 per annum which is chargeable 100% to revenue.

In addition, the Manager is entitled to a performance fee on the following basis:

- a fee of 5% of the first 2% of any outperformance of the Company's net asset total return over that of its benchmark;
- a fee of 10% of any additional outperformance against the benchmark.

The total amount of the fee earned by the Manager in any one year (comprising the basic management fee and the performance fee) is capped at 0.8% of the average value of the Company's total assets less current liabilities. Any performance fee is paid in equal instalments over a four year period with any future underperformance offset against the fee payable.

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 one year's 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 Aberdeen Asset Management Group has the investment management, secretarial, marketing and administrative skills required for the effective operation of the Company.

Directors' & Officers' Insurance

The Company purchases and maintains liability insurance covering the Directors and Officers 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.

Corporate Governance

The Statement of Corporate Governance forms part of this Directors' Report and covers the Company's compliance with The UK Corporate Governance Code and is shown on pages 29 to 36.

Going Concern

In accordance with the Financial Reporting Council's guidance on Going Concern and Liquidity Risk issued in October 2009 the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares and bonds which in most circumstances are realisable within a very short timescale.

The Company is in process of reviewing options to replace the Yen8.4 billion loan facility with RBS which will mature in May 2015. However, at this stage it is too early to confirm that the facility will be renewed. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access a similarly sized facility. However, should the Board decide not to replace the facility any outstanding borrowing would be repaid through the proceeds of equity sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 4 to 6 and have reviewed forecasts detailing revenue and liabilities. 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.

Management of Conflicts of Interest

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 his 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.

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 www.aberdeen-asset.com.

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

The Company's policy is to conduct a regular review of its audit arrangements. The last tender took place in 2013 and following a detailed and rigorous process involving large and medium-sized audit firms the Board's recommendation to shareholders to reappoint Ernst & Young LLP ("EY") was duly approved at the AGM in April 2014.

The auditor, EY, has expressed its willingness to continue in office. Resolution No. 9 to re-appoint EY as the Company's auditor will be put to the forthcoming Annual General Meeting, along with Resolution No. 10 to authorise the Directors to fix their remuneration. Details of fees relating to non-audit services are disclosed on pages 35 and 49.

Annual General Meeting

The Notice of Annual General Meeting is contained on pages 71 to 75 of the Annual Report.

Discount Management Policy and Special Business at Annual General Meeting

Share Buybacks

At the Annual General Meeting held on 29 April 2014, 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 previous Annual General Meeting. The principal aim of a share buyback facility is to enhance shareholder value by acquiring shares at a discount to Net Asset Value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to Net Asset Value per share, should result in an increase in the Net Asset Value 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 Net Asset Value 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 No. 14 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 Net Asset Value. 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.

Special Resolution No. 14 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 19,093,797 Ordinary shares and 147,632 B Ordinary shares as at 9 March 2015). Such authority will expire on the date of the 2016 Annual General Meeting or on 30 June 2016, 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.

During the year ended 31 December 2014 and up to the date of this Report no share repurchases have taken place and no shares are currently held in treasury.

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 No. 12 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 £3,209,044 (equivalent to 12,737,690 Ordinary shares and 98,487 B Ordinary shares or 10% of the Company's existing issued share capital at 9 March 2015, the latest practicable date prior to the publication of this Annual Report). Such authority will expire on the date of the next Annual General Meeting or on 30 June 2016, 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 No. 13 will, if passed, also give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £3,209,044 (equivalent to 12,737,690 Ordinary shares and 98,487 B Ordinary shares or 10% of the Company's existing issued share capital at 9 March 2015, 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 No. 12. This authority will also expire on the date of the 2016 Annual General Meeting or on 30 June 2016, 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 No. 12 and 13 to allot shares and disapply pre-emption rights only in 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 Net Asset Value 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 No. 13 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 Net Asset Value of not less than 0.5%.

Recommendation

The Directors consider that the authorities granted 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 82,490 shares, representing approximately 0.07% of the Company's issued share capital as at 9 March 2015.

Additional Information

The following further information is disclosed in accordance with the Companies Act 2006 and DTR 7.2.6:

- The Company's capital structure and voting rights are summarised in note 14;
- Details of the substantial shareholders in the Company are listed on page 33;
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 32;
- Amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares requires a special resolution to be passed by shareholders;
- There are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a takeover bid; and,
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

By order of the Board of Murray International Trust PLC

Aberdeen Asset Management PLC
Secretary
40 Princes Street,
Edinburgh EH2 2BY

9 March 2015

Statement of Corporate Governance

Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which is shown on pages 25 to 28.

Introduction

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 applies the principles identified in the UK Corporate Governance Code ("UK Code") which is available on the Financial Reporting Council's website: www.frc.org.uk. The Board confirms that the Company has complied throughout the accounting period with the relevant provisions contained within the UK Code.

The Board has also considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for investment Companies (AIC Guide). The AIC Code is available on the AIC's website: www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting by reference to the principles and recommendations of the AIC Code and the AIC Guide (which incorporates the UK Code) will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- The role of the chief executive.
- Executive directors' remuneration.
- The need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers 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.

Directors

The Board consists of six non-executive Directors, all of whom are considered to be independent of Aberdeen Fund Managers Limited (AFML) and the Manager ("Aberdeen Asset Managers Limited" or the "Manager") and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

Biographies of the Directors appear on pages 23 and 24 of this report and indicate their range of high level industrial, commercial and professional experience, within an international perspective.

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. During the year ended 31 December 2014 there were six scheduled Board meetings together with a further four ad hoc Board meetings and a separate strategy meeting (excluding allotment meetings). The primary focus at regular Board meetings is a review of investment performance and associated matters, including gearing, asset allocation, premium and/or discount control, marketing and investor relations, peer group information and industry issues. Between these meetings, the Board maintains regular contact with the Manager. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

- The maintenance of clear investment objectives and risk management policies.
- The monitoring of the business activities of the Company ranging from analysis of investment performance through to annual budgeting and quarterly forecasting and variance analysis.
- Companies Act requirements such as the approval of the interim and annual financial statements and approval and recommendation of the interim and final dividends respectively.
- Setting the level of gearing which the Manager may operate.
- Board appointments and removals and the related terms (subject to appropriate shareholder approval).
- Appointment and removal of the Manager and the terms and conditions of the management and administration agreements relating thereto.
- Terms of reference and membership of Board Committees.
- Stock Exchange/UK Listing Authority/Financial Conduct Authority – responsibility such as approval of all circulars, listing particulars and approval of all releases concerning matters decided by the Board.

Statement of Corporate Governance continued

The Chairman of the Company is an independent non-executive Director. Lady Balfour was appointed senior independent Director on 29 April 2014 following the retirement of Mr Shedden. On 1 May 2014 Mr Hardie was appointed as an independent non-executive Director.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives who are responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows with the Board and its committees, as well as facilitating induction and assisting with professional development as required; and,
- for advising through the Chairman on all corporate governance matters.

When a Director is appointed, an induction meeting is arranged by the Manager. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

Directors have attended Board meetings and Committee meetings held during the year as shown below (with their eligibility to attend the relevant meeting in brackets):

	Board	Other Board	Nom Com	Audit Com	Other Com [B]
K J Carter [A]	6 (6)	4 (4)	2 (2)	n/a	3 (3)
Lady Balfour of Burleigh	6 (6)	4 (4)	1 (2)	3 (3)	3 (4)
J D Best	5 (6)	2 (4)	1 (2)	2 (3)	3 (4)
M Campbell	6 (6)	4 (4)	2 (2)	3 (3)	4 (4)
P W Dunscombe	6 (6)	4 (4)	1 (2)	3 (3)	3 (4)
D Hardie [C]	4 (4)	1 (1)	0 (0)	2 (2)	2 (2)
A C Shedden [D]	2 (2)	3 (3)	2 (2)	1 (1)	2 (2)

[A] Dr Carter is not a member of either the Audit Committee or the Remuneration Committee but attended all Committee meetings by invitation
[B] excluding ad hoc share allotment meetings
[C] Mr Hardie was appointed to the Board on 1 May 2014
[D] Mr Shedden retired from the Board on 29 April 2014

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

The Board and Committees have undertaken their annual performance evaluation, by means of general discussion, questionnaire and individual interviews between the Chairman and the other Directors, to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and Committees. In 2012, the Board employed the independent services of Law Debenture Governance Services Limited to carry out an external evaluation of the Board's and individual Directors' performance. Law Debenture does not have any other relationships with the Company. It is the Board's intention to use an external consultant to assist in the Board's performance evaluation at least every three years. As part of the Directors' evaluation process the training needs of Directors, if any, were discussed and agreed.

The Board and Nomination Committee have also reviewed the Chairman's and Directors' other commitments and are satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company and contribute to the effective running of the Company. The Chairman has been satisfactorily evaluated by his fellow Directors. The Board is satisfied with its current balance, performance and the contributions of its Directors during the year.

External Agencies

The Board has contractually delegated to external agencies, including AFML, the Manager and other service providers, certain services: the management of the investment portfolio, the depositary/custodial services (which include the safeguarding of the assets), the registration services and the day to day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company. The Board receives and considers regular monitoring reports from the Manager in respect of the delegated service providers. In addition ad hoc reports and information are supplied to the Board as requested.

Internal Controls and Risk Management

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 "Internal Control: Revised Guidance for Directors on the Combined Code" (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 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 regularly.

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 AFML 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 AFML'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 internal audit risk assessment model identify those functions for review. Any relevant weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. 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 compliance department of AFML continually reviews 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 Head of Internal Audit of the Manager reports six monthly to the Audit Committee of the Company and has direct access to the Directors at any time.

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.

Committees

Nomination Committee

A Nomination Committee has been established with written terms of reference, copies of which are available upon request from the Company Secretary, and also on the Company's website. The Nomination Committee met twice during the year and comprises the whole Board with Dr Carter serving as Chairman. All members are independent from any relationship that would interfere with impartial judgement in carrying out their responsibilities.

The Committee makes recommendations to the Board on the following matters:

- the identification and nomination of candidates to fill Board vacancies as and when they arise for the approval of the Board. The identification of such candidates is carried out in conjunction with the Board by an independent firm of consultants;

- plans for succession;
- the re-appointment of any non-executive Director at the conclusion of their specified term of office;
- the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's Articles of Association;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office (e.g. Chairman of the Audit Committee) other than to the position of Chairman, the recommendation for whom would be considered at a meeting of the Board.

During the year the Nomination Committee continued the process of succession planning and instigated a search for a new Director using the services of Fletcher Jones Limited as its independent external recruitment consultant. Fletcher Jones provides recruitment services to the Company from time to time but there are no other relationships between the Company and Fletcher Jones. The Committee identified a specification for the new Director including the requisite skills and experience that would complement the existing Board and having due regard for the benefits of diversity on the Board. 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. However, the Board recognises the benefits of diversity in the composition of the Board. When Board positions become available as a result of retirement or resignation, the Company ensures that a diverse group of candidates is considered. The Committee interviewed a short list of high quality candidates and identified Mr David Hardie as the preferred candidate. Mr Hardie was appointed to the Board with effect from 1 May 2014.

In accordance with Principle 3 of the AIC's Code of Corporate Governance which recommends that the directors of FTSE 350 companies should be subject to annual re-election by shareholders, all the members of the Board will retire at the forthcoming Annual General Meeting and will offer themselves for re-election. Accordingly, the Committee also considered the re-election of all the Directors including the re-election of Mr Hardie, who, having been appointed during the year will retire and submit himself for re-election at the 2015 AGM in accordance with the Articles of Association. The Committee concluded that the knowledge and experience of each of the Directors is greatly valued by the Board and recommended their re-election at the forthcoming AGM.

Management Engagement Committee

As recommended by the AIC Code, a Management Engagement 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 Management Engagement Committee met twice during the year and comprises the whole Board with Dr Carter serving as Chairman. All the members are independent and free from any relationship that would interfere with impartial judgement in carrying out their responsibilities.

The Committee meets at least annually in order to review matters concerning the management agreement which exists with Aberdeen Fund Managers Limited. Details of the management agreement are shown on pages 25 and 26 of the Annual Report.

Remuneration Committee

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 met once during the year and comprises the whole Board (excluding Dr Carter) with Lady Balfour serving as Chairman. All the members are independent and free from any relationship that would interfere with impartial judgement in carrying out their responsibilities.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development and success of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 37 and 38.

Directors' Terms of Appointment

All non-executive Directors are appointed for an initial term of three years, subject to annual re-election and Companies Act provisions and, in accordance with the existing Articles of Association, stand for election at the first Annual General Meeting following their appointment. Although the Articles of Association state that Directors must offer themselves for re-election at least once every three years, in accordance with corporate governance best practice, each Director submits for annual re-election. Any Director who seeks re-election beyond six years will be subject to particularly rigorous review to ensure that their performance continues to be effective.

Policy on Tenure

The Board has assessed the independence of the Directors against the criteria set out in the Codes, and has concluded that they are all independent of the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement. The Board takes the view that independence is not compromised by length of tenure on the Board and that experience can add significantly to the Board's strength. In the case of Mr Best and Lady Balfour who have been Directors since 2005 and

2003 respectively, the Board takes the view that their independence has not been compromised by their length of service and that experience as well as a long-term perspective can add significant value to a well-balanced investment trust company board comprising of non-executive directors. In considering their independence, the Directors considered a number of factors including their experience, integrity and judgement. The Directors also recognised that the Directors have no connection with the Manager, are not professional advisers who have provided services to the Manager or the Board, do not serve on any other board of a company managed by the Manager or serve as directors on companies with any of the other Company's directors. For these reasons the Board (excluding the individual Directors) believes the Directors remain independent notwithstanding their length of service.

Communication with Shareholders

The Company places great importance on communication with its shareholders. The Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings.

The Company has adopted a nominee code, which ensures that, when its shares are held in the name of nominee companies and notification has been received in advance, nominee companies will be provided with copies of shareholder communications for distribution to their customers. Nominee investors may attend general meetings and speak at meetings when invited by the Chairman.

Participants in the Aberdeen Retail Savings Plans (the "Plans"), whose shares are held in the nominee names of the Plans' administrator, are given the opportunity to vote by means of a Letter of Direction enclosed with the Annual Report. The Letter of Direction is forwarded to the administrator of the Plans, who will complete a proxy on behalf of the participants and forward it to the Company's registrar for inclusion in the voting figures. Those participants who attend the Annual General Meeting are given the opportunity to speak when invited by the Chairman. As required under the Code, the Annual Report is posted to shareholders at least twenty business days before the Annual General Meeting.

The Notice of Meeting sets out the business of the meeting and the resolutions are explained more fully in the Directors' Report on pages 27 and 28. Separate resolutions are proposed for each issue.

The Board is very conscious that the Annual General Meeting is an event for all shareholders and encourages them to attend and participate. The Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. All shareholders have the opportunity to put questions at the Company's Annual General Meeting. The number of proxy votes is relayed to shareholders at the Annual General Meeting, after each resolution has been dealt with on a show of hands.

Shareholders also have direct access to the Company via the free shareholder information telephone service run by the Manager, and the Company and the Manager respond to letters from shareholders. The Manager meets regularly with major shareholders and reports back to the Board on these visits. A website from which the Company's reports and other publications can be downloaded is maintained on www.murray-intl.co.uk.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required. Representatives from the Board meet with major shareholders regularly.

Substantial Interests

At 31 December 2014 the following were registered or had notified the Company as being interested in 3% or more of the Company's Ordinary share capital:

Name of shareholder	Number of Ordinary shares held	% of Ordinary shares held
Brewin Dolphin Stockbrokers	10,568,167	8.3
Aberdeen Investment Trust Retail Savings Plans[A]	9,455,190	7.4
Speirs & Jeffrey Stockbrokers	9,272,386	7.3
Investec Wealth & Investment	6,527,442	5.1
Rathbones	6,278,623	4.9
Alliance Trust Savings[A]	4,914,029	3.9

[A] Non-beneficial interests

	Number of B Ordinary shares held	% of B Ordinary shares held
Speirs & Jeffrey	244,223	25.0

There have been no significant changes notified in respect of the above holdings between 31 December 2014 and 9 March 2015.

Proxy Voting and Stewardship

The Financial Reporting Council (FRC) published "the UK Stewardship Code" for institutional shareholders on 2 July 2010. The purpose of the Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The FRC is encouraging institutional investors to make a statement of their commitment to the Code. The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio company, and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights. The Manager's policy is to vote all shares held by the Company.

The Board has reviewed, and endorses, the Manager's Corporate Governance Principles, which may be found on the Manager's website, at: http://www.aberdeen-asset.com/doc.nsf/Lit/CorporateGovernanceGroupPrinciples

This sets out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Statement of Compliance with the Code, which appears on the Manager's website, at: http://www.aberdeen-asset.com/aam.nsf/AboutUs/governancestewardship

At each of its meetings the Board receives from the Manager reports on the exercise by the Manager of the Company's voting rights.

Socially Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Company's Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective however is to deliver superior investment returns for its shareholders. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

Kevin Carter
Chairman
9 March 2015

Report of the Audit Committee

Audit Committee

As recommended by the AIC Code, an Audit 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 Committee comprises the whole Board (excluding Dr Carter) and I, Marcia Campbell, am the Chairman. The members of the Audit 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 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 of pages 30 to 31;
- we consider whether there is a need for the Company to have its own internal audit function;
- 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 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. Non-audit fees of £37,000 paid to the auditor during the year under review were for (i) agreed upon procedures in connection with the Half Yearly Report; (ii) taxation services including one off claims for withholding tax repayments; (iii) services in connection with the electronic filing of tax returns; and (iv) services in connection with the calculation of B Ordinary share capitalisation ratios. We will review any future fees in the light of the requirement to maintain the auditor's independence and objectivity;
- we review a statement from the Manager detailing the arrangements in place within Aberdeen whereby Aberdeen 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 Committee meetings are shown on page 30.

The Board has received a letter from EY, its auditor, which notes that EY 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.

The Audit Committee has reviewed 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. EY is typically retained to provide non audit services to the Company in situations where the Manager has undertaken a detailed review of potential advisors and chosen to use EY for a number of other clients that it acts for. This is in the best interests of the Company as it allows the Company to benefit significantly from pricing economies of scale. In these situations the Audit Committee is presented with the results of the Manager's review and is able to decide on a case by case basis whether there is any potential impact upon the auditor's independence. The Audit Committee does not believe that the level of non audit fees payable by the Company is material in any way for EY and confirms its belief that EY is independent in accordance with the UK Corporate Governance Code.

Potential Issues

During our review of the Company's financial statements for the year ended 31 December 2014, we considered the following potential issues:

Valuation, Existence and Ownership of Investments

Mitigation - The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 1(a) and 1(c) to the financial statements on page 47. All investments are quoted in active markets and can be verified against daily market prices. 97.7% of investments are considered to be liquid and are therefore categorised as Level 1 within the FRS 29 fair value hierarchy. 2.3% of investments are considered to be subject to some risk of illiquidity and are therefore categorised as Level 2 within the FRS 29 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 AFML. Separately, the investment portfolio is reconciled regularly by the Manager and a reconciliation is also reviewed by the auditor.

Correct Calculation of Management and Performance Fees
Mitigation - The management and performance fees are calculated by the Manager and reviewed periodically by the Board. The auditor reperforms the calculations as part of their audit.

Recognition of Investment Income
Mitigation - The recognition of investment income is undertaken in accordance with accounting policy note 1(b) to the financial statements on page 47. 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. The allocation of material special dividends is also reviewed by the auditor.

Compliance with Sections 1158 and 1159
Mitigation - Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1 January 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and Board.

Going Concern
Mitigation - The Directors have considered the Company's investment objective and risk management policies, the nature of the portfolio and expenditure and cash flow projections. As a result, they have determined that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for at least 12 months.

Review of Auditor

We have reviewed the effectiveness of the auditor including:

- independence (the Audit Committee discusses with the auditor, at least annually, the steps the auditor takes to ensure its independence and objectivity and the auditor 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 Manager).
- 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 trust sector and retention on rotation of the partner).

EY, and predecessor firms, have held office as auditor since the incorporation of the Company in 1907. In accordance with present professional guidelines the Senior Statutory Auditor is rotated after no more than five years and the year ended 31 December 2014 will be the first year for which the present Senior Statutory Auditor has served. The Committee considers EY, the Company's auditor, to be independent of the Company. The Audit Committee arranged, in 2013, a tender for the Company's external audit and invited EY to participate, alongside a number of other audit firms of varying size. Following the tender, the Audit Committee recommended to the Board that the reappointment of EY as auditor be put to shareholders for approval at the AGM and shareholders approved the reappointment of EY as auditor at the AGM in April 2014. Under EU regulations, EY are required to rotate as auditor no later than 2019 and, accordingly, the Board expects to hold the next tender for external audit services in 2018.

The Committee considers EY, the Company's auditor, to be independent of the Company and therefore has recommended to the Board that the re-appointment of EY be put to shareholders for approval at the AGM.

For and on behalf of the Audit Committee

Marcia Campbell
Audit Committee Chairman

9 March 2015

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises two parts:

(i) Remuneration Policy, this was approved by a binding shareholder vote put to the members at the AGM held on 29 April 2014 and will be put to members for approval at intervals of three years thereafter (the next binding vote will be held in 2017). Should the Remuneration Policy be varied during this interval, then Shareholder approval for the new Remuneration Policy will be sought; and
(ii) An annual report on the implementation of remuneration, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report.

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 pages 40 to 42.

The fact that the Remuneration Policy is now subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future.

Remuneration Policy

Copies of the Remuneration Policy, approved by shareholders at the Annual General Meeting held on 29 April 2014, are available on the Company's website www.murray-intl.co.uk.

Implementation Report

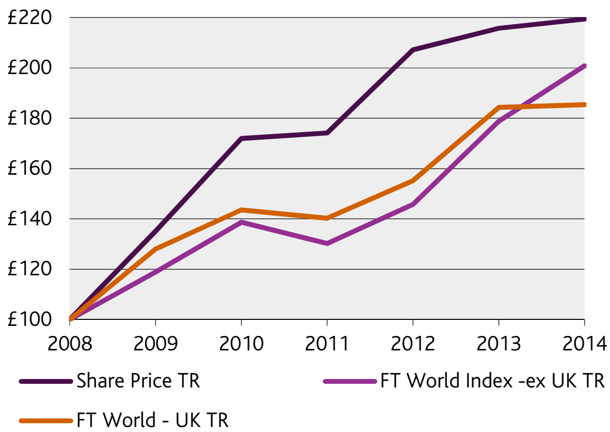
Directors' Fees Increase

The Board carried out a review of the level of Directors' fees during the year and concluded that the amounts payable to Directors will remain unchanged at £42,000, £28,000 and £23,000 for the Chairman, Audit Committee Chairman and remaining Directors respectively, for the year ending 31 December 2015. The Senior Independent Director continues to be entitled to an extra £2,000 per annum. 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 graph below compares the total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 December 2008, compared with the total shareholder return on a notional investment made up of shares of the same kinds and number as those by reference to which the FTSE World-UK Index and FTSE World Index ex-UK are calculated. These indices were chosen for comparison purposes, as they are components of the Company's benchmark (40% FTSE World UK Index and 60% FTSE World ex-UK Index) and are the benchmarks used for investment performance measurement purposes by most of the Company's peer group.

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 29 April 2014, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) and the Directors' Remuneration Policy in respect of the year ended 31 December 2013 and the following proxy votes were received on the resolutions:

Resolution	For	Discret.	Against	Withheld
2 Receive and Adopt Directors' Remuneration Report	26.15m (98.6%)	178,142 (0.7%)	191,169 (0.7%)	176,301
3 Approve Directors' Remuneration Policy	26.06m (98.4%)	180,283 (0.7%)	245,549 (0.9%)	213,147

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 below.

Directors' Remuneration Report continued

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

Director	2014 £	2013 £	Taxable Benefits 2014	Taxable Benefits 2013
K J Carter	42,000	40,000	-	-
M Campbell [A]	28,000	24,158	-	-
Lady Balfour of Burleigh	24,344	22,000	-	-
J D Best	23,000	22,000	-	-
P W Dunscombe	23,000	22,000	-	-
D Hardie [B]	15,397	-		
A C Shedden [C]	8,264	24,842	-	-
Total	**164,005**	**155,000**	**-**	**-**

[A] Appointed Audit Committee Chairman on 11 April 2013
[B] Appointed to the Board on 1 May 2014
[C] Retired from Board on 29 April 2014

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

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 31 December 2014 and 31 December 2013 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below (Directors do not have any beneficial interests in the B Ordinary share capital).

	31 Dec 2014 Ordinary 25p	31 Dec 2013 Ordinary 25p
K J Carter	20,000	15,000
M Campbell	5,726	5,338
Lady Balfour of Burleigh	1,300	1,300
J D Best	47,500	47,500
P W Dunscombe	3,850	3,850
D Hardie [A]	1,219	n/a
A C Shedden [B]	n/a	9,612

[A] Appointed to the Board on 1 May 2014
[B] Retired from Board on 29 April 2014

Mr D Hardie's beneficial holding increased to 4,114 Ordinary shares by the acquisition of 1,439 Ordinary shares on 17 February 2015, 12 Ordinary shares on 19 February 2015 and 1,444 Ordinary shares on 4 March 2015. With the exception of this further disclosure, the above holdings were unchanged at 9 March 2015, 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, Lady Balfour of Burleigh, 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 2014:

- 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 9 March 2015 and signed on its behalf by:

Lady Balfour of Burleigh
Director
9 March 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with 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). 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 of 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 judgments and accounting estimates that are reasonable and prudent; and,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The financial statements are published on www.murray-intl.co.uk which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors confirms that to the best of his or her 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 or loss of the Company;
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces; and
- that in the opinion of the Board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy.

For Murray International Trust PLC

Kevin Carter
Chairman
9 March 2015

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

Our audit 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 2014 and of its net return for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our audit opinion on matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

What we have audited

We have audited the financial statements of Murray International Trust PLC for the year ended 31 December 2014 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies applied are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of the risk of material misstatement and our audit response

The risks included in the table below represent those material risks of misstatement that have had the greatest impact on our audit strategy and approach for the year ended 31 December 2014 (including the allocation of resources and the directing of efforts of the engagement team). The table also includes our audit response to each of these risks:

Risk identified	Our response
The valuation of the assets held in the investment portfolio is incorrect and proper legal title to these assets is not held by the company.	• We agreed the year end prices of the investments to an independent source. • We agreed the number of shares held in each security to a confirmation of legal title received from both the company's custodian and its depositary.
The management and performance fees payable by the company for investment management services are not calculated in accordance	• We used the terms contained in the investment management agreement to recalculate the management and

with the methodology prescribed in the investment management agreement.	performance fees for the year. • We agreed the inputs for the calculations to source data and agreed the payments to bank statements.

Our application of materiality

We have defined the concept of materiality and planning materiality below.

We determined materiality for the company to be £12.4 million, which is one per cent of total equity (2013: £12.3 million based on one per cent of total equity). We have derived our materiality calculation based on a proportion of total equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the company.

We determined performance materiality for the company to be 75% of materiality, or £9.3 million (2013: £9.2 million).

In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £620,000 (2013: £615,000), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

In accordance with the scope of our audit, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We apply the concept of materiality for the purposes of obtaining sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. For this reason, we also define a separate performance materiality threshold which reflects our tolerance for misstatement in an individual account balance and is set as a proportion of our overall materiality.

Our objective in setting the performance materiality threshold is to identify the amount of testing required in respect of each balance to reduce to an appropriately low level the probability that the aggregate of any uncorrected and undetected misstatements in the financial statements as a whole exceeds our materiality level.

We evaluate any uncorrected misstatements and potential audit differences against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

We applied the concept of materiality in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements on the financial statements, and in forming our audit opinion. When establishing our overall audit strategy, we determined the magnitude of omissions or uncorrected misstatements that we judged would be material to the financial statements as a whole. This provided a basis for determining the nature of our risk assessment procedures, identifying and assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

Matters on which we are required to report by exception

We are required by the International Standards on Auditing (UK and Ireland), the Companies Act 2006 and the Listing Rules to report to you by exception if certain matters are identified during the course of our audit. These matters are listed below and we have nothing to report in respect of any of these matters.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 26, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Andrew McIntyre (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
9 March 2015

Income Statement

	Notes	Year ended 31 December 2014 Revenue £'000	Capital £'000	Total £'000	Year ended 31 December 2013 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	10	–	(9,252)	(9,252)	–	150	150
Income	2	62,609	–	62,609	63,717	–	63,717
Investment management fees	3	(2,165)	(5,052)	(7,217)	(2,038)	(4,756)	(6,794)
Performance fees	4	–	–	–	–	5,336	5,336
Currency losses	18	–	(27)	(27)	–	(411)	(411)
Other expenses	5	(1,995)	–	(1,995)	(1,964)	–	(1,964)
Net return before finance costs and taxation		58,449	(14,331)	44,118	59,715	319	60,034
Finance costs	6	(1,498)	(3,490)	(4,988)	(1,384)	(3,229)	(4,613)
Return on ordinary activities before tax		**56,951**	**(17,821)**	**39,130**	**58,331**	**(2,910)**	**55,421**
Tax on ordinary activities	7	(5,107)	1,336	(3,771)	(3,514)	310	(3,204)
Return attributable to equity shareholders		**51,844**	**(16,485)**	**35,359**	**54,817**	**(2,600)**	**52,217**
Return per Ordinary share assuming full conversion of the B Ordinary shares (pence)	9	**40.8**	**(13.0)**	**27.8**	**43.8**	**(2.1)**	**41.7**

The total column of this statement represents the profit and loss account of the Company. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

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

No operations were acquired or discontinued in the year.

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

		£'000	£'000	£'000	£'000	£'000	£'000
Ordinary dividends on equity shares	8	**55,274**	–	**55,274**	**51,328**	–	**51,328**

The above dividend information does not form part of the Income Statement.

Balance Sheet

	Notes	As at 31 December 2014 £'000	As at 31 December 2014 £'000	As at 31 December 2013 £'000	As at 31 December 2013 £'000
Non-current assets					
Investments listed at fair value through profit or loss	10		1,408,332		1,421,277
Current assets					
Debtors	11	8,015		6,827	
Cash and short term deposits		17,766		4,535	
		25,781		11,362	
Creditors: amounts falling due within one year					
Bank loans	12/13	(44,933)		(13,212)	
Other creditors	12	(4,934)		(5,114)	
		(49,867)		(18,326)	
Net current liabilities			(24,086)		(6,964)
Total assets less current liabilities			1,384,246		1,414,313
Creditors: amounts falling due after more than one year					
Bank loans and Debentures	12/13	(143,709)		(177,595)	
			(143,709)		(177,595)
Net assets			**1,240,537**		**1,236,718**
Capital and reserves					
Called-up share capital	14		32,084		31,516
Share premium account			348,045		324,866
Capital redemption reserve			8,230		8,230
Capital reserve	15		787,488		803,986
Revenue reserve			64,690		68,120
Equity shareholders' funds			**1,240,537**		**1,236,718**
Net Asset Value per Ordinary and B Ordinary share (pence)	16		**966.6**		**981.0**

The financial statements were approved and authorised for issue by the Board of Directors on 9 March 2015 and were signed on its behalf by:

Kevin Carter
Director

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

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 December 2014

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2013		31,516	324,866	8,230	803,986	68,120	1,236,718
Return on ordinary activities after taxation		–	–	–	(16,485)	51,844	35,359
Dividends paid	8	–	–	–	–	(55,274)	(55,274)
Issue of new shares	14	568	23,179	–	(13)	–	23,734
Balance at 31 December 2014		**32,084**	**348,045**	**8,230**	**787,488**	**64,690**	**1,240,537**

For the year ended 31 December 2013

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2012		30,546	282,240	8,230	806,596	64,631	1,192,243
Return on ordinary activities after taxation		–	–	–	(2,600)	54,817	52,217
Dividends paid	8	–	–	–	–	(51,328)	(51,328)
Issue of new shares	14	970	42,626	–	(10)	–	43,586
Balance at 31 December 2013		**31,516**	**324,866**	**8,230**	**803,986**	**68,120**	**1,236,718**

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

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

Cash Flow Statement

	Notes	Year ended 31 December 2014 £'000	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000	Year ended 31 December 2013 £'000
Net cash inflow from operating activities	17		49,764		45,916
Returns on investments and servicing of finance					
Interest paid		(5,052)		(4,435)	
Net cash outflow from servicing of finance			(5,052)		(4,435)
Financial investment					
Purchases of investments		(180,829)		(224,593)	
Sales of investments		185,123		131,949	
Net cash inflow/(outflow) from financial investment			4,294		(92,644)
Equity dividends paid	8		(55,274)		(51,328)
Net cash outflow before financing			(6,268)		(102,491)
Financing					
Share issue	14	23,734		43,586	
Net loan drawdown		3,455		53,924	
Net cash inflow from financing			27,189		97,510
Increase/(decrease) in cash	18		**20,921**		**(4,981)**

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

Notes to the Financial Statements For the year ended 31 December 2014

1. Accounting policies

(a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and in accordance with applicable UK Law and Accounting Standards (UK Generally Accepted Accounting Practice) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted, and on a going concern basis.

(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.

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

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

(c) **Expenses**

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

- transaction costs on the acquisition or disposal of investments are charged to the capital account in the Income Statement;
- expenses are treated as a capital item in the Income Statement 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. The performance fee has been charged 100% to the capital reserve, as the fee will have arisen wholly or predominantly by virtue of the capital performance of the investments.

(d) **Taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet 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 Balance Sheet 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 Balance Sheet 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 Income Statement 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**

All investments have been designated upon initial recognition as 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 initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments, this 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 Income Statement and are ultimately recognised in the capital reserve.

(f) Borrowings

Monies borrowed to finance the investment objectives of the Company are stated at the amount of the net proceeds immediately after issue plus cumulative finance costs less cumulative payments made in respect of the debt. 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 Income Statement to reflect the Company's investment policy and prospective income and capital growth.

(g) Exchange rates

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Translation of all other foreign currency balances including foreign assets and foreign liabilities is at the rates of exchange at the year end. Differences arising from translation are treated as a gain or loss to capital or revenue within the Income Statement depending upon the nature of the gain or loss.

(h) Derivative financial instruments

Financial derivatives are measured at fair value based on an appropriate model. Changes in the fair value of derivative financial instruments are recognised in the Income Statement under "(Losses)/gains on investments". If capital in nature, the associated change in value is presented as a capital item in the Income Statement.

2. Income	2014 £'000	2013 £'000
Income from investments:		
UK dividends	7,727	8,864
UK unfranked investment income	74	703
Overseas dividends	43,003	48,389
Overseas interest	10,973	5,756
Stock dividends	826	–
	62,603	63,712
Interest:		
Deposit interest	6	5
Total income	**62,609**	**63,717**

Income from investments comprises:	2014 £'000	2013 £'000
Listed UK	8,627	9,567
Listed overseas	53,976	54,145
	62,603	**63,712**

3. Investment management fees	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Investment management fees	**2,165**	**5,052**	**7,217**	**2,038**	**4,756**	**6,794**

Details of the fee basis are contained in the Directors' Report on page 26. The balance due to Aberdeen Fund Managers Limited at the year end was £1,793,000 (2013 – £1,765,000).

4. Performance fees	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Performance fees	–	–	–	–	(5,336)	(5,336)

Details of the fee basis are contained in the Directors' Report on page 26. Due to underperformance against the Company's benchmark during the year ended 2013, a claw-back of previously earned but unpaid performance fees of £5,336,000 was triggered under the terms of the performance fee agreement.

Due to underperformance in the years ended 31 December 2013 and 31 December 2014 outperformance equivalent to £22,222,000 will need to be achieved before a performance fee again becomes payable.

5. Other expenses	2014 £'000	2013 £'000
Shareholders' services[A]	688	755
Directors' remuneration	164	155
Irrecoverable VAT	55	52
Secretarial fees[B]	100	100
Auditor's fees for:		
– Statutory audit	24	23
– Other assurance services	13	8
– Tax compliance	24	9
Administrative expenses[C]	927	862
	1,995	**1,964**

[A] Includes registration, savings scheme and other wrapper administration and promotion expenses, of which £504,000 (2013 – £558,000) was payable to Aberdeen Asset Managers Limited (AAM) to cover marketing activities during the year. At the year end £122,000 (2013 – £122,000) was due to AAM.

[B] Details of the fee basis are contained in the Directors' Report on page 26. The balance due to Aberdeen Fund Managers Limited at the year end was £25,000 (2013 – £25,000).

[C] Includes bank charges and custody fees of £449,000 (2013 – £477,000), depositary fees of £102,000 (2013 – £nil), stock exchange fees of £121,000 (2013 – £130,000) and printing, postage and stationery costs of £96,000 (2013 – £84,000).

6. Finance costs	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Bank loans and overdrafts	1,496	3,486	4,982	1,293	3,017	4,310
Swap contracts	–	–	–	89	208	297
Debenture stock	2	4	6	2	4	6
	1,498	**3,490**	**4,988**	**1,384**	**3,229**	**4,613**

7. Taxation	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
(a) Tax charge						
The tax charge comprises:						
Current UK tax	962	–	962	651	–	651
Tax relief to capital	1,336	(1,336)	–	310	(310)	–
Overseas tax	5,045	–	5,045	4,360	–	4,360
Overseas tax reclaimable	(1,274)	–	(1,274)	(1,156)	–	(1,156)
Double taxation relief	(962)	–	(962)	(651)	–	(651)
Total tax	**5,107**	**(1,336)**	**3,771**	**3,514**	**(310)**	**3,204**

(b) Factors affecting the tax charge for the year

The UK corporation tax rate was 23% until 31 March 2014 and 21% from 1 April 2014, giving an effective rate of 21.5% (2013 – 23.25%). The tax assessed for the year is lower than the effective corporation tax rate. The differences are explained below:

	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Return on ordinary activities before taxation	56,951	(17,821)	39,130	58,331	(2,910)	55,421
Tax thereon at an effective rate of 21.5% (2013 – 23.25%)	12,244	(3,832)	8,412	13,562	(677)	12,885
Effects of:						
Non taxable UK dividends	(1,661)	–	(1,661)	(2,061)	–	(2,061)
Losses/(gains) on investments not taxable	–	1,989	1,989	–	(34)	(34)
Currency losses not taxable	–	5	5	–	95	95
Non taxable overseas dividends	(8,107)	–	(8,107)	(10,540)	–	(10,540)
Non taxable stock dividends	(178)	–	(178)	–	–	–
Irrecoverable overseas tax suffered	5,045	–	5,045	4,360	–	4,360
Overseas tax reclaimable	(1,274)	–	(1,274)	(1,156)	–	(1,156)
Double taxation relief	(962)	–	(962)	(651)	–	(651)
Tax relief obtained by expenses capitalised	1,336	(1,336)	–	310	(310)	–
Expenses charged to capital available to be utilised	(1,838)	1,838	–	(616)	616	–
Excess management expenses	502	–	502	306	–	306
	5,107	**(1,336)**	**3,771**	**3,514**	**(310)**	**3,204**

No provision for deferred tax has been made in the current or prior accounting period.

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 an unrecognised deferred tax asset of £1,683,000 (2013 – £2,111,000) arising as a result of unutilised management expenses of £8,414,000 (2013 – £10,555,000). Any excess management expenses will be utilised against any taxable income that may arise.

8. **Ordinary dividends on equity shares**	**2014 £'000**	**2013 £'000**
Amounts recognised as distributions paid during the year:		
Third interim for 2013 of 9.5p (2012 – 9.0p)	11,887	10,915
Final dividend for 2013 of 14.5p (2012 – 13.5p)	18,163	16,643
First interim for 2014 of 10.0p (2013 – 9.5p)	12,620	11,885
Second interim for 2014 of 10.0p (2013 – 9.5p)	12,669	11,885
Refund of unclaimed dividends	(65)	–
	55,274	**51,328**

In accordance with UK GAAP the third interim dividend and proposed final dividend for 2014 have not been included as liabilities in these financial statements. The proposed final dividend for 2014 is subject to approval by shareholders at the Annual General Meeting.

We set out below 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 £51,844,000 (2013 – £54,817,000).

	2014 £'000	**2013 £'000**
Three interim dividends for 2014 of 10.0p (2013 – 9.5p)	38,025	35,657
Proposed final dividend for 2014 of 15.0p (2013 – 14.5p)	19,107	18,159
	57,132	**53,816**

Subsequent to the year end the Company has issued a further 15,000 Ordinary shares; therefore the amount reflected above for the cost of the proposed final dividend for 2014 is based on 127,376,901 Ordinary shares in issue, being the number of Ordinary shares in issue at the date of this Report.

9. **Returns per share**	**2014**	**2013**
Returns have been based on the following figures:		
Weighted average number of Ordinary shares	126,132,659	124,315,341
Weighted average number of B Ordinary shares	955,545	918,448
Weighted average number of Ordinary shares assuming conversion of B Ordinary shares	**127,088,204**	**125,233,789**

	2014 £'000	2013 £'000
Revenue return attributable to equity shareholders	51,844	54,817
Capital return attributable to equity shareholders	(16,485)	(2,600)
Total return attributable to equity shareholders	**35,359**	**52,217**

10. Investments listed at fair value through profit or loss	2014 £'000	2013 £'000
Opening valuation	1,421,277	1,327,532
Opening investment holdings gains	(368,310)	(403,974)
Opening book cost	1,052,967	923,558
Movements during the year:		
Purchases	183,405	224,593
Sales – proceeds	(185,123)	(131,949)
Sales – realised gains	18,477	35,814
Amortisation of fixed income book cost	(1,975)	951
Closing book cost	1,067,751	1,052,967
Closing investment holdings gains	340,581	368,310
Closing valuation	**1,408,332**	**1,421,277**

The portfolio valuation	2014 £'000	2013 £'000
Listed on stock exchanges at bid valuation:		
United Kingdom:		
– equities	159,644	204,452
– fixed income	6,566	16,650
Overseas:		
– equities	1,066,052	1,114,407
– fixed income	176,070	85,768
Total	**1,408,332**	**1,421,277**

(Losses)/gains on investments	2014 £'000	2013 £'000
Realised gains based on book cost	18,477	35,814
Net movement in investment holdings gains	(27,729)	(35,664)
	(9,252)	**150**

All investments are categorised as held at fair value through profit and loss and were designated as such upon initial recognition.

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 Income Statement. The total costs were as follows:

	2014 £'000	2013 £'000
Purchases	106	485
Sales	98	208
	204	**693**

11. **Debtors: amounts falling due within one year**	2014 £'000	2013 £'000
Current taxation	1,265	1,121
Other debtors	96	53
Prepayments and accrued income	6,654	5,653
	8,015	**6,827**

None of the above amounts are overdue.

12. **Creditors**	2014 £'000	2013 £'000
Amounts falling due within one year:		
Bank loans (note 13)	44,933	13,212
Forward contracts	370	2,413
Amounts due to brokers	1,750	–
Accruals	2,814	2,701
	49,867	**18,326**

Amounts falling due after more than one year:	2014 £'000	2013 £'000
Bank loans and Debentures (note 13)	**143,709**	**177,595**

All financial liabilities are included at amortised cost or at fair value for forward contracts.

13. **Bank loans and Debentures**	2014 £'000	2013 £'000
Secured by floating charge and repayable other than by instalments or at the Company's option:		
– 4% Debenture Stock – Perpetual	150	150
Unsecured bank loans repayable within one year:		
– Yen 2,300,000,000 at 2.03% – 16 February 2014	–	13,212
– Yen 8,400,000,000 at 3.17% – 13 May 2015	44,933	48,254
Unsecured bank loans repayable in more than one year but no more than five years:		
– Yen 1,600,000,000 at 2.82% – 15 May 2016	8,559	9,191
– £15,000,000 at 2.00% – 16 May 2016	15,000	–
– £60,000,000 at 2.21% – 31 May 2017	60,000	60,000
– £60,000,000 at 2.575% – 31 May 2018	60,000	60,000
	188,642	**190,807**

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.

The Company currently has a fixed rate term loan facility with ING Bank N.V., which is fully drawn down and has a maturity date of 15 May 2016.

The Company currently has four fixed rate term loan facilities with The Royal Bank of Scotland plc ("RBS"), all of which are fully drawn down and have maturity dates of 13 May 2015, 16 May 2016, 31 May 2017 and 31 May 2018 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 £600 million. At 31 December 2014 net assets were £1,240,537,000 and borrowings were 15.2% thereof.

	2014		2013	
14. Share capital	**Number**	**£'000**	**Number**	**£'000**
Allotted, called up and fully paid:				
Ordinary shares of 25p each	127,361,901	31,840	125,126,207	31,282
B Ordinary shares of 25p each	975,063	244	935,633	234
	128,336,964	**32,084**	**126,061,840**	**31,516**

During the year 2,232,500 Ordinary shares were issued pursuant to the Company's block listing facility. All of these shares were issued at a premium to net asset value, enhancing net assets per share for existing shareholders. The issue prices ranged from 983p to 1115p and raised a total of £23,734,000, net of expenses. These expenses have been offset against the capital reserve.

In accordance with Article 131 of the Company's Articles of Association, 8,856 B Ordinary shares, 14,324 B Ordinary shares, 9,766 B Ordinary shares, and 9,678 B Ordinary shares were allotted by way of capitalisation of reserves on 18 February, 16 May, 15 August and 17 November 2014 respectively.

On 1 July 2014, 3,194 B Ordinary shares were converted into a like number of Ordinary shares of 25p in accordance with Article 47 of the Company's Articles of Association. When the nominal value of the allotted and fully paid B Ordinary shares is less than £100,000 the Directors may, under the terms of Article 47(B), require the conversion of such shares into Ordinary shares. The net asset value at the conversion date of 1 July 2014 was 985.29p per share.

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 and B Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary and B Ordinary shares pari passu 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 89 votes for every 25p nominal amount of Ordinary or B Ordinary shares held.

15. Capital reserve	2014 £'000	2013 £'000
At 31 December 2013	803,986	806,596
Movement in fair value gains	(9,252)	150
Capitalised expenses (net of tax)	(7,206)	(2,339)
Issue of shares	(13)	(10)
Currency losses	(27)	(411)
At 31 December 2014	**787,488**	**803,986**

Included in the total above are investment holdings gains at the year end of £340,581,000 (2013 – £368,310,000).

16. Net asset value per share

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 year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share 2014 p	2013 p	Net asset value attributable 2014 £'000	2013 £'000
Ordinary and B Ordinary shares (note 14)	**966.6**	**981.0**	**1,240,537**	**1,236,718**

17. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities	2014 £'000	2013 £'000
Net return before finance costs and taxation	44,118	60,034
Add: losses/(gains) on investments	9,252	(150)
Add: currency losses	27	411
Amortisation of fixed income book cost	1,975	(951)
Increase in accrued income	(1,001)	(1,452)
Increase in other debtors	(43)	(1)
Increase/(decrease) in accruals	176	(8,566)
Tax on unfranked income – overseas	(3,914)	(3,409)
Stock dividends included in investment income	(826)	–
	49,764	**45,916**

18. Analysis of changes in net debt	At 31 December 2013 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2014 £'000
Cash and short term deposits	4,535	(7,690)	20,921	–	17,766
Forward contracts	(2,413)	2,043	–	–	(370)
Debt due within one year	(13,212)	5,534	11,545	(48,800)	(44,933)
Debt due after more than one year	(177,595)	86	(15,000)	48,800	(143,709)
	(188,685)	**(27)**	**17,466**	–	**(171,246)**

	At 31 December 2012 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2013 £'000
Cash and short term deposits	25,940	(16,424)	(4,981)	–	4,535
Forward contracts	(8,805)	6,392	–	–	(2,413)
Swap	(315)	315	–	–	–
Debt due within one year	(58,525)	3,152	58,525	(16,364)	(13,212)
Debt due after more than one year	(87,664)	6,154	(112,449)	16,364	(177,595)
	(129,369)	**(411)**	**(58,905)**	–	**(188,685)**

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.

19. 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 other than derivatives, comprise listed equities, cash balances, loans and debentures 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 Company utilised forward foreign currency contracts during the year.

The Board has delegated the risk management function to AFML under the terms of its management agreement with AFML (further details of which are included under note 3). 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.

The Company's Manager has an independent Investment Risk department for reviewing the investment risk parameters of all core equity, fixed income and alternative asset classes on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor ex ante (predicted) portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Risk management framework

The directors of Aberdeen Fund Managers Limited collectively assume responsibility for AFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

AFML is a fully integrated member of the Aberdeen Asset Management PLC ("Aberdeen") group of companies (referred to as "the Group"), which provides a variety of services and support to AFML 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 FUND 3.2.2R (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 ("SWORD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group CEO 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 Aberdeen, 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, 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, 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;
- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings.

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.

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

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, revolving, and uncommitted facilities. The fixed rate facilities are used to finance opportunities at low rates and, the revolving and uncommitted facilities to provide flexibility in the short-term. Current bank covenant guidelines state that the total borrowings will not exceed 40% of the adjusted net tangible assets of the Company.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the Balance Sheet date was as follows:

At 31 December 2014	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	–	–	6,566	8,597	159,644
US Dollar	13.63	10.85	90,211	8,385	356,897
Other	10.25	8.30	85,859	784	709,155
Total assets			**182,636**	**17,766**	**1,225,696**
Liabilities					
Bank loans	2.12	2.57	(188,492)	–	–
Debenture Stock	–	–	(150)	–	–
Total liabilities			**(188,642)**	–	–

At 31 December 2013	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	4.09	5.38	16,650	4,522	204,452
US Dollar	16.33	6.81	63,326	–	346,915
Euro	11.47	4.50	14,364	–	112,172
Other	11.82	9.75	8,078	13	655,320
Total assets			**102,418**	**4,535**	**1,318,859**
Liabilities					
Bank loans	2.93	2.58	(190,657)	–	–
Debenture Stock	–	–	(150)	–	–
Total liabilities			**(190,807)**	–	–

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 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.

Forward currency contracts are measured at fair value. Other financial liabilities are measured at amortised cost.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the Balance Sheet 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. There is no interest rate risk exposure from derivative instruments.

If interest rates had been 100 basis points higher or lower (based on 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 2014 would increase/decrease by £177,000 (2013 – increase/decrease by £45,000). 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.
- equity reserves would increase/decrease by £1,632,000 (2013 – increase/decrease by £4,381,000). This is also mainly attributable to the Company's exposure to interest rates on cash balances and its fixed interest portfolio. These figures have been calculated based on cash and fixed interest portfolio positions at each year end.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will also fluctuate depending on the current market perception.

Foreign currency risk

A significant proportion of the Company's investment portfolio is invested in overseas securities and the Balance Sheet can be significantly affected by movements in foreign 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. A significant proportion of the Company's borrowings, as detailed in note 13, is in foreign currency as at 31 December 2014. 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 2014 the Company had a foreign currency contract, details of which are disclosed on page 61. During the year a loss of £5,983,000 (2013 – loss of £28,332,000) was realised.

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

Currency risk exposure

Currency risk exposure (excluding foreign exchange contracts due to the reason their being entered into is to mitigate foreign currency risk) by currency of denomination:

	31 December 2014			31 December 2013		
	UK and overseas equity investments £'000	Net monetary assets £'000	Total currency exposure £'000	UK and overseas equity investments £'000	Net monetary assets £'000	Total currency exposure £'000
US Dollar	356,897	6,635	363,532	346,915	–	346,915
Sterling	159,644	(126,403)	33,241	204,452	(115,478)	88,974
Swiss Franc	108,863	–	108,863	99,729	–	99,729
Euro	102,271	–	102,271	112,172	–	112,172
Taiwan Dollar	93,938	191	94,129	71,155	11	71,166
Canadian Dollar	62,956	–	62,956	55,907	–	55,907
Malaysian Ringgit	48,184	–	48,184	46,978	–	46,978
Indonesian Rupiah	46,760	–	46,760	36,117	–	36,117
Singapore Dollar	45,948	–	45,948	41,517	–	41,517
Swedish Krone	45,099	–	45,099	47,286	–	47,286
Brazilian Real	37,127	593	37,720	46,122	–	46,122
Japanese Yen	31,134	(53,492)	(22,358)	38,624	(70,657)	(32,033)
South African Rand	26,949	–	26,949	27,523	2	27,525
Mexican Peso	23,685	–	23,685	29,012	–	29,012
Australian Dollar	13,813	–	13,813	35,783	–	35,783
Hong Kong Dollar	13,695	–	13,695	67,330	–	67,330
Thailand Baht	8,733	–	8,733	12,237	–	12,237
Total	**1,225,696**	**(172,476)**	**1,053,220**	**1,318,859**	**(186,122)**	**1,132,737**

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 and excludes foreign exchange contracts due to the reason their being entered into is to mitigate foreign currency risk). 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.

	2014 Revenue £'000	2014 Equity[A] £'000	2013 Revenue £'000	2013 Equity[A] £'000
US Dollar	1,878	35,690	1,738	34,692
Swiss Franc	428	10,886	382	9,973
Euro	754	10,227	768	11,217
Taiwan Dollar	333	9,394	286	7,116
Canadian Dollar	134	6,296	n/a	n/a
Hong Kong Dollar	n/a	n/a	266	6,733
Total	**3,527**	**72,493**	**3,440**	**69,731**

[A] Represents equity exposures to the relevant currencies.

Foreign exchange contracts

The following Japanese Yen forward contract was outstanding at the Balance Sheet date:

Date of contract	Settlement date	Amount JPY '000	Contracted rate	Unrealised loss at 31 December 2014 £'000
1 December 2014	**6 March 2015**	**10,000,000**	**185.47**	**370**

The fair value of forward foreign currency contracts is based on forward exchange rates at the Balance Sheet date.

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 a total return greater than its benchmark by investing predominantly in equities worldwide.

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 page 65, 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 Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 December 2014 would have increased/decreased by £140,833,000 (2013 – increase/decrease of £142,128,000) and equity reserves 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 2014	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	44,933	23,559	60,000	60,000	–	–	188,492
Debenture Stock[A]	–	–	–	–	–	150	150
Interest cash flows on bank loans and Debenture Stock	3,438	3,156	2,212	776	6	211	9,799
Cash flow on forward currency contracts	370	–	–	–	–	–	370
Cash flows on other creditors	4,564	–	–	–	–	–	4,564
	53,305	**26,715**	**62,212**	**60,776**	**6**	**361**	**203,375**

[A] The Debenture Stock is perpetual and has therefore been disclosed as maturing after more than 5 years.

At 31 December 2013	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	13,212	48,254	9,191	60,000	60,000	–	190,657
Debenture Stock[A]	–	–	–	–	–	150	150
Interest cash flows on bank loans and Debenture Stock	4,684	3,924	3,015	2,212	776	217	14,828
Cash flow on forward currency contracts	2,413	–	–	–	–	–	2,413
Cash flows on other creditors	2,701	–	–	–	–	–	2,701
	23,010	**52,178**	**12,206**	**62,212**	**60,776**	**367**	**210,749**

[A] The Debenture Stock is perpetual and has therefore been disclosed as maturing after more than 5 years.

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 large 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 Balance Sheet, the maximum exposure to credit risk at 31 December 2014 was as follows:

	2014		2013	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	1,408,332	1,408,332	1,421,277	1,421,277
Current assets				
Current taxation	1,265	1,265	1,121	1,121
Other debtors	96	96	53	53
Accrued income	6,654	6,654	5,653	5,653
Cash and short term deposits	17,766	17,766	4,535	4,535
	1,434,113	**1,434,113**	**1,432,639**	**1,432,639**

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

Fair values of financial assets and financial liabilities

The fair value of borrowings has been calculated at £190,821,000 as at 31 December 2014 (2013 – £195,401,000) compared to an accounts value in the financial statements of £188,642,000 (2013 – £190,807,000) (note 13). 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.

20. Fair value hierarchy

FRS 29 'Financial Instruments: Disclosures' 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 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 December 2014	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,225,696	–	–	1,225,696
Quoted preference shares	a)	6,566	–	–	6,566
Quoted bonds	b)	144,106	31,964	–	176,070
Total		1,376,368	31,964	–	1,408,332
Financial liabilities at fair value through profit or loss					
Foreign exchange forward contracts	c)	–	(370)	–	(370)
Net fair value		**1,376,368**	**31,594**	–	**1,407,962**

As at 31 December 2013	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,318,859	–	–	1,318,859
Quoted preference shares	a)	5,900	–	–	5,900
Quoted bonds	b)	96,518	–	–	96,518
Total		1,421,277	–	–	1,421,277
Financial liabilities at fair value through profit or loss					
Foreign exchange forward contracts	c)	–	(2,413)	–	(2,413)
Net fair value		**1,421,277**	**(2,413)**	–	**1,418,864**

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. Of the investments categorised as Level 2, one with a fair value of £10,800,000 (2013 – £10,133,000) has been recategorised from Level 1 to Level 2 during the year due to concern over its liquidity.

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.

21. Capital management policies and procedures

The investment objective of the Company is to achieve a total return greater than its benchmark by investing predominantly in equities worldwide.

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.

22. Related party transactions and transactions with the Manager

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 38.

The Company has agreements with Aberdeen Fund Managers Limited for the provision of management, secretarial, accounting and administration services and an agreement with Aberdeen Asset Managers Limited for the provision of promotional activities. Details of transactions during the year and balances outstanding at the year end disclosed in notes 3 to 5.

Information about the Manager

Murray International Trust PLC

Aberdeen Asset Managers Limited

The Company's Manager is Aberdeen Asset Managers Limited, a subsidiary of Aberdeen Asset Management PLC, whose group companies as at 31 December 2014 had approximately £323.3bn of assets under management. It manages assets on behalf of a wide range of clients including 75 investment companies and other closed-ended funds, which had combined total assets of over £15.0bn.

The Manager has its headquarters in Aberdeen and invests globally, operating from over 33 offices in 27 different countries. 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 Senior Investment Manager

Bruce Stout and the Global Equity Team

Bruce Stout and Aberdeen's Global Equity team are responsible for managing Murray International Trust PLC. The investment management team is responsible for the construction of global equity portfolios. Bruce Stout is a senior investment manager on the Global equities 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.

The Investment Process, Philosophy and Style

Long term investment success demands a clear focus and a sound structure. The Manager has as its primary objective in managing Murray International Trust PLC the delivery of consistent outperformance against the benchmark based on the concept of seeking growth at a reasonable price.

To achieve this, a disciplined investment process has been developed as detailed on page 3. However, to meet the different performance objectives mandated for specific funds, there is built-in flexibility.

Key decisions are implemented consistently across all funds and portfolio risk limits are set and closely monitored. A continuous watch is kept over critical factors that influence investment decisions, so that when views change, action is taken swiftly and decisively to reposition portfolios.

Stock Selection

The investment management team led by Bruce Stout, has responsibility for portfolio construction across all regional segments. Working closely with the relevant underlying desks in each case, portfolio construction is an interactive process. The Manager utilises a "Global Equity Buy List" which is constructed by each of the specialist country desks. This list contains all buy (and hold) recommendations for each desk, which are then used as the investment universe. If a stock no longer meets the criteria to be included on the Buy List, it is sold within 30 days. This process enables the investment manager to better reflect top down themes that emerge from the global equity strategy and investment themes meetings that take place monthly.

Risk Controls

Integral to the investment process is regular provision, by a specialised team, of performance and risk analysis data to ensure that funds are operated within the terms of their mandate.

As well as market price risk inherent in all portfolio investment, Murray International Trust is also exposed to risk from movements in foreign exchange rates and changes in interest rates. Market price risk is managed by strict adherence to parameters set for portfolio construction. The foreign exchange risk involved may be hedged by the use of forward currency contracts. Interest rate risk lies with the portfolio holdings of fixed income securities and on-call deposits. A detailed risk profile of the Company is given in note 19 to the financial statements

Promotional Strategy

Murray International Trust PLC contributes to the Promotional Programme run by Aberdeen Asset Managers Limited ("AAM"), on behalf of a number of investment trusts under its management. The Company's contribution which is matched by AAM is £500,000 (plus VAT) for the year ended 31 December 2014. The promotional arrangements are reviewed on an annual basis by the Board.

The purpose of the Programme is to communicate effectively with existing shareholders and gain more new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. AAM's experience has also shown that well-targeted marketing of the Company's investment merits through packaged products, whether singly, or in conjunction with other trusts run by AAM, can be a cost-effective way of gaining new investors.

The Promotional Programme includes the following:

Investor Relations Programme

AAM runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month, institutional investors and prospects receive a Manager's report on the Company that includes detailed performance analysis.

Direct Response Advertising

The Manager advertises the packaged product availability of the Company in selected national press as well as the specialist financial titles.

Direct Mail

Periodic mail shots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other AAM investment trusts as well as known buyers of investment trusts.

Newsletter

The "Bulletin" newsletter, an informed commentary on markets and investment trusts managed by AAM, is distributed free of charge.

Public Relations

The Manager undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder Services

AAM runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Promotional Programme is under the direction of AAM's Group Head of Brand who has extensive experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

Internet

Murray International Trust PLC has a dedicated website: www.murray-intl.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

Investors in the Share Plan and ISA can now use AAM's secure system to view their valuations and transact on their Plan accounts.

The Board is committed to a close monitoring of the Promotional Programme. The AAM's Group Head of Brand provides a written summary quarterly to the Board.

If you have any questions about the Company, the Manager or performance, please telephone our Investor Services Department on 0500 00 00 40 (free when dialling from a UK landline). Alternatively, internet users may e-mail us on inv.trusts@aberdeen-asset.com or write to us at 10 Queen's Terrace, Aberdeen AB10 1YG.

How to Invest in Murray International Trust PLC

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's Investment Plan for Children, 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 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.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers ("AAM") 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. 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 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 AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen Investment Trust Share Plan

AAM 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 only pay Government Stamp Duty (currently 0.5%) on purchases. 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.

Aberdeen Investment Trust ISA

An investment of up to £15,000 can be made in the tax year 2014/2015 and £15,240 in the tax year 2015/2016.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. 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 the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment 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.

How to Invest in Murray International Trust PLC continued

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.

Trust Information

If investors would like details of the Company or information on the Children's Plan, Share Plan, ISA or ISA transfers please telephone 0500 00 00 40, e-mail to inv.trusts@aberdeen-asset.com or write to:

Aberdeen Investment Trust Administration
PO Box 11020
Chelmsford
Essex, CM99 2DB

Terms and Conditions for Aberdeen managed savings products can be found under the Literature section at invtrusts.co.uk.

Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times, and other national newspapers.

For internet users, detailed data on the Company including share price, performance information and a monthly fact sheet is available from the Company's website (www.murray-intl.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively please 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

Customer Services

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

Aberdeen Investment Trust Administration
PO Box 11020
Chelmsford
Essex, CM99 2DB

Investor Warning

Aberdeen is aware that some investors have received telephone calls from people purporting to work for Aberdeen, 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 Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen 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, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided.

Details are also available on www.invtrusts.co.uk

The above information on pages 66 to 68 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 Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority

Glossary of Terms and Definitions

AFML	Aberdeen Fund Managers Limited is a wholly owned subsidiary of Aberdeen Asset Management PLC and acts as the Alternative Investment Fund Manager for the Company. AFML is authorised and regulated by the Financial Conduct Authority.
AAM	Aberdeen Asset Managers Limited has been delegated responsibility for day to day management. AAM is authorised and regulated by the Financial Conduct Authority.
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies www.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 fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
B Ordinary Shares	B Ordinary shares carry the same rights as the Ordinary shares. The difference is that B Ordinary shareholders receive their dividends by means of a capitalisation issue as opposed to a cash dividend. With effect from the payment of the final dividend in 2007, the capitalisation issue received by B Ordinary shareholders has been made every time a dividend is paid on the Ordinary shares. B Ordinary shareholders also have the right to convert their shares into Ordinary shares once a year. More details regarding this are shown on page 25. There are significantly fewer B Ordinary shares in issue compared to the number of Ordinary shares in issue (lower liquidity). This can result in significantly less trading in the B Ordinary shares on the Stock Exchange resulting in situations where the price of the B Ordinary shares may vary materially from that of the Ordinary shares and therefore the discount or premium can be out of line with that of the Ordinary shares.
Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Disclosure 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. At the same time as any interim or final dividend is declared on the Ordinary shares the Directors shall resolve to capitalise an aggregate sum which shall be applied in paying up in full at par unissued B Ordinary shares in the Company and that such B Ordinary shares shall be allotted and distributed credited as fully paid up.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of AFML.
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.
Net Asset Value	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value 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	Pre-Investment Disclosure Document. Aberdeen 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 net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Prior Charges	The name given to all borrowings including debentures, long term loans and short term loans and overdrafts that are to be 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.
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.
UCITS	UCITS stands for Undertakings for Collective Investments in Transferable Securities and relates to mutual funds located in the European Union.
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 89 votes for every 25p nominal amount of Ordinary or B 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 and B Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary and B Ordinary shares pari passu according to the amount paid up on such shares respectively.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the one hundred and seventh Annual General Meeting of Murray International Trust PLC (registered in Scotland under company number SC006705) will be held at 12.30 pm on 28 April 2015 at the Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow G2 3NY 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 2014.
2. To receive and adopt the Directors' Remuneration Report for the year ended 31 December 2014 (other than the Directors' Remuneration Policy).
3. To re-elect Lady Balfour of Burleigh* as a Director of the Company.
4. To re-elect Mr J D Best* as a Director of the Company.
5. To re-elect Mr P W Dunscombe* as a Director of the Company.
6. To re-elect Ms M Campbell* as a Director of the Company.
7. To re-elect Mr D Hardie* as a Director of the Company.
8. To re-elect Dr K J Carter* as a Director of the Company.
9. To re-appoint Ernst & Young LLP as auditor of the Company.
10. To authorise the Directors to fix the remuneration of the auditor.
11. THAT
    (i) a final dividend of 15.0p per Ordinary share in respect of the year ended 31 December 2014 be paid on 15 May 2015 to holders of the Ordinary shares of 25p in the capital of the Company on the register at close of business on 7 April 2015;
    (ii) the Directors be authorised, in substitution for the similar authority granted at last year's Annual General Meeting, to exercise all the powers of the Company to allot B Ordinary shares of 25p up to an aggregate nominal amount of £100,000 pursuant to Section 551 of the Companies Act 2006 (the "Act") provided that this authority shall expire on 27 April 2020.

Special Business

As special business to consider and, if thought fit, pass the following resolutions in the case of resolution 12 as an Ordinary Resolution and in the case of resolutions 13 and 14 as Special Resolutions:

Authority to Allot

12. 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 £3,209,044 (representing 10% of the total Ordinary and B Ordinary share capital of the Company in issue on 9 March 2015) during the period expiring on the date of the next Annual General Meeting of the Company or on 30 June 2016, 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

13. 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 12 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 2016, 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 £3,209,044 (representing 10% of the total Ordinary and B Ordinary share capital of the Company in issue on 9 March 2015); and

(iii) in the circumstances detailed in the section headed "Issue of Shares" on page 28 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 12" were omitted.

Authority to Make Market Purchases of Shares

14. 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 and B 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 19,093,797 Ordinary shares and 147,632 B 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 2016, 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.

* The biographies of the Directors are detailed on pages 23 and 24 of this Annual Report.

40 Princes Street
Edinburgh
EH2 2BY
23 March 2015

By order of the Board
Aberdeen Asset Management PLC
Secretary

NOTES:

(i) Only those shareholders registered in the register of members of the Company at 6.00 pm on 24 April 2015 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 6.00 pm 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) Holders of Ordinary shares and B Ordinary shares are entitled to attend and vote at the Annual General Meeting or any adjournment thereof. If you wish to attend, there will be a members' register to sign on arrival.

(iii) As at 9 March 2015 (being the last practicable day prior to the publication of this Notice), the Company's issued share capital consisted of 127,376,901 Ordinary shares and 984,871 B Ordinary shares, carrying 89 votes each on a poll. Therefore, the total voting rights in the Company as at 9 March 2015 are 11,424,197,708.

(iv) 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. 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. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the note to the Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to the 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.

(v) 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, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible, but in any event not later than 12.30 pm on 24 April 2015. If you have any queries relating to the completion of the Form of Proxy, please contact Capita Asset Services on 0871 664 0300 (calls cost 10p a minute plus network extras, lines are open 8.30am to 5.30pm Mon-Fri). Capita Asset Services 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 (xi) below).

(vi) 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 (v) above before the commencement of the meeting or adjourned meeting at which the proxy is used.

(vii) 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.

(viii) 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 (iv) to (vi) does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.

(ix) 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.

(x) 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.

(xi) Notes on CREST Voting.

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.

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 12.30 pm on 24 April 2015. 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 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 12.30 pm on 24 April 2015.

(xii) The attendance at the Meeting of shareholders and their proxies and representatives is understood by the Company to confirm their agreement to receive any communications made at the Meeting.

(xiii) 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 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 and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

(xv) 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 www.murray-intl.co.uk.

(xvi) 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.

(xvii) 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.

(xviii) Participants in the Aberdeen Share Plan, ISA and/or PEP are entitled to vote by completing the enclosed Letter of Direction and returning it to the Company's registrars.

(xix) Details of resolutions 2 to 14 are shown in the Annual Report as follows:-

Resolution 2	Pages 37 and 38	Directors' Remuneration Report
Resolution 11	Page 25	Final dividend
Resolutions 4 - 8	Pages 31 and 32	Directors
Resolutions 9 & 10	Pages 35 and 36	Auditor
Resolutions 12 - 14	Pages 27 and 28	Authority to issue and effect buy backs of shares

Corporate Information

Directors
K J Carter (Chairman)
Lady Balfour of Burleigh CBE (Senior Independent Director)
J D Best
M Campbell
P W Dunscombe
D Hardie

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
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0871 664 0300
(calls cost 10p a minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri)
Tel International: (+44 208 639 3399)
e-mail shareholderenquiries@capita.co.uk
website www.capitaassetservices.com

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

Auditor
Ernst & Young LLP or EY

Trustee of the Debenture Stockholders
Bank of Scotland plc

Broker
Stifel Nicolaus Europe Limited (formerly Oriel Securities)

Website
www.murray-intl.co.uk

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

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

Your Company's Share Capital History

Issued Share Capital at 31 December 2014

127,361,901	Ordinary shares of 25p each
975,063	B Ordinary shares of 25p each

B Ordinary Share Capitalisation Issues

Year ended 31 December 2008	27,624 B Ordinary shares issued by way of capitalisation in lieu of final, 1st and 2nd interim dividends
Year ended 31 December 2009	46,096 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends
Year ended 31 December 2010	37,252 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends
Year ended 31 December 2011	34,772 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends
Year ended 31 December 2012	39,036 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends
Year ended 31 December 2013	38,101 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends
Year ended 31 December 2014	42,624 B Ordinary shares issued by way of capitalisation in lieu of 3rd interim, final, 1st and 2nd interim dividends

B Ordinary Share Conversions

30 June 2006	27,869 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2007	28,780 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2008	12,770 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2009	70,632 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2010	290,732 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2011	1,997 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2012	5,726 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2013	2,465 Ordinary shares issued following the conversion of B Ordinary shares
30 June 2014	3,194 Ordinary shares issued following the conversion of B Ordinary shares

New Ordinary Share Issuance

Year ended 31 December 2008	3,163,450 Ordinary shares issued for cash
Year ended 31 December 2009	5,037,000 Ordinary shares issued for cash
Year ended 31 December 2010	7,975,500 Ordinary shares issued for cash
Year ended 31 December 2011	7,966,775 Ordinary shares issued for cash
Year ended 31 December 2012	10,145,888 Ordinary Shares issued for cash
Year ended 31 December 2013	3,840,500 Ordinary Shares issued for cash
Year ended 31 December 2014	2,232,500 Ordinary shares issued for cash

Shareholder Information

Stock Exchange Codes

Class of security	SEDOL	ISIN
Ordinary shares of 25p each	0611190	GB0006111909
B Ordinary shares of 25p each	0611208	GB0006112089

Annual General Meeting

The Annual General Meeting will be held on 28 April 2015 at 12.30 p.m. at the Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow G2 3NY.

Market prices of allotted capital at 6 April 1965	
41/2% Cumulative Preference shares of £1	62.5p
Ordinary shares of 25p (adjusted for scrip issue)	18.965p
31/4% Debenture stock 1967 or after	£46.50

Market prices of allotted capital at 31 March 1982	
41/2% Cumulative Preference shares of £1	32p
Ordinary shares of 25p (adjusted for 1 for 2 scrip issue in April 1983)	54.5p
B Ordinary shares of 25p (adjusted for 1 for 2 scrip issue in April 1983)	53.5p
31/4% Debenture stock 1967 or after	£22.50

Electronic Communications

The Directors are keen to encourage the use of electronic communications. Any shareholders wishing to receive future communications from the Company electronically should contact Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or Tel: 0871 664 0300 (calls cost 10p a minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri).

Annual Conversion Opportunity for B Ordinary Shares

B Ordinary shares may be converted into Ordinary shares of the Company on 30 June in each year, by return of the B Ordinary share certificates, duly completed on the reverse no later than 23 June and no earlier than 26 May in any year, to the Company's registrar, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Uncertificated shareholders will require to give a stock withdrawal instruction, and advise the Company's registrar, Capita Asset Services, of the request to convert, no less than one week and no more than five weeks prior to the relevant conversion date.

Income and Corporation Taxes Act 1988 Section 251(2)

The share prices for tax purposes to be placed on B Ordinary shares issued in lieu of cash dividends are:

11 April 1980	50.5p	27 May 1997	448.0p	15 May 2009	582.5p	16 August 2013	1265.0p
09 April 1981	77.5p	22 May 1998	502.0p	14 August 2009	617.5p	15 November 2013	1292.5p
16 April 1982	74.5p	26 May 1999	439.9p	13 November 2009	697.5p	18 February 2014	1355.0p
08 April 1983	82.5p	22 May 2000	490.0p	16 February 2010	684.0p	16 May 2014	1395.0
06 April 1984	85.2p	25 May 2001	469.5p	14 May 2010	742.0p	15 August 2014	1425.0
26 April 1985	112.5p	24 May 2002	427.5p	16 August 2010	756.0p	17 November 2014	1320.0
02 May 1986	162.5p	23 May 2003	297.5p	15 November 2010	777.0p	18 February 2015	1050.0
02 May 1987	182.5p	21 May 2004	340.0p	17 February 2011	850.0p		
03 June 1988	162.5p	20 May 2005	420.0p	16 May 2011	886.0p		
02 June 1989	213.5p	19 May 2006	580.0p	16 August 2011	849.0p		
25 June 1990	235.5p	14 August 2007	644.0p	15 November 2011	884.0p		
31 May 1991	217.5p	15 November 2007	675.5p	17 February 2012	975.0p		
29 May 1992	232.5p	14 February 2008	712.0p	16 May 2012	898.5p		
28 May 1993	282.5p	16 May 2008	730.0p	16 August 2012	1010.5p		
31 May 1994	328.5p	14 August 2008	677.5p	15 November 2012	1025.0p		
31 May 1995	343.5p	14 November 2008	537.5p	18 February 2013	1162.5p		
28 May 1996	415.5p	16 February 2009	555.0p	16 May 2013	1262.5p		

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. Further copies are available on the website (www.murray-intl.co.uk/doc.nsf/Lit/PressReleaseUKClosedCentenaryBooklet) or from the Company Secretary.

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Aberdeen 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 www.murray-intl.com. There have been no material changes to the disclosures contained within the PIDD since first publication in July 2014.

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 19 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 AFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 76 and the numerical remuneration in the disclosures in respect of the AIFM's first relevant reporting period (year ended 30 September 2015) will be made available in due course).

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 2014	1.09:1	1.11:1

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 AFML 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 above information above 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 Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority