

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 31 August 2014

The Company's objective is to provide good absolute returns over long periods by investing the great majority of its assets in UK and international quoted securities. Full details of the Company's investment policy are set out in the Company's Annual Report, which is available on the Company's website or can be requested from the Company (see contact details below).

Review of the Period

- Over the period, the Company's net asset value and share price total returns were 4.3% and 2.5% respectively. The FTSE All-Share Index total return was 0.6%.
- New investments were made in FDM Group and the AA, and an addition was made to Telecom Plus, bringing them into the Top Ten Equity Holdings. An addition was also made to the holding in Baidu. The holding in the John Laing Infrastructure Fund was sold. Other changes to the Top Ten Equity Holdings were as a result of market movements. Outwith the Top 10, a new holding was taken in Zulily, and the holdings in British American Tobacco, Imperial Tobacco, Philip Morris, GlaxoSmithKline and SSE were sold.
- The interim dividend of 2.0p per share was paid on 29 August 2014 to shareholders on the register at the close of business on 8 August 2014.

Sector Analysis

Sector	% of shareholders' funds at 31/08/14	% of shareholders' funds at 31/05/14
Housing	5.8	5.7
Industrials	7.3	6.9
Retailing	10.5	5.3
Travel and Leisure	3.4	2.9
Recruitment	2.9	3.1
Technology and Telecommunications	20.3	11.9
Mining	2.1	2.1
Oil and Gas Producers	1.7	1.7
Offshore Drillers	2.1	2.2
Oilfield Services	13.4	13.5
Food Producers	0.2	0.2
Tobacco	-	6.6
Pharmaceuticals	-	1.9
Utilities	4.1	4.0
Banks	1.5	2.9
Non Life Insurance	13.4	13.9
Miscellaneous Financials	1.4	1.4
Infrastructure and Renewable Energy Funds	5.8	9.2
Net Liquid Assets	4.1	4.6
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 31/08/14	% of shareholders' funds at 31/05/14
Herald Investment Trust	7.5	7.9
Baidu	7.2	4.0
FDM Group	5.6	-
Ashtead Group	5.5	5.1
AA	5.0	-
Dunelm Group	4.9	5.3
Schlumberger	4.8	4.7
Halliburton	4.6	4.5
Amlin	4.5	4.9
Telecom Plus	4.1	2.2
Total	53.7	38.6

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	2.5	10.9	44.5	107.4
NAV	4.3	13.8	42.0	93.7
FTSE All-Share Index	0.6	10.3	44.5	71.4

Source: Morningstar

Past performance is not a guide to future performance

General Information

	31/08/14	31/05/14
Total assets (before deduction of borrowings)*	£178.7m	£172.5m
Share price	277.3p	272.5p
Net asset value per share *	308.7p	298.1p
Discount	10.2%	8.6%
Total borrowings	-	-
Net cash **	£7.4m	£7.9m
Net cash as a % of shareholders' funds*	4.1%	4.6%

*These figures have been calculated using the AIC cum income basis (includes current financial year retained income).

**Cash stated inclusive of net amounts receivable/ payable.

The Company's Net Asset Value is calculated daily and can be viewed on the London Stock Exchange website at www.londonstockexchange.com

The Share Price is published daily in the Financial Times.

The interim management statement, together with the Company's Annual and Half-Yearly reports, is available on the Company's website at www.independentinvestmenttrust.co.uk †

†Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Contact details:

The Independent Investment Trust PLC

17 Dublin Street

Edinburgh EH1 3PG

Tel: 0131 558 9434

Fax: 0131 558 8602

List of Investments as at 31 August 2014

Sector	Name	Value (£'000)	%
Housing	Berkeley Group	2,395	1.3
	Persimmon	5,292	3.0
	Rightmove	2,520	1.5
		10,207	5.8
Industrials	Aggreko	3,238	1.8
	Ashtead Group	9,795	5.5
		13,033	7.3
Retailing	AA	8,904	5.0
	Dunelm Group	8,795	4.9
	Zulily - USA	987	0.6
		18,686	10.5
Travel & Leisure	Domino's Pizza	3,552	2.0
	Thomas Cook	2,496	1.4
		6,048	3.4
Recruitment	SThree	5,190	2.9
Technology and Telecommunications	Baidu – China	12,912	7.2
	FDM Group	10,080	5.6
	Herald Investment Trust	13,430	7.5
		36,422	20.3
Mining	BHP Billiton	1,430	0.8
	BlackRock World Mining Trust	2,360	1.3
		3,790	2.1
Oil and Gas Producers	Bankers Petroleum – Canada	1,459	0.8
	Ultra Petroleum – USA	1,597	0.9
		3,056	1.7
Offshore Drillers	Noble Corporation – USA	3,426	1.9
	Paragon Offshore - USA	374	0.2
		3,800	2.1
Oilfield Services	Baker Hughes – USA	4,163	2.3
	C&J Energy Services – USA	3,108	1.7
	Halliburton – USA	8,141	4.6
	Schlumberger – USA	8,582	4.8
		23,994	13.4
Food Producers	Asian Citrus Holdings – China	390	0.2
Utilities	Telecom Plus	7,285	4.1
Banks	HSBC	2,608	1.5
Non Life Insurance	Amlin	8,095	4.5
	Beazley	3,780	2.1
	Brit Insurance	5,140	2.9
	Catlin Group	4,112	2.3
	Polar Capital Global Insurance Fund	2,837	1.6
		23,964	13.4

Miscellaneous Financials	IG Group Holdings	2,428	1.4
Infrastructure and Renewable Energy Funds	Bluefield Solar Income Fund	5,187	2.9
	John Laing Environmental Assets Group	5,150	2.9
		<u>10,337</u>	<u>5.8</u>
Total Investments		<u>171,238</u>	<u>95.9</u>
Net Liquid Assets		7,413	4.1
Shareholders' Funds		<u>178,651</u>	<u>100.0</u>

All holdings are in equities domiciled in the UK unless otherwise stated.