

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 28 February 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 5.8% and 2.6% respectively. The FTSE All-Share Index total return was 3.9%.
- Changes to the Top Ten Equity Holdings were as a result of market movements. Transactions during the period included new investments in HSBC, the Bluefield Solar Income Fund and complete sales of Astrazeneca and Games Workshop.
- The Company bought back 158,000 of its own shares for cancellation during the quarter, at a cost of £424,000.
- Net cash fell from £16.8 million to £8.9 million, representing 5.1% of shareholders' funds at the end of February 2014.
- The final dividend of 3.00p per share and special dividend of 1.00p per share, if approved by shareholders at the Annual General Meeting to be held on 27 March 2014, will be paid on 8 April 2014 to shareholders on the register at the close of business on 28 February 2014.

Sector Analysis

Sector	% of shareholders' funds at 28/02/14	% of shareholders' funds at 30/11/13
Housing	6.6	5.7
Industrials	9.7	8.9
Retailing	5.7	7.1
Recruitment	3.6	2.9
Technology and Telecommunications	11.5	11.3
Mining	2.2	2.1
Oil and Gas Producers	1.5	1.2
Offshore Drillers	2.1	2.8
Oilfield Services	11.8	11.8
Food Producers	0.3	0.4
Tobacco	6.6	6.1
Pharmaceuticals	1.9	4.0
Leisure	1.9	2.0
Property	1.2	1.1
Utilities	5.1	4.9
Banks	2.9	-
Non Life Insurance	11.0	9.8
Life Assurance	1.5	1.5
Miscellaneous	1.5	1.4
Financials		
Infrastructure Funds	7.2	4.8
Net Liquid Assets	4.2	10.2
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 28/02/14	% of shareholders' funds at 30/11/13
Herald Investment Trust	8.6	8.3
Dunelm Group	5.7	5.4
Ashtead Group	5.0	4.2
John Laing Infrastructure	4.8	4.8
Amlin	4.7	4.9
Schlumberger	4.1	4.2
Halliburton	3.9	3.9
SThree	3.6	2.9
Persimmon	3.3	2.8
Baidu	2.9	3.0
Total	46.6	44.4

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	2.6	20.2	29.5	173.6
NAV	5.8	16.4	25.9	140.4
FTSE All-Share Index	3.9	13.3	31.2	126.2

Source: Morningstar

Past performance is not a guide to future performance

General Information

	28/02/14	30/11/13
Total assets (before deduction of borrowings)*	£173.8m	£166.9m
Share price	271.5p	268.5p
Net asset value per share *	299.9p	287.2p
Discount	9.5%	6.5%
Total borrowings	-	-
Net cash **	£8.9m	£16.8m
Net cash as a % of shareholders' funds*	5.1%	10.0%

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

**Cash stated inclusive of amounts receivable/net of amounts payable in respect of unsettled transactions.

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.

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List of Investments as at 28 February 2014

Sector	Name	Value (£'000)	%
Housing	Berkeley Group	2,741	1.6
	Persimmon	5,780	3.3
	Rightmove	2,755	1.7
		11,276	6.6
Industrials	Aggreko	3,118	1.8
	Ashtead Group	8,760	5.0
	Croda International	5,082	2.9
		16,960	9.7
Retailing	Dunelm Group	9,930	5.7
Recruitment	SThree	6,225	3.6
Technology and Telecommunications	Baidu – China	5,092	2.9
	Herald Investment Trust	14,900	8.6
		19,992	11.5
Mining	BHP Billiton	1,446	0.8
	BlackRock World Mining Trust	2,512	1.4
		3,958	2.2
Oil and Gas Producers	Bankers Petroleum – Canada	1,052	0.6
	Ultra Petroleum – USA	1,501	0.9
		2,553	1.5
Offshore Drillers	Noble Corporation – USA	3,703	2.1
Oilfield Services	Baker Hughes – USA	3,776	2.2
	C&J Energy Services – USA	2,774	1.6
	Halliburton – USA	6,802	3.9
	Schlumberger – USA	7,211	4.1
	20,563	11.8	
Food Producers	Asian Citrus Holdings – China	435	0.3
Tobacco	British American Tobacco	3,250	1.9
	Imperial Tobacco	4,872	2.8
	Philip Morris – USA	3,380	1.9
		11,502	6.6
Pharmaceuticals	GlaxoSmithKline	3,343	1.9
Leisure	Domino's Pizza	3,354	1.9
Utilities	National Grid	4,170	2.4
	SSE	2,804	1.6
	Telecom Plus	1,846	1.1
		8,820	5.1
Banks	HSBC	5,038	2.9

Non Life Insurance	Amlin	8,098	4.7
	Beazley	3,950	2.3
	Catlin Group	4,244	2.4
	Polar Capital Insurance Fund - Ireland	2,696	1.6
		<u>18,988</u>	<u>11.0</u>
Property	British Land	<u>2,090</u>	<u>1.2</u>
Infrastructure Funds	Bluefield Solar Income Fund	4,241	2.4
	John Laing Infrastructure Fund – Channel Islands	8,330	4.8
		<u>12,571</u>	<u>7.2</u>
Life Assurance	Partnership Assurance Group	<u>2,568</u>	<u>1.5</u>
Miscellaneous Financials	IG Group Holdings	<u>2,528</u>	<u>1.5</u>
Total Investments		<u>166,397</u>	<u>95.8</u>
Net Liquid Assets		<u>7,369</u>	<u>4.2</u>
Shareholders' Funds		<u>173,766</u>	<u>100.0</u>

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