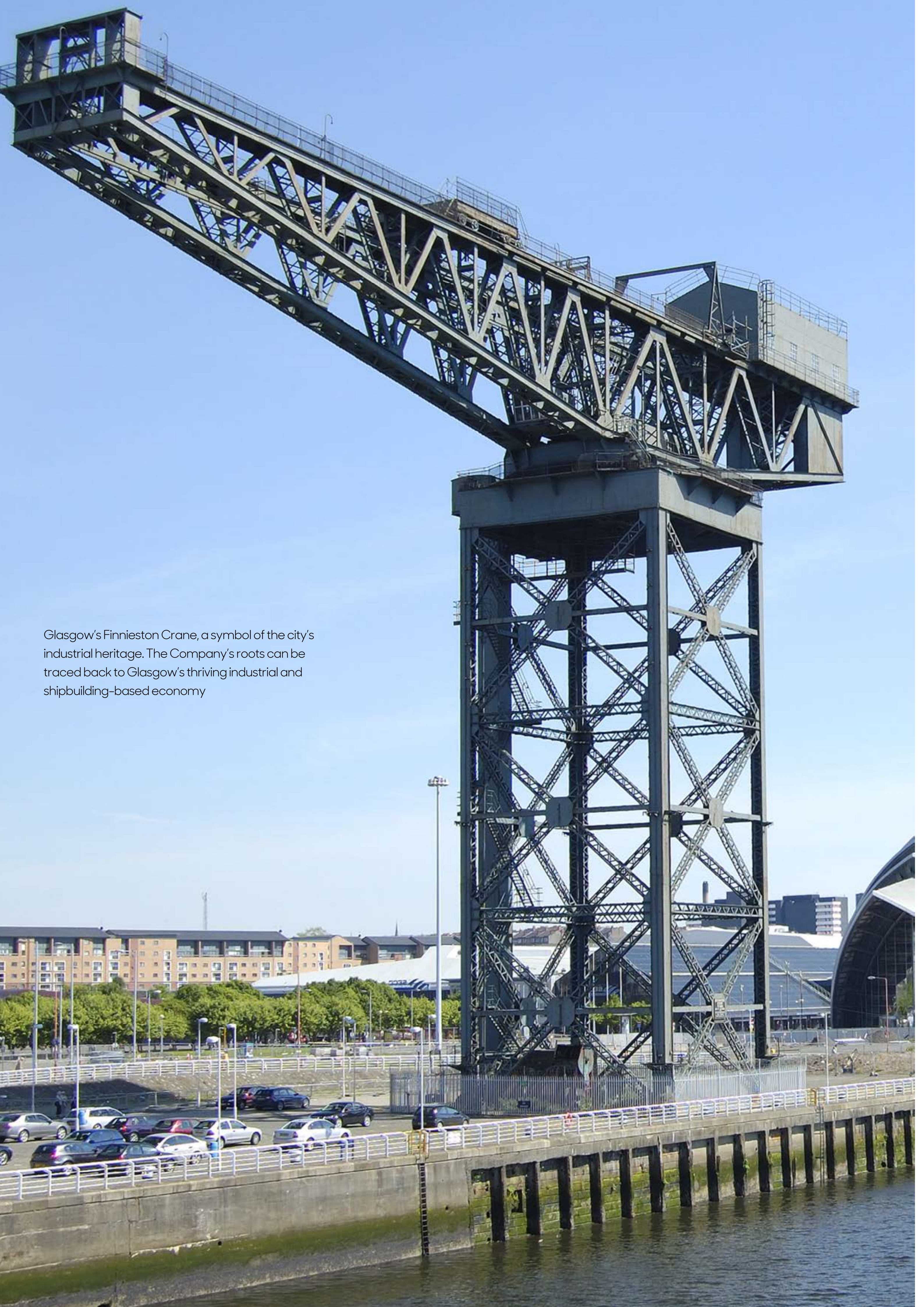
Murray International Trust PLC

A high conviction global portfolio designed to deliver
a strong and rising income and to grow capital

Annual Report
31 December 2023

murray-intl.co.uk



Glasgow's Finnieston Crane, a symbol of the city's industrial heritage. The Company's roots can be traced back to Glasgow's thriving industrial and shipbuilding-based economy

"Your Board is recommending an increased final dividend of 4.3p per Ordinary 5p share (2022: 4.0p as restated). If the final dividend is approved, the total Ordinary dividend for the year will amount to 11.5p (2022: 11.2p as restated), an increase over the previous year of 2.7%. This represents the 19th year of dividend increases for the Company, which remains an AIC 'Next Generation Dividend Hero'"

Virginia Holmes,
Chair

"Over the full financial year, the 8.6% NAV total return was welcomed, marking a return to real growth given the moderating UK Retail Prices inflation rate of 5.2%. Whereas overall global equity index strength tended to be extremely concentrated in just a handful of large US technology stocks, the portfolio's positive performance in total return terms was spread across numerous regions, sectors and businesses"

Bruce Stout,
abrdn Investments Limited

Performance Highlights

Net asset value total return[AB] – 2023	
+8.6%	
2022	+8.8%

Share price total return[AB] – 2023	
+1.1%	
2022	+20.6%

Reference Index total return[BC] – 2023	
+15.7%	
2022	-7.3%

(Discount)/premium to net asset value[AD] – 2023	
-4.0%	
2022	+3.1%

Dividends per share[BEF] – 2023	
11.5p	
2022	11.2p

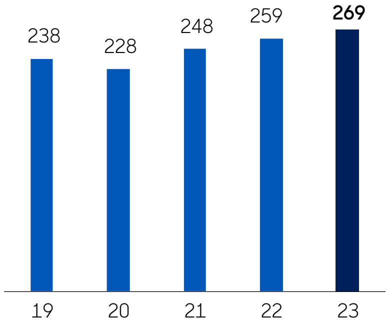
Revenue return per share[BF] – 2023	
12.1p	
2022	12.0p

Retail Prices Index[B] – 2023	
+5.2%	
2022	+13.4%

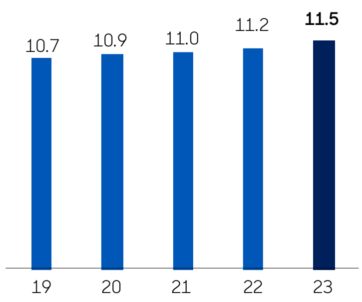
Ongoing charges ratio[AD]	
0.53%	
2022	0.52%

[A] Alternative Performance Measure (see pages 110 to 112).
[B] For the year to 31 December.
[C] Reference Index is FTSE All World TR Index.
[D] As at 31 December.
[E] Dividends declared for the year to which they relate and assuming shareholder approval of final dividend.
[F] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

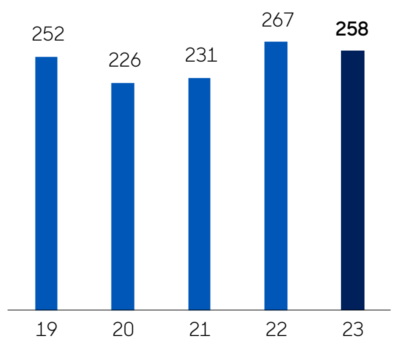
Net asset value per share
At 31 December – pence



Dividends per share
Year ended 31 December – pence



Mid-Market price per share
At 31 December – pence



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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 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 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.*

Financial Calendar

Payment dates of future quarterly dividends	**20 May 2024** **16 August 2024** **18 November 2024** **17 February 2025**
Financial year end	**31 December**
Online Shareholder Presentation	**Friday 5 April 2024 at 11.00 a.m.**
Annual General Meeting (London)	**Friday 19 April 2024 at 12:30 p.m.**

Dividends

	Rate	Ex-dividend date	Record date	Payment date
1st interim	2.4p	6 July 2023	7 July 2023	16 August 2023
2nd interim	2.4p	5 October 2023	6 October 2023	17 November 2023
3rd interim	2.4p	4 January 2024	5 January 2024	16 February 2024
Proposed final	4.3p	25 April 2024	26 April 2024	20 May 2024
Total dividends	**11.5p**			

Financial Highlights

	31 December 2023	31 December 2022	% change
Total assets[A]	**£1,808.8m**	£1,816.6m	–0.4
Net assets	**£1,668.9m**	£1,616.8m	+3.2
Market capitalisation	**£1,601.8m**	£1,667.7m	–4.0
Net Asset Value per Ordinary share[BC]	**268.8p**	258.7p	+3.9
Share price per Ordinary share (mid market)[BC]	**258.0p**	266.8p	–3.3
(Discount)/premium to Net Asset Value per Ordinary share[D]	**-4.0%**	3.1%	
Net gearing[D]	**8.0%**	11.2%	
Revenue return per share[C]	**12.1p**	12.0p	+0.8
Dividends per share[CE]	**11.5p**	11.2p	+2.7
Dividend cover (including proposed final dividend)[D]	**1.05x**	1.07x	
Dividend yield[D]	**4.5%**	4.2%	
Revenue reserves[F]	**£75.1m**	£69.2m	
Ongoing charges ratio[D]	**0.53%**	0.52%	

[A] See definition on page 122.

[B] Capital values.

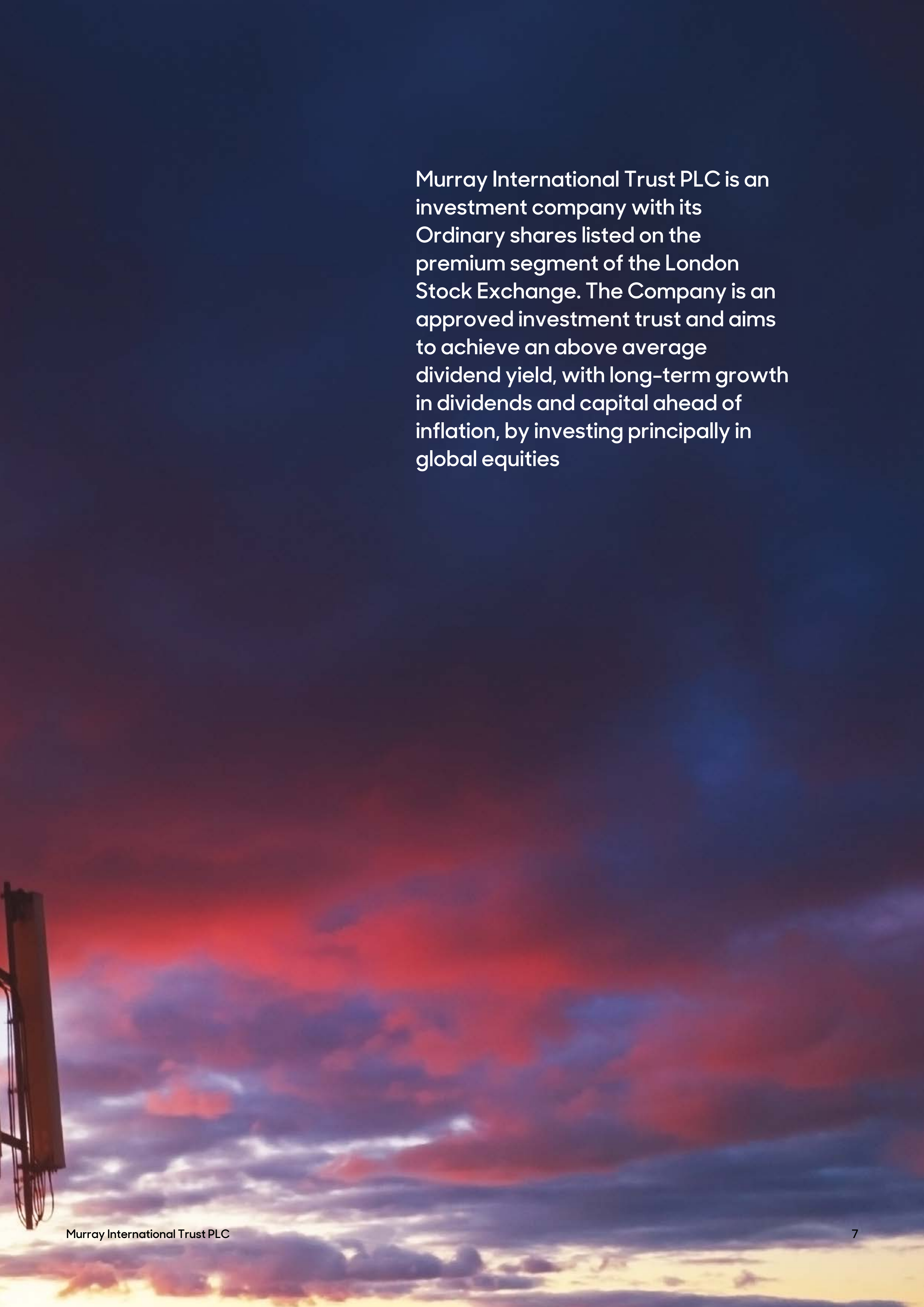
[C] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

[D] Considered to be an Alternative Performance Measure as defined on pages 110 and 111.

[E] The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 89) and assuming approval of the final dividend of 4.3p (2022 – final dividend of 4.0p).

[F] The revenue reserve figure does not take account of the third interim and final dividends amounting to £14,890,000 and £26,592,000 respectively (2022 – third interim dividend of £15,002,000 and final dividend of £25,003,000).

Strategic Report



Murray International Trust PLC is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company is an approved investment trust and aims to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities

Chair's Statement

I am pleased to present this Annual Report following my appointment as Chair on 31 December 2023 and would like to take this opportunity to reiterate, on behalf of the Board, all our thanks to David Hardie for his contribution to the Company, particularly in his willingness to take on the role of Chair following the sad death of his predecessor, Simon Fraser.

Background

The disparity that so often exists between economic fundamentals and financial market performance proved extremely pronounced in 2023. The impacts of sharply rising interest rates, which had begun in earnest in early 2022, began to have a negative impact on most global economies. Scrutinised by sceptical bond markets, Central Banks remained vigilant about ongoing inflationary pressures. Interest rates continued to rise, debt servicing costs increased further and economic stagnation remained a constant threat. Whilst most countries experienced decelerating rates of inflation, overall prices continued to rise, putting further pressure on already stretched household budgets. With no tangible relief in the cost-of-living crisis throughout the indebted Developed World, it was no surprise that global consumption struggled to support growth. Corporate profit margins also succumbed to input cost increases, revenue declines and general wage pressures. The overall environment of tighter liquidity, constrained earnings and fragile confidence could hardly have been described as positive for financial markets. Yet what transpired most definitely defied expectations. Whilst economic fundamentals generally tend to reflect reality, global financial fundamentals are always open to a variety of interpretations. So it proved once again. Global equity markets treaded water for most of the year, but markets' performance during the final two months of 2023 was nothing short of remarkable. Fuelled by a resurgence in positive sentiment towards a perceived end to interest rate hikes, global equity markets surged higher. Such positive market momentum towards year end, combined with ongoing robustness in the Company's income statement, delivered another year of strong total returns on net assets. It is also pleasing to report that once again the proposed increase in the Company's dividend is fully covered by the net revenue generated from the portfolio.

Performance

The Company's net asset value ("NAV") posted a total return for the year (i.e. with net income reinvested) of 8.6%. Although the Company does not use a benchmark, it is worth noting that over the same period the UK Retail Prices Index rose 5.2% and the Reference Index (the FTSE All World TR Index) increased 15.7%. The share price posted a lower total return of 1.1% (2022: 20.6%), reflecting a widening in the discount to NAV. Revenue return per share generated from the Company's portfolio amounted to 12.1p for the year (2022: 12.0p, restated for the share subdivision in April 2023), enabling the ongoing improvement in the total level of dividend. The Manager's investment focus continues to emphasise both geographical and sector diversification across a broad range of quality companies in order to deliver both income and capital growth. Such characteristics tend not to be represented in more concentrated indices where fashionable growth stocks are inclined to dominate.

Your Board is recommending an increased final dividend of 4.3p per Ordinary 5p share (2022: 4.0p as restated)

Dividends

Three interim dividends of 2.4p per share (2022: three interims of 2.4p as restated) have been declared during the year. Your Board is recommending an increased final dividend of 4.3p per Ordinary 5p share (2022: 4.0p as restated). If approved at the Annual General Meeting, this final dividend will be paid on 20 May 2024 to Shareholders on the register on 26 April 2024 (ex dividend 25 April 2024). If the final dividend is approved, the total Ordinary dividend for the year will amount to 11.5p (2022: 11.2p as restated), an increase over the previous year of 2.7%. This represents the 19th year of dividend increases for the Company, which remains an AIC 'Next Generation Dividend Hero'.

As a long-established investment trust, the Company has the benefit of over £75 million of distributable revenue reserves on its balance sheet at 31 December 2023 (2022: £69.2m), which have been accumulated by the Company over many years from retained earnings. The payment of the final dividend, if approved, will result in the movement of over £4 million to the revenue reserves, to strengthen them for future years, and dividend cover at year end of 1.05x (2022: 1.07x).

The Board intends to maintain the Company's progressive dividend policy. This means that, in some years, revenue will be added to reserves while, in others, some revenue may be taken from reserves to supplement revenue earned during that year, in order to pay the annual dividend. Shareholders should not be surprised or concerned by either outcome as, over time, the Company will aim to pay out what the underlying portfolio earns in sterling terms.

Currency fluctuations may also have an impact on income and therefore the level of dividend. The Board, however, is maintaining the present policy not to hedge the sterling translation risk of revenue arising from non-UK assets.

On behalf of the Board I would like to thank Bruce sincerely for all his efforts, expertise and insights

Manager Succession

As we reported in the Half Yearly Report in August 2023, Bruce Stout, the Company's lead investment manager since 16 June 2004, has announced that he will be retiring from abrdn in June 2024.

During his time as lead manager, Bruce has been assisted by Martin Connaghan and Samantha Fitzpatrick who have worked together with Bruce for over 20 years. In recent years, Martin and Samantha's input into the management of the portfolio, and the Company itself, has increased and many of you may have met or heard from them at meetings or presentations, including AGMs and online webinars. We are delighted to confirm that Martin and Samantha have assumed co-managerial responsibility for the Company's investments alongside Bruce in order to ensure the smoothest of handovers and no change in abrdn's approach to the investment management of the Company going forward. On behalf of the Board, I would like to thank Bruce sincerely for all his efforts, expertise and insights. Shareholders will have the opportunity to thank Bruce in person at the forthcoming Annual General Meeting.

Online Presentation and Annual General Meeting ("AGM")

Following the success of similar events over the last few years, the Board has decided to hold another online presentation this year, at 11.00 a.m. on Friday 5 April 2024. This is in addition to the in-person AGM. During the online presentation, shareholders will receive updates from me, as Chair, and the investment management team, and there will be an interactive question and answer session. We see this as an opportunity for shareholders, who may be unable to attend the AGM, to hear directly from the Board and the investment team and to pose any questions that they may have. Full details on how to join the online shareholder presentation can be found in my accompanying letter and further information on how to register for the event can be found at **www.murray-intl.co.uk**.

Following the online presentation, shareholders will still have plenty of time in which to submit their proxy votes prior to the AGM. I would encourage all shareholders (whether or not they intend to attend the AGM in person) to lodge their votes in advance in this manner. Shareholders on the main register can do this by completing and returning the proxy form which has been sent to them. If you hold your shares on a platform via a nominee, please note that the Association of Investment Companies has provided helpful information on how to vote investment company shares held on some of the major platforms. This information can be found at **www.theaic.co.uk/how-to-vote-your-shares**.

The AGM has been convened for 12:30 p.m. on 19 April 2024, at **Wallacespace Spitalfields, 15 Artillery Lane, London E1 7HA**, and will be followed by a buffet lunch and an opportunity to meet the Board and the investment management team.

Ahead of the online presentation and AGM, I would encourage shareholders to send in any questions that they may have for either forum to: **murray-intl@abrdn.com**.

Chair's Statement

Continued

Management of Discount and Share Capital

At the AGM held in April 2023, shareholders approved the five for one subdivision of Ordinary shares of 25p each into Ordinary shares of 5p each which became effective on 24 April 2023.

During the year, the Board acted to reduce the volatility of the share price as it fluctuated between a premium and a discount to the net asset value. During May 2023, while the Company was trading at a premium, the Company sold 1,050,000 Ordinary shares of 5p each from Treasury at a weighted average premium of 2.5%, raising almost £2.8 million. This represented an increase in the issued share capital of 0.2%.

In line with most of the investment trust sector, the discount of the Company widened from mid-July to 9.6% by late October, when the industry average discount reached over 16%, the widest reported since the Global Financial Crisis in 2008, before narrowing towards the end of the year. As its discount widened in the second half of the year, the Company bought back 5,248,133 Ordinary Shares of 5p for Treasury at a total cost of £12.4 million and at a weighted average discount of 5.7%, representing 0.8% of the issued share capital.

At the AGM in 2024 the Board will be seeking approval from shareholders to renew the buyback authority together with the authority to allot new shares or sell shares from Treasury. As in previous years, new or Treasury shares will only be issued or sold at a premium to NAV and shares will only be bought back at a discount to NAV. Resolutions to this effect will be proposed at the AGM and the Directors strongly encourage shareholders to support these proposals.

Your Board continues to believe that, in normal market conditions, it is appropriate to seek to address temporary imbalances of supply and demand for the Company's shares which might otherwise result in a recurring material discount or premium. The Board believes that this process is in all shareholders' interests as it seeks to reduce volatility in the discount or premium to underlying NAV whilst also making a small positive contribution to the NAV. At the latest practicable date, the NAV (excluding income) per share was 262.77p and the share price was 244.25p, equating to a discount of -7.1% per Ordinary share compared to a discount of -4.0% per Ordinary share at the year end.

Gearing

At the year end, total borrowings amounted to £140 million (2022: £200m), representing net gearing (calculated by dividing the total borrowings less cash by shareholders' funds) of 8.0% (2022: 11.2%), all of which is drawn in sterling. In May 2023, the Company repaid its maturing £60m fixed rate loan using the proceeds of sales from the portfolio. At the time, the Board considered options to replace this loan but acceptable commercial terms were not available.

The Company is now considering options for the next fixed rate loan which is due to expire in May 2024 and amounts to £30m. The Company will update shareholders in due course.

Ongoing Charges Ratio ("OCR")

The Board remains focused on controlling costs and on delivering value to shareholders. The OCR for 2023 was broadly flat ending the year at 0.53% (2022: 0.52%).

The Board has been monitoring developments in the field of cost disclosure regulations and fully supports the industry-led initiative that is seeking to exclude listed closed ended investment companies from regulations that have created an uneven playing field both domestically and internationally.

Environmental, Social and Governance ("ESG") and Climate Change

The Company is not an ESG fund. However, as part of its responsible stewardship of shareholders' assets, your Board continues to engage actively with the Manager with regard to the ongoing assessment and further integration of ESG factors into the Manager's investment process. The Board receives regular assessments of the Company's holdings and portfolio, including a MSCI fund ratings report which currently gives the Company's portfolio a rating of 'A'. Further information on the important work undertaken on ESG and climate change by the Manager is provided in the 'ESG and Climate Related Factors' section on pages 114 to 116.

Board of Directors

As part of the ongoing succession planning Gregory Eckersley joined the Board on 1 May 2023 and Wendy Colquhoun joined on 1 September 2023. With a background in equity investment and a professional career in asset management and leadership roles within the financial sector, Gregory has already contributed significantly to the Board's deliberations. In addition, Wendy's legal background as a former partner in CMS Cameron McKenna with over 25 years' experience in corporate transactional, and regulatory matters places the Board in a strong position following David Hardie's retirement from the Board on 31 December 2023.

The Board recognises the benefits and is supportive of, and gives due regard to, the principle of diversity when recruiting new Directors whilst ensuring that Board appointments are always made on merit. The Company is compliant with the recommendations of the Parker Review on diversity in the UK boardroom.

Despite mounting global uncertainties in what currently appears to be an increasingly divided and fractious world, the Manager remains deeply committed to the Company's investment strategy

Outlook

Trying to make sense of financial markets is difficult even at the best of times. Contradictions invariably present themselves, for example, between evaluating historical precedents, considering country-specific dynamics, acknowledging global conflicts of interest and accepting financial constraints from sometimes polarised political priorities. It is not surprising that attempts to predict the future are so often doomed to failure. The outlook for your Company is rooted in the more tangible variables of corporate fundamentals. This means identifying the key drivers of businesses across a broad and diversified range of sectors, focusing on key concepts such as positive cash flows, robust earnings, growing dividends and strong balance sheets, and then investing from a "bottom up" basis, in good quality, growing companies that are held for the long term to maximise potential positive upside. Through the vagaries of numerous business cycles, global catastrophes and financial market dislocations this investment style has served the Company well. Despite mounting global uncertainties in what currently appears to be an increasingly divided and fractious world, the Manager remains deeply committed to the Company's investment strategy, believing such a proven investment process will continue to identify appropriate opportunities to deliver the Company's objectives.

Your Board greatly values shareholder comments and I encourage you to email me with your views at: **VirginiaHolmes.Chair@abrdn.com**.

Virginia Holmes
Chair
29 February 2024

Investment Manager's Review

Background

"Sir Isaac Newton tells us why,
an apple falls down from the sky,
And from this fact it's very plain,
all other objects do the same,
A bolt, a bar, a brick, a cup,
invariably fall down, not up......!"

Defying gravity best describes the behaviour of global equity markets over the past twelve months. Seemingly no amount of economic despair, political discord, policy disharmony, geopolitical disunity nor rational doubt was enough to dampen the animal spirits of unquestioning market exuberance. Confronted with enough economic evidence to chill the spine of even the most optimistic investor, positive equity market returns bore no reflection of underlying ubiquitous strife. "Gravitational" forces associated with higher interest rates pulled down disposable incomes, inflation rates, house prices and overall economic activity. The weight of increasing protectionism and escalating geopolitical tensions constrained global trade and investment. Consumer credit creaked under pressure from increasing financing costs. Government balance sheets, bloated over decades by the grotesque largesse of printed money, buckled under similar dynamics. Gravity also finally caught up with fiscal spending, cutting budgets as future funding costs became prohibitive. Confronted by such realism it might appear incredible for global equity markets to anticipate amelioration amongst such angst. Yet against any rational expectations that is exactly what happened. Towards the year end, markets hastily equated positive policy statements suggesting an end to monetary tightening with unquestioning acceptance of imminent interest rate reductions. Surging global bond and equity markets reflected this temporary shift in sentiment, but such simplistic causational logic implies "laws of inevitable consequences" that need not materialise in practice.

Deep down, do global equity markets really believe speculative excesses accumulated over decades can be painlessly erased by simply reigniting credit growth? Such naivety beggars belief. Superficially, declining inflationary trends witnessed throughout the Developed World in 2023 undoubtably generated widespread complacency. Financial market participants were desperate to believe policymakers had successfully conquered inflation. Yet scratching below the surface revealed a seismic shift in global protectionism, wage expectations, immobility of labour, debt-servicing dynamics plus a host of additional rigidities to effective free market pricing. Short-term respite in food and energy costs temporarily tempered the tourniquet on consumer purchasing power but no evidence emerged of a sustainable end to pricing pressures. For an investment generation nurtured on global disinflation for the past twenty years, accepting the inevitable end to such favourable circumstances was never going to be easy. Such misplaced market euphoria towards the year end was testimony to that.

Decelerating economic activity dominated most global economies over the period. Personal consumption bore the brunt of the higher interest rate environment. Dwindling savings, combined with soaring mortgage and debt costs dramatically reduced disposable incomes. Economic growth was constantly constrained, although outright contractions (recessions) were miraculously avoided by remarkable resilience in labour markets. "Hoarding" labour until painful retention costs become too acute is nothing new in economic history. When the painful contraction begins, the dramatic rise in redundancies is invariably more pronounced. Should the events of previous business cycles repeat themselves, then higher unemployment throughout 2024 looks inevitable. Bond markets generally endured a torrid twelve months against a backdrop of constantly rising interest rates. On course for a third consecutive year of negative returns, until the fourth quarter rally restored some semblance of respectability, an obvious irony escaped most investors' attention. Mountainous, unsustainable debt liabilities in the Developed World suggest neither inflation nor interest rates will continue as the predominant influence over future bond market pricing. Absent their buyer of last resort, (Governments) – solely culpable in distorting bond yields over the past twenty years – the price of future debt (bonds) becomes hostage to unforgiving market forces. Enormous excess supply and deteriorating credit-worthiness of issuers is a toxic, unpalatable cocktail for such historically "low risk" assets to swallow. Like it or not, deteriorating asset quality remains the single most unquantifiable "skeleton" still lurking in the cupboard of recent interest rate tightening. Uncovering such bones of bankrupt businesses suggests additional grim realities for markets to digest.

As the Western World waits for "Godot", financial fundamentals elsewhere paint a very different picture. Unburdened by aging demographics, excessive systemic debt and free to benefit from prudent, long-term orthodox economics, the Developing World evolves without its delusions and the psychological baggage of false entitlement. Most of all, from an investment perspective, modest expectations are achievable. Lessons learned throughout Asia and Latin America over many decades suggest a healthy aversion to banking risk, credit risk, corporate leverage and dollar dependency. International risk appetite towards most Emerging Market assets remained largely indifferent last year, impaired by high profile problems emanating from China and geopolitical tensions impacting currencies. Positive sentiment towards the asset class remained a scarce commodity as investors were generally rewarded in passive investment vehicles. Yet numerous historical examples exist where such complacency can rapidly change. The catalyst invariably emerges unexpectedly, but escalating concerns over increasingly narrow, excessively valued stockmarkets in the Developed World may prove the decisive factor this time.

Trying to make sense of financial markets is always problematic. The gravity defying antics of the past twelve months present cognitive contradictions for even the most seasoned rational investors. That global financial fundamentals are always open to a variety of interpretations is irrefutable, but the sense of wishful thinking that permeated the so called current consensus by the year end has seldom been so acute. Expectations and reality deviated markedly, never a comfortable combination when the weight of history suggests otherwise.

Global Review

With populist politicians throughout the Developed World scrambling to take credit for "the halving" of inflation during the period, it seemed extraordinary that dissenting voices did not assert the blatantly obvious. Politicians took no blame for causing the re-emergence of inflation since 2021, so how could they claim credence for containing it! Such crass contentions featured prominently in political rhetoric, as did contradictory communications from policymakers. Central Banks preached tough inflation-fighting credentials with commitment to interest rate rises, but not one admitted responsibility for causing inflation in the first place. Printing money before and during the Covid pandemic unequivocally fuelled the resurgence of inflation. As the world witnessed money in circulation turn negative for only the second time in forty years, inflation seemed to be miraculously tamed! Yet again, deception and deceit dominated public debate with the inevitable erosion of trust.

Events evolving in the United States over the past twelve months emphasised the familiar ongoing polarisation between reality and delusion. Whilst Main Street muddled through the malaise associated with contracting purchasing power and deteriorating living standards, Wall Street fantasised over history repeating itself: in essence, a year of division between fundamentals and froth. The former confronted numerous hurdles instantly recognisable as direct consequences of the rising interest rate environment. Declining property prices and potentially rising credit delinquencies cast a dark shadow over consumer confidence. More ominously, irresponsible balance sheet management by commercial banks exposed just how fragile financial stability invariably can be to sharply rising bond yields. Depositor panic ensued. The spectacle of queues outside branches returned, emphasising the vulnerability of the US banking system following years of gratuitous excess. Quickly brushed under the carpet, the US Central Bank deployed its classic Pavlovian responses: more money printing and aggressive arm twisting to "ensure" rescue bids were forthcoming. Stability was grudgingly restored, but not before three of the five largest bank failures in history had occurred. Most worrisome of all, financial markets barely batted an eye. Drowning in debt and stagnating without stimulus, the US economy constantly buckled during the period. Seemingly what mattered most to investors was that it did not quite break – at least not yet! Superficially freed from facing fundamental facts, financial markets frothed with anticipation of better times ahead. Sharply declining bond yields from October 2023 onwards were interpreted by equity markets that nirvana lay ahead. By the year end surging US stock prices had priced in numerous imminent interest rate cuts, no economic recession, double-digit profit growth for 2024 and inflation dead and buried! In the absence of such perfection materialising, suffice to say great scope exists for disappointment in the outlook for US financial assets over the medium term.

For European financial markets, similar dynamics between current fundamentals and future expectations dragged investor sentiment across polar extremes of the mood spectrum. Growth-wise, most European economies certainly provided little to cheer about. Germany just managed to dodge outright recession, France stagnated at virtually zero GDP growth all year, and Italy endured decelerating economic momentum throughout. On the periphery, Spain managed a modicum of growth, but the Celtic Tiger of Ireland suffered spectacular contractions in activity following many years of being Europe's poster child. Yet despite such depressing domestic economic fundamentals, investment opportunities initiated since the darkest days of Covid continued to perform well. High quality industrial companies, leading global energy providers and conservatively managed financials feature prominently amongst Europe's corporate titans. Unburdened by unrealistic expectations, often overlooked by prejudiced perceptions, such European exposures contributed significantly (again) to overall performance and total return. Conversely, numerous structural and cyclical frailties continued to erode investors' confidence in the UK. Popular acclamations that "the market was

Investment Manager's Review

Continued

cheap" and "the market's attractive defensive nature and dividend paying culture" fell on deaf ears. Yet again UK equities failed to match the performance and growth opportunities found elsewhere in the world. Outwith the confines of the City of London this should come as no surprise. Losing its status as a centre for raising capital, be it by constant political instability in Westminster, the Brexit debacle, pension fund diversification, increased red tape or whatever, the relentless malaise continues. Regardless of whatever the prime factors of disillusionment are, the hard facts depict a beleaguered, shrinking market plagued with constant outflows now reduced to a total market capitalisation less than US technology giant, Apple (which also continues to defy gravity as its market cap reaches £2.3 trillion!). Twenty years ago 40% of the portfolio assets were in UK equities: by the end of 2023 this figure was just 4%. Given current UK investment opportunities for global growth and income objectives remain constantly surpassed by what is available elsewhere, this current position is unlikely to change any time soon.

Conversely, prospects brightened for numerous developing nations throughout the Developing World. Economic orthodoxy, firmly established by proactive policy initiatives in response to Covid related dislocations, began to bear fruit. Given the superior quality of Government and household balance sheets, Central Banks and policymakers across Asia and Latin America remained credible entities comfortably in control of current circumstances. As pricing pressures abated, relief from belt-tightening began. Both Brazil and Chile cut interest rates during 2023. Korea, Indonesia, India and Mexico witnessed inflation rates falling back to below targeted levels, suggesting evolving fundamentals firmly supportive of imminent rate cuts in these nations too. As always, individual market performance varied significantly across the Developing World over the twelve months. For the tenth time in twenty years, Latin America delivered the strongest performance of any global region! Constantly underappreciated by the wider global investor audience blinkered by aversion, apathy and animosity, such ill-informed scepticism remains baffling. From a self-interested portfolio perspective, long may this continue, with superior growth and dividend opportunities, not to mention diversification benefits, positively contributing to delivering the investment mandate. Elsewhere, whilst fundamentals in Asia also improved, the one noticeable exception was China. Suffering from fragile confidence and negative property prices, Asia's largest economy struggled to shrug off its post Covid hangover. With inflation periodically flirting with negative rates (deflation) concerns were expressed that Chinese fundamentals were turning "Japanese". Whilst Japanese history shows just how destructive a deflationary mindset can impact a consumer economy, it is premature to resign China to such a fate just yet. The Government's measures to stimulate policies to positively impact Chinese growth, are gaining momentum, but the world will watch future developments with more than a modicum of trepidation.

Performance

The NAV total return for the year to 31 December 2023 with net dividends reinvested was +8.6%. This compared with the Reference Index (FTSE All World) total return of 15.7%. The top five and bottom five stock contributors are detailed below:

Top Five Stock Contributors	**%***	**Bottom Five Stock Contributors**	**%***
BE Semiconductor	2.1	Bristol Myers	-0.9
Broadcom	2.1	Sociedad Quimica Y Minera	-0.8
Grupo Asur	0.4	British America Tobacco	-0.7
Kimberley Clark de Mexico	0.3	China Vanke	-0.7
Enel	0.3	Philip Morris	-0.7

* % relates to the percentage contribution to return relative to the Reference Index (FTSE All World TR Index)

Over the full financial year, the 8.6% NAV total return was welcomed, marking a return to real growth given the moderating UK Retail Prices inflation rate of 5.2%. Whereas overall global equity index strength tended to be extremely concentrated in just a handful of large US technology stocks, the portfolio's positive performance in total return terms was spread across numerous regions, sectors and businesses. For the second consecutive year, Latin America delivered by far the strongest regional index returns. This was partially reflected in portfolio returns with a +16% contribution to overall total return from the region. Whilst mining exposures to iron ore and lithium in Brazil and Chile struggled to make much progress in a world of falling commodity prices, consumer focused businesses such as **Grupo Asur**, **Kimberly Clark de Mexico**, **Walmex** and **Banco Bradesco** all performed strongly. The strongest regional portfolio performance was recorded from Europe with a +22% total return from the diversified asset exposure. A combination of strong earnings and dividend growth relative to muted expectations provided the impetus for above average returns from Swedish industrials **Epiroc** and **Atlas Copco**, German conglomerate **Siemens**, Italian electric utility **Enel** and **BE Semiconductor** in the Netherlands. In what proved to be a particularly profitable period for European exposures, only Swiss pharmaceutical company **Roche** lost any noticeable value.

Less impressive, yet still positive, total returns were also delivered by North American and Asian exposures. The majority of holdings in the United States contributed positively to total returns, with the portfolio's largest holding, technology giant **Broadcom**, being the standout performer. Unfortunately negative absolute performance from Canadian holdings constrained overall regional performance. Severely constrained by negative sentiment towards China (where existing portfolio holdings suffered yet another turbulent year), exposures to Asia ex Japan experienced the brunt of negative sentiment despite relatively robust fundamentals. A total return of just +3% was heavily skewed towards income contributions from holdings in Singapore, Thailand and Australia with only **Samsung Electronics** in South Korea and **GlobalWafers** in Taiwan contributing any meaningful capital performance. Whilst the UK equity market delivered a positive return over the twelve month period, the three UK portfolio holdings confronted tough operating conditions which proved punitive to overall performance and contributions. Lastly the residual Emerging Market Bond exposures witnessed the full brunt of Sterling's strength but still managed a positive +3% return for the year as bond markets rallied towards the year end. With a current running yield of 8.2% and many holdings still priced below par, it is expected that current exposures will be maintained.

Predicting dividend income over the financial year proved relatively straightforward notwithstanding the usual difficulties associated with accurately estimating dividends from cyclical businesses involved in energy, commodities and technology. Whilst positive cash flows on which dividends depend are arithmetically uncomplicated to identify, the "willingness to pay" remains very much in the hands of the pursekeeper. Thankfully the majority of holdings did not disappoint. Dividend increases from portfolio holdings generally matched conservative estimates, with 80% falling into this category. Over the period the net effect from positive surprises (**Oversea-Chinese Bank Corp**, **Grupo Asur**, **Tryg Insurance**) versus negative surprises (**BE Semiconductor**, **Sociedad Quimica Y Minera**) was negligible. Overall gross income accrued marginally increased year-on-year, with earnings per share growth of +1.7% reflecting fewer shares outstanding than the previous period.

Attribution Analysis

The attribution analysis below details the various influences on portfolio performance. In summary, of the 530 basis points (before expenses) of performance below the Reference Index, asset allocation detracted 130 basis points and stock selection detracted 400 basis points. Structural effects, relating to the fixed income portfolio and gearing net of borrowing costs, added 20 basis points of relative performance.

	Company		Reference Index[A]		Contribution from:		
	Weight %	Return %	Weight %	Return %	Asset Allocation %	Stock Selection %	Total %
UK	4.6	–12.8	3.4	8.5	–0.1	–1.1	–1.2
Europe ex UK	28.4	22.1	12.8	15.7	0.1	1.5	1.6
North America	28.1	6.4	63.3	19.4	–1.1	–3.1	–4.2
Japan	–	–	6.3	13.3	0.1	–	0.1
Asia Pacific ex Japan	25.5	3.1	11.7	2.3	–1.7	0.2	–1.5
Latin America	13.4	15.6	1.2	29.3	1.3	–1.4	–0.1
Africa & Middle East	–	–11.5	1.3	–1.8	0.1	–0.1	–
Gross equity portfolio return	**100.0**	**9.6**	**100.0**	**15.7**	**–1.3**	**–4.0**	**–5.3**
Fixed Interest, cash and gearing effect		–					
Gross portfolio return		**9.6**					
Management fees and admin expenses.		–0.6					
Tax charge		–0.6					
Technical differences		0.2					
Total return		**8.6**		**15.7**			

[A] Reference Index - FTSE All World TR Index

Notes to Performance Analysis

Asset Allocation effect - measures the impact of over or underweighting each asset category, relative to the benchmark weights.
Stock Selection effect - measures the effect of security selection within each category.
Technical differences - the impact of different return calculation methods used for NAV and portfolio performance.
Source: abrdn. Figures may appear not to add up due to rounding.

Portfolio Activity

Portfolio turnover of 7% of gross assets over the period continued its recent decline to more normal levels. In a year when extended price distortions seldom prevailed, the lack of volatility in global markets limited new investment opportunities. Choosing to repay a £60m fixed rate loan that matured on 31 May 2023 reduced the overall level of outstanding loans to £140 million. Borrowing rates above 6% were deemed too expensive for five year equity gearing and hence not in our shareholders' best interests. This translated into gross asset exposure as a percentage of total exposure declining to 108% from 111%. Consequently overall equity gearing declined from 103% to 101% over the period.

European exposure witnessed a reduction in investment at the transaction level with profit taking in Swedish industrials **Epiroc** and **Atlas Copco** plus the outright sale of Swedish bank **Nordea** only partially offset by the new purchase of the French global drinks manufacturer **Pernod Ricard**. It is worth noting, however, that total gross asset exposure to Europe actually increased over the period due to strong European stock performance. In the UK, the proceeds from the outright sale of **Vodafone** were reinvested very gradually in a new position in **Diageo**, another leading global drinks distributor but with a distinctly different product portfolio and market focus than its French counterpart. Overall UK exposure declined to its lowest level in over four decades based on adjudged better growth and income opportunities elsewhere in the world. Finally within Developed Markets, portfolio activity in the North American region was extremely muted. Close to 1% of gross assets was raised from top-slicing **Broadcom** as exceptionally strong stock performance kept pushing the portfolio's largest holding above the 5% maximum investment guideline for any one position. Periodic weakness in global pharmaceuticals provided the opportunity to reinvest some of this cash into building up the existing position in leading global pharmaceutical company, **Merck**.

Portfolio activity in Developing Markets reflected changes in relative valuations and stock preferences. Overall Asian exposure declined slightly, featuring outright sales of **Taiwan Mobile** and **Lotus Retail** in Thailand coupled with the exit of **MTN Corp** in South Africa. All three divestments were prompted by rising concerns over the sustainability of future dividend growth. One new holding was established in Asia with the purchase of **Hong Kong Exchanges**, one of the world's leading securities trading companies. As regards Latin America, proceeds raised from profit taking in **Grupo Asur** in Mexico, to keep the holding size below 5%, and the outright sale of **Kimberly Clark de Mexico**, a long-term holding deemed to be more than fully valued, were reinvested in a new position in **Walmex**, a leading multi merchandise retailer in Mexico 70% owned by US **Walmart**. Finally, exposure to Emerging Market Bonds was marginally reduced with the outright sales of Ecuadorian Government Bonds due to a restructuring tender of the country's debt.

From an overall investment perspective, the emphasis continues to favour diversified asset exposures in companies deemed to be beneficiaries of the evolving backdrop, maintaining a "barbell" strategy of owning both growth and cyclical stocks. Selective growth companies, where yields tend to be lower, should continue to benefit from accelerating trends in industrial automation, semiconductor miniaturisation and digital communications. The greatest potential for positive cyclical momentum upside surprises can still be identified in Asia and other countries where substantial infrastructure spending and pent up consumer demand exist. Corporate earnings may be under recessionary threat in many parts of the world, but upwards earnings and dividend revisions in Latin America and Asia will likely emerge as domestic interest rates decline. In such regions, sectors and businesses the portfolio remains meaningfully invested.

Investment Manager's Review

Continued

Summary of Investment Changes During the Year

	Valuation 31 December 2022 £'000	%	Appreciation/ (depreciation) £'000	Transactions £'000	Valuation 31 December 2023 £'000	%
Equities						
UK	68,771	3.9	(14,378)	2,212	**56,605**	**3.2**
Europe ex UK	448,335	25.1	67,350	(19,266)	**496,419**	**27.8**
North America	468,484	26.2	8,975	(6,853)	**470,606**	**26.3**
Asia Pacific ex Japan	444,303	24.9	(8,732)	(9,145)	**426,426**	**23.8**
Latin America	218,800	12.3	17,598	(12,307)	**224,091**	**12.5**
Africa & Middle East	12,439	0.7	(1,803)	(10,636)	**–**	**–**
	1,661,132	93.1	69,010	(55,995)	**1,674,147**	**93.6**
Preference shares						
UK	6,269	0.3	148	–	**6,417**	**0.4**
	6,269	0.3	148	–	**6,417**	**0.4**
Bonds						
Europe ex UK	6,771	0.4	(3,354)	(125)	**3,292**	**0.2**
Asia Pacific ex Japan	47,079	2.6	(2,454)	174	**44,799**	**2.5**
Latin America	47,790	2.7	926	(3,877)	**44,839**	**2.5**
Africa & Middle East	15,779	0.9	(1,438)	28	**14,369**	**0.8**
	117,419	6.6	(6,320)	(3,800)	**107,299**	**6.0**
Total Investments	1,784,820	100.0	62,838	(59,795)	**1,787,863**	**100.0**

Outlook

Forty years of relentlessly rising bond markets up until 2020 suggests very few current investment practitioners can lay claim to having witnessed a bear market in bonds. At least not in the Developed World. But even Sir Isaac Newton would not argue that the force that pulled yields downwards for four decades was in any way gravitational. The explanation here is more straightforward, the answer to be found in the abhorrent practice of printing money rather than the pages of a quantum physics textbook! Now, as every discredited Central Bank in the Developed World moves centre stage again in what financial markets currently view as crunch time for policy "leadership", expectations are sky high. Having reacquainted themselves with the most intoxicating financial stimulant of all – hope – equity markets expect nothing less than recent history repeating itself. Such naivety simply inflates expectations without recourse to reality.

Throughout 2023 the compulsion to hang firmly onto the belief in a return to the 2% 'inflationary mean' of the past decade remained all consuming. Such a delusion was not confined to just financial markets and investors either. Central Bankers in the Developed World remained evangelical in their unwavering commitment towards 'returning to the 2% trend'. Perhaps even more incredulously, the widespread belief persisted that this would be engineered without causing economic recessions, without raising unemployment, without deteriorating asset quality and without financial dislocations despite the previous decade of misappropriate capital allocation. The harsh reality is an evolving economic and financial backdrop in which a 2% target remains totally unrealistic short of orchestrating enormous economic pain and suffering. Political practicalities of general elections across the globe in 2024 are unlikely to entertain even the thought!

Meanwhile the sheer magnitude of leverage in the Developed World's Government sector drives over-extended balance sheets towards breaking point, leaving Central Banks paralysed due to dwindling policy options. Such enormous leverage exposes maturing bonds to be priced by markets, where real rates of return are essential. Any compromise or attempted fudge on inflation targeting is likely to send yields spiking higher regardless of movements in short rates. Despite the market euphoria of late 2023, the transition from printing money to prudent money remains the single most important, and necessary, change to monetary conditions going forward. The money supply contractions currently being witnessed in major global economies suggest the process is already under way. Such practice has broad implications for long-term equity multiples (lower), prevailing bond yields (higher) and optimal stock selection. It is reasonable to assume equity valuations adjust to reflect real tangible value ascribed to profitability, cash flows and dividends. The implications might be lower overall returns from financial assets for the next decade simply because risk-based assets would need to compete with the not-yet-recognised costs of the stunning rise in government debt. The practicalities of securing positive real returns in such an environment could prove demanding, but through focusing on quality, real assets and broad global and sector diversification the Company maintains the flexibility to achieve its investment objectives.

Bruce Stout
Senior Investment Director

Martin Connaghan,
Investment Director

Samantha Fitzpatrick,
Investment Director

abrdn Investments Limited
29 February 2024

The Manager's Investment Process

The Company's Alternative Investment Fund Manager is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to abrdn Investments Limited ("aIL"). aIL and aFML are collectively referred to as the "Investment Manager" or the "Manager". The ultimate parent of aIL and aFML is abrdn plc. The management team comprises Bruce Stout, Martin Connaghan and Samantha Fitzpatrick who form part of abrdn's 16 strong income team (or 'pod') providing investment strategies that aim to provide premium, sustainable yields and strong risk-adjusted total returns driven through investing in equities.

The Manager is dedicated to finding compelling investment opportunities across the world through first-hand, forward-looking, fundamental research.

By rigorously assessing companies on their business model, sustainability and competitive advantage, the Manager seeks out the current and potential leaders and innovators in their industries, which can help deliver long-term returns for investors. The Manager aims to identify performance drivers that are not yet understood by the market and are mispriced – or spot imminent change that is set to transform a company's prospects.

As well as delivering a financial return, the Manager is committed to using equity investment and corporate engagement to make a positive difference to society and the wider world. The Manager actively engages with companies to raise standards of environmental, social and governance practice (ESG) – and identify those companies leading the global transition to net zero carbon emissions.

The Investment Process, Philosophy and Style

Idea Generation

When searching for investments for the Company's portfolio, the management team benefits from the insights and ideas from the Manager's c.60-strong Developed Markets Equity division and Global Emerging Market and Asian Equity teams, and cross-asset class insights from conversations held between the management team and other teams such as Credit, Real Estate, Multi-Asset, Quant and Risk as well as the macro-economic research from the abrdn Research Institute.

Analyst recommendations on every stock under coverage are quantitively measured, recognising company insights are a critical component of alpha generation in portfolios over time.

The Manager's reputation as a responsible long-term investor in these markets means that the management team has first-rate access to the companies under research. Through structured meetings and regular conversations, the Manager gathers insights from both executive management teams and non-executive directors.

Research

To leverage fully the benefits of the Manager's considerable research resource, the management team uses a common investment language and research framework that structures how the Manager expresses its thinking on companies. This facilitates the effective and unambiguous articulation of research insights. The Manager has also developed a proprietary research platform used by all its Equity, Credit and ESG teams. This gives instant access to research globally. The analysts are supported by a number of other proprietary tools and ongoing improvements and refinements that are made to the research. The company research focuses on three key pillars:

Putting quality first. To ensure proper context when completing company research, the Manager captures key business fundamentals through the lens of its quality assessment, using its five aspects of quality. The Manager looks to uncover strong business models, clear competitive advantages, and industry leaders and innovators. In short, business quality is established first. A quality score ('Q score') is given to every company under coverage from one to five (where a score of one denotes the highest quality and a score of five, the lowest), both at an overall level and on five distinct criteria: (i) financials; (ii) business model and moat; (iii) management; (iv) industry background; and (v) ESG. Assessing quality will determine if the Manager believes a company is appropriate for investment, and the view of changing dynamics and the company's valuation drive the timing of that investment.

Always looking forward. The Manager aims to understand what lies ahead for the business and the factors that will determine corporate value over time. By understanding what is changing, both in terms of the fundamentals of a business and market sentiment towards it, the Manager ensures it is always well positioned for the future. This means that opportunities for outperformance can be found where there is a mismatch between consensus and the Manager's own analysis.

Valuation. Having understood the foundations of the business and how key drivers are changing, the Manager focuses on valuing the company's shares. The aim being to understand what the equity market is pricing in (both in terms of the expected earnings trajectory and what valuation multiples reveal about how the market is thinking), and then the Manager builds its own assessment of how the stock should be priced based on its fundamental insights. The Manager uses a wide range of valuation techniques and metrics in order to gauge the upside potential, as well as to evaluate potential downside scenarios.

Integrated ESG and Climate Change Analysis

Whilst ESG factors are not the over-riding criteria in relation to the investment decisions taken by the management team for the Company, significant attention is given to ESG and climate related factors throughout the investment process. The primary goal is to generate the best long-term outcomes possible for the Company. By embedding ESG analysis into the active equity investment process the Manager aims to enhance potential value for shareholders, reducing risk and investing in companies that can contribute positively to the world. As well as better-informed investment decisions the Company also benefits from active ownership of its assets.

In the Manager's view, companies that successfully manage climate change risks will perform better in the long term. It is important that the Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

The detailed analysis of the Manager's embedded ESG process is contained on pages 114 to 116.

Peer Review

Having a common investment language facilitates effective communication and comparison of investment ideas through peer review which is a critical part of the process. All investment ideas are subject to rigorous peer review, both at regular meetings and on an ad hoc basis – and all team members debate stocks and meet companies from all industries.

Portfolio Construction/Risk Controls

Portfolios are built from the bottom up, prioritising high conviction stock ideas in a risk aware framework, giving clients access to the best investment ideas. Portfolio risk budgets are derived from clients' investment objectives and required outcomes. Peer review is an essential component of the construction process with dedicated portfolio construction pods (smaller dedicated groups of senior team members that have clear accountability for the strategy) debating stock holdings, portfolio structure and risk profiles.

As an active equity investor the Manager has adopted a principled portfolio construction process which actively takes appropriate and intentional risk to drive returns. The largest component of the active risk will be stock-specific risk, along with appropriate levels of diversification. Risk systems monitor and analyse risk exposures across multiple perspectives breaking down the risk within the portfolio by industry and country factors, by currency and macro factors, and by other fundamental factors (quality, momentum, etc). Consideration of risk starts at the stock level with the rigorous company research helping the Manager to avoid stock specific errors. The Manager ensures that any sector or country risk is appropriately sized and managed relative to the overall objectives of the Company.

Operational Risk and Independent Governance Oversight

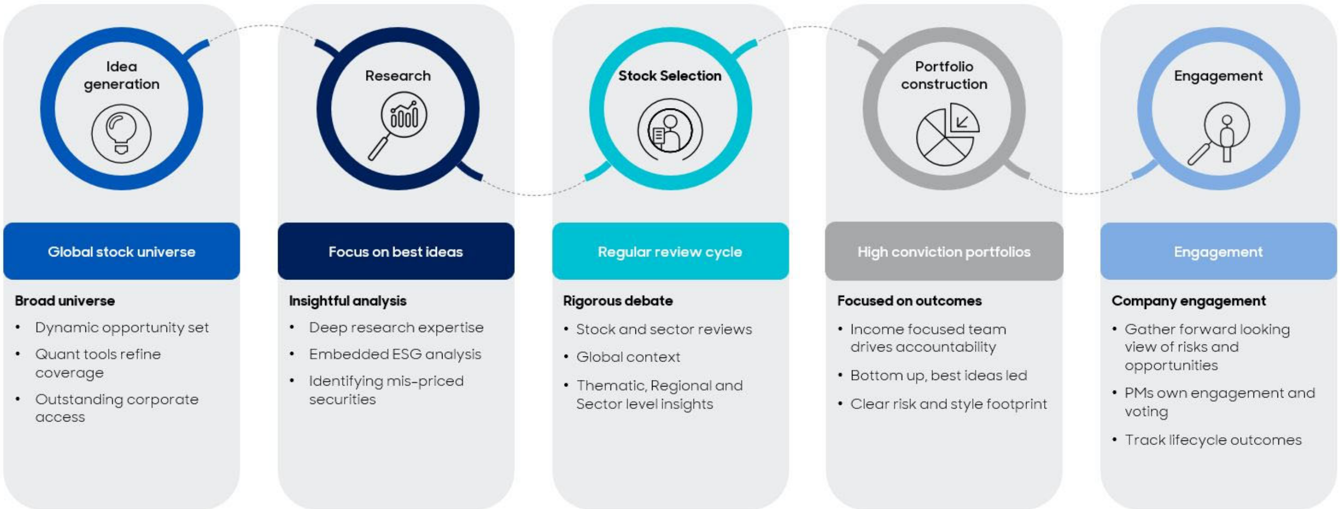
Risk management is an integral part of the Manager's management process and portfolios built by the Portfolio Managers are formally reviewed on a regular basis with the Manager's Global Head of Equities, the Manager's Investment Governance & Oversight Team (IGO) and members of the Manager's Investment Risk Team. This third party oversight both monitors portfolio risk and also oversees operational risk to ensure client objectives are met.

The Manager's Investment Process

Continued

Active equity investment process

Our research drives performance



Source: abrdn, 31 December 2023

Delivering the Investment Policy

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

The management team comprises Bruce Stout, Martin Connaghan and Samantha Fitzpatrick. The team utilises a "Global Coverage List", which is constructed by each of the specialist country management teams. This list contains all buy (and hold) recommendations, which are then used by the portfolio managers as the Company's investment universe. From this pool of companies, the management team looks to construct a focused portfolio of 40 - 60 companies, selecting companies with the most attractive quality and valuation characteristics, offering the best expected risk-adjusted returns within a diversified portfolio. There is a barbell approach to balancing the positioning in the portfolio. In delivering the investment objective, there is a need for exposure to companies with high dividend yields, where the management team will be scrutinising characteristics including dividend growth, dividend cover, free cash flows and balance sheet strength. There is also a desire for exposure to businesses where the absolute level of dividend yield may be lower but where the opportunity for growth in the dividend and capital via the share price may be higher. Continuous analysis of revenue forecasts and current revenue positioning by the management team allows for accurate insights into the appropriate allocation. Top-down investment factors are secondary in the portfolio construction process, with stock diversification rather than formal controls guiding stock and sector weights. Market capitalisation is not a primary concern.

In addition to equity exposures, the investment mandate provides the flexibility to invest in fixed income securities. The process of identifying, selecting and monitoring both sovereign and corporate bonds follows exactly the same structure and methodology as that for equity investment, fully utilising the global investment resources of the Manager. As in the case of equity exposure, the total amount, geographical preference, sector bias and specific securities will ultimately depend upon relative valuation and future prospects.

At the year end, the Company's portfolio consisted of 49 equity and 14 bond/preference share holdings. The Manager is authorised by the Board to hold between 45 and 150 holdings in the portfolio. A comprehensive analysis of the Company's portfolio is disclosed on pages 40 to 47 including a description of the ten largest investments, the portfolio of investments by value and a sector and geographical analysis of investments. The portfolio attribution analysis is on page 16.

abrdn Investments Limited

29 February 2024

Investment Case Studies

The Manager takes into consideration many factors when deciding whether to invest in or divest from a company. These factors have been described in the previous sections covering The Manager's Investment Process and are further illustrated by the case studies below:

DIAGEO

In which year did the Company first invest?	**2023**
% Holding:	**0.5%**
Where is its head office?	**London, UK**
What is its web address?	**www.diageo.com**

Business Fundamentals

Diageo is a global leader in alcoholic beverages, boasting a portfolio of world-renowned brands within spirits, including Smirnoff vodka, Captain Morgan rum, Johnnie Walker whisky, Tanqueray gin and Don Julio tequila. It also owns the world famous Guinness brand within beer. The company has more than 200 global, local and luxury brands, selling its products in over 180 countries around the world from around 140 production sites. North America is the largest market, accounting for more than a third of total sales.

What's Changing?

It was a sobering end to 2023 for Diageo after the company issued an unexpectedly gloomy trading statement in mid-November. The company warned of a steep slowdown in growth in its Latin American and Caribbean business as customers were buying less and trading down to cheaper brands. There has also been a normalisation of its operations in the United States after an abnormally strong trading period during the Covid pandemic. Weakening markets in North and South America will likely continue and weigh on the stock over the coming months. However, this represents an attractive opportunity for the investor with a longer-term investment time horizon and it is with that in mind that the Manager has started to slowly acquire a position in the portfolio. We remain optimistic about the global spirits market and the chance to grow Tequila in markets outside the United States. The Manager still believes in the opportunity to expand the Whisky market globally, with a significant opportunity in China in the coming years. Other markets, such as India, could also represent a very attractive opportunity for Diageo, given the breadth and strength of its brands in the long term.

Valuation & Investment Insight

After a strong run of performance from 2020 to 2022, Diageo still delivered within its medium-term target range of +5-7% organic sales growth and +6-9% organic EBIT growth in 2023, despite facing material headwinds from a demand and inventory normalisation in its largest region, North America. While 2024 is likely to see softer organic growth, the Manager sees upside potential to estimates should the United States return to mid-single-digit growth sooner than expected. Diageo trades at 17.6x this year's earnings, which is a ten-year low and a larger-than-historical average discount to International Spirits. This gap can close as earnings momentum improves and is an attractive entry point for a company which has attractive margins and free cash flow, and that could deliver a low teen total shareholder return between earnings growth, the dividend yield of 2.9% and share buybacks.

ESG

Recent engagement with the company has focused on its social and environmental responsibilities and commitments. Social risks are the most financially material for Diageo. It is heavily involved in promoting responsible drinking and a shift towards premiumisation, so drinking better, but not more. This creates a positive financial alignment between managing these risks and the economics of the business. It also takes its environmental responsibilities very seriously and there is clear evidence of sound management of water scarcity risks. Diageo's water intensity of 292 m3/USD million sales in 2022 versus the industry average median of 1,535 m3/USD means it is one of the lowest among its peers. Diageo has science-based targets for being net zero by 2030 and to work with its suppliers to halve its scope 3 emissions. On recycling, it aims to ensure 100% of packaging is widely recyclable, reusable or compostable by 2030.

Investment Case Studies

Continued

In which year did the Company first invest?	2023
% Holding:	1.3%
Where is its head office?	Hong Kong
What is its web address?	www.hkex.com.hk

Business Fundamentals

Hong Kong Exchange & Clearing (HKEx) is one of the world's major exchange groups and operates a range of equity, commodity, fixed income and other financial markets, products and services. It is a world-leading capital-raising venue for Hong Kong, Mainland China, and international issuers. It acts as the frontline regulator of companies listed in Hong Kong. The group offers vertically integrated solutions in its markets, acting as the clearing house and settlement system for on-exchange and over-the-counter transactions.

What's Changing?

Hong Kong's equity market volumes have declined during the last two years as investor sentiment toward China has been particularly weak. Any sustained recovery here will require an improvement in domestic investor confidence and a catalyst in the way of policy changes, which have thus far disappointed international investors. There are positives to mention with HKEx, such as the growth in its derivatives businesses. Its wholly-owned subsidiary, The London Metal Exchange, saw average daily volume growth of around 9% in 2023, and listed Hong Kong derivatives grew by about 4%. After spending a couple of years in the doldrums due to the weaker market environment, Hong Kong's IPO business could see a return to growth as Chinese authorities encourage companies to raise capital overseas amid the A-share stock market slump. The faster pace of regulatory approvals for overseas IPOs contrasts with the sharp drop onshore. The inclusion of foreign companies in the Stock Connect, lower hurdles for high-growth tech firms and the "homecoming" of US-listed Chinese firms could also contribute to Hong Kong's pipeline.

Valuation & Investment Insight

While the environment for the company remains challenging, this has allowed us to initiate and slowly build the position in the portfolio. In the long-term, the Manager remains cautiously optimistic about the role of the exchange as a conduit for investment into and out of China. The strategy of diversifying away from equities and broadening product offerings makes sense. There is also the opportunity for further technological improvements in driving innovation and greater efficiencies. HKEx is trading far below its historical average at 24x current year's earnings. Even when considering the stated risks, cautiously building a position into any continued weakness in the stock makes sense. The business has positive long-term prospects and a monopolistic position within its market. The dividend yield of 3.3%, with mid-single-digit growth over the last five years, is also an attractive consideration.

ESG

Hong Kong Exchange leads regional bourses in board independence and is catching up in gender diversity. In December, the company announced that the current CEO, Mr Nicolas Aguzin, would not be seeking any extension to his three-year term ending in May 2024. The company also announced that the current co-COO, Ms Bonnie Chan, would become the next CEO. The company subsequently announced in February that the leadership transition was going extremely well so this change would take place two months ahead of schedule on 1 March 2024. HKEX aims to achieve gender parity at the board level but has not set a deadline. The bourse could be vital in enhancing Hong Kong's gender diversity, which lags behind many other financial centres. Women accounted for just 18% of Hong Kong's listed company board members in 2023 vs. 40% in the UK. HKEx banned single-gender boards for new IPO applications from July 2022 and mandated all listed firms to end single-gender boards by the end of 2024. HKEx should also be integral in facilitating green-bond listings and green investment in China's Greater Bay Area.

Key Performance Indicators (KPIs)

The Board uses a number of financial and operating performance measures to assess the Company's success in achieving its investment objective and to determine the progress of the Company in pursuing its investment policy. The main KPIs (refer to glossary on page 120 for definitions) identified by the Board in relation to the Company which are considered at each Board meeting are as follows:

KPI	Description
Dividend	**Absolute Growth:** The Board's aim is to seek to increase the Company's revenues over time in order to maintain an above average dividend yield. The Board measures average yield against the rate of RPI and against other investment options including the average of the peer group. Dividends paid over the past 10 years are set out on page 26 together with a chart showing the peer group and reference index long term yields. There is also a graph showing dividend growth against inflation on page 27. **Relative Yield:** The Board also monitors the yield level against the Reference Index, the rate of RPI and other investment trusts' yields within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.
NAV Performance	**Absolute Performance:** The Board considers the Company's NAV total return figures to be the best indicators of performance over time and these are therefore the main indicators of performance used by the Board. **Relative Performance:** The Board also measures NAV total return performance against the Reference Index and performance relative to investment trusts within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies. A graph showing the NAV and Reference Index total returns is shown on page 27.
Share Price Performance	**Absolute Performance:** The Board monitors the share price absolute return. **Relative Performance:** The Board also monitors the price at which the Company's shares trade relative to the Reference Index on a total return basis over time A graph showing absolute, relative and share price performance is shown on page 27 and further commentary on the performance of the Company is contained in the Chair's Statement and Investment Manager's Review.
Share Price Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount/premium by the use of share buybacks and the issuance of new shares or the sale of Treasury shares, subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is shown on page 27.
Gearing	The Board's aim is to ensure that gearing as a percentage of NAV is kept within the Board's guidelines issued to the Manager as disclosed on page 28.
Competitive Ongoing Charges Ratio	**Absolute Performance:** The Board monitors the longer-term trend of the Company's OCR in absolute terms. **Relative Performance:** The Board also monitors the relative trend of the OCR versus the Company's peer group, taking into consideration the differing investment policies and objectives employed by those companies. Details of the annual OCR trend are disclosed on page 26.

Performance Track Record

Total Return

% Return	1 year	3 year	5 year	10 year
Share price[AB]	+1.1	+30.8	+44.2	+93.7
Net asset value per Ordinary share[A]	+8.6	+34.9	+52.9	+116.0
UK RPI	+5.2	+28.3	+32.7	+49.6
Reference Index[C]	+15.7	+28.7	+66.8	+147.1

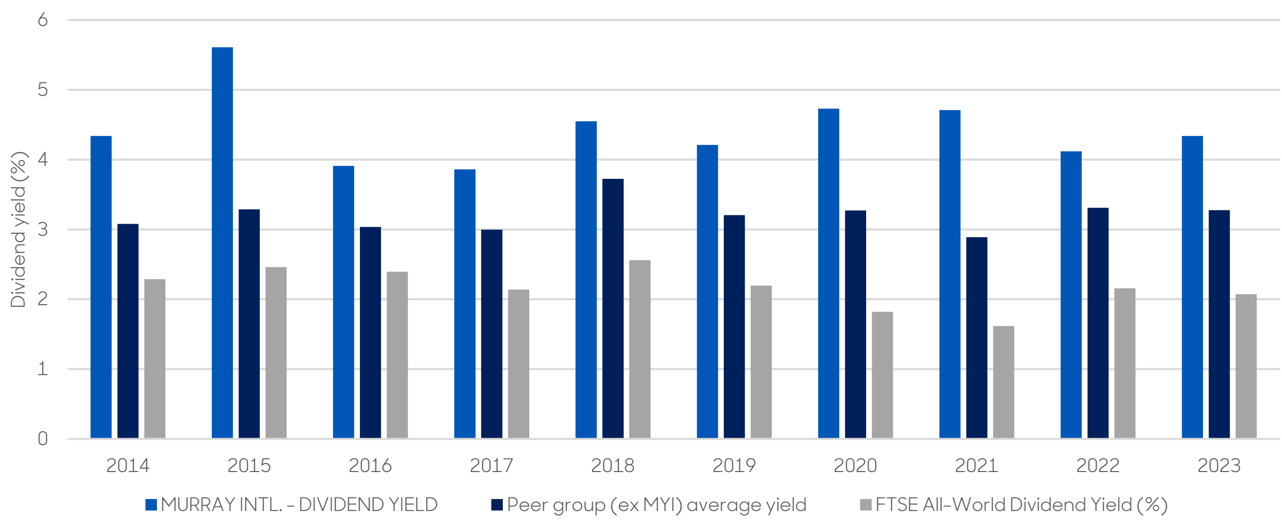
[A] Considered to be an Alternative Performance Measure (see page 112 for more details).
[B] Mid to mid.
[C] Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.
Source: abrdn, Morningstar & Lipper

Ten Year Financial Record

Year end [A]	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenue (£'000)	62,609	67,020	77,333	79,471	77,105	82,417	68,918	78,737	88,745	**88,833**
Per Ordinary share (p):										
Net asset value	193.3	169.8	227.1	250.3	221.6	238.0	227.6	248.1	258.7	**268.8**
Share price	205.2	165.9	237.6	253.6	226.4	252.0	226.0	231.2	266.8	**258.0**
Net revenue return[B]	8.2	9.1	10.2	10.4	9.9	10.8	9.3	10.3	12.0	**12.1**
Dividends[C]	9.0	9.3	9.5	10.0	10.3	10.7	10.9	11.0	11.2	**11.5**
Dividend cover	0.91x	0.99x	1.08x	1.04x	0.96x	1.01x	0.86x	0.94x	1.07x	**1.05x**
Revenue reserves (£'000)	64,690	64,767	70,963	75,252	73,563	75,747	66,764	62,967	69,239	**75,132**
Shareholders' funds (£'bn)	1.241	1.091	1.448	1.599	1.420	1.539	1.462	1.561	1.617	**1.669**
Ongoing charges ratio(%)[D]	0.73	0.75	0.68	0.64	0.69	0.65	0.68	0.59	0.52	**0.53**

[A] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.
[B] Net revenue return per Ordinary share has been based on the average Ordinary share capital during each year (see note 9 on page 90).
[C] The figure for dividends per share reflects the years to which their declaration relates and not the years they were paid.
[D] Considered to be an Alternative Performance Measure as defined on page 111.

Ten Year Dividend Yield Comparison at 31 December



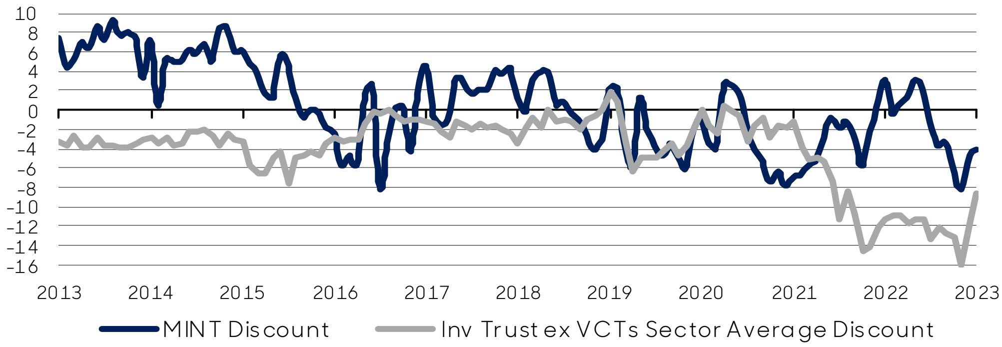
Long Term*
NAV Return
+8% p.a

Long Term*
Dividend Growth
3.3% p.a.

Long Term*
UK RPI
+5% p.a

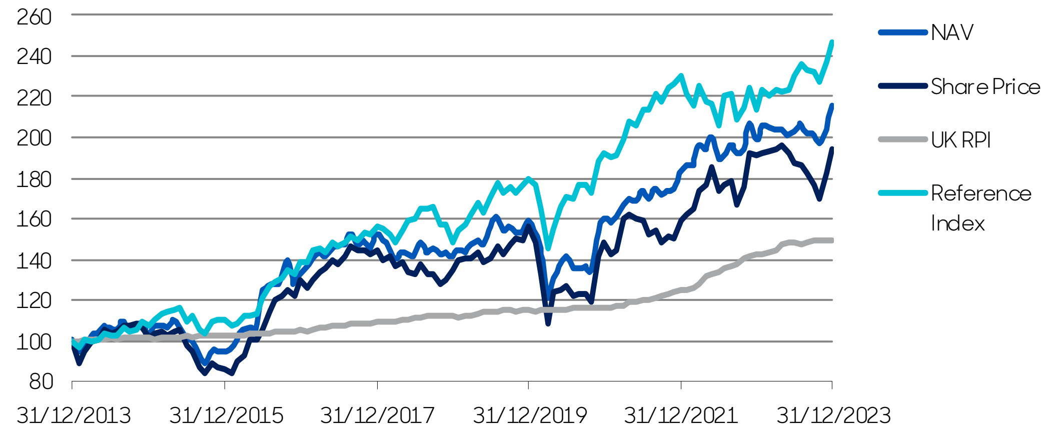
Share Price (Discount)/Premium to NAV (%)

Ten years to 31 December 2023



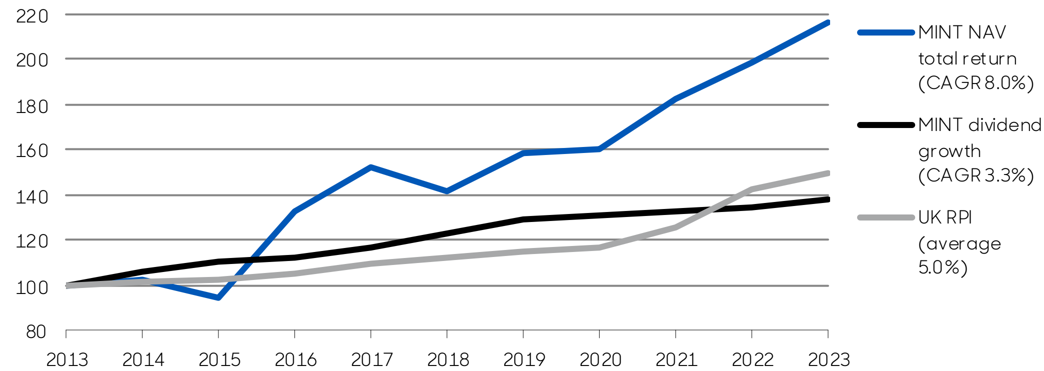
Net Asset Value and Share Price Total Return (with net dividends reinvested) rebased to 100

Ten years to 31 December 2023



Comparison of Net Asset Value Total Return and Dividend Growth to Inflation rebased to 100

Ten years to 31 December 2023



* Long-term means the average of the last ten years

Investment Objective and Investment Policy

Investment trusts, such as the Company, are long-term investment vehicles. Typically, investment trusts are externally managed, have no employees, and are overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Manager) and is responsible for reviewing strategy on a regular basis. All of this is done with the aim of preserving and enhancing shareholder value over the longer term.

Reference Index

The Company does not have a Benchmark. However, performance is considered against a number of measures including a Reference Index, the FTSE All World TR Index, which was adopted in April 2020. Given the composition of the portfolio and the Manager's investment process, it is likely that the Company's investment performance may diverge, possibly significantly, from this Reference Index. Longer term performance is measured against a blend of the old composite Benchmark (40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index) up to 27 April 2020 and the FTSE All World TR Index thereafter.

Investment Objective

The aim of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities.

Investment Policy

There are a number of elements set out in the investment policy delegated to the Manager which are set out below:

Asset Allocation

The Company's assets are currently 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 in the furtherance of its investment objective.

The Company's investment policy does not impose any geographical, sectoral or industrial constraints upon the Manager. The Board has set guidelines which the Manager is required to work within. 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. The Manager is authorised to enter into stocklending contracts and the Company undertakes limited stocklending activity.

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 holding (at the time of purchase) although, typically, individual investments do not exceed 5% of the total portfolio.

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 8.0% (calculated in accordance with Association of Investment Companies guidance). Particular care is taken to ensure that any bank covenants permit maximum flexibility in 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.

Promoting Your Company's Success

Introduction

The purpose of the Company, which is in its 118th year, is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's investment objective is disclosed on page 28. The activities of the Company are overseen by the Board of Directors of the Company.

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This s172 Statement, from 'Introduction' on page 29 up to and including 'The Work of the Board and its Principal Decisions for the Year' on page 34, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

Our Culture

The Board seeks to ensure that the Company and the Board operate with a transparent culture where all parties are treated with respect and are provided with the opportunity to offer practical challenge and participate in constructive debate which is focused on achieving the expectations of shareholders and other stakeholders. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

Our Business Model

The mechanics of how the Company operates are set out below. These mechanics, which have evolved over time, are designed to protect stakeholders' interests:

Business Model

Investors appoint the Board of Directors and approve the Company's investment objective

▼

The Board appoints the Investment Manager to deliver the Company's investment objective utilising its investment process and ESG engagement (see page 114)

▼

The Board oversees the affairs of the Company by:

1. Ensuring the Manager complies with the portfolio and other guidelines set by the Board (see investment process on page 20 and portfolio listing on page 40
2. Reviewing the performance of the Manager against the Key Performance Indicators (see page 32) and other comparators
3. Using borrowings where expected benefits outweigh the costs and risks (see gearing disclosures on page 10)
4. Monitoring share price premium and discount, share issuance and buybacks (see Chair's statement on page 10)
5. Determining dividend policy and the level of revenue reserves (see Chair's statement on page 10)
6. Ongoing monitoring of risks including key man, cyber and information security, safekeeping of assets (see risk disclosures on page 35)
7. Appointing and monitoring other service providers - depositary, registrar, auditor, broker (see page 31)
8. Reviewing the Ongoing Charges Ratio (see Chair's statement on pages 10 and also page 26)
9. Ensuring compliance with governance and regulatory requirements (see page 58)
10. Overseeing the Company's promotional programme and investor relations activities conducted by the Manager (see page 30)

Promoting Your Company's Success

Continued

Company Policies

Environmental, Community, Social and Human Rights Issues

The Company has no employees as the Board has delegated day-to-day management and administrative functions to abrdn Fund Managers Limited. There are, therefore, no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined below.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter. The Company, therefore, is not required to make a slavery and human trafficking statement.

Marketing and Promotional Policy

The Board recognises the importance of communicating the long-term attractions of your Company to current and prospective investors both for improving liquidity and for enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment companies under its management. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. The Company's financial contribution to these programmes is matched by the Manager. The Manager reports at least quarterly to the Board providing an analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")

All of the Company's principal activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations (<40MWH/year) and exempt from Streamlined Energy and Carbon Reporting obligations.

Socially Responsible Investment Policy

The Company supports the UK Stewardship Code 2020, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager.

abrdn is a tier 1 signatory of the UK Stewardship Code 2020 which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

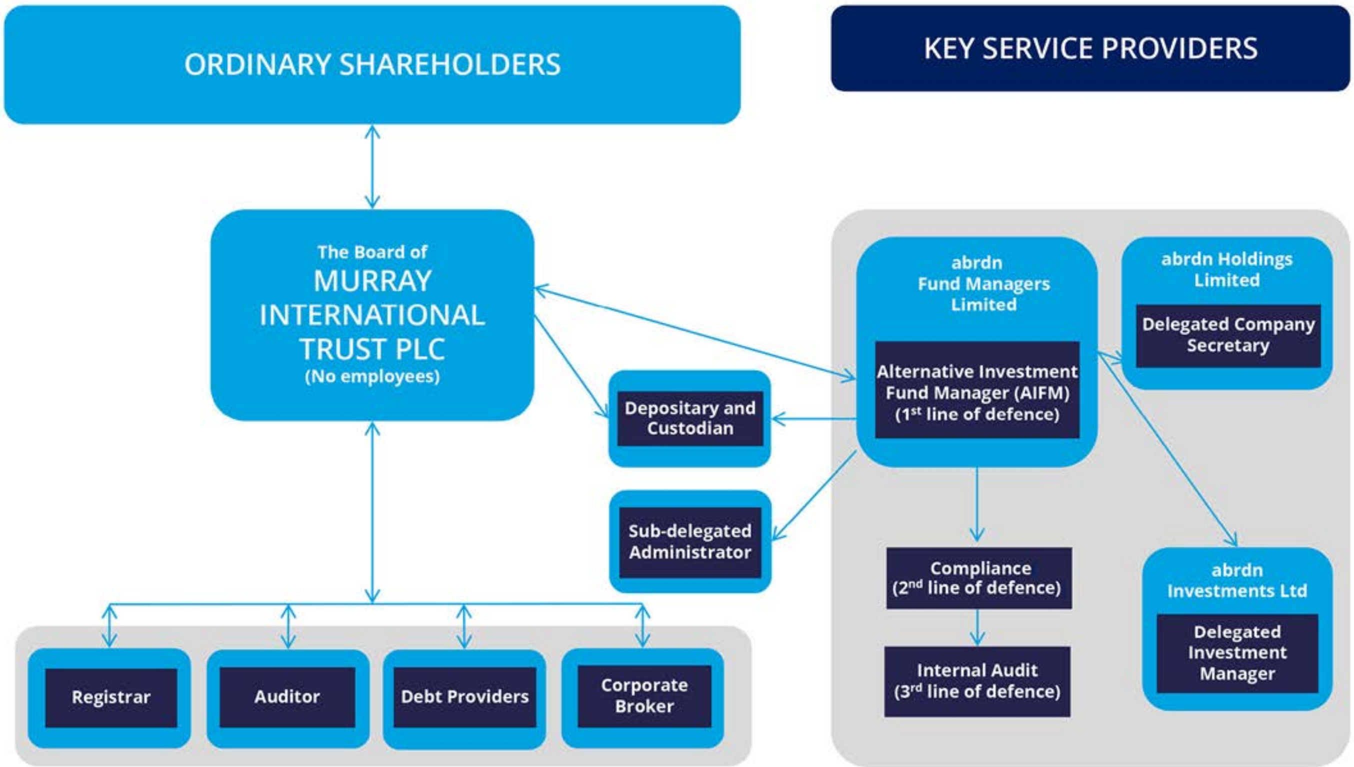
The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports to the Board at each meeting on stewardship (including voting) issues.

Board Diversity Policy

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of, the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 December 2023, there were four female Directors and two male Directors on the Board. Further information on Board diversity may be found in the Directors' Report on page 54.

Our Engagement with Stakeholders

The diagram below illustrates the relationship with the Company and its key stakeholders.



Shareholders

Shareholders are key stakeholders in the Company – they look to the Manager to achieve the investment objective over time and to deliver a regular growing income together with capital growth. Therefore the Directors place a great deal of importance on communication with shareholders and the table overleaf provides further details on the various methods of interaction. The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the abrdn Group (either the Company Secretary or the Manager) in situations where direct communication is required and the Directors are available to meet major shareholders on an annual basis.

Promoting Your Company's Success

Continued

The following table describes some of the ways we engage with our shareholders:

AGM	The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM is scheduled for 19 April 2024 in London. The Board looks forward to seeing shareholders in-person at the AGM which will be followed by refreshments and an opportunity for shareholders to meet the Directors and the investment management team.
Online Shareholder Presentation	Following the success of previous online shareholder presentations, the Board has decided to hold another Online Shareholder Presentation at 11.00 a.m. on Friday 5 April 2024 and shareholders are encouraged to register and attend, whether they are planning to attend the AGM or not. Further details are provided in the Chair's Statement on page 9.
Annual and Half Yearly Reports	We publish a full Annual Report in March/April each year that contains a strategic report, governance section, financial statements and additional information; we also publish a Half Yearly Report each August/September. The reports are available on the Company's website and in paper format and are widely distributed to parties who have an interest in the Company's performance.
Company Announcements	We release a full set of financial results at the half year and full year stage. We also issue announcements for all substantive news relating to the Company. Shareholders can find these announcements on the Company's website. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes up to date performance information as well as a full monthly portfolio listing of our investments. Details of financial results, the investment process and Manager together with Company announcements and contact details can be found here: **murray-intl.co.uk**.
Other Shareholder Engagement	We seek regular engagement with the Company's major shareholders and also prospective shareholders through annual and interim roadshow meetings undertaken in conjunction with the Manager and Broker. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly in order to understand their views on governance and performance. In addition, the management team present at brokers' conferences and regularly conduct webcasts and webinars, some of which are available on the Company's website. Shareholders who wish to be kept updated on the Company can also register for email updates on the website. The Board supports the Manager's proactive marketing which also seeks to keep existing shareholders up to date and also to attract new shareholders over time.
Correspondence	The Board welcomes queries from shareholders and responds to letters and emails from shareholders on a range of issues. Refer to page 129 for contact details.

The Manager

The key service provider for the Company is the Manager. The performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on pages 20 to22; further information on the Board's oversight of, and engagement with, the Manager is provided below and on page 56.

Other Service Providers

The other key stakeholder group is that of the Company's other third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to review their performance and ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, in conjunction with the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail including consideration of complaints. The aim is to ensure that contractual arrangements are good value for money, remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager and other relevant stakeholders. Reviews include those of the Company's depositary and custodian, share registrar and broker. The Audit and Risk Committee reviews the terms of engagement of the auditor.

The Work of the Board and its Principal Decisions for the Year

Pursuant to the Board's aim of promoting the long-term success of the Company, the Directors have undertaken the following work and taken the following principal decisions during the year:

Background to Decision	Action
Continuing Appointment of the Manager – It is the Board's duty to shareholders to ensure that the Manager delivers on the investment objective	The Board, through the Management Engagement Committee (MEC), annually carries out a formal review of, amongst other things, the Manager's investment performance and process, and the appropriateness of the management fee. The continuing appointment of the Manager was confirmed by the MEC as described further on page 56.
Portfolio Manager Succession – The Board has been working with the Manager for some time to ensure appropriate succession plans for the named portfolio manager	As part of ensuring an orderly transition, in August 2023 the Board announced the appointment of Martin Connaghan and Samantha Fitzpatrick as Co-Managers alongside Bruce Stout, in advance of his retirement in June 2024, as further described on page 9.
Share Subdivision – The market price of the Company's Ordinary shares had risen to over 1300p, which was perceived by the Board as potentially unattractive for some investors	At the Annual General Meeting in April 2023, shareholders approved the Board's recommendation of a subdivision of the shares on a five for one basis, to assist monthly savers and those who reinvest their dividends or are looking to make smaller investments.
Premium and Discount Management – The Board has continued to review the trading in the Company's shares with the aim of reducing share price volatility in normal market conditions so that the discount or premium to NAV does not become excessive	During the year, in total, 1,050,00 shares were sold from treasury at a weighted average premium of 2.5% and 5,248,133 shares were purchased into treasury at a weighted average discount of 5.7% as the Company's share price moved from a premium to a discount to NAV. Further details are provided in the Chair's Statement on page 10.

Promoting Your Company's Success

Continued

Increased and Fully Covered Dividends – The Board is conscious of the importance to shareholders of the dividend and of the need to marry this with a prudent approach to the management of the Company's distributable reserves	The Company's aim is to continue to pay a progressive and rising dividend, supported in so far as appropriate by sufficient income being received each year from portfolio companies. The Board is recommending an increased final dividend of 4.3p per share (2022: 4.0p restated for subdivision). If approved, the total dividend for the year, including the three unchanged interim dividends of 2.4p per share, would therefore be 11.5p, an increase of 2.7% over the prior year and covered 1.05 times by revenue income for the year. Further information is included on pages 8 and 9 of the Chair's Statement.
Review of Registration Service Providers – The Board is responsible for ensuring the Company engages appropriate and cost effective third party service providers	In 2023 the Board undertook a competitive tender of registration service providers and decided to retain the services of Link Group on improved terms for the Company. The Board continues to focus on cost control more broadly, and at the year end, the OCR was 0.53% as explained further on page 10.
Board Composition and Chair Succession – Shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board over time and the Board has a long-term succession programme in place	In May 2023, Gregory Eckersley joined the Board followed in September 2023 by Wendy Colquhoun, both as independent non-executive Directors, following comprehensive searches using the services of independent recruitment consultants. In addition, the Board's previously announced Chair succession has taken place as planned with Ms Holmes succeeding Mr Hardie on 31 December 2023.
Gearing – The use of gearing is a distinguishing feature of investment trusts and allows the Company to use borrowings to enhance shareholder returns over the longer term	In May 2023, the Company repaid a £60m revolving credit facility which matured with RBSI as interest rates at that time were not competitive.

In addition to the items described in the table above, the Directors have also made decisions about other matters they review regularly each year. These include consideration of the Company's other operating costs and an annual review of all third party service providers. They have also engaged with the Manager in planning and delivering the Company's sales and marketing plans and have monitored regulatory developments and the principal and emerging risks, making any necessary changes to Company operations, policies and procedures.

Risk Management and Viability

The Board is responsible for setting and monitoring policies designed to manage risk and to ensure the long-term viability of the Company.

Risk Management

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. A summary of the principal risks is set out below, together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's shares are published monthly on the Company's fact sheet and can also be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

The Board regularly undertakes a robust review of the principal risks and material uncertainties facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board has prepared its own risk register which identifies potential risks relating to (i) Investment Strategy and Objectives; (ii) Investment Portfolio and Performance; (iii) Operations and Governance; (iv) Financial; and (v) Macro and Geo-Political. 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 at least twice a year.

The Board discusses with the Manager areas where there may be risks emerging and maintains a register of these. Examples of emerging risks which the Board is monitoring include the potential but as yet unknown consequences of the development of artificial intelligence and other technologies such as quantum computing. In the event that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly.

The Board notes the Manager's robust and disciplined investment process, which continues to focus on long-term company fundamentals including balance sheet strength and deliverability of sustainable earnings growth, as further described in the Investment Manager's Review on page 15 and on pages 20 to 22.

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. Further information about the Company's internal controls is included in the Directors' Report on pages 58 and 59.

Significant matters relating to the work of the Audit and Risk Committee are discussed in the Report of the Audit and Risk Committee on page 66 and further detail on financial risks and risk management is disclosed in note 18 to the financial statements. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report.

Principal Risks	Trend	Mitigating Action
Investment strategy and objectives – if the Company's investment objective becomes unattractive and the Company fails to adapt to changes in investor demand (including in relation to ESG and climate change) the Company may become unattractive to investors, leading to decreased demand for its shares and a widening discount.		The Board keeps the level of discount and/or premium at which the Company's shares trade as well as the investment objective and policy under review. The Board holds an annual strategy meeting where it reviews updates from the Manager and investor relations reports, and the Broker reports on the market. In addition, the Board is updated at each Board meeting on the makeup of and any movements in the shareholder register. The Directors attend meetings with, and respond to correspondence from, shareholders to keep abreast of investor opinion.

Risk Management and Viability

Continued

Principal Risks	Trend	Mitigating Action
Investment Portfolio Performance Risk – if the longer-term performance of the investment portfolio does not deliver income and/or capital returns in line with the investment objective and/or consistently underperforms market expectations, the Company may become unattractive to investors leading to decreased demand for its shares and a widening discount.		The Board reviews the investment portfolio performance at each Board meeting and, amongst other things, seeks explanations from the Manager where performance deviates from expectations on either an absolute or relative basis. In addition, the Directors attend meetings with, and respond to correspondence from, shareholders to keep abreast of investor opinion. The Board considers the Manager's appointment annually at the Management Engagement Committee meeting where performance is comprehensively reviewed alongside other metrics relevant to reappointment. The Board is mindful that the change in portfolio managers previously announced potentially increases the actual or perceived investment risk in the near term.
Operational and Governance Risks – the Company is dependent on third parties (and the abrdn Group in particular) for the provision of all services and systems. Any fraud, control failures, cyber threats, business continuity issues at, or poor service from, these third parties could result in financial loss or reputational damage to the Company.		The Board receives reports from the Manager on internal controls and risk management at each Board meeting. It receives assurances from all its significant service providers, including the depositary, as well as back to back assurance from the Manager at least annually. Further details of the internal controls which are in place are set out on pages 58 and 59.
Financial Risks – the level of the Company's gearing, if inappropriate, and the financial risks associated with the portfolio, including the impact of movements in foreign currency exchange rates, could result in capital losses and/or reduced income for the Company.		The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Manager together with the assets and liabilities of the Company and reviews these at each Board meeting. In addition, aFML, as Alternative Investment Fund Manager, in conjunction with the Board, has set an overall leverage limit of 2.0x on a commitment basis (2.5x on a gross notional basis) and provides regular updates to the Board (see pages 58 and 59). The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements.
Macro and Geo-Political Risks – the macroeconomic and geo-political environment including the risk of regional conflicts, supply chain interruptions, deglobalisation and future pandemics, within which the Company operates is inherently uncertain and therefore could affect the Company's performance or operations in unforeseen ways		The Board discusses macroeconomic and geo-political issues with the Manager at each Board meeting and the steps being taken to limit their impact on the Company, its operations and portfolio. The global geo-political environment is increasingly destabilised by conflicts and other uncertainties, including the upcoming US election amongst others. The global macro-economic outlook remains cautious.

Viability Statement

The Company does not have a fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long-term investment vehicle but, for the purposes of this viability statement, has decided that a period of five years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long-term horizon and the inherent uncertainties of looking out further than five years.

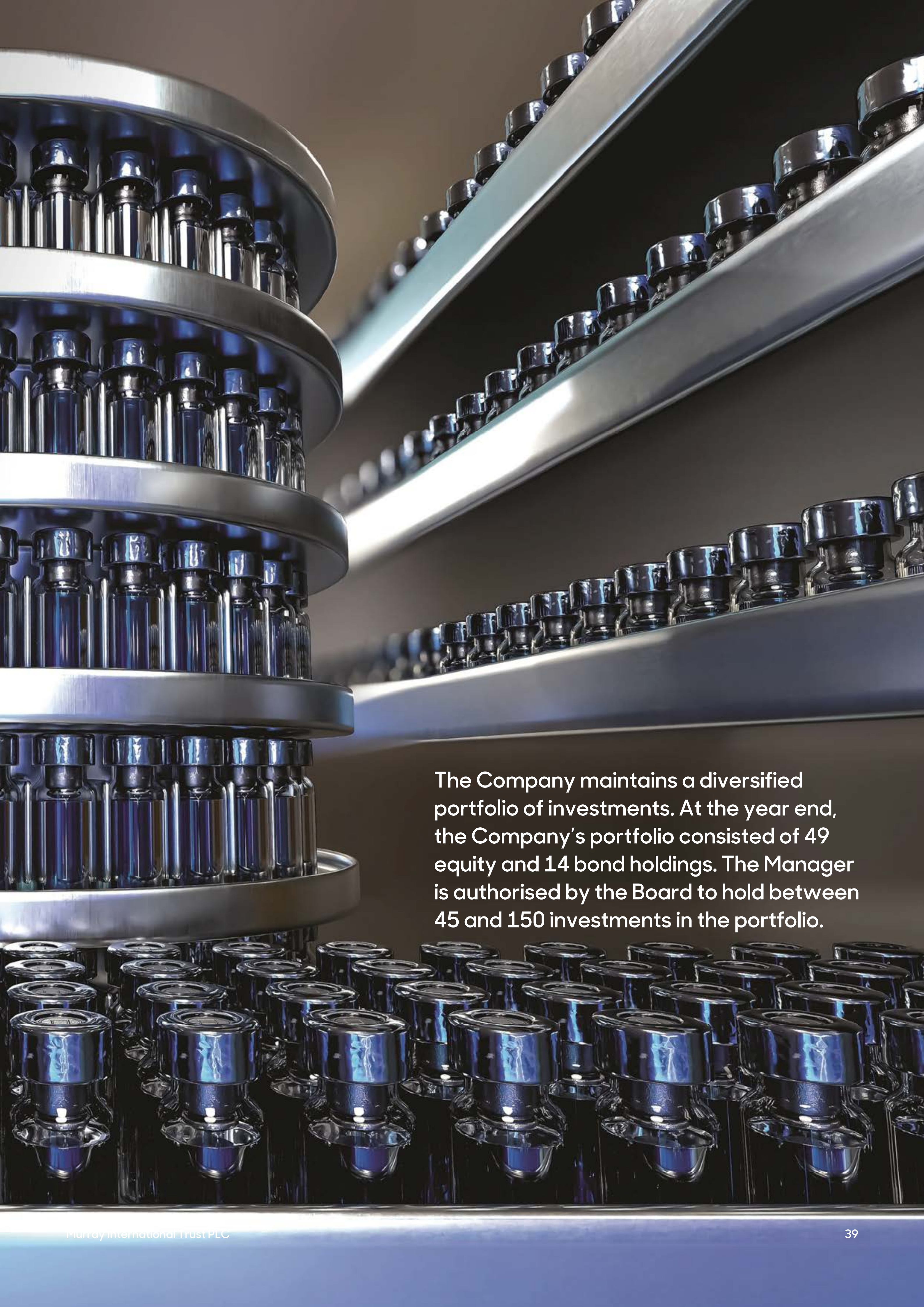
In assessing the viability of the Company over the review period, the Directors have considered the operational resilience of the Company including the regular updates and reporting received from the Manager and have focused upon the following factors:

- The principal and emerging risks detailed in the Strategic Report on pages 35 and 36;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's shares evidenced by the historical level of premium and/or discount;
- The level of income generated by the Company and level of revenue reserves;
- The need to ensure that the Manager and the Company's other third party service providers have suitable processes and controls in place to enable them to continue to provide their services to the Company;
- The liquidity of the Company's portfolio – over 93% of the investments are categorised as level 1, held within active markets and realisable within seven days; and
- The profile of the Company's £140 million loan facilities and Loan Notes which mature between May 2024 and May 2037 and the ability of the Company to refinance or repay the £30m facility that matures in May 2024.

Accordingly, taking into account the Company's current position, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due for a period of five years from the date of this Report. In making this assessment, the Board has considered scenario modelling prepared by the Manager which analysed the impact of matters such as significant economic and stock market volatility which could result in a substantial reduction in the liquidity of the portfolio, changes in investor sentiment or a significant reduction in earnings which could all have an impact on the assessment of the Company's prospects and viability in the future.

Virginia Holmes
Chair
29 February 2024

Portfolio



The Company maintains a diversified portfolio of investments. At the year end, the Company's portfolio consisted of 49 equity and 14 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 investments in the portfolio.

Ten Largest Investments

As at 31 December 2023

Broadcom Corporation
Holding: 4.8%

Broadcom designs, develops and markets digital and analogue semiconductors worldwide. The company offers wireless components, storage adaptors, networking processors, switches, fibre optic modules and optical sensors.

Aeroporto del Sureste
Holding: 4.6%

Grupo Aeroporto del Sureste operates airports in Mexico. The company holds long-term concessions to manage airports in leading tourist resorts and major cities.

BE Semiconductor
Holding: 4.0%

BE Semiconductor Industries N.V produces integrated semiconductor assembly equipment. The business designs, develops, builds, markets and services machines that manufacture semiconductor packages. BE also produces automated moulding and plating machines and manufactures leadframes.

Taiwan Semiconductor Manufacturing
Holding: 3.8%

Taiwan Semiconductor Manufacturing is one of the largest integrated circuit manufacturers in the world. The company is involved in component design, manufacturing, assembly, testing and mass production of integrated circuits.

AbbVie
Holding: 3.0%

AbbVie Inc is a global pharmaceutical company, producing a broad range of drugs for use in speciality therapeutic areas such as immunology, chronic kidney disease, oncology and neuroscience.

TotalEnergies
Holding: 2.9%

The Company produces, transports and supplies crude oil, natural gas and low carbon electricity as well as refining petrochemical products. TotalEnergies also owns and manages gasoline filling stations worldwide.

Philip Morris International
Holding: 2.9%

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.

CME Group
Holding: 2.7%

Based in Chicago, USA CME Group operates a derivatives exchange, that trades futures contracts and options, interest rates, stock indexes, foreign exchange and commodities.

Oversea-Chinese Bank
Holding: 2.6%

Oversea-Chinese Banking Corporation offers a comprehensive range of financial services spread across four main business segments. These include Global Consumer/Private Banking: Global Wholesale Banking; Global Treasury & Markets; plus Insurance.

Samsung Electronics
Holding: 2.5%

Korean based Samsung Electronics manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, computers, monitors, peripherals, televisions and home appliances. The company also has a significant share of the global mobile phone handset market.

List of Investments

Company	Country	Valuation 2023 £'000	Total assets[A] %	Valuation 2022[B] £'000
Broadcom Corporation	USA	87,573	4.8	55,777
Aeroporto del Sureste	Mexico	83,062	4.6	79,049
BE Semiconductor	Netherlands	73,070	4.0	31,001
Taiwan Semiconductor Manufacturing	Taiwan	68,091	3.8	54,589
AbbVie	USA	54,711	3.0	60,465
TotalEnergies	France	53,377	2.9	52,036
Philip Morris International	USA	51,665	2.9	58,914
CME Group	USA	49,563	2.7	41,931
Oversea-Chinese Bank	Singapore	46,314	2.6	45,297
Samsung Electronics	Korea	44,818	2.5	40,735
Top ten investments		**612,244**	**33.8**	
Unilever[C]	UK & Netherlands	43,698	2.4	47,964
Zurich Insurance	Switzerland	40,962	2.3	39,743
Siemens	Germany	40,703	2.3	31,792
Merck	USA	38,484	2.1	32,279
BHP Group	Australia	37,653	2.1	35,980
GlobalWafers	Taiwan	37,509	2.1	28,907
Walmart de Mexico	Mexico	36,376	2.0	–
Shell	Netherlands	34,945	1.9	31,634
Enel	Italy	33,978	1.9	26,018
Danone	France	33,743	1.9	29,090
Top twenty investments		**990,295**	**54.8**	
Tryg	Denmark	33,264	1.8	38,504
Vale do Rio Doce	Brazil	33,103	1.8	37,561
Hon Hai Precision Industry	Taiwan	31,898	1.8	32,425
Cisco Systems	USA	31,704	1.7	31,683
Johnson & Johnson	USA	30,369	1.7	36,277
Verizon Communications	USA	29,565	1.6	32,754
Sociedad Quimica Y Minera de Chile	Chile	28,334	1.6	39,819
Telus	Canada	28,008	1.5	32,040
Sanofi	France	27,207	1.5	27,898
Atlas Copco	Sweden	26,675	1.5	26,578
Top thirty investments		**1,290,422**	**71.3**	

List of Investments

Continued

Company	Country	Valuation 2023 £'000	Total assets[A] %	Valuation 2022[B] £'000
Singapore Telecommunications	Singapore	26,333	1.5	28,673
Bristol-Myers Squibb	USA	26,152	1.4	38,868
British American Tobacco	UK	25,240	1.4	36,097
Epiroc	Sweden	24,701	1.4	26,728
Hong Kong Exchanges	Hong Kong	24,194	1.3	–
Telkom Indonesia	Indonesia	24,149	1.3	24,031
Banco Bradesco	Brazil	23,753	1.3	20,714
Woodside Energy	Australia	23,268	1.3	27,948
Roche Holdings	Switzerland	22,783	1.3	26,098
SCB X	Thailand	21,822	1.2	23,114
Top forty investments		**1,532,817**	**84.7**	
TC Energy	Canada	21,529	1.2	23,149
Enbridge	Canada	21,283	1.2	24,347
China Resources Land	China	19,655	1.1	26,655
Telefonica Brasil	Brazil	19,463	1.1	13,493
United Mexican States 5.75% 05/03/26[D]	Mexico	17,084	1.0	15,422
Pernod-Ricard	France	16,606	0.9	–
Republic of Indonesia 6.125% 15/05/28[D]	Indonesia	15,078	0.8	15,670
Republic of South Africa 7% 28/02/31[D]	South Africa	14,369	0.8	15,779
Telenor	Norway	13,504	0.7	11,593
Ping An Insurance	China	12,766	0.7	19,805
Top fifty investments		**1,704,154**	**94.2**	
Republic of Dominica 6.85% 27/01/45[D]	Dominican Republic	11,702	0.6	10,777
Republic of Indonesia 8.375% 15/03/34[D]	Indonesia	11,374	0.6	11,709
Petroleos Mexicanos 6.75% 21/09/47[D]	Mexico	10,264	0.6	10,589
Diageo	UK	8,568	0.5	–
China Vanke	China	7,956	0.5	18,512
HDFC Bank 7.95% 21/09/26[D]	India	7,053	0.4	7,603
Power Finance Corp 7.63% 14/08/26[D]	India	7,020	0.4	7,529
Petroleos Mexicanos 5.5% 27/06/44[D]	Mexico	5,789	0.3	5,786
Republic of Indonesia 10% 15/02/28[D]	Indonesia	4,274	0.2	4,568
General Accident 7.875% Cum Irred Pref[D]	UK	3,220	0.2	3,164
Top sixty investments		**1,781,374**	**98.5**	

Company	Country	Valuation 2023 £'000	Total assets[A] %	Valuation 2022[B] £'000
Santander 10.375% Non Cum Pref[D]	UK	3,197	0.1	3,105
Republic of Turkey 9% 24/07/24[D]	Turkey	1,715	0.1	3,311
Republic of Turkey 8% 12/03/25[D]	Turkey	1,577	0.1	3,460
Total investments		**1,787,863**	**98.8**	
Net current assets[A]		**20,900**	**1.2**	
Total assets[E]		**1,808,763**	**100.0**	

[A] Excluding bank loan.
[B] The 2022 column denotes the Company's holding at 31 December 2022.
[C] The 2023 holding comprises UK and Netherlands securities, split £22,797,000 (2022 – £25,092,000) and £20,901,000 (2022 – £22,872,000) respectively.
[D] Quoted preference share or bond.
[E] See definition on page 122.

Summary of Net Assets

	Valuation 31 December 2023		Valuation 31 December 2022	
	£'000	%	£'000	%
Equities	**1,674,147**	**100.3**	1,661,132	102.7
Preference shares	**6,417**	**0.4**	6,269	0.4
Bonds	**107,299**	**6.4**	117,419	7.3
Total investments	**1,787,863**	**107.1**	1,784,820	110.4
Net current assets[A]	**20,900**	**1.3**	31,796	2.0
Total assets[B]	**1,808,763**	**108.4**	1,816,616	112.4
Borrowings[C]	**(139,901)**	**(8.4)**	(199,866)	(12.4)
Net assets	**1,668,862**	**100.0**	1,616,750	100.0

[A] Excluding bank loan.
[B] See definition on page 122.
[C] See note 13 on page 93.

Sector/Geographical Analysis

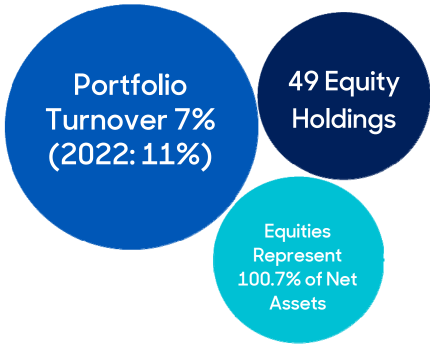
Sector/Geographical Analysis	United Kingdom %	North America %	Europe ex UK %	Asia Pacific ex Japan %	Latin America %	Africa & Middle East %	2023 Total %	2022 Total %
Energy	–	2.4	4.8	1.3	–	–	8.5	8.7
Oil, Gas and Coal	–	2.4	4.8	1.3	–	–	8.5	8.7
Basic Materials	–	–	–	2.1	3.4	–	5.5	6.3
Chemicals	–	–	–	–	1.6	–	1.6	2.2
Industrial Metals and Mining	–	–	–	2.1	1.8	–	3.9	4.1
Industrials	–	–	5.2	–	4.6	–	9.8	9.2
General Industrials	–	–	2.3	–	–	–	2.3	1.8
Industrial Engineering	–	–	2.9	–	–	–	2.9	3.0
Industrial Transportation	–	–	–	–	4.6	–	4.6	4.4
Consumer Staples	3.1	2.9	4.0	–	–	–	10.0	11.0
Beverages	0.5	–	0.9	–	–	–	1.4	–
Food Producers	–	–	1.9	–	–	–	1.9	1.6
Personal Care, Drug and Grocery Stores	1.2	–	1.2	–	–	–	2.4	4.2
Tobacco	1.4	2.9	–	–	–	–	4.3	5.2
Consumer Discretionary	–	–	–	–	2.0	–	2.0	–
Retailers	–	–	–	–	2.0	–	2.0	–
Health Care	–	8.2	2.8	–	–	–	11.0	12.1
Pharmaceuticals & Biotechnology	–	8.2	2.8	–	–	–	11.0	12.1
Telecommunications	–	4.8	0.7	5.3	1.1	–	11.9	12.2
Telecommunications Service Providers	–	3.1	0.7	2.8	1.1	–	7.7	10.5
Telecommunications Equipment	–	1.7	–	2.5	–	–	4.2	1.7
Utilities	–	–	1.9	–	–	–	1.9	1.4
Electricity	–	–	1.9	–	–	–	1.9	1.4

Sector/Geographical Analysis	United Kingdom %	North America %	Europe ex UK %	Asia Pacific ex Japan %	Latin America %	Africa & Middle East %	2023 Total %	2022 Total %
Financials	–	2.7	4.1	5.8	1.3	–	13.9	14.1
Banks	–	–	–	3.8	1.3	–	5.1	6.4
Investment Banking and Brokerage Services	–	2.7	–	1.3	–	–	4.0	2.3
Life Insurance	–	–	–	0.7	–	–	0.7	1.1
Nonlife Insurance	–	–	4.1	–	–	–	4.1	4.3
Real Estate	–	–	–	1.6	–	–	1.6	3.0
Real Estate Investment and Services	–	–	–	1.6	–	–	1.6	3.0
Technology	–	4.8	4.0	7.7	–	–	16.5	13.4
Technology Hardware & Equipment	–	4.8	4.0	7.7	–	–	16.5	13.4
Total equities	3.1	25.8	27.5	23.8	12.4	–	92.6	91.4
Preference shares and bonds	0.3	–	0.2	2.4	2.5	0.8	6.2	6.8
Total investments	3.4	25.8	27.7	26.2	14.9	0.8	98.8	98.2
Net current assets							1.2	1.8
Total assets[A]							**100.0**	**100.0**

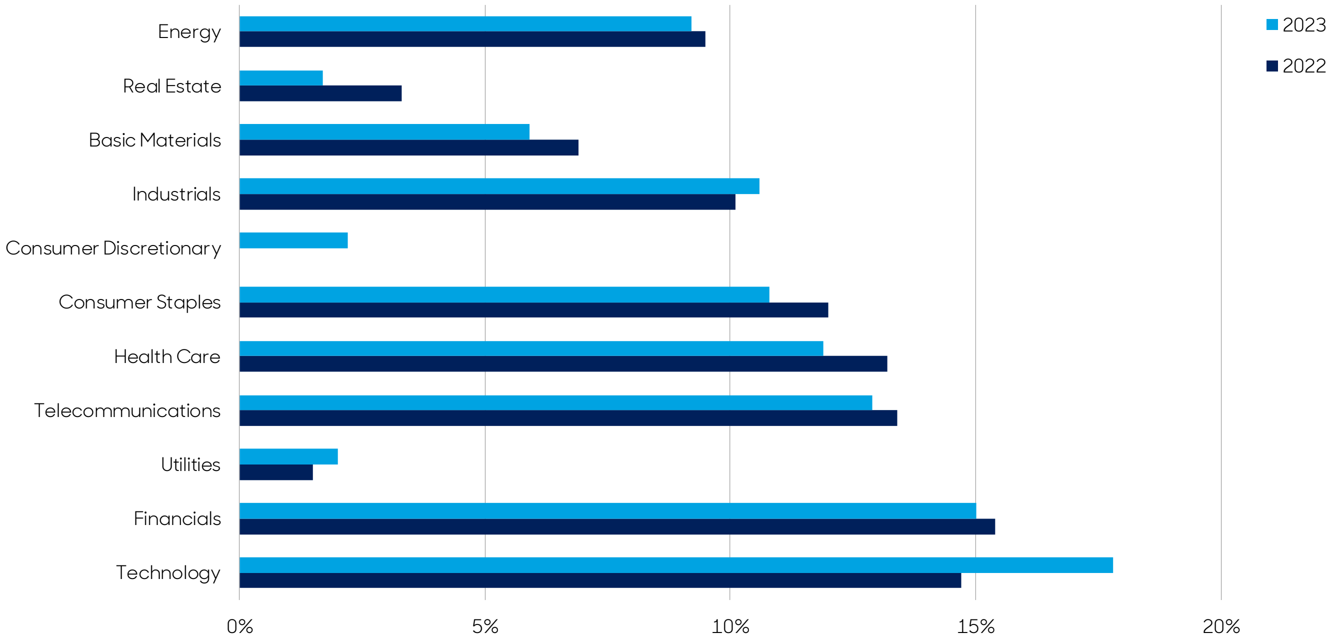
[A] See definition on page 122.

Sector/Geographical Analysis

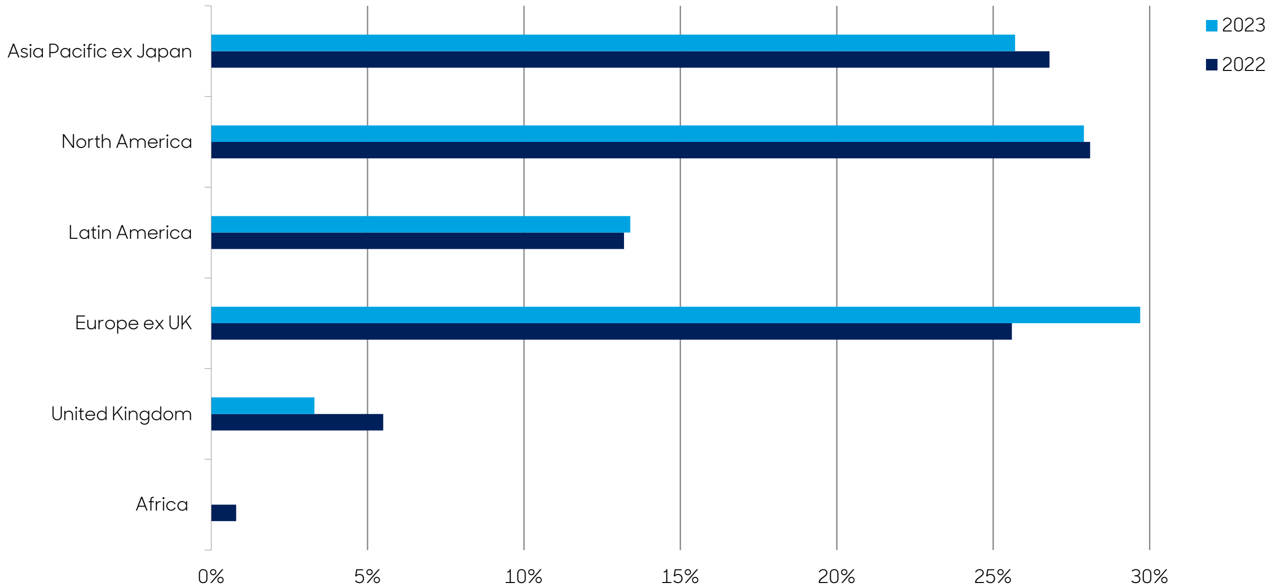
Continued



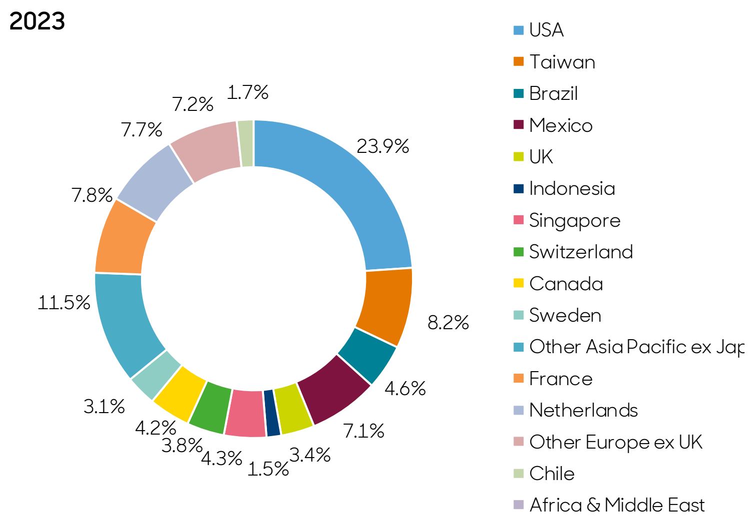
Total Equities Distribution by Sector

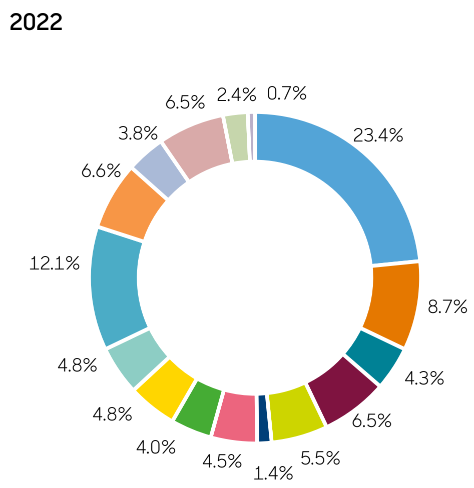


Total Equities Distribution by Geographic Region

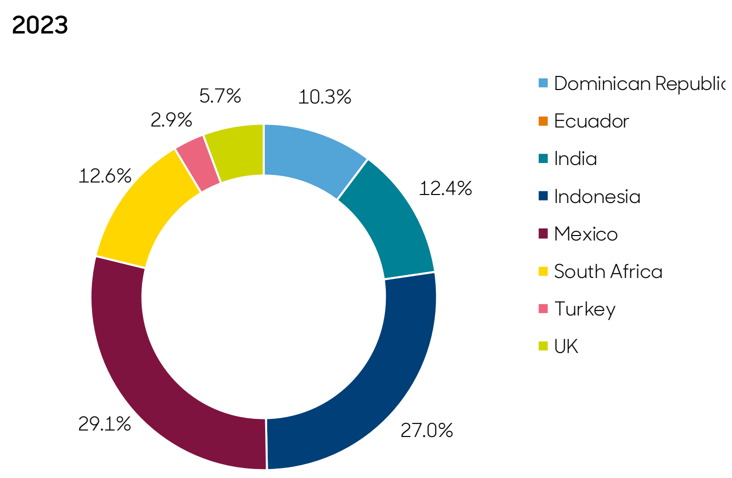


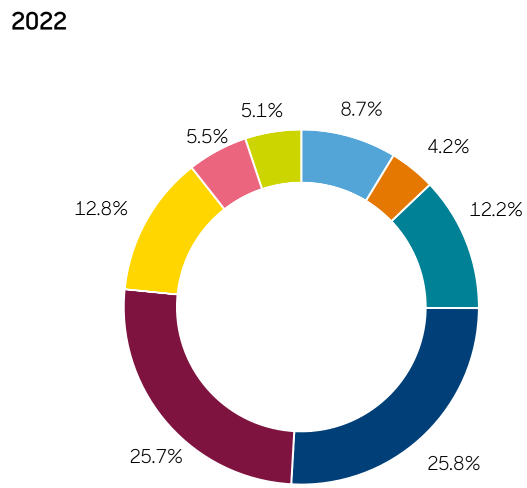
Equities by Country





Preference Shares and Bonds by Country





Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance

Board of Directors

Virginia Holmes

Chair and Independent Non-Executive Director

Experience:
Virginia is the former CEO of AXA Investment Managers Limited and brings significant senior asset management expertise and experience to the Board. She is currently Senior Independent Director at Syncona Limited and Chair of the Remuneration Committee at Intermediate Capital Group plc. She is a current and past Chair and Trustee of a number of pension funds and was previously a founder director of the Investment Forum.

Length of Service:
Appointed a Director on 22 June 2022 and Chair from 31 December 2023

Last re-elected to the Board:
21 April 2023

Contribution:
The Nomination Committee has reviewed the contribution of Ms Holmes in light of her forthcoming re-election at the AGM to be held in April 2024 and has concluded that she has already assumed the Chair seamlessly and is bringing significant wider investment insight and challenge.

Committee membership:
Management Engagement Committee (Chair) and Nomination Committee (Chair)

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
10,000 Ordinary shares at 29 February 2024

Claire Binyon

Independent Non-Executive Director

Experience:
Claire is a chartered accountant who, following an early career in the City, held senior corporate development and strategic planning roles with global multinational businesses including inBev, Cadbury, DS Smith and Fenner (a Michelin group company). She is a non-executive director of JPMorgan American Investment Trust PLC and IG Design Group plc.

Length of service:
Appointed a Director on 26 April 2018

Last re-elected to the board:
21 April 2023

Contribution:
The Nomination Committee has reviewed the contribution of Ms Binyon in light of her forthcoming re-election at the AGM to be held in April 2024 and has concluded that Ms Binyon continues to provide significant financial insight to the Board as well as expertly chairing the Audit and Risk Committee with due focus on the important areas of accounting financial risk.

Committee membership:
Audit and Risk Committee (Chair), Management Engagement Committee, Nomination Committee and Remuneration Committee.

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
6,541 Ordinary shares at 29 February 2024

Alexandra Mackesy

Senior Independent Non-Executive Director

Experience:
Alexandra is a former equity analyst, having spent the majority of her executive career in Asia with SBC Warburg, JP Morgan and Credit Suisse. She has some 19 years of experience as a director of UK listed investment trusts and is currently chair of JPMorgan China Growth & Income Trust plc and a non-executive director of The Henderson Smaller Companies Trust plc. She is also a director of Board Level Partners Ltd, which provides board advisory services.

Length of Service:
Appointed a Director on 1 May 2016

Last re-elected to the Board:
21 April 2023

Contribution:
The Nomination Committee has reviewed the contribution of Mrs Mackesy in light of her forthcoming re-election at the AGM to be held in April 2024 and has concluded that she has provided significant investment insight and investment trust expertise to the Board during the year.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
16,575 Ordinary shares at 29 February 2024

Nicholas Melhuish

Independent Non-Executive Director

Experience:
Nicholas joined Corpus Christi College, Oxford as Fellow and Bursar in 2018 following a portfolio management career most recently as Head of Global Equities at Amundi SA. He is a non executive director of JPMorgan Claverhouse Investment Trust PLC, a trustee of the Trusthouse Charitable Foundation and a director and trustee of The London Clinic. He also lectures at the Saïd Business School at Oxford University on Asset Management.

Length of Service:
Appointed a Director on 1 May 2021

Last elected to the Board:
21 April 2023

Contribution:
The Nomination Committee has reviewed the contribution of Mr Melhuish in light of his forthcoming re-election at the AGM to be held in April 2024 and has concluded that he has delivered important global investment insight and challenge as well assuming the chair of the Remuneration Committee.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee (Chair)

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
17,510 Ordinary shares at 29 February 2024

Board of Directors

Continued

Gregory Eckersley

Independent Non-Executive Director

Experience:
Gregory is an experienced equity investor with a professional executive career in a mix of leadership and asset management roles. Having begun his investment career at Cigna International Investment Limited, he gained international experience at Draycott Partners, Alliance Capital and Alliance Bernstein, managing and overseeing teams investing in emerging market and global portfolios and, until 2019, was the global head of internal equities at the Abu Dhabi Investment Authority.

Length of Service:
Appointed a Director on 1 May 2023

Last re-elected to the Board:
Proposed for election at the AGM on 19 April 2024

Contribution:
The Nomination Committee has reviewed the contribution of Mr Eckersley in light of his forthcoming election at the AGM to be held in April 2024 and has concluded that he has already brought excellent investment challenge and insight to Board discussions.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
10,000 Ordinary shares at 29 February 2024

Wendy Colquhoun

Independent Non-Executive Director

Experience:
Wendy is a qualified solicitor and was, until May 2020, a partner at international law firm CMS Cameron McKenna Nabarro Olswang LLP. She has advised investment trust boards for over 25 years on advisory and transactional matters and has a thorough understanding of investment trusts and the regulatory and other challenges they face. She is a non-executive director of Capital Gearing Trust p.l.c and Schroder UK Mid Cap Fund plc, and chair of Henderson Opportunities Trust plc.

Length of Service:
Appointed a Director on 1 September 2023

Last re-elected to the Board:
Proposed for election at the AGM on 19 April 2024

Contribution:
The Nomination Committee has reviewed the contribution of Ms Colquhoun in light of her forthcoming election at the AGM to be held in April 2024 and has concluded that she has already, in the short period of time since her appointment in September 2023, added significant value to the work undertaken by the Board.

Committee membership:
Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Connections with Trust, Manager or other Directors:
None

Shareholding in Company:
6,039 Ordinary shares at 29 February 2024

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

Results and Dividends

Details of the Company's results and proposed dividend are shown on pages 8 and 9 of this Report.

Investment Trust Status

The Company is registered as a public limited company (registered in Scotland No. SC006705) and 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 2023 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so 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.

Share Capital

The Company's capital structure is summarised in note 14 to the financial statements. On 24 April 2023, the Company confirmed the completion of the sub-division of the Ordinary shares of 25 pence each into new Ordinary shares of 5 pence each on a five for one basis which had been approved by shareholders at the Company's AGM held on 21 April 2023. The new Ordinary shares of 5p continue to be listed and trading on the London Stock Exchange, albeit under a new ISIN and SEDOL, as follows:

- New ISIN: GB00BQZCCB79
- New SEDOL: BQZCCB7

The ticker for the New Ordinary Shares remained the same (MYI).

At 31 December 2023, there were 620,866,332 fully paid Ordinary shares of 5p each (2022 – 625,064,465 Ordinary shares – restated for subdivision) in issue. At the year end there were 26,193,683 (2022 – 21,995,550 – restated for subdivision) Ordinary shares held in Treasury.

During the year 5,248,133 Ordinary shares were bought back for Treasury representing 0.8% of the Company's total issued share capital (2022 – 4,244,815 Ordinary shares - restated). Further details on buybacks are provided in note 14 to the financial statements. In addition, 1,050,000 Ordinary shares were sold from Treasury at a premium to NAV (2022 – nil).

Share Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends and, on a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

Management and Secretarial Arrangements

The Company has appointed abrdn Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrdn plc, as its alternative investment fund manager under the terms of an investment management agreement dated 14 July 2014 (as amended). Under the terms of the agreement, the Company's portfolio is managed by abrdn Investments Limited ("aIL") by way of a group delegation agreement in place between aFML and aIL. Investment management services are provided to the Company by aFML. Company secretarial, accounting and administrative services have been delegated by aFML to abrdn Holdings Limited.

The management fee is charged at the rate of 0.5% per annum of Net Assets up to £500m and 0.4% per annum of Net Assets above £500m. In addition, a fee of 1.5% per annum remains chargeable on the value of any unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves in line with the Board's long-term expectation of returns from revenue and capital. No fees are charged in the case of investments managed or advised by the abrdn Group.

The management agreement may be terminated by either party on the expiry of six months' 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 abrdn Group has the investment management, secretarial, promotional and administrative skills and expertise required for the effective operation of the Company.

The Board

The Board currently consists of six non-executive Directors.

The names and biographies of the current Directors are disclosed on pages 50 to 52 indicating their range of experience as well as length of service. Mr Eckersley was appointed to the Board on 1 May 2023 and Ms Colquhoun was appointed to the Board on 1 September 2023.

All Directors will retire at the AGM in April 2024 and, with the exception of Mr Eckersley and Ms Colquhoun, each Director will stand for re-election (with Mr Eckersley and Ms Colquhoun both standing for election).

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively. The reasons for the re-election or election of the individual Directors are set out on pages 50 to 52.

Board Diversity

As indicated in the Strategic Report, the Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of, and will give due regard to, the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. The Board takes account of the targets set out in the FCA's Listing Rules, which are set out below.

As an externally managed investment company, the Board employs no executive staff, and therefore does not have a chief executive officer (CEO) or a chief financial officer (CFO)- both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit and Risk Committee to be a senior board position and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are chair of the board and senior independent director (SID). In addition, the Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes.

The following information has been voluntarily disclosed by each Director and is correct as at 31 December 2023. The Board confirms that the Company is in compliance with the recommendations of the Parker Review on diversity in the UK boardroom.

Board as at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
Men	2	33%	0
Women (*Note 1*)	4	67%	3
Prefer not to say	-		-
White British or other White (including minority-white groups)	5	83%	3
Minority Ethnic (*Note 2*)	1	17%	0
Prefer not to say	-	-	-

1. Meets target that at least 40% of Directors are women as set out in LR 9.8.6R (9)(a)(i).
2. Meets target that at least one Director is from a minority ethnic background as set out in LR 9.8.6R (9)(a)(iii).

The Role of the Chair and Senior Independent Director

The Chair of the Company is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chair facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chair leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chair also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chair and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chair, and leads the annual appraisal of the Chair's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Management of Conflicts of Interest

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 21 to the financial statements and the Directors' Remuneration Report. No Directors had any other interest in contracts with the Company during the period or subsequently.

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 their 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. All proposed significant external appointments are also required to be approved, in advance, by the Chair and then communicated to other Directors for information.

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.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Corporate Governance

The Corporate Governance Statement forms part of the Directors' Report. 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 has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk**.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk**.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out overleaf.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chair of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that 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.

The full text of the Company's Corporate Governance Statement can be found on the Company's website, **murray-intl.co.uk**. The Board is cognisant of the recently published updated Corporate Governance Code 2024, effective for financial years commencing on or after 1 January 2025 and, during 2024, will consider any implications on operations and governance.

The table below details Directors' attendance at scheduled Board and Committee meetings held during the year ended 31 December 2023 (with eligibility to attend the relevant meeting in brackets). In addition there were a number of other ad hoc Board meetings held during the year.

	Scheduled Board	Audit Com	Nom. Com	MEC	Rem. Com
V. Holmes [A]	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
C. Binyon	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
W. Colquhoun [B]	2 (2)	1 (1)	n/a	n/a	1 (1)
G. Eckersley [C]	4 (4)	2 (2)	n/a	n/a	1 (1)
A. Mackesy	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
N. Melhuish	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
D. Hardie [D]	6 (6)	n/a	2 (2)	1 (1)	n/a

[A] Ms Holmes was appointed Chair on 31 December 2023
[B] Ms Colquhoun joined the Board on 1 September 2023
[C] Mr Eckersley joined the Board on 1 May 2023
[D] Mr Hardie retired from the Board on 31 December 2023 and was not a member of either the Audit and Risk Committee or the Remuneration Committee but attended all Committee meetings by invitation

Board Committees

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website **murray-intl.co.uk** and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

Audit and Risk Committee

The Report of the Audit and Risk Committee is on pages 65 and 66 of this Annual Report.

Management Engagement Committee ("MEC")

The MEC comprises all of the Directors and is chaired by Ms Holmes. The Committee reviews the performance of the Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms that have been agreed is in the interests of shareholders as a whole. The Committee is also responsible for the oversight and annual review of all other key service provider relationships.

Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which comprises the entire Board and is chaired by Ms Holmes. 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. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on page 30. When Board positions become available as a result of retirement or resignation, the Company ensures that a diverse group of candidates is considered.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board. The Board also takes the view that independence is not necessarily compromised by length of tenure on the Board. However, in compliance with the provisions of the AIC Code, it is expected that Directors will serve in accordance with the time limits laid down by the AIC Code. It is the policy of the Board that the Chair of the Company should retire once he or she has served as a Director for nine years in line with current best practice of the Financial Reporting Council. However there could be circumstances where it might be appropriate to ask a Chair to stay on for a limited period and in this case the reasons for the extension would be fully explained to shareholders and a timetable for the departure of the Chair clearly set out.

During the year the Board conducted separate searches for the appointment of Ms Colquhoun and Mr Eckersley using the services of Fletcher Jones and Longwater Partners respectively, both being independent external recruitment consultants that have no other connections or conflicts with the Company.

The Committee has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chair of the Board, Directors' individual self-evaluation and a performance evaluation of the Board as a whole. An external evaluation was undertaken during the year using the services of Lintstock, an independent external board evaluation service provider that does not have any other connections with the Company. This external evaluation included the completion of questionnaires covering the Board, individual Directors, the Chair and the Audit and Risk Committee Chair. The detailed findings were then considered by the Board and the Chair discussed the responses individually with each Director and the Senior Independent Director provided appraisal feedback to the Chair.

In accordance with Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors of investment 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 (Mr Eckersley and Ms Colquhoun will be offering themselves for election). The Committee has reviewed each of the proposed reappointments and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their re-election at the forthcoming AGM. Details of the contributions provided by each Director during the year are disclosed on pages 50 and 52.

Remuneration Committee

The level of fees payable to Directors is considered by the Remuneration Committee which comprises the entire Board excluding the Chair who attends by invitation and which is chaired by Mr Melhuish.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development.

Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 61 to 64.

Going Concern

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 37) and ability to continue as a going concern and consider that there are no material uncertainties. The Company's assets consist of a diverse portfolio of listed equity shares and bonds. The equities and a majority of the bond portfolio are, in most circumstances, realisable within a very short timescale and the Company itself has a strong balance sheet with considerable levels of distributable reserves.

The Company has a £30 million fixed rate loan facility which is due to mature in May 2024. The Directors are currently reviewing options to replace the facility including the use of the Loan Note Shelf Facility. If acceptable terms are available, the Company expects to continue to access a similarly sized level of gearing. However, should the Board decide not to replace the facility, any maturing debt would be repaid through the proceeds of equity and/or bond sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 35 and 36 and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic environment, the Directors believe that the Company has adequate financial resources to continue its operational existence for 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

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

BDO LLP was appointed independent auditor to the Company with effect from the AGM on 27 April 2020. BDO LLP has expressed its willingness to continue to be the Company's independent auditor and a Resolution to re-appoint BDO LLP as the Company's auditor will be put to the forthcoming AGM, along with a separate Resolution to authorise the Directors to fix the auditor's remuneration.

Directors' Report

Continued

Internal Controls and Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company including information on exposure to price risk, credit risk, liquidity risk and cash flow risk are set out in note 18 to the financial statements. 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 "Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting" (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 relevant sections of the FRC Guidance.

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 Manager's internal audit risk assessment model to identify those functions for review. Any relevant weaknesses identified through internal audit's review are reported to the Board and timetables are agreed for implementing improvements to systems, processes and controls. 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 internal audit and compliance departments of aFML continually review 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 the effectiveness of internal controls and risk management 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 operates a 'three lines of defence' model over its activities with the abrdn business units responsible for adhering to applicable rules and regulations; the compliance team is then responsible for checking that the rules are being followed and then internal audit is responsible for independently reviewing these arrangements.

The Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Board meets annually with representatives from BNY Mellon and reviews a control report covering the activities of the depositary and custodian.

Representatives from the Internal Audit Department of the Manager report six monthly to the Audit and Risk Committee of the Company and have direct access to the Directors at any time.

The Board has reviewed the effectiveness of the Manager's system of internal control including its annual internal controls report prepared in accordance with the

International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation". The Board has also reviewed the Manager's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. 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.

Future Developments

A detailed outlook for the Company including any likely future developments is provided in the Chair's Statement on pages 8 to 11.

There have been no post balance sheet events to report.

Substantial Interests

The Board is aware of the following shareholders that owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2023:

Shareholder	No. of Ordinary shares held	% held
Interactive Investor [A]	104,193,649	16.8
Hargreaves Lansdown [A]	75,276,506	12.1
Rathbones	58,596,744	9.4
Evelyn Partners	36,170,190	5.8
Charles Stanley	34,254,245	5.5
AJ Bell	25,389,050	4.1

[A] Non-beneficial interests

On 28 February 2024, Evelyn Partners notified the Company that its total holding of Ordinary shares was 30,978,688 representing 5.01%. There have been no other significant changes notified in respect of the above holdings between 31 December 2023 and 29 February 2024.

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders.

Business of the Annual General Meeting

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 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 £3,104,332 (equivalent to 62,086,633 Ordinary shares of 5p or 10% of the Company's existing issued share capital at 29 February 2024, the latest practicable date prior to the publication of this Annual Report). Such authority will expire on the date of the 2025 Annual General Meeting or on 30 June 2025, 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 13 will, if passed, also give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £3,104,332 (equivalent to 62,086,633 Ordinary shares of 5p or 10% of the Company's existing issued share capital at 29 February 2024, 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 12. This authority will also expire on the date of the 2025 Annual General Meeting or on 30 June 2025, 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 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 NAV 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 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 NAV of not less than 0.5%.

Share Buybacks

At the Annual General Meeting held on 21 April 2023, 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 last Annual General Meeting. The principal aim of a share buyback facility is to enhance shareholder value by acquiring shares at a discount to NAV, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to NAV per share, should result in an increase in the NAV 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 NAV 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 the nominal value of the 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 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 NAV. 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. During the year to 31 December 2023 the Directors have successfully used the share buyback authority to acquire 5,248,133 shares for Treasury.

Special Resolution 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 93,067,863 Ordinary shares of 5p as at 29 February 2024). Such authority will expire on the date of the 2025 Annual General Meeting or on 30 June 2025, 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.

Recommendation

The Directors consider that the authorities requested 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 80,065 shares, representing approximately 0.01% of the Company's issued share capital as at 29 February 2024.

By order of the Board of Murray International Trust PLC

abrdn Holdings Limited
Secretary
1 George Street, Edinburgh EH2 2LL
29 February 2024

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration.

Remuneration Committee

As recommended by the AIC Code, 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 comprises the whole Board, excluding Ms Holmes, and I, Nicholas Melhuish, am the Chair.

This Remuneration Report comprises three parts:

- **Remuneration Policy**, which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently approved at the 21 April 2023 AGM and next due for approval at the AGM in 2026;
- **Implementation Report**, which provides information on how the Remuneration Policy has been applied during the year and which is subject to an advisory vote on the level of remuneration paid during the year; and
- **Annual Statement** confirming compliance with regulations.

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 page 68.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. The Company currently has six independent non-executive Directors.

There have been no changes to the policy during the period of this Report nor are there any proposals for change in the foreseeable future. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered.

The Directors are non-executive and their fees are set within the limits of the Company's Articles of Association. The Board's policy on Directors' fees is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually and, if considered appropriate, increased accordingly.

Articles Limit on Directors' Fees

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors per annum to £300,000. The level of cap may be increased by shareholder resolution from time to time and was last increased in 2021.

Terms of Appointment

- The Company intends only to appoint non-executive Directors;
- All the Directors are non-executive and appointed under the terms of Letters of Appointment;
- Directors must retire and be subject to election at the first AGM after their appointment and annual re-election thereafter in line with the Articles of Association;
- It is the policy of the Board that the Chair of the Company will normally retire once he or she has served as a Director for nine years (further details on page 56);
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (£31,500 for the year ending 31 December 2024);
- No incentive or introductory fees will be paid to encourage a Directorship;
- The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits; and
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee;
- No Director has a service contract;
- No Director was interested in contracts with the Company during the period or subsequently;
- The terms of appointment provide that a Director may be removed without notice;
- Compensation will not be due upon leaving office; and
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' Remuneration Report

Continued

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors. 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.

The Remuneration Policy is reviewed by the Remuneration Committee on an annual basis and the Remuneration Policy applies for the three year period ending 31 December 2025.

Implementation Report

Directors' Fees

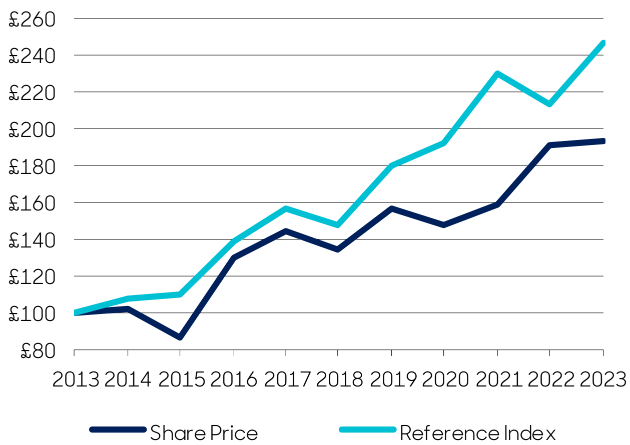
The Directors' fee rates applicable for the year ended 31 December 2023 were as follows:

Shareholder	31 December 2023 £	31 December 2022 £
Chair	**50,000**	48,000
Chair of Audit and Risk Committee	**36,000**	34,000
Senior Independent Director	**32,000**	32,000
Director	**30,000**	28,000

The Remuneration Committee carried out a review of the level of Directors' fees during the year encompassing a review of fees payable to directors of peer group companies as well as the wider sector. The Committee concluded that, in light of the size of the Company and increasing demands placed upon directors of listed companies, it would be appropriate to increase the level of fees payable in 2024. In order to reflect the additional time required of the Chair and Audit and Risk Chair respectively, compared to the time burden of other Directors, the Committee has decided to move towards implementing a multiplier whereby, in the absence of unforeseen circumstances, the expectation will be that the Chair is paid 1.7x the basic Director fee and the Audit and Risk Chair will be paid 1.3x the basic Director fee. Going forward, the focus of the Committee will be on setting Directors' basic remuneration taking account of available comparative data for Investment Trust Companies of a similar size and complexity and then applying the appropriate multipliers. With effect from 1 January 2024, the annual fees payable will be: Chair £53,500, Audit and Risk Committee Chair £38,500, Directors £31,500 with an extra £2,000 payable to the Senior Independent Director. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors and, other than for the Audit and Risk Committee, no extra fees are payable to Committee Chairs. The Directors' fees were last increased in December 2022, with effect from 1 January 2023.

Company Performance

During the year, the Board also carried out a review of investment performance. The following graph compares the share price total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 December 2013, compared with the total shareholder total return on the Company's Reference Index (the FTSE All World TR Index). 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 21 April 2023, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 31 December 2023 together with the Directors' Remuneration policy for the three years ending 31 December 2025 and the following proxy votes (restated to reflect the share subdivision) were received on the resolutions:

Resolution	For* %	Against %	Withheld %
(2) Receive and Adopt Directors' Remuneration Report	233.3m (99.5%)	1.1m (0.4%)	0.9m
(3) Approve Directors' Remuneration Policy	233.0m (99.3%)	1.4m (0.6%)	0.9m

* Including discretionary votes

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. However, for ease of reference, the total fees paid to Directors is shown in the table below, the dividends paid to shareholders are set out in note 8 and the shares bought back for treasury are disclosed in note 14.

Fees Payable (Audited)

The Directors who served in the year received the following fees which exclude employers' National Insurance:

Director	2023 £	2022 £
V. Holmes [A]	**30,000**	14,700
C. Binyon	**36,000**	34,000
W. Colquhoun [B]	**10,000**	-
G. Eckersley [C]	**20,000**	-
A. Mackesy	**32,000**	32,000
N. Melhuish	**30,000**	28,000
D. Hardie [D]	**50,000**	48,000
Total	**208,000**	**156,700**

[A] Ms Holmes joined the Board in June 2022 and was appointed Chair on 31 December 2023
[B] Ms Colquhoun joined the Board on 1 September 2023
[C] Mr Eckersley joined the Board on 1 May 2023
[D] Mr Hardie retired from the Board on 31 December 2023

Annual Percentage Change in Directors' Remuneration

The table below sets out the annual percentage change in Directors' fees over the last four years.

Director	Year ended 31 Dec. 2023 %	Year ended 31 Dec. 2022 %	Year ended 31 Dec. 2021 %	Year ended 31 Dec. 2020 %
V. Holmes [A]	104.1	n/a	n/a	n/a
C. Binyon [B]	5.9	5.9	14.7	7.7
W. Colquhoun [C]	n/a	n/a	n/a	n/a
G. Eckersley [D]	n/a	n/a	n/a	n/a
A. Mackesy	0	8.2	5.6	7.7
N. Melhuish [E]	7.1	50.0	n/a	n/a
D. Hardie [F]	4.2	25.4	24.6	18.2

[A] Ms Holmes joined the Board in June 2022 and was appointed Chair on 31 December 2023
[B] Ms Binyon was appointed Audit and Risk Committee Chair in April 2021
[C] Ms Colquhoun joined the Board on 1 September 2023
[D] Mr Eckersley joined the Board on 1 May 2023
[E] Mr Melhuish joined the Board on 1 May 2021
[F] Mr Hardie was appointed Chair in August 2021 and retired from the Board on 31 December 2023

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 (Audited)

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 31 December 2023 and 31 December 2022 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the following table, restated as necessary to reflect the share subdivision.

	31 December 2023 Ordinary 5p	31 December 2022 Ordinary 5p
V Holmes	**10,000**	n/a
C Binyon	**6,541**	6,275
W Colquhoun	**6,039**	n/a
G Eckersley	**10,000**	n/a
A Mackesy	**16,575**	4,875
N Melhuish	**17,510**	12,815
D Hardie [A]	**80,865**	77,445

[A] Mr Hardie retired from the Board on 31 December 2023

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, Nicholas Melhuish, Chair 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 2023:

- 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 29 February 2024 and signed on its behalf by:

Nicholas Melhuish
Remuneration Committee Chair
29 February 2024

Report of Audit and Risk Committee

The Audit and Risk Committee has prepared this report in compliance with the September 2014 Competition and Markets Authority Order.

Audit and Risk Committee

As recommended by the AIC Code, an Audit and Risk 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 and Risk Committee comprises the whole Board (excluding Ms Holmes) and I, Claire Binyon, am the Chair. Ms Holmes is not a member of the Committee, but, as Chair of the Company, she has a standing invitation to attend meetings and typically attends each Audit and Risk Committee as an observer. The members of the Audit and Risk 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 and Risk 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 in the Directors' Report;
- we consider whether there is a need for the Company to have its own internal audit function (refer to Directors' Report);
- 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 position and 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 have the opportunity to meet in private with the auditor, without any representatives of the Manager being present, and the opportunity to meet in private with a representative from the Manager's internal audit department;
- we develop and implement the policy on the engagement of the auditor to supply non-audit services. There were non-audit fees of £4,000 (2022: £3,500) paid to the auditor during the year under review in connection with assurance work conducted on the Half Yearly Report;
- we review a statement from the Manager detailing the arrangements in place within the abrdn Group whereby 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 and Risk Committee meetings are shown in the Directors' Report.

The Board has received a report from BDO, its auditor, which notes that BDO 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 Company's policy on non-audit services is to ensure that best value for the Company is achieved whilst ensuring compliance with regulations that are in place to maintain the independence of the auditor.

Report of Audit and Risk Committee

Continued

The extent of non-audit services that can be provided by BDO is very limited. The Audit and Risk Committee has reviewed and approved 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. The level of non-audit fees payable by the Company is not material in any way for BDO and the Audit and Risk Committee confirms its belief that BDO is independent in accordance with applicable ethical standards. Since its appointment, BDO has not provided any significant non-audit services to the Company. PwC and EY provide ongoing local tax compliance services to the Company.

Significant Matters

During our review of the Company's financial statements for the year ended 31 December 2023, we considered the following significant matters:

Valuation and Ownership of Investments

Mitigation – The Board reviews monthly management accounts that include a full breakdown of the portfolio valuation. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 2(e) and 10 to the financial statements on pages 83 and 89. All investments are quoted and can be verified against daily market prices. 93.6% (2022: 93.1%) of investments are considered to be liquid and are therefore categorised as Level 1 in accordance with the FRS 102 fair value hierarchy. 6.4% (2022: 6.9%) of investments are considered to be subject to some risk of illiquidity and are therefore categorised as Level 2 within the FRS 102 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.

Revenue Recognition

Mitigation – The recognition of investment income is undertaken in accordance with accounting policy 2(b) and note 3 to the financial statements on pages 82 and 85. 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 which are reviewed together with monthly revenue forecasts and dividend schedules.

Review of Auditor

We have reviewed the work undertaken by BDO, which is in its fourth year following original appointment at the AGM on 27 April 2020, and are satisfied with the effectiveness of the auditor. The areas of focus included:

- independence – the auditor discusses with the Audit and Risk Committee, at least annually, the steps it takes to ensure its independence and objectivity and 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 and 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 Board, the Committee and the Manager; and
- 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 company sector and retention or rotation of the partner.

In accordance with present professional guidelines, Peter Smith, the Senior Statutory Auditor, will be rotated after no more than five years and the year ended 31 December 2023 will be the fourth year for which the present Senior Statutory Auditor, will serve. The Committee considers BDO, the Company's auditor, to be independent of the Company.

For and on behalf of the Audit and Risk Committee

Claire Binyon

Audit and Risk Committee Chair
29 February 2024

Statement of Directors' Responsibilities

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, the requirements of the Companies Act 2006 and 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

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. In accordance with their responsibilities, the Directors confirm that, to the best of their knowledge, the Annual Report and financial statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the position, performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on **murray-intl.co.uk**, the Company's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the company, together with a description of the principal risks and uncertainties that they face.

For Murray International Trust PLC

Virginia Holmes
Chair
29 February 2024

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

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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Murray International Trust PLC (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 27 April 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years, covering the years ended 31 December 2020 to 31 December 2023. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the Company's ability to continue as a going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check the accuracy of historical forecasting;
- Assessing the projected management fees to check if they were in line with the assets under management levels and the projected market growth forecasts for the following year;
- Assessing the appropriateness of the Directors' assumptions and judgements made in both their base case and stress tested forecasts, including consideration of the available cash resources relative to forecast expenditure and commitments;
- Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the investment portfolio; and
- Performing a review of the Directors' stress and reverse stress testing on the investment portfolio for reasonability.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2023	2022
	Revenue recognition – Dividend income from investments	✔	✔
	Valuation and ownership of investments	✔	✔
Materiality	Company financial statements as a whole: £16.6m (2022:£16.2m) based on 1% (2022: 1%) of Net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Continued

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition – Dividend income from investments **(Note 2(b) and 3 to the financial statements)**	Revenue is a key indicator of performance of the Company. A significant portion of the Company's revenue relates to dividend income from investments. Judgement may be required by management in determining the allocation of dividend income between revenue or capital for certain corporate actions and special dividends. As such, there may be an incentive to recognise dividend income as revenue where it is more appropriately of a capital nature. For this reason we considered revenue recognition -Dividend income from investments to be a key audit matter.	We responded to this matter by considering corporate actions and special dividends identified, and we challenged whether these had been appropriately accounted for as income or capital by discussing with management and reviewing the underlying supporting documentation for the issue of the dividend and whether it could have been driven by a capital event. We analysed the population of dividend receipts to identify any unusual items that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances, we performed a combination of inquiry of management and our own independent research, including inspection of the financial statements and public announcements of investee companies, to ascertain whether the underlying event may be of a capital nature. **Key observations:** Based on our procedures performed, we found the judgements made by management in determining the allocation of dividend income to revenue or capital to be appropriate.
Valuation and ownership of investments **(Note 2(e) and 10 to the financial statements)**	The investment portfolio at the year-end comprised listed equity and fixed income investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity. There is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. There is an element of judgement regarding whether there is an active market for securities and therefore the appropriate classification in the fair value hierarchy. Given the significance of investments on the Statement of Financial Position, it is	We responded to this matter by testing the valuation and ownership of the whole portfolio of investments. We performed the following procedures: · Confirmed that the year-end bid price was used by agreeing to externally quoted prices; · Assessed the appropriateness of the classification in the fair value hierarchy with reference to trading volume on relevant exchanges; · Assessed whether there were contra indicators, such as liquidity considerations, to suggest that bid price is not the most appropriate indication of fair value. This was done by considering the realisation period for individual holdings; and · Recalculated the valuation of investments held at the reporting date by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share. To test for ownership of investments, we obtained

	necessary to ensure that the Company has appropriate title over investments. For these reasons and given the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.	direct confirmation of the number of units of shares held per investment from the custodian. This procedure was performed for all investments held at the balance sheet date. In addition, we perform a review of the latest Systems and Organisations Controls report of the custodian to identify the impact, if any, of any relevant exceptions in the report on our audit approach. **Key observations:** Based on our procedures performed, we did not identify any matters to suggest that the valuation and ownership of the equity and fixed income investments were inappropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2023 £m	**2022 £m**
Materiality	16.6	16.2
Basis for determining materiality	1% of Net Assets	1% of Net Assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	12.5	12.2
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

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

Continued

Specific materiality

We also determined that for Revenue return before taxation, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £4.2m (2022: £4.2m), based on 5% of Revenue return before taxation (2022: 5% of Revenue return before taxation). We further applied a performance materiality level of 75% (2022: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £210,000 (2022: £210,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	· The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 59; and · The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 39.
Other Code provisions	· Directors' statement on fair, balanced and understandable set out on page 69; · Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 36; · The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 60; and · The section describing the work of the Audit and Risk Committee set out on page 67.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: · 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; and · the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Continued

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, Administrator and Those Charged With Governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulation

we considered the significant laws and regulations to be the Companies Act 2006, the Prospectus Rules, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, Financial Reporting Standard 102, and the Company's qualification as an Investment Trust under UK tax legislation as any non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and Those Charged With Governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing correspondence with the regulatory and tax authorities for instances of non-compliance with laws and regulations;
- Reviewing legal expenditure accounts to understand the nature of legal costs incurred;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation and other qualitative factors in relation to the Investment Trust's compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, Administrator and Those Charged With Governance regarding any known or suspected instances of fraud;
- Review of minutes of meetings of Those Charged with Governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Revenue recognition – Dividend income from investments and management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above to the extent that they relate to the fraud risks;
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any bias;
- Selected a sample of journal entries which met a defined risk criteria and assessed the reasonability thereof per inspection of supporting evidence;

- Review and consideration of the appropriateness of adjustments made (manual journals processed) in the preparation of the financial statements; and
- Review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were all deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were all deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

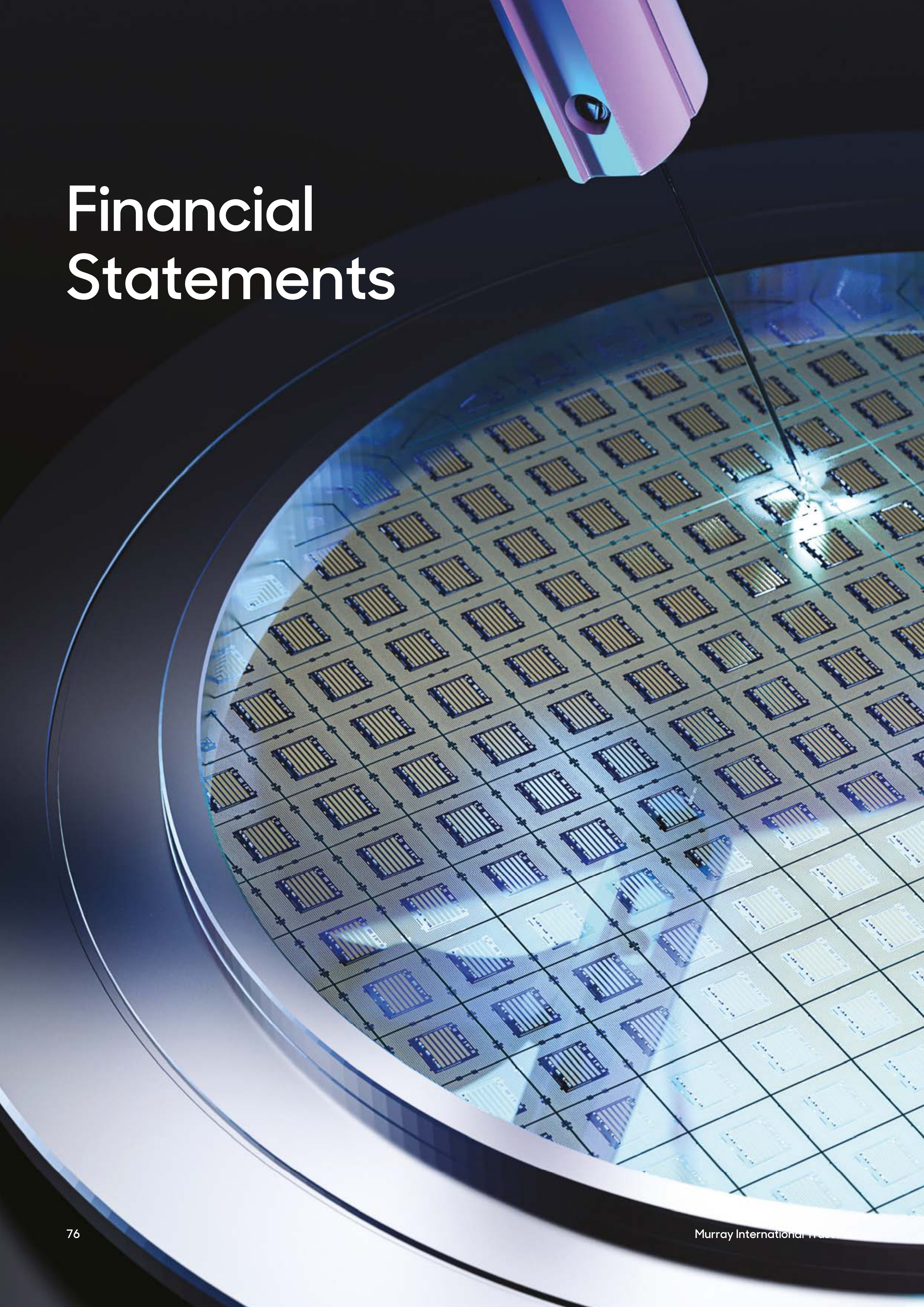
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other 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.

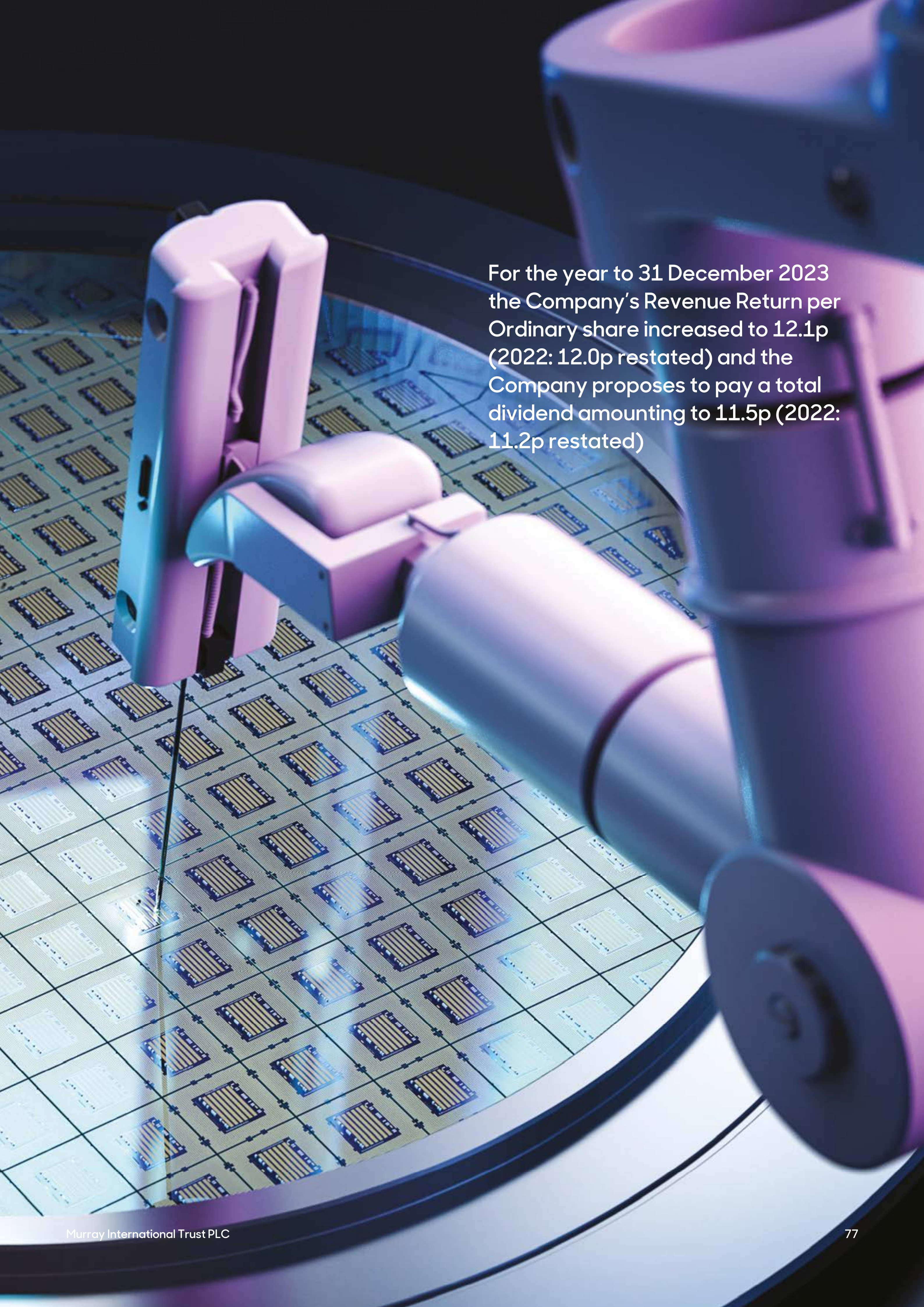
Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 February 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements





For the year to 31 December 2023 the Company's Revenue Return per Ordinary share increased to 12.1p (2022: 12.0p restated) and the Company proposes to pay a total dividend amounting to 11.5p (2022: 11.2p restated)

Statement of Comprehensive Income

		Year ended 31 December 2023			Year ended 31 December 2022		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	10	**–**	**62,838**	**62,838**	–	66,401	66,401
Income	3	**88,833**	**145**	**88,978**	88,745	–	88,745
Investment management fees	4	**(2,079)**	**(4,850)**	**(6,929)**	(2,024)	(4,724)	(6,748)
Currency (losses)/gains		**–**	**(336)**	**(336)**	–	84	84
Administrative expenses	5	**(1,790)**	**–**	**(1,790)**	(1,651)	–	(1,651)
Net return before finance costs and taxation		**84,964**	**57,797**	**142,761**	85,070	61,761	146,831
Finance costs	6	**(1,240)**	**(2,892)**	**(4,132)**	(1,409)	(3,286)	(4,695)
Return before taxation		**83,724**	**54,905**	**138,629**	83,661	58,475	142,136
Taxation	7	**(7,829)**	**1,047**	**(6,782)**	(8,405)	990	(7,415)
Return attributable to equity shareholders		**75,895**	**55,952**	**131,847**	75,256	59,465	134,721
Return per Ordinary share (pence)[A]	9	**12.1**	**9.0**	**21.1**	12.0	9.5	21.5

[A] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 94.

The "Total" column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the return after taxation is also the total comprehensive income for the year. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

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

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

Statement of Financial Position

	Notes	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Fixed assets			
Investments at fair value through profit or loss	10	**1,787,863**	1,784,820
Current assets			
Prepayments and accrued income	11	**8,069**	7,195
Other debtors	11	**10,151**	9,306
Cash at bank and in hand		**5,878**	18,131
		24,098	34,632
Creditors: amounts falling due within one year			
Bank loans	12,13	**(29,996)**	(59,989)
Other creditors	12	**(3,198)**	(2,836)
		(33,194)	(62,825)
Net current liabilities		**(9,096)**	(28,193)
Total assets less current liabilities		**1,778,767**	1,756,627
Creditors: amounts falling due after more than one year			
Bank loans	12,13	**–**	(29,982)
Loan Notes	12,13	**(109,905)**	(109,895)
Net assets		**1,668,862**	1,616,750
Capital and reserves			
Called-up share capital	14	**32,353**	32,353
Share premium account		**363,461**	362,967
Capital redemption reserve		**8,230**	8,230
Capital reserve	15	**1,189,686**	1,143,961
Revenue reserve		**75,132**	69,239
Equity shareholders' funds		**1,668,862**	1,616,750
Net asset value per Ordinary share (pence)[A]	16	**268.8**	258.7

[A] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 94.

The financial statements were approved and authorised for issue by the Board of Directors on 29 February 2024 and were signed on its behalf by:

Virginia Holmes
Director

Company Number: SC006705.

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

Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2022		32,353	362,967	8,230	1,143,961	69,239	1,616,750
Return after taxation		–	–	–	55,952	75,895	131,847
Dividends paid	8	–	–	–	–	(70,002)	(70,002)
Issue of shares from Treasury	14	–	494	–	2,295	–	2,789
Buy back of shares to Treasury	14	–	–	–	(12,522)	–	(12,522)
Balance at 31 December 2023		32,353	363,461	8,230	1,189,686	75,132	1,668,862

For the year ended 31 December 2022

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2021		32,353	362,967	8,230	1,094,549	62,967	1,561,066
Return after taxation		–	–	–	59,465	75,256	134,721
Dividends paid	8	–	–	–	–	(68,984)	(68,984)
Buy back of shares to Treasury	14	–	–	–	(10,053)	–	(10,053)
Balance at 31 December 2022		32,353	362,967	8,230	1,143,961	69,239	1,616,750

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

Statement of Cash Flows

	Notes	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Net return before finance costs and taxation		**142,761**	146,831
Increase in accrued expenses		**307**	265
Overseas withholding tax		**(7,652)**	(9,945)
(Increase)/decrease in accrued income		**(1,516)**	1,401
Interest paid		**(4,216)**	(4,562)
Gains on investments		**(62,838)**	(66,401)
Overseas dividends – capital		**(145)**	–
Currency losses/(gains)		**336**	(84)
Decrease/(increase) in other debtors		**55**	(29)
Corporation tax received		**136**	–
Return of capital included in investment income		**145**	–
Net cash inflow from operating activities		**67,373**	67,476
Investing activities			
Purchases of investments		**(95,353)**	(187,490)
Sales of investments		**155,624**	208,417
Net cash from investing activities		**60,271**	20,927
Financing activities			
Equity dividends paid	8	**(70,002)**	(68,984)
Ordinary shares issued from Treasury	14	**2,789**	–
Ordinary shares bought back to Treasury	14	**(12,348)**	(10,053)
Issue of Loan Notes		**–**	59,976
Loan repayment		**(60,000)**	(60,000)
Net cash used in financing activities		**(139,561)**	(79,061)
(Decrease)/increase in cash and cash equivalents		**(11,917)**	9,342
Analysis of changes in cash and cash equivalents during the year			
Opening balance		**18,131**	8,705
Effect of exchange rate fluctuations on cash held		**(336)**	84
(Decrease)/increase in cash as above		**(11,917)**	9,342
Closing cash and cash equivalents		**5,878**	18,131
Represented by:			
Cash at bank and in hand		**5,878**	18,131

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

Notes to the Financial Statements

For the year ended 31 December 2023

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC006705, with its Ordinary shares being listed in the premium segment market of the London Stock Exchange.

2. Accounting policies

(a) Basis of preparation. The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("AIC SORP") issued in July 2022. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Statement of Financial Position headings of "non-current assets" and "cash and short-term deposits" have been amended to "fixed assets" and "cash at bank and in hand" to conform with those required by the statutory format for the Statement of Financial Position.

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 37) and ability to continue as a going concern and consider that there are no material uncertainties. The Company's assets consist of a diverse portfolio of listed equity shares and bonds. The equities and a majority of the bond portfolio are, in most circumstances, realisable within a very short timescale.

The Company has a £30 million fixed rate loan facility which is due to mature in May 2024. The Directors are currently reviewing options to replace the facility including the use of the Loan Note Shelf Facility. If acceptable terms are available, the Company expects to continue to access a similarly sized level of gearing. However, should the Board decide not to replace the facility, any maturing debt would be repaid through the proceeds of equity and/or bond sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 35 and 36 and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic environment, the Directors believe that the Company has adequate financial resources to continue its operational existence for 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The areas requiring most significant judgement and assumption in the financial statements are: the determination of the fair value hierarchy classification of quoted preference shares and bonds valued at £113,716,000 (2022 – £123,688,000) which have been assessed as being Level 2 as they are not considered to trade in active markets ; and also the determination of whether special dividends received are considered to be revenue or capital in nature on a case by case basis. The Directors do not consider there to be any significant estimates within the financial statements.

(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.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income under taxation.

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

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

(c) **Expenses**. All expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income. Expenses are charged against revenue except as follows:

– transaction costs on the acquisition or disposal of investments are charged against capital in the Statement of Comprehensive Income; and

– expenses are treated as a capital item in the Statement of Comprehensive Income 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.

(d) **Taxation.** The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net return as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Comprehensive Income 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.** As permitted under FRS 102, the Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and investments have been designated upon initial recognition at 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 at fair value. For listed investments, the valuation of investments at the year end is deemed to be bid market prices or closing prices on recognised stock exchanges.

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 Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(f) **Cash and cash equivalents.** Cash comprises cash in hand and demand deposits. Cash equivalents includes short-term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(g) **Short-term debtors and creditors.** Both short-term debtors and creditors are measured at amortised cost and not subject to interest charges.

(h) **Borrowings.** Borrowings, which comprise interest bearing bank loans and unsecured loan notes are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. 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 Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.

(i) **Nature and purpose of reserves**

Called-up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue. This reserve is not distributable.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 5p (2022 - 25p) and the proceeds of sales of shares held in Treasury in excess of the weighted average purchase price paid by the Company to repurchase the shares. This reserve is not distributable.

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This reserve is not distributable.

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (h) above. This reserve is distributable for the purpose of funding share buybacks and paying dividends to the extent that gains are deemed realised.

When the Company purchases its Ordinary shares to be held in Treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(j) **Foreign currency.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.

(k) **Segmental reporting. T**he Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(l) **Dividends payable.** Dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends are recognised in the financial statements in the period in which they are paid.

3. Income

	2023 £'000	2022 £'000
Income from investments (all listed)		
UK dividend income	**9,082**	10,607
Overseas dividends	**70,457**	66,536
Overseas dividends – capital	**145**	–
Overseas interest	**8,856**	11,417
	88,540	88,560

Other income		
Deposit interest	**203**	49
Stock lending income	**227**	136
Interest on tax reclaim	**8**	–
Total income	**88,978**	88,745

4. Investment management fees

			2023			2022
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	**2,079**	**4,850**	**6,929**	2,024	4,724	6,748

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of investment management, secretarial, accounting and administration and promotional activity services.

The management fee is charged on net assets (i.e. excluding borrowings for investment purposes) averaged over the six previous quarters at a rate of 0.5% per annum up to £500 million and 0.4% per annum thereafter. A fee of 1.5% per annum is chargeable on the value of any unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves. During the year £6,929,000 (2022 – £6,748,000) of investment management fees was payable to the Manager, with a balance of £1,740,000 (2022 – £1,704,000) being due at the year end.

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

5. Administrative expenses

	2023 £'000	2022 £'000
Promotional activities[A]	**400**	400
Registrars' fees	**202**	147
Directors' remuneration	**208**	157
Bank charges and custody fees	**451**	411
Depositary fees	**155**	157
Stock exchange fees	**123**	97
Printing and postage	**61**	59
Auditor's fees for:		
– Statutory Audit	**48**	44
– Other assurance services	**4**	3
Other expenses	**138**	176
	1,790	1,651

[A] In 2023 £400,000 (2022 – £400,000) was payable to aFML to cover promotional activities during the year. At the year end £200,000 (2022 – £100,000) was due to aFML.

6. Finance costs

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loans and overdraft interest	**391**	**912**	**1,303**	815	1,901	2,716
Loan Notes	**849**	**1,980**	**2,829**	594	1,385	1,979
	1,240	**2,892**	**4,132**	1,409	3,286	4,695

7. Taxation

			2023			2022
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Total tax charge						
Analysis for the year						
Current UK tax	**–**	**–**	**–**	195	–	195
Double taxation relief	**–**	**–**	**–**	(195)	–	(195)
Marginal tax relief	**956**	**(956)**	**–**	1,082	(1,082)	–
Overseas tax suffered	**9,959**	**(91)**	**9,868**	10,605	92	10,697
Overseas tax reclaimable	**(3,086)**	**–**	**(3,086)**	(3,282)	–	(3,282)
Total tax charge for the year	**7,829**	**(1,047)**	**6,782**	8,405	(990)	7,415

(b) **Factors affecting the tax charge for the year**. The UK corporation tax rate was 19% until 31 March 2023 and 25% from 1 April 2023, giving a effective rate of 23.5% (2022 – standard rate of 19%). The tax assessed for the year is lower than the corporation tax rate. The differences are explained below:

			2023			2022
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	**83,724**	**54,905**	**138,629**	83,661	58,475	142,136
Return multiplied by the effective rate of corporation tax of 23.5% (2022 – standard rate of 19%)	**19,675**	**12,903**	**32,578**	15,896	11,110	27,006
Effects of:						
Non taxable UK dividend income	**(2,134)**	**(34)**	**(2,168)**	(2,015)	–	(2,015)
Gains on investments not taxable	**–**	**(14,767)**	**(14,767)**	–	(12,616)	(12,616)
Currency losses/(gains) not taxable	**–**	**79**	**79**	–	(16)	(16)
Non taxable overseas dividends	**(15,542)**	**–**	**(15,542)**	(12,164)	–	(12,164)
Overseas tax suffered	**9,959**	**(91)**	**9,868**	10,605	92	10,697
Overseas tax reclaimable	**(3,086)**	**–**	**(3,086)**	(3,282)	–	(3,282)
Tax effect of expensed double taxation relief	**(245)**	**–**	**(245)**	–	–	–
Double taxation relief	**–**	**–**	**–**	(195)	–	(195)
Marginal tax relief	**956**	**(956)**	**–**	(440)	440	–
Expenses not deductible for tax purposes	**(1,754)**	**1,819**	**65**	–	–	–
Total tax charge for the year	**7,829**	**(1,047)**	**6,782**	8,405	(990)	7,415

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 not recognised a deferred tax asset (2022 – same). At the year end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £74,422,000 (2022 – £nil). A deferred tax asset at the standard rate of corporation of 25% (2022 – 25%) of £70,000 (2022 – £nil) has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is considered highly unlikely that the Company will generate such profits and therefore no deferred tax asset has been recognised.

8. Ordinary dividends on equity shares

	2023 £'000	2022 £'000
Amounts recognised as distributions paid during the year:		
Third interim for 2022 of 2.4p (2021 – 2.4p)	**15,001**	15,103
Final dividend for 2022 of 4.0p (2021 – 3.8p)	**25,003**	23,813
First interim for 2023 of 2.4p (2022 – 2.4p)	**15,027**	15,040
Second interim for 2023 of 2.4p (2022 – 2.4p)	**14,971**	15,028
	70,002	68,984

A third interim dividend was declared on 1 December 2023 with an ex date of 4 January 2024. This dividend of 2.4p was paid on 16 February 2024 and has not been included as a liability in these financial statements. The proposed final dividend for 2023 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are 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 £75,895,000 (2022 – £75,256,000).

	2023 £'000	2022 £'000
Three interim dividends for 2023 of 2.4p (2022 – 2.4p)	**44,896**	45,070
Proposed final dividend for 2023 of 4.3p (2022 – 4.0p)	**26,592**	25,003
	71,488	70,073

The amount reflected above for the cost of the proposed final dividend for 2023 is based on 618,412,080 Ordinary shares, being the number of Ordinary shares in issue excluding those held in Treasury at the date of this Report.

The rates disclosed for the prior year have been restated to reflect the 5:1 sub-division as disclosed in note 14.

9. Return per Ordinary share

	2023		2022	
	£'000	p	£'000	p
Returns are based on the following figures:				
Revenue return	**75,895**	**12.1**	75,256	12.0
Capital return	**55,952**	**9.0**	59,465	9.5
Total return	**131,847**	**21.1**	134,721	21.5

	2023	2022
Weighted average number of Ordinary shares	**624,513,971**	626,531,015

The returns per share figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 94.

10. Investments at fair value through profit or loss

	2023 £'000	2022 £'000
Opening book cost	**1,363,483**	1,330,337
Opening investment holdings gains	**421,337**	408,975
Opening fair value	**1,784,820**	1,739,312
Analysis of transactions made during the year		
Purchases at cost	**95,353**	187,490
Sales proceeds received	**(155,451)**	(208,590)
Gains on investments	**62,838**	66,401
Accretion of fixed income book cost[A]	**303**	207
Closing fair value	**1,787,863**	1,784,820

[A] In accordance with the AIC SORP guidance

Closing book cost	**1,331,325**	1,363,483
Closing investment gains	**456,538**	421,337
Closing fair value	**1,787,863**	1,784,820

The Company received £155,451,000 (2022 – £208,590,000) from investments sold in the period. The book cost of these investments when they were purchased was £127,814,000 (2022 – £154,551,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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The portfolio valuation	2023 £'000	2022 £'000
Listed on stock exchanges:		
United Kingdom:		
– equities	**56,605**	100,405
– preference shares	**6,417**	6,269
Overseas:		
– equities	**1,617,542**	1,560,727
– fixed income	**107,299**	117,419
Total	**1,787,863**	1,784,820

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 gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2023 £'000	2022 £'000
Purchases	**190**	199
Sales	**195**	198
	385	397

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

Stock Lending	2023 £'000	2022 £'000
Aggregate value of securities on loan at the year end	**40,676**	–
Maximum aggregate value of securities on loan during the year	**105,339**	81,723
Fee income from stock lending	**227**	136

During the year to 31 December 2022, the Company commenced stock lending. Stock lending is the temporary transfer of securities by a lender to a borrower, with an agreement by the borrower to return equivalent securities to the lender at an agreed date. Fee income is received for making the investments available to the borrower. The principal risks and rewards of holding the investments, namely the market movements in share prices and dividend income, are retained by the Company. In all cases the securities lent continue to be recognised on the Statement of Financial Position.

All stocks lent under these arrangements are fully secured by collateral. The value of the collateral held at 31 December 2023 was £42,840,000 (2022 – £nil).

11. Debtors: amounts falling due within one year

	2023 £'000	2022 £'000
Amounts due from brokers	-	173
Corporation tax refund	-	136
Overseas withholding tax	**10,131**	8,965
Prepayments	**41**	84
Other debtors	**20**	32
Accrued income	**8,028**	7,111
	18,220	16,501

None of the above amounts is overdue or impaired.

12. Creditors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Bank loans (note 13)	**29,996**	59,989
Amounts due to brokers	**174**	-
Investment management fees	**1,740**	1,704
Administrative expenses	**910**	639
Interest on bank loans and loan notes	**374**	493
	33,194	62,825

	2023 £'000	2022 £'000
Amounts falling due after more than one year:		
Bank loans (note 13)	-	29,982
Loan notes (note 13)	**109,905**	109,895
	109,905	139,877

All financial liabilities are measured at amortised cost.

13. Borrowings

	2023 £'000	2022 £'000
Unsecured bank loans repayable within one year:		
Fixed rate term loan facilities		
– £60,000,000 at 2.328% – 31 May 2023	-	59,989
– £30,000,000 at 2.25% – 16 May 2024	29,996	–
Unsecured bank loans repayable in more than one year but less than five years:		
Fixed rate term loan facilities		
– £30,000,000 at 2.25% – 16 May 2024	-	29,982
Unsecured loan notes repayable in more than five years:		
– £50,000,000 at 2.24% – 13 May 2031	49,927	49,918
– £60,000,000 at 2.83% – 31 May 2037	59,978	59,977
	139,901	199,866

The terms of these loans and loan notes 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 and loan notes early, then no such charges are included in the cash flows used to determine their effective interest rate.

In May 2023, the Company repaid its maturing £60 million 5 year fixed rate loan with The Royal Bank of Scotland International Limited, London Branch "RBSI".

At 31 December 2023, the Company had utilised £110 million of its £200 million Shelf Facility. Under the terms of the Loan Note Agreement, dated May 2021, up to an additional £90 million will also be available for drawdown by the Company for a five year period. Financial covenants contained within the loan note agreement provide, inter alia, that borrowings shall at no time exceed 35% of net assets, that the Company must hold 40 investments or more and that the net assets must exceed £650 million. At 31 December 2023 the Company held 64 investments, net assets were £1,668,862,000 and borrowings were 8.4% thereof. The Company has complied with all financial covenants throughout the year.

The Company also has a fixed rate term loan facility with RBSI, which is fully drawn down and has a maturity date 16 May 2024. 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 £650 million. At 31 December 2023 net assets were £1,668,862,000, and borrowings were 8.4% thereof. The Company has complied with all financial covenants throughout the year.

14. Share capital

	2023 Number	2023 £'000	2022 Number	2022 £'000
Allotted, called up and fully paid Ordinary shares of 5p				
Balance brought forward[A]	**625,064,465**	**31,254**	629,309,280	31,466
Ordinary shares issued from Treasury in the year	**1,050,000**	**52**	–	–
Ordinary shares bought back to Treasury in the year	**(5,248,133)**	**(263)**	(4,244,815)	(212)
Balance carried forward	**620,866,332**	**31,043**	625,064,465	31,254

	2023 Number	2023 £'000	2022 Number	2022 £'000
Treasury shares:				
Balance brought forward[A]	**21,995,550**	**1,099**	17,750,735	887
Ordinary shares issued from Treasury in the year	**(1,050,000)**	**(52)**	–	–
Ordinary shares bought back to Treasury in the year	**5,248,133**	**263**	4,244,815	212
Balance carried forward	**26,193,683**	**1,310**	21,995,550	1,099

[A] The prior year has been restated to reflect the 5:1 sub-division as disclosed below.

On 24 April 2023 there was a sub-division of each existing Ordinary 25p share into five Ordinary shares of 5p each. As at 31 December 2022, there were 125,012,893 allotted, called up and fully paid Ordinary shares of 25p each (restated – 625,064,465 allotted, called up and fully paid Ordinary shares of 5p each).

At 31 December 2023, shares held in Treasury represented 4.0% (2022 – 3.5%) of the Company's total issued share capital.

During the year 1,050,000 Ordinary shares were issued from Treasury representing 0.2% of the Company's total issued share capital (2022 – nil). All these shares were issued at a premium to net asset value, enhancing net assets per share for existing shareholders. The issue prices ranged from 265p to 267p. In addition, 5,248,133 Ordinary shares were bought back to Treasury representing 0.8% of the Company's total issued share capital (2022 – 4,244,815 representing 0.6% of the Company's total issued share capital) at a total cost of £12,522,000 (2022 – £10,053,000) net of expenses. Subsequent to the year a further 2,454,252 Ordinary shares have been bought back to Treasury at a cost of £6,027,000.

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 shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares 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 one vote for every 5p nominal amount of Ordinary shares held.

15. Capital reserve

	2023 £'000	2022 £'000
At 31 December 2022	**1,143,961**	1,094,549
Movement in fair value gains	**62,838**	66,401
Overseas dividends capital	**145**	–
Capital expenses (including taxation)	**(6,695)**	(7,020)
Buy back of shares to Treasury	**(12,522)**	(10,053)
Issue of shares from Treasury	**2,295**	–
Currency (losses)/gains	**(336)**	84
At 31 December 2023	**1,189,686**	1,143,961

Included in the total above are investment holdings gains at the year end of £456,538,000 (2022 – £421,337,000), which is not considered distributable.

16. Net asset value per share

The net asset value per share and the net asset value attributable to the Ordinary shares at the year end, calculated in accordance with the Articles of Association and FRS 102, were as follows:

	As at 31 December 2023	As at 31 December 2022
Attributable net assets (£'000)	**1,668,862**	1,616,750
Number of Ordinary shares in issue (excluding Treasury)[A]	**620,866,332**	625,064,465
Net asset value per share (pence)[A]	**268.8**	258.7

[A] Figures for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 94.

17. Analysis of changes in net debt

	At 31 December 2022 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements[A] £'000	At 31 December 2023 £'000
Cash and short-term deposits	**18,131**	**(336)**	**(11,917)**	**–**	**5,878**
Debt due within one year	**(59,989)**	**–**	**60,000**	**(30,007)**	**(29,996)**
Debt due after more than one year	**(139,877)**	**–**	**–**	**29,972**	**(109,905)**
	(181,735)	**(336)**	**48,083**	**(35)**	**(134,023)**

	At 31 December 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements[A] £'000	At 31 December 2022 £'000
Cash and short-term deposits	8,705	84	9,342	–	18,131
Debt due within one year	(59,975)	–	60,000	(60,014)	(59,989)
Debt due after more than one year	(139,839)	–	(59,976)	59,938	(139,877)
	(191,109)	84	9,366	(76)	(181,735)

[A] Figures reflect a movement in maturity dates and amortisation of finance costs.

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.

18. 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 comprise listed equities and debt securities, cash balances, loans 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 Board has delegated the risk management function to abrdn Fund Managers Limited ("aFML") under the terms of its management agreement with aFML (further details of which are included in the Directors' Report). 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.

Risk management framework. The directors of aFML collectively assume responsibility for aFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

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aFML is a fully integrated member of the abrdn Group ("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 abrdn Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (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 Chief Risk Officer, 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 ("SHIELD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's Chief Executive Officer 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 abrdn plc, 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, foreign 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, foreign currency risk and price risk.

(i)(a) **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; and

– the level of income receivable on cash deposits.

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

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 facilities, which are used to finance opportunities at low rates. Current bank covenant guidelines are detailed in note 13 on page 93.

Interest rate risk profile. The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

At 31 December 2023	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	–	–	6,417	5,032	129,203
US Dollar	21.95	6.53	27,755	291	549,257
Indian Rupee	2.67	7.79	14,073	91	–
Indonesian Rupiah	6.50	7.50	30,726	–	24,149
Mexican Peso	2.18	5.75	17,084	–	119,438
South African Rand	7.17	7.00	14,369	–	–
Turkish Lira	0.87	8.52	3,292	–	–
Other	–	–	–	464	852,100
Total assets			113,716	5,878	1,674,147
Liabilities					
Bank loans	0.38	2.25	(29,996)	–	–
Loan Notes	10.67	2.56	(109,905)	–	–
Total liabilities			(139,901)	–	–

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At 31 December 2022	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	–	–	6,269	17,090	136,385
US Dollar	21.05	5.55	32,368	759	541,270
Indian Rupee	3.67	7.79	15,132	–	–
Indonesian Rupiah	7.48	7.50	31,947	–	24,065
Mexican Peso	3.18	5.75	15,422	–	107,213
South African Rand	8.17	7.00	15,779	–	12,439
Turkish Lira	1.89	8.49	6,771	–	–
Other	–	–	–	282	839,760
Total assets			123,688	18,131	1,661,132
Liabilities					
Bank loans	0.74	2.30	(89,971)	–	–
Loan Notes	11.67	2.56	(109,895)	–	–
Total liabilities			(199,866)	–	–

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 and loan notes are based on the interest rate payable, weighted by the total value of the bank loans and loan notes. The maturity dates of the Company's bank loans and loan notes are shown in note 13 to the financial statements.

The fixed rate assets represents quoted preference shares and bonds.

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 as they are not considered to be exposed to interest rate risk.

Interest rate sensitivity. The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the Statement of Financial Position 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.

If interest rates had been 100 basis points higher or lower (based on the 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 2023 would increase/decrease by £59,000 (2022 – increase/decrease by £181,000). 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.

The capital return would decrease/increase by £4,014,000 (2022 – increase/decrease by £5,183,000) using VaR ("Value at Risk") analysis based on 100 observations of weekly VaR computations of fixed interest portfolio positions at each year end.

(i)(b) Foreign currency risk. A significant proportion of the Company's investment portfolio is invested overseas whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investment holdings can result, indirectly, in changes in their valuations. Consequently the Statement of Financial Position can be affected by movements in 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. 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 2023 the Company did not have any forward foreign currency contracts (2022 – none).

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 fixed interest securities) by currency of denomination:

	31 December 2023			31 December 2022		
	UK and overseas equity investments £'000	Net monetary assets[A] £'000	Total currency exposure £'000	UK and overseas equity investments £'000	Net monetary assets[A] £'000	Total currency exposure £'000
US Dollar	**549,257**	**291**	**549,548**	541,270	759	542,029
Euro	**299,585**	**-**	**299,585**	220,707	9	220,716
Taiwan Dollar	**137,498**	**-**	**137,498**	145,346	310	145,656
Mexican Peso	**119,438**	**-**	**119,438**	107,213	–	107,213
Singapore Dollar	**72,647**	**-**	**72,647**	73,970	–	73,970
Canadian Dollar	**70,820**	**-**	**70,820**	79,536	(37)	79,499
Hong Kong Dollar	**64,571**	**-**	**64,571**	64,972	–	64,972
Swiss Franc	**63,745**	**-**	**63,745**	65,841	–	65,841
Swedish Krone	**51,376**	**464**	**51,840**	80,056	–	80,056
Danish Krone	**33,264**	**-**	**33,264**	38,504	–	38,504
Indonesian Rupiah	**24,149**	**-**	**24,149**	24,065	–	24,065
Australian Dollar	**23,268**	**-**	**23,268**	27,948	–	27,948
Thailand Baht	**21,822**	**-**	**21,822**	31,287	–	31,287
Norwegian Krone	**13,504**	**-**	**13,504**	11,593	–	11,593
Indian Rupee	**-**	**91**	**91**	–	–	–
South African Rand	**-**	**-**	**-**	12,439	–	12,439
	1,544,944	**846**	**1,545,790**	1,524,747	1,041	1,525,788
Sterling	**129,203**	**(134,869)**	**(5,666)**	136,385	(182,776)	(46,391)
Total	**1,674,147**	**(134,023)**	**1,540,124**	1,661,132	(181,735)	1,479,397

[A] Reflects cash, short-term deposits and bank borrowings.

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). 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, being a reasonable range of fluctuations for the period.

	2023 Capital[A] £'000	2022 Capital[A] £'000
US Dollar	**54,955**	54,203
Euro	**29,959**	22,072
Taiwan Dollar	**13,750**	14,566
Mexican Peso	**11,944**	10,721
Swedish Krone	**-**	8,006
Canadian Dollar	**-**	7,950
Total	**110,608**	117,518

[A] Represents equity exposures to the relevant currencies.

(i)(c) **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 an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

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 pages 20 to 22, 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 Statement of Financial Position date had been 10% higher or lower, which is a reasonable range of annual price fluctuations, while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 December 2023 would have increased/decreased by £167,415,000 (2022 - increase/decrease of £166,113,000) and equity would have increased/decreased by the same amount.

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(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 2023	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	30,000	–	–	–	–	–	30,000
Loan Notes	–	–	–	–	–	110,000	110,000
Interest cash flows on bank loans	337	–	–	–	–	–	337
Interest cash flows on Loan Notes	2,818	2,818	2,818	2,818	2,818	17,233	31,323
Cash flows on other creditors	2,824	–	–	–	–	–	2,824
	35,979	2,818	2,818	2,818	2,818	127,233	174,484

At 31 December 2022	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	60,000	30,000	–	–	–	–	90,000
Loan Notes	–	–	–	–	–	110,000	110,000
Interest cash flows on bank loans	1,371	337	–	–	–	–	1,708
Interest cash flows on Loan Notes	2,818	2,818	2,818	2,818	2,818	20,051	34,141
Cash flows on other creditors	2,343	–	–	–	–	–	2,343
	66,532	33,155	2,818	2,818	2,818	130,051	238,192

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 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 Statement of Financial Position, the maximum exposure to credit risk at 31 December 2023 was as follows:

	2023		2022	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Quoted preference shares and bonds at fair value through profit or loss	**113,716**	**113,716**	123,688	123,688
Current assets				
Amounts due from brokers	**–**	**–**	173	173
Other debtors	**20**	**20**	32	32
Accrued income	**8,028**	**8,028**	7,111	7,111
Cash and short-term deposits	**5,878**	**5,878**	18,131	18,131
	127,642	**127,642**	149,135	149,135

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

Credit ratings. The table below provides a credit rating profile using Moodys credit ratings for the quoted preference shares and bonds at 31 December 2023 and 31 December 2022:

	2023 £'000	2022 £'000
Ba1	**3,197**	3,105
Ba2	**14,369**	15,779
Baa2	**47,810**	47,369
Ba3	**11,702**	10,777
B1	**16,053**	16,375
Non-rated	**20,585**	30,283
	113,716	123,688

Whilst a substantial proportion of the fixed interest portfolio does not have a rating provided by Moodys, the Manager undertakes an ongoing review of their suitability for inclusion within the portfolio as set out in "Investment Process" and "Delivering the Investment Policy" on page 22. At 31 December 2023 Moodys credit ratings agency did not provide a rating for Indian bonds, Turkish bonds and Irredeemable preference shares (2022 – Ecuador bonds, Indian bonds, Turkish bonds and Irredeemable preference shares) held by the Company and were accordingly categorised as non-rated in the table above. It was noted however that Fitch credit ratings agency does provide a B rating for Turkish bonds with a value of £3,292,000 (2022 – £6,771,000 with a B rating) and at 31 December 2022 they provided a B- rating for the Ecuador bonds with a value of £5,216,000, which are no longer held.

Fair values of financial assets and financial liabilities. The fair value of borrowings has been calculated at £119,497,000 as at 31 December 2023 (2022 – £175,464,000) compared to a carrying amount in the financial statements of £139,901,000 (2022 – £199,866,000) (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.

19. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included in Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 December 2023	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,674,147	-	-	1,674,147
Quoted preference shares	b)	-	6,417	-	6,417
Quoted bonds	b)	-	107,299	-	107,299
Total		1,674,147	113,716	-	1,787,863

As at 31 December 2022	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,661,132	–	–	1,661,132
Quoted preference shares	b)	–	6,269	–	6,269
Quoted bonds	b)	–	117,419	–	117,419
Total		1,661,132	123,688	–	1,784,820

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

b) **Quoted preference shares and bonds.** The fair value of the Company's investments in quoted preference shares and bonds has been determined by reference to their quoted bid prices at the reporting date. Investments categorised as Level 2 are not considered to trade in active markets.

20. Capital management policies and procedures

The investment objective of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

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. The Company does not have any other externally imposed capital requirements.

21. Related party transactions and transactions with the Manager

Directors' fees and interests. Fees payable during the year to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 63 and 64.

Transactions with the Manager. The Company has agreements with aFML for the provision of management, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Securities Financing Transactions Disclosure

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to securities lending for the accounting period are detailed below:

Absolute value of assets engaged in SFTs	£'000	% of lendable assets	% of net assets
31 December 2023			
Securities lending	40,676	2.28	2.44

31 December 2022			
Securities lending	–	–	–

Top ten collateral issuers and collateral received

Based on market value of collateral received.

For all issuers, only equity securities with a main market listing were lent and the custodian was BNY Mellon.

2023	£'000	2022	£'000
US Treasury	41,895	None	–
Government of Australia	945		
	42,840		–

	2023		2022	
Collateral held per custodian	Market value of collateral held £'000	Proportion held in segregated accounts %	Market value of collateral held £'000	Proportion held in segregated accounts %
BNY Mellon	42,840	100	–	–

One custodian is used to hold the collateral, which is in a segregated account.

Securities Financing Transactions Disclosure

Continued

Collateral analysed by currency	2023 £'000	Market value of collateral received 2022 £'000
US Dollar	41,895	–
Australian Dollar	945	
Total collateral received	42,840	–

Securities lending Top Ten Counterparties per type of SFT[A]	Market value of securities lending £'000	Countries of counterparty establishment	Settlement and clearing
31 December 2023			
Goldman Sachs	39,798	USA	Tri-party
UBS	878	Switzerland	Tri-party
Total market value of securities lending	40,676		-
31 December 2022			
None	–	–	–
Total market value of securities lending	–		

[A] All counterparties are shown

Maturity Tenor of SFTs (remaining period to maturity)

31 December 2023
Securities lending

The lending and collateral transactions are on an open basis and can be recalled on demand. As at 31 December 2023 there were no securities on loan (31 December 2022 – none).

The Company does not engage in any re-use of collateral.

		2023		2022
Return and cost per type of SFT	£'000	%	£'000	%
Securities lending				
Gross return	267	115	160	115
Direct operational costs (securities lending agent costs)[B]	(40)	(15)	(24)	(15)
Total costs	(40)	(15)	(24)	(15)
Net return	227	100	136	100

[B] The unrounded direct operational costs and fees incurred for securities lending for the 12 months to 31 December 2023 is £40,038 (2022 – £23,993).

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

(Discount)/premium to net asset value per Ordinary share

The (discount)/premium is the amount by which the share price is higher or lower than the net asset value per share at the year end, expressed as a percentage of the net asset value.

		2023	2022[A]
NAV per Ordinary share (p)	a	**268.8**	258.7
Share price (p)	b	**258.0**	266.8
(Discount)/premium	(b-a)/a	**-4.0%**	3.1%

[A] Rates for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

Dividend cover

Dividend cover measures the revenue return per share divided by total dividends per share, expressed as a ratio.

		2023	2022[A]
Revenue return per share (p)	a	**12.1**	12.0
Dividends per share (p)	b	**11.5**	11.2
Dividend cover	a/b	**1.05x**	1.07x

[A] Rates for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

Dividend yield

The annual dividend per Ordinary share divided by the share price at the year end, expressed as a percentage.

		2023	2022[A]
Dividends per share (p)	a	**11.5**	11.2
Share price (p)	b	**258.0**	266.8
Dividend yield	a/b	**4.5%**	4.2%

[A] Restated to reflect the 5:1 sub-division as disclosed in note 14.

Alternative Performance Measures

Continued

Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the year end as well as cash and cash equivalents.

		2023	2022
Borrowings (£'000)	a	**139,901**	199,866
Cash (£'000)	b	**5,878**	18,131
Amounts due to/(from) brokers (£'000)	c	**174**	(173)
Shareholders' funds (£'000)	d	**1,668,862**	1,616,750
Net gearing	(a-b+c)/d	**8.0%**	11.2%

Ongoing charges ratio (OCR)

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and recurring administrative expenses, expressed as a percentage of the average daily net asset values with debt at fair value published throughout the year.

	2023	2022
Investment management fees (£'000)	**6,929**	6,748
Administrative expenses (£'000)	**1,790**	1,651
Less: non-recurring charges[A] (£'000)	**(64)**	(72)
Ongoing charges (£'000)	**8,655**	8,327
Average net assets (£'000)	**1,638,136**	1,604,867
Ongoing charges ratio (excluding look-through costs)	**0.53%**	0.52%
Look-through costs[B]	**–**	–
Ongoing charges ratio (including look-through costs)	**0.53%**	0.52%

[A] Professional services comprising new Director recruitment costs and legal and advisory fees considered unlikely to recur. The current year also includes costs relating to the sub-division of shares.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes amongst other things, the cost of borrowings and transaction costs.

Total return

NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

Year ended 31 December 2023		**NAV**	**Share Price**
Opening at 1 January 2023	a	**258.7p**	**266.8p**
Closing at 31 December 2023	b	**268.8p**	**258.0p**
Price movements	c=(b/a)-1	**3.9%**	**-3.3%**
Dividend reinvestment[A]	d	**4.7%**	**4.4%**
Total return	c+d	**+8.6%**	**+1.1%**

Year ended 31 December 2022[B]		**NAV**	**Share Price**
Opening at 1 January 2022	a	248.1p	231.2p
Closing at 31 December 2022	b	258.7p	266.8p
Price movements	c=(b/a)-1	4.3%	15.4%
Dividend reinvestment[A]	d	4.5%	5.2%
Total return	c+d	+8.8%	+20.6%

[A] NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.
[B] Rates for 2022 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

Corporate Information

The Company's Manager is abrdn Investments Limited, a subsidiary of abrdn plc, whose group companies as at 31 December 2023 had approximately £494.9 billion of assets under management and administration

Information about the Investment Manager

abrdn Investments Limited

The Company's Manager is abrdn Investments Limited, a subsidiary of abrdn plc, whose group companies as at 31 December 2023 had approximately £494.9 billion of assets under management and administration. The Manager has its headquarters in Edinburgh and invests globally, operating from offices around the world. 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 Company's assets are co-managed by Bruce Stout, Martin Connaghan and Samantha Fitzpatrick.

The abrdn Developed Markets Equity division, Global Emerging Market and Asian Equity teams comprise c.60 investors, predominantly based in Edinburgh, London, Boston and Singapore, but with investment professionals also located in Tokyo, Bangkok, Kuala Lumpur, Hong Kong, Shanghai, Sao Paulo, Philadelphia and New York. The Company's portfolio management team leverages investment analysis and research work conducted at the regional level within abrdn. While the team can, and does, appraise investments as a combined group, the team is also arranged into smaller teams or 'pods', driven by product focus. The pod at abrdn comprises 16 individuals involved in the management of Global, North American, European and UK Equity Income strategies. The rationale for having smaller groups focusing on various key client outcomes is that it allows research and idea generation to be explicitly focused on each specific client outcome. It also allows for greater accountability and a more flexible and nimble decision making process.

Bruce Stout

Senior Investment Director

Bruce Stout is a Senior Investment Director on the Global Equity Team which is responsible for the construction of global equity portfolios. Bruce joined abrdn (or acquired companies) in 1987 and has held a number of roles including investment manager on the emerging markets team. He has been directly involved in the management of the Company's assets since 1992 and Manager since 2004.

Martin Connaghan

Investment Director

Martin Connaghan is an Investment Director on the Global Equity team. Martin joined abrdn (or acquired companies) in 1998 and has held a number of roles including trader, credit analyst and ESG analyst. He has been focused on the management of global equity portfolios for the last fifteen years.

Samantha Fitzpatrick

Investment Director

Samantha Fitzpatrick is an Investment Director on the Global Equity Team at abrdn. Samantha joined abrdn (or acquired companies) in 1998 and has been involved in the management of global equity portfolios for the last fifteen years. She is a CFA Charter holder.

ESG and Climate Related Factors

Introduction

Whilst ESG factors are not the over-riding criteria in relation to the investment decisions taken by the Manager for the Company, attention is given to ESG and climate related factors throughout the Manager's investment process. The Manager focuses on ESG factors when they are material to the investment case being made for an investee company.

The following pages highlight the way that ESG and climate change are considered by the Manager. These processes are reviewed regularly and are liable to change; the latest information will be available for download on the Company's website, **murray-intl.co.uk**.

Core beliefs: Assessing Risk, Enhancing Value

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the consideration of ESG factors is a fundamental part of the Manager's investment process. It is one of the criteria on which the Manager assesses the investment case for any company in which it invests.

ESG Integration – Focusing on ESG Factors within the Manager's Investment Process

The Manager's bottom-up research process underpins both its investment insights and the assessment of the most material ESG factors a company faces; the assessment of ESG factors takes place within the overall structure of the investment research carried out on each company. In assessing the business fundamentals of a company, the Manager analyses how the company makes money (including the evolution and growth of the company, its track record of execution and managing risk and the balance sheet fundamentals), the attractiveness and characteristics of its industry and the strength and sustainability of its competitive advantage. It also conducts a thorough evaluation of the ESG risks and opportunities of the company.

As well as assigning a proprietary rating (1 indicates best in class and 5 indicates laggards) to articulate the Quality attributes of each company the Manager also assigns an ESG Quality rating, discussed below.

The Manager believes that understanding ESG factors can complement broader understanding of the competitive positioning of a business and help to build an investment case. Integrating ESG analysis gives the Manager an informational, analytical and behavioural edge.

Finally, ESG information provides additional context to an investment case and offers an alternative lens that the market may not appreciate. This additional information also helps the Manager better understand the quality of companies and with ESG being a component of quality, the Manager can act on a more informed and more rational basis during periods of volatility, giving a behavioural edge.

As part of this analysis, the Manager also evaluates the ownership structures, governance and management quality of the investee companies and assesses potential environmental and social risks and opportunities that the companies may face. These insights are captured in the company research notes and form a key part of our focus on quality.

Investment Managers	All abrdn equity investment managers and analysts seek to engage actively with companies to gain insight into their specific risks and provide a positive ongoing influence on their corporate strategy for governance, environmental and social impact
ESG Equity Analysts	abrdn has dedicated and highly experienced ESG equity analysts located around the world, working as part of individual investment teams, rather than as a separate department. These specialists are integral to pre-investment due diligence and post-investment ongoing company engagement. They are also responsible for taking thematic research produced by the central ESG Investment Team (see below), interpreting and translating it into actionable insights and engagement programmes for our regional investment strategies.
Sustainability Group	This central team of more than 20 experienced specialists based in Edinburgh and London provides ESG consultancy and insight for all asset classes. Taking a global approach both identifies regions, industries and sectors that are most vulnerable to ESG risks and identifies those that can take advantage of the opportunities presented. Working with investment managers, the team is key to the Manager's active stewardship approach of using shareholder voting and corporate engagement to drive positive change.

Climate Change

The Manager has a duty to consider all factors that may have a financially material impact on returns. Climate change is such a key factor.

The related physical and transition risks are vast and are becoming increasingly financially material for many of our investments. This is not only true in the obvious high-emitting sectors such as energy, utilities and transportation but also along the supply chain, providers of finance and in those reliant on agricultural outputs and water.

In the Manager's view, companies that successfully manage climate change risks will perform better in the long term. It is important that the Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

Adaptation measures are essential to help limit damages from the physical impacts of climate change.

It is generally accepted that companies are responsible for the effects of their operations and products on the environment. The steps they take to assess and reduce those impacts can lead to cost savings and reduce potential reputational damage. Companies are responsible for their impact on the climate and they face increased regulation from world governments on activities that contribute to climate change.

The Manager expects that companies will:

- identify, manage and reduce their environmental impacts;
- understand the impact of climate change along the company value chain;
- develop group-level climate policies and, where relevant, set targets to manage the impact, report on policies, practices and actions taken to reduce carbon and other environmental risks within their operations;
- comply with all environmental laws and regulations, or recognised international best practice as a minimum.

Where there are serious concerns regarding a board's actions or inaction in relation to the environment, the Manager will consider taking voting action on an appropriate resolution.

abrdn's position statement on the Environment may be found at:
https://www.abrdn.com/docs?editionId=196e496a-51d7-4ba1-a127-4428542edb0c

Regular engagement with high-emitting investee companies allows the Manager to better understand its exposure and management of climate change risks and opportunities. In actively managed investments, ownership provides a strong ability to challenge companies where appropriate. The Manager can also influence corporate behaviour positively in relation to climate-risk management.

The Manager believes that this is more powerful for an effective energy transition than a generic fossil fuel divestment approach. Through active engagement, it is possible to steer investee companies towards ambitious targets and more sustainable low-carbon solutions. The Manager strongly encourages companies to consider the social dimension of the energy transition to ensure it is inclusive and 'just'. This means worker and community needs are considered on the path to a low-carbon economy so they are not left stranded. Other social aspects, such as affordability and reliability of energy supply are also important.

The Manager also pledges to reduce its own operational carbon footprint. It has committed to reducing emissions from energy use by 50% by 2025, procuring 100% renewable electricity for its buildings, and offsetting those emissions that have not yet been eliminated.

From Laggards to Best in Class: Rating Company ESG Credentials

Companies are analysed for Quality against 5 key components:

- Industry
- Business Model
- ESG
- Management
- Financial Strength.

ESG and Climate Related Factors

Continued

The ESG rating is between one and five as follows:

Analyst ESG Rating	1. Best in class	2. Above average	3. Average	4. Below average	5. Laggard
Key Considerations	Exceptional ESG risk management Business is taking advantage of ESG opportunities and enhancing its competitive advantage Strong oversight and governance with robust control mechanisms	Strong ESG risk management and/or are utilising ESG factors to improve competitive advantage. But execution not as progressed as best in class peers Strong oversight and governance with robust control mechanisms	Business has identified material ESG factors. There may be instances of policy or process failure in recent history but these have been addressed Opportunities to enhance competitive advantage identified, but still nascent Governance and oversight more limited or lacks strong checks and challenge	Material ESG risks are under-managed and opportunities under-developed Lack of robust processes in place and there is serious potential for something to go wrong and severely impact the investment case	Business has likely had significant issues arise due to lack of processes and oversight Failure to properly manage most material ESG factors and no evidence of effort to address Significant risk to the investment case from poor management of ESG risks and failure to capture revenue opportunities

Working with Companies: Staying Engaged, Driving Change

The Manager sees a programme of regular engagement as a necessary fulfilment of its duty as a responsible steward of clients' assets. It is also an opportunity to share examples of best practice seen in other companies and to use the Manager's influence to effect positive change. The Manager's engagement is not limited to the company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's clients. What gets measured gets managed, so the Manager strongly encourages companies to set clear targets or key performance indicators on all material factors, including ESG.

The investment process consists of four interconnected and equally important stages:

Monitor	Contact	Engage	Act
Ongoing due diligence Business performance Company financials Corporate governance Company's key risks and opportunities	**Frequent dialogue** Senior executives Board members Heads of departments and specialists Site visits	**Exercise rights** Attend AGM/EGMs Vote Explain voting decisions Maximise influence to drive positive outcomes	**Consider all options** Increase or decrease our shareholding Collaborate with other investors Take legal action if necessary

Investor Information

Keeping You Informed

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

You can register for regular email updates by visiting **murray-intl.co.uk** or by activating the QR Code below using the camera on your smart phone:

SCAN ME

abrdn Social Media Accounts

X/Twitter: **@abrdnTrusts**

LinkedIn: **abrdn Investment Trusts**

Investor Warning

The Board has been made aware by abrdn that some investors have received telephone calls from people purporting to work for the Manager, 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 abrdn and any third party making such offers has no link with abrdn. abrdn 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, they should not offer any personal information, end the call and contact abrdn's investor services centre using the details provided below.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Link Group at Central Square, 29 Wellington Street, Leeds LS1 4DL Tel: 0371 664 0300 (lines are open 9.00am-5.30pm Mon-Fri). Calls may be recorded and monitored randomly for security and training purposes. Alternatively, you can contact **shareholderenquiries@linkgroup.co.uk** with any queries.

Any general enquiries about the Company should be directed to the Company Secretary, Murray International Trust PLC, 1 George Street, Edinburgh EH2 2LL or by email to **CEF.CoSec@abrdn.com**.

Suitable for Retail/NMPI Status

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.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found in the 'Literature Library' section of the Company's website: **murray-intl.co.uk**.

How to invest in Murray International and other abrdn managed investment trusts

A range of leading investment platforms and share dealing services let you buy and sell abrdn-managed investment trusts including Murray International Trust PLC.

Many of these platforms operate on an 'execution-only' basis. This means they can carry out your instruction to buy or sell a particular investment trust. But they may not be able to advise on suitable investments for you. If you require advice, please speak to a qualified financial adviser (see below).

A note about the abrdn Investment Trust Savings Plans (the 'Plans')

In June 2023, abrdn notified existing investors in the abrdn Investment Trusts ISA, Share Plan and Investment Plan for Children that these plans would be closing in December 2023. The Plans are no longer open to new investors.

Platform Providers

Platforms featuring Murray International Trust PLC as well as other abrdn managed investment trusts include:

- interactive investor: **www.ii.co.uk/investment-trusts** (*an abrdn group company*)
- AJ Bell: **www.ajbell.co.uk/markets/investment-trusts**
- Barclays Smart Investor: **www.barclays.co.uk/smart-investor**

- Charles Stanley Direct: **www.charles-stanley-direct.co.uk**
- Fidelity: **www.fidelity.co.uk**
- Halifax: **www.halifax.co.uk/investing**
- Hargreaves Lansdown: **www.hl.co.uk/shares/investment-trusts**

The companies above are shown for illustrative purposes only. Other platform providers are available. The links above direct you to external websites operated by each platform provider. abrdn is not responsible for the content and information on these third-party sites.

Flexibility

Many investment platform providers will allow you to buy and hold abrdn Investment Trust shares within an Individual Savings Account (ISA), Junior ISA or Self Invested Personal Pension (SIPP), all of which have potential tax advantages. Most will also allow you to invest on both a lump sum and regular savings basis.

Costs and service

It is important to choose the right platform for your needs, so take time to research what each platform offers before you make your decision, as well as considering charges. When it comes to charges, some platforms have flat fee structures while others levy percentage-based charges. Typically, you will also pay a fee every time you buy and sell shares, so you need to bear in mind these transaction costs if you are trading frequently. There may also be additional charges for ISA and SIPP investments.

Can I exercise my voting rights if I hold my shares through an investment platform?

Yes, you should be able to exercise your right to vote by contacting your platform provider. Procedures differ, but some platforms will automatically alert you when new statutory documents are available and then allow you to vote online. Others will require you to contact them to vote. Your chosen platform provider will provide further guidance. The Association of Investment Companies has provided information on how to vote investment company shares held on some of the major platforms. This information can be found at: **www.theaic.co.uk/how-to-vote-your-shares**.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at **pimfa.co.uk**.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk**.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or **at https://register.fca.org.uk/** or email: **register@fca.org.uk**

Getting advice

abrdn recommends that you seek financial advice prior to making an investment decision. If you do not currently have a financial adviser, details of authorised financial advisers in your area can be found at **www.pimfa.co.uk** or **www.unbiased.co.uk**. You will pay a fee for advisory services.

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 2023	1.16:1	1.16:1

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 gearing agreements. 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 information on pages 117 to 118 has been Issued by abrdn Investments Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. abrdn Investments Limited is entered on the Financial Services Register under registration number 121891

Glossary of Terms

aFML
abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn PLC and acts as the Alternative Investment Fund Manager for the Company. aFML 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 (**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 (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.

Alpha
Alpha measures the amount that the investment has returned in comparison to the market index or other broad benchmark that it is compared against.

Alternative Performance Measure or APM
An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Common Reporting Standards or CRS
Under CRS the Company is required to provide personal information to HMRC on certain investors that purchase shares in the Company. This information will be provided annually to the local tax authority of the tax residencies of a number of non UK based certificated shareholders and corporate entities.

Compound Annual Growth Rate or CAGR
CAGR is an estimate of the rate of return per year. The CAGR is the effective rate of growth that, if compounded annually, is equivalent to the actual rate achieved over a period of time.

Discount
The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share (see also 'Premium').

Disclosure Guidance and Transparency Rules or DTRs
The DTRs are issued by the Financial Conduct Authority (FCA) and 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.

Electronic Communications
Any registered shareholders wishing to receive future communications from the Company electronically should contact Link Asset Services at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 (lines are open 9.00 a.m. - 5.30 p.m. Mon-Fri).

Environmental, Social and Governance or ESG
ESG refers to the three key factors that can be used to measure the sustainability and impact on society of an investee company.

Glossary of Terms

Continued

Gearing
Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return, however, a geared investment is riskier because of the borrowed money.

Investment Manager or Manager
The Company's Alternative Investment Fund Manager is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to abrdn Investments Limited ("aIL"). aIL and aFML are collectively referred to as the "Investment Manager" or the "Manager".

Key Information Document or KID
The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation requires the Manager, as the Company's PRIIP "manufacturer," to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Key Performance Indicator or KPI
In accordance with the Companies Act 2006, the Strategic Report section of the Annual Report is required to contain Key Performance Indicators. These are factors by reference to which the development, performance or position of the business of the Company can be measured.

Listing Rules
The Financial Conduct Authority's (FCA) Listing Rules are a set of regulations that are applicable to all companies that are listed on the London Stock Exchange.

MiFID
The Markets in Financial Instruments Directive 2004/39/EC (MiFID)is a European Union law that provides harmonised regulation for investment services across the 31 member states of the European Economic Area.

Net Asset Value or NAV
The value of total assets less liabilities. Liabilities for this purpose includes current and long-term liabilities. The NAV divided by the number of shares in issue produces the NAV 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 (OCR)
Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.

PIDD or Pre-Investment Disclosure Document
The Manager 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 NAV per share. The premium is normally expressed as a percentage of the NAV per share.

Reference Index

The Company does not have a Benchmark. However, performance is measured against a number of measures including a Reference Index, the FTSE All World TR Index, which was adopted from May 2020. Given the composition of the portfolio and the Manager's investment process, it is likely that the Company's investment performance may diverge, possibly significantly, from this Reference Index. Longer term performance is measured against a composite Benchmark Index (40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index) up to 27 April 2020 and the FTSE All World TR Index thereafter.

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

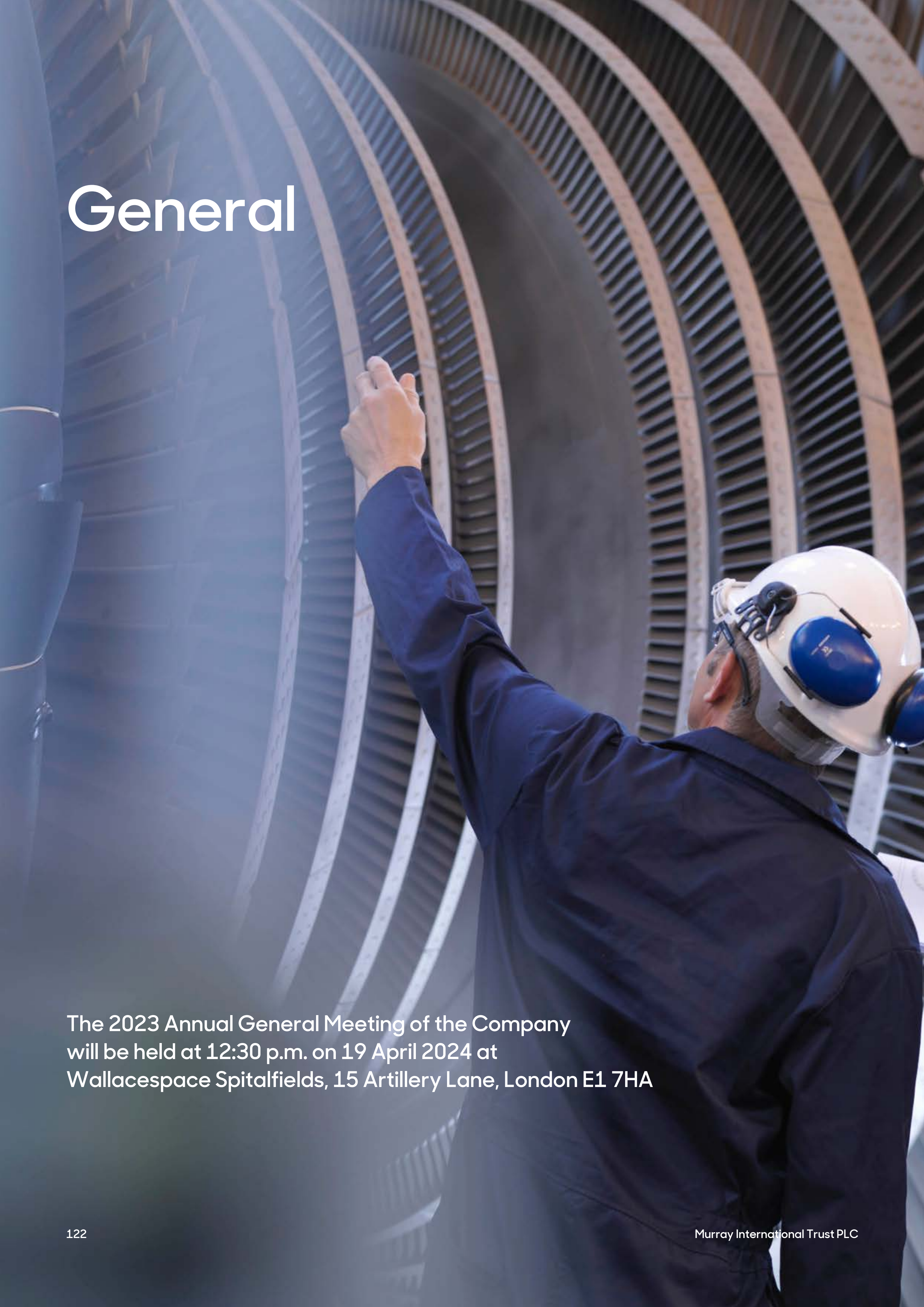
Total Return involves reinvesting the net dividend in the month that the share price goes ex dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.

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 one vote for every 5p nominal amount of 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 shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares pari passu according to the amount paid up on such shares respectively.



General

The 2023 Annual General Meeting of the Company will be held at 12:30 p.m. on 19 April 2024 at Wallacespace Spitalfields, 15 Artillery Lane, London E1 7HA

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the one hundred and sixteenth Annual General Meeting of Murray International Trust PLC (registered in Scotland under company number SC006705) will be held at 12:30 p.m. on 19 April 2024 at **Wallacespace Spitalfields, 15 Artillery Lane, London E1 7HA** for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 12 (inclusive) will be proposed as Ordinary Resolutions and resolutions 13 and 14 will be proposed as Special Resolutions:

Ordinary Resolutions

1. To receive and adopt the Directors' Report, the Auditor's Report and audited financial statements for the year ended 31 December 2023.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 December 2023 (other than the Directors' Remuneration Policy).
3. To re-elect Ms C Binyon* as a Director of the Company.
4. To re-elect Mrs A Mackesy* as a Director of the Company.
5. To re-elect Mr N Melhuish* as a Director of the Company.
6. To re-elect Ms V Holmes* as a Director of the Company.
7. To elect Mr G Eckersley* as a Director of the Company.
8. To elect Ms W Colquhoun* as a Director of the Company.
9. To re-appoint BDO LLP as independent auditor of the Company to hold office from the conclusion of the Annual General Meeting of the Company until the conclusion of the next general meeting at which financial statements are laid before the Company.
10. To authorise the Directors to fix the remuneration of the independent auditor of the Company.
11. To declare a final dividend of 4.3p per Ordinary share in respect of the year ended 31 December 2023 to be paid on 20 May 2024 to holders of the Ordinary shares of the Company on the register at close of business on 26 April 2024.
12. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot Ordinary shares in the Company ("Ordinary Shares") and to grant rights to subscribe for, or to convert any security into, Ordinary Shares ("Rights") in the Company up to an aggregate nominal amount of £3,104,332 (being equal to approximately 10% of the Company's issued Ordinary Share capital (excluding Treasury shares) as at 29 February 2024) such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company after the passing of this resolution and 30 June 2025 (unless previously renewed, varied or revoked by the Company in general meeting), but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require Ordinary Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights in pursuance of such an offer or agreement as if such authority had not expired.

Special Resolutions

13. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (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 12 as if section 561 of the Act did not apply to any such allotment, provided that this power shall:

i. expire on the earlier of the conclusion of the next Annual General Meeting of the Company after the passing of this resolution and 30 June 2025 (unless previously renewed, varied or revoked by the Company in general meeting), but so that this power shall enable the Company to make, before the expiry of this authority, offers or agreements which would or might require equity securities to be allotted after the expiry of this power and the Directors shall be entitled to allot equity securities in pursuance of such an offer or agreement as if such power had not expired;

ii. be limited to the allotment of equity securities up to an aggregate nominal amount of £3,104,332 (being equal to approximately 10% of the Company's issued Ordinary Share capital (excluding Treasury shares) as at 29 February 2024); and

iii. be limited to the allotment of equity securities at a price not less than 0.5% above the net asset value per Ordinary 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 13 the words 'pursuant to the authority given in accordance with Section 551 of the Act by Resolution 12' were omitted.

14. THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors from time to time determine, PROVIDED ALWAYS THAT:

i. the maximum aggregate nominal value of Ordinary Shares hereby authorised to be purchased is £4,653,393 (or, if less, the amount of nominal value representing 14.99% of the issued Ordinary Share capital of the Company (excluding shares held in Treasury) as at the date of the passing of this Resolution 14);

ii. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share shall be the nominal value of that share;

iii. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall not exceed the higher of (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as 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 Ordinary Share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out;

iv. any purchase of Ordinary Shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary 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 after the passing of this resolution or on 30 June 2025, whichever is earlier, unless such authority is previously revoked, varied or renewed by the Company in general meeting prior to such time; and

vi. the Company may, at any time prior to the expiry of the authority hereby conferred, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

* The biographies of the Directors and reasons for election/re-election are on pages 50 to 52 of this Annual Report.

By order of the Board
abrdn Holdings Limited
Secretary, 29 February 2024

Registered Office
1 George Street
Edinburgh, EH2 2LL

Notes

i. Only those shareholders registered in the register of members of the Company at close of business on 17 April 2024 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 the close of business 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. As at 29 February 2024 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital consisted of 618,412,080 Ordinary shares carrying one vote each on a poll and 28,647,935 Treasury shares. Therefore, the total voting rights in the Company as at 29 February 2024 are 618,412,080 and the Treasury shares represent 4.4% of the total issued Ordinary share capital (inclusive of treasury shares).

iii. 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 Chair of the Meeting as your proxy using the Form of Proxy are set out in the note to the Form of 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. You may also submit your proxy electronically using The Share Portal service at **signalshares.com**. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. In order to utilise The Share Portal, Shareholders will need to use the unique personal identification Investor Code, which can be found on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

iv. 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 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible, but in any event not later than 12.30 p.m. on 17 April 2024. If you have any queries relating to the completion of the Form of Proxy, please contact Link Group on 0371 664 0300 (lines are open 9.00am to 5.30pm Mon-Fri). Link Group 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 (x) below).

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

vi. 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.

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

viii. 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/she 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.

ix. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (a) to give to members of the Company entitled to receive notice of the Meeting, notice of any resolution which may properly be moved and is intended to be moved at the Meeting and/or (b) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date that is six weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

x. Notes on CREST Voting:

1. 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 & International ("Euroclear") website (**www.euroclear.com**). 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.
2. 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 p.m. on 17 April 2024. 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 p.m. on 17 April 2024.

xi. Proxymity Voting – If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by 12:30 p.m. on 17 April 2024 in order to be considered valid or, if the Annual General Meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

xii. Shareholders are advised that unless otherwise provided, the telephone numbers and website addresses which are set out in this Notice or the Form of Proxy 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.

xiii. If the Chair, 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 Chair, result in the Chair holding such number of voting rights that he or she has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chair 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 Chair a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

xiv. 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 **murray-intl.co.uk**.

xv. 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.

xvi. 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 Annual General 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 Annual General 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.

Shareholder Information

Stock Exchange Codes	SEDOL	ISIN
Ordinary shares of 5p each	BQZCCB7	GB00BQZCCB79

Annual General Meeting

The Annual General Meeting will be on Friday 19 April 2024 at 12:30 p.m. at Wallacespace Spitalfields, 15 Artillery Lane, London E1 7HA.

Online Shareholder Presentation

The Directors will be holding an Online Shareholder Presentation on Friday 5 April 2024 at 11:00 a.m.. Further details and how to register are included in the Chair's Statement.

Recent Ordinary Share Capital History

Year ended 31 December	Shares Issued Ordinary*	Share Buybacks Ordinary*	Shares in Issue Ordinary*
2018	1,788,325	n/a	640,717,725
2019	5,942,290	n/a	646,660,015
2020	400,000	4,866,705	128,438,662
2021	–	12,884,030	629,309,280
2022	–	4,244,815	625,064,465
2023	1,050,000	5,248,133	620,866,332

* 2018 to 2022 restated to reflect the 5:1 share subdivision on 24 April 2023

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 that of today, 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. In 2018 the Centenary Booklet was updated. Copies are available on the website, **murray-intl.co.uk** or from the Company Secretary.

Contact Addresses

Directors
V. Holmes (Chair)
C. Binyon
W. Colquhoun
G. Eckersley
A. Mackesy (Senior Independent Director)
N. Melhuish

Secretaries and Registered Office
abrdn Holdings Limited
1 George Street
Edinburgh EH2 2LL

E-mail: **CEF.CoSec@abrdn.com**

Registered in Scotland as an Investment Company
Company Number SC006705

Website
murray-intl.co.uk

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

Email: **VirginiaHolmes.Chair@abrdn.com**

Manager
abrdn Investments Managers Limited

AIFM
abrdn Fund Managers Limited

Broker
Stifel Nicolaus Europe Limited

Registrars
Link Group
Central Square
29 Wellington Street
Leeds LS1 4DL

Tel: 0371 664 0300
(lines are open 9.00am-5.30pm Mon-Fri)

Tel International: (+44 208 639 3399)

E-mail**: enquiries@linkgroup.co.uk**
Share portal: **signalshares.com**

Depositary
The Bank of New York Mellon (International) Limited

Independent Auditor
BDO LLP

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

Legal Entity Identifier (LEI)
549300BP77JO5Y8LM5

MIX
Paper | Supporting responsible forestry
FSC® C001785
FSC
www.fsc.org

For more information visit **murray-intl.co.uk**

abrdn.com