

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 31 August 2013

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

Review of the Period

- Over the period, the Company's net asset value and share price total returns were 0.5% and 3.1% respectively. The FTSE All-Share Index total return was (0.8%). (Source: Morningstar)
- During the period, transactions affecting the Top Ten included an addition to Amlin and an addition to Ashtead bringing it in to the Top Ten. All other changes to the Top Ten were as a result of market movements. Other transactions during the period included new holdings in British Land, Partnership Assurance Group, Philip Morris International and the John Laing Infrastructure Fund.
- The Company bought back 200,000 of its own shares for cancellation during the quarter, at a cost of £507,000.
- Net cash declined from £30.8 million to £14.7 million, representing 9.1% of shareholders' funds at the end of August 2013.
- The interim dividend of 2.0p per share was paid on 30 August 2013 to shareholders on the register at the close of business on 9 August 2013.

Sector Analysis			Top Ten Equity Holdings		
Sector	% of shareholders' funds at 31/08/13	% of shareholders' funds at 31/05/13	Name	% of shareholders' funds at 31/08/13	% of shareholders' funds at 31/05/13
Housing	5.5	5.6	Herald Investment Trust	7.3	6.8
Industrials	10.7	9.9	Dunelm Group	5.8	5.5
Retailing	7.7	7.3	Amlin	4.4	3.2
Recruitment	3.2	3.3	Schlumberger	4.2	3.9
Technology and Telecommunications	10.0	8.8	Halliburton	3.8	3.4
Mining	2.4	2.4	Croda International	3.2	3.0
Oil and Gas Producers	1.4	1.4	SThree	3.2	3.3
Offshore Drillers	3.0	3.2	Noble Corporation	3.0	3.2
Oilfield Services	11.4	10.5	Ashtead Group	2.8	2.3
Food Producers	0.4	0.5	Persimmon	2.7	3.0
Tobacco	5.9	4.4	Total	40.4	37.6
Pharmaceuticals	4.0	4.2			
Leisure	2.1	2.6			
Utilities	5.9	5.9			
Non Life Insurance	8.9	8.0			
Life Assurance	2.1	-			
Property	2.3	1.2			
Infrastructure Funds	2.2	-			
Miscellaneous					
Financials	1.4	1.4			
Net Liquid Assets	9.5	19.4			
Total	100.0	100.0			

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	3.1	28.6	52.1	61.4
NAV	0.5	17.6	43.7	55.7
FTSE All-Share Index	(0.8)	18.9	40.5	42.6

Source: Morningstar

Past performance is not a guide to future performance

General Information

	31/08/13	31/05/13
Total assets (before deduction of borrowings)*	£161.3m	£162.1m
Share price	255.5p	249.8p
Net asset value per share *	276.9p	277.3p
Discount	7.7%	9.9%
Total borrowings	-	-
Net cash **	£14.7m	£30.8m
Net cash and bonds **	£14.7m	£30.8m
Net cash as a % of shareholders' funds*	9.1%	19.0%
Net cash and bonds as a % of shareholders' funds*	9.1%	19.0%

*These figures have been calculated using the AIC cum income basis (includes current financial year retained income). Dividends are not reinvested.

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

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

The Share Price is published daily in the Financial Times.

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

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

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List of Investments as at 31 August 2013

Sector	Name	Value (£'000)	%
Housing	Berkeley Group	2,119	1.3
	Persimmon	4,392	2.7
	Rightmove	2,320	1.5
		8,831	5.5
Industrials	Aggreko	3,252	2.0
	Ashtead Group	4,511	2.8
	Croda International	5,190	3.2
	IMI	4,305	2.7
		17,258	10.7
Retailing	Dunelm Group	9,390	5.8
	Games Workshop	3,104	1.9
		12,494	7.7
Recruitment	SThree		5,104
Technology and Telecommunications	Baidu – China	4,378	2.7
	Herald Investment Trust	11,840	7.3
			16,218
Mining	BHP Billiton	1,408	0.9
	BlackRock World Mining Trust	2,379	1.5
		3,787	2.4
Oil and Gas Producers	Bankers Petroleum – Canada	868	0.6
	Ultra Petroleum – USA	1,338	0.8
		2,206	1.4
Offshore Drillers	Noble Corporation – USA		4,810
Oilfield Services	Baker Hughes - USA	3,005	1.9
	C&J Energy Services - USA	2,387	1.5
	Halliburton - USA	6,206	3.8
	Schlumberger - USA	6,799	4.2
			18,397
Food Producers	Asian Citrus Holdings – China		720
Tobacco	British American Tobacco	3,255	2.0
	Imperial Tobacco	4,264	2.6
	Philip Morris International	2,157	1.3
		9,676	5.9
Pharmaceuticals	AstraZeneca	3,176	2.0
	GlaxoSmithKline	3,290	2.0
		6,466	4.0
Leisure	Domino's Pizza		3,396
Utilities	National Grid	3,712	2.3
	SSE	3,126	1.9
	Telecom Plus	2,694	1.7
		9,532	5.9
Non Life Insurance	Amlin	7,052	4.4
	Beazley	2,985	1.9
	Catlin Group	1,403	0.9
	Polar Capital Global Insurance Fund	2,687	1.7
		14,127	8.9
Life Assurance	Partnership Insurance Group		3,408
Property	British Land	1,673	1.0
	SEGRO	2,044	1.3
		3,717	2.3
Infrastructure Funds	John Laing Infrastructure Fund		3,558
Miscellaneous Financials	IG Group Holdings		2,264
		145,969	90.5
Total Investments			90.5
Net Liquid Assets		15,339	9.5
Shareholders' Funds		161,308	100.0

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