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Edinburgh US Tracker Trust plc

Interim report for the 6 months ended 31 July 2006



Company Summary

Objective	To invest in a portfolio designed to track closely the S&P Composite Index, both in terms of capital and income.
Benchmark	S&P Composite Index (in sterling terms)
Investment manager	Edinburgh Fund Managers plc
Winding up provisions	Shareholders are given the opportunity to vote on the continuation of the Company every year at the Annual General Meeting.
PEP/ISA status	The Company's shares are eligible for PEP transfers and ISAs.

Financial Summary

	31 July 2006	31 January 2006	% change
Capital return			
Net asset value per share	571.40p	600.46p	(4.8)
S&P Composite Index (in Sterling terms)	683.78	720.22	(5.1)
Share price (mid market)	550.00p	570.00p	(3.5)
Total return			
Net asset value	–	–	(4.3)
S&P Composite Index (in Sterling terms)	–	–	(4.2)
Share price	–	–	(2.9)
Capital return	(30.43p)	61.71p*	
Revenue return	3.35p	3.03p*	
Total return per share	(27.08p)	64.74p*	
Interim dividend per share	2.45p	2.30p*	6.5

*For the six months ended 31 July 2005

Chairman's Statement

The company continues to meet the objective of tracking the performance of the S&P 500 Composite Index. In the six months ended 31 July 2006, the net asset value per share (NAV) fell by 4.8% to 571.40p and this compares with a fall of 5.1% in the index (in sterling terms).

US equity markets struggled to make progress in the first half of the year. Corporate profits were ahead of expectations but investors continued to be cautious about the impact of higher oil prices on economic activity and the continuing rise in US interest rates. The Federal Reserve increased short term interest rates on three further occasions to combat inflation pressures and the Federal Funds Rate now stands at 5.25%.

Over the period, the US dollar/sterling exchange rate weakened from \$1.78 to \$1.87 which translated the fall of 0.3% in the S&P Composite Index in US currency to 5.1% in sterling.

The revenue return per share rose by 10.6% to 3.35p benefiting from dividend increases from underlying investments which more than offset adverse movements in the US dollar/sterling exchange rate. The directors have therefore increased the interim dividend by 6.5% to 2.45p per share for the year to 31 January 2007 payable on 20 October 2006 to shareholders on the register on 22 September 2006.

The discount at which the company's shares trade has been volatile in recent years and, in May, the board announced that, in order to contain this volatility, it intended to continue to buy-back the company's shares with the aim of establishing a long term level of the discount to the NAV of no greater than 3%. The effect of this commitment was reflected in the company's share price which fell by only 3.5% over the six month period to 31 July 2006 to 550.0p, compared to a fall in the index of 5.1%. At the start of the new financial year, the share price was standing at a discount of 5.1%. The company bought back 5,518,500 shares for cancellation during the six month period at a cost of £30.9 million, enhancing the NAV for continuing shareholders by 1.39p. The board believes that this discount management policy should provide both existing shareholders, and potential new investors, with greater confidence that there will, in future, be less variation in movement between the company's share price and its benchmark index.

The level of activity within the portfolio was higher than in recent periods and this was attributable to changes to the constituents of the index and the sale of investments to finance the purchase of the company's own shares. The changes to the constituents of the index in the period were mostly the result of takeover activity with the new holdings including Google, Legg Mason, Dean Foods, Juniper Networks, SanDisk and Barr Pharmaceuticals. The total value of purchases amounted to £7.8 million while sales totalled £45.1 million.

Edinburgh US Tracker Trust is the only UK investment trust to track the performance of the S&P Composite Index and provides shareholders with a diversified portfolio which is invested in the leading 500 companies across the main industries within the US economy. The method employed by the company to track the index involves a full replication of the index constituents. This means that the company's portfolio holds every stock making up the index in an amount that equals the stock's proportionate weight in the index.

Sir Angus Grossart
Chairman
13 September 2006

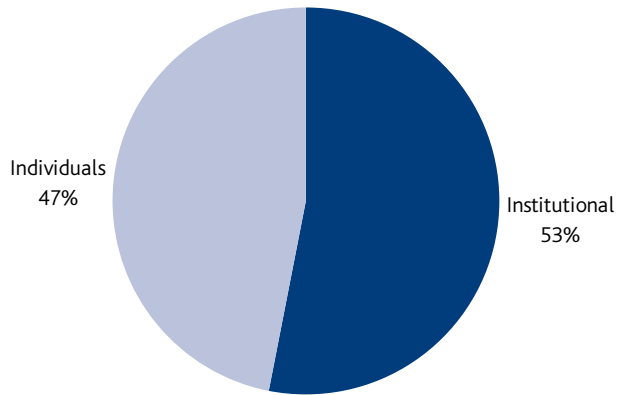
Twenty Largest Investments

As at 31 July 2006

Company	Market Value £'000	% of assets	S&P Composite Index industry classification
Exxon Mobil	14,952	3.4	Integrated Oil & Gas
General Electric	12,414	2.9	Industrial Conglomerates
Citigroup	8,763	2.0	Diversified Financial Services
Bank of America	8,572	2.0	Diversified Banks
Microsoft	7,709	1.8	Systems Software
Pfizer	6,947	1.6	Pharmaceuticals
Johnson & Johnson	6,756	1.6	Pharmaceuticals
Procter & Gamble	6,726	1.5	Household Products
Altria	6,078	1.4	Tobacco
JP Morgan Chase	5,791	1.3	Diversified Financial Services
Ten largest investments	84,708	19.5	
AIG	5,728	1.3	Multi-line Insurance
Chevron	5,304	1.2	Integrated Oil & Gas
Wells Fargo	4,433	1.0	Diversified Banks
International Business Machines	4,387	1.0	Computer Hardware
AT & T	4,247	1.0	Integrated Telecommunication Services
Conoco Phillips	4,138	1.0	Integrated Oil & Gas
Wal-Mart Stores	4,064	0.9	Hypermarkets & Supercenters
Cisco Systems	3,986	0.9	Communications Equipment
Intel	3,824	0.9	Semiconductors
Pepsico	3,804	0.9	Soft Drinks
Twenty largest investments	128,623	29.6	
Other investments (480)	295,747	67.9	
Total investments	424,370	97.5	
Net current assets	10,934	2.5	
Total assets less current liabilities	435,304	100.0	

Analysis of Shareholders

As at 31 July 2006



Income Statement

	Six months ended 31 July 2006 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	–	(23,629)	(23,629)
Currency (losses)/gains	–	(398)	(398)
Income from investments	4,366	–	4,366
Interest receivable	176	–	176
Investment management fee	(459)	–	(459)
Administrative expenses	(206)	–	(206)
Return on ordinary activities before taxation	3,877	(24,027)	(20,150)
Taxation	(1,233)	–	(1,233)
Return on ordinary activities after taxation	2,644	(24,027)	(21,383)
Return per Ordinary share (pence):	3.35	(30.43)	(27.08)

The total column of this statement represents the profit and loss account of the Company.

No Statement of Total Recognised Gains and Losses has been prepared as all gains and losses have been reflected in the Income Statement.

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

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

Interim Dividend

An interim dividend of 2.45p per share, £1,801,000, is declared for the year to 31 January 2007 and is payable on 20 October 2006.

In accordance with UK GAAP this dividend is not recognised in these financial statements.

Six months ended 31 July 2005 (unaudited)			Year ended 31 January 2006 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	50,561	50,561	–	63,438	63,438
–	377	377	–	371	371
4,099	–	4,099	8,452	–	8,452
83	–	83	179	–	179
(448)	–	(448)	(926)	–	(926)
(145)	–	(145)	(357)	–	(357)
3,589	50,938	54,527	7,348	63,809	71,157
(1,083)	–	(1,083)	(2,205)	–	(2,205)
2,506	50,938	53,444	5,143	63,809	68,952
3.03	61.71	64.74	6.26	77.62	83.88

Balance Sheet

	At 31 July 2006 (unaudited) £'000	At 31 July 2005 (unaudited) £'000	At 31 January 2006 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss	424,370	473,908	485,539
Current assets			
Debtors	408	553	1,075
Cash and short term deposits	11,816	4,767	5,437
	12,224	5,320	6,512
Creditors: amounts falling due within one year	(1,290)	(742)	(1,477)
Net current assets	10,934	4,578	5,035
Total assets less current liabilities	435,304	478,486	490,574
Provisions for liabilities and charges	(63)	(88)	(63)
Net assets	435,241	478,398	490,511
Capital and reserves			
Called-up share capital	19,043	20,490	20,422
Capital redemption reserve	3,052	1,605	1,673
Share premium account	32,643	32,643	32,643
Reserves	380,503	423,660	435,773
Equity Shareholders' funds	435,241	478,398	490,511
Net asset value per share (pence):	571.40	583.70	600.46

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 July 2006 (unaudited)

	Share redemption capital £'000	Capital reserve £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2006	20,422	1,673	32,643	321,756	109,071	4,946	490,511
Net return on ordinary activities after taxation	–	–	–	8,440	(32,467)	2,644	(21,383)
Dividends paid (see note 2)	–	–	–	–	–	(2,965)	(2,965)
Purchase of own shares for cancellation	(1,379)	1,379	–	(30,922)	–	–	(30,922)
Balance at 31 July 2006	19,043	3,052	32,643	299,274	76,604	4,625	435,241

Six months ended 31 July 2005 (unaudited)

	Share redemption capital £'000	Capital reserve £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2005	20,733	1,362	32,643	323,606	49,769	4,214	432,327
Net return on ordinary activities after taxation	–	–	–	2,775	48,163	2,506	53,444
Dividends paid (see note 2)	–	–	–	–	–	(2,526)	(2,526)
Purchase of own shares for cancellation	(243)	243	–	(4,847)	–	–	(4,847)
Balance at 31 July 2005	20,490	1,605	32,643	321,534	97,932	4,194	478,398

Year ended 31 January 2006 (audited)

	Share redemption capital £'000	Capital reserve £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2005	20,733	1,362	32,643	323,606	49,769	4,214	432,327
Net return on ordinary activities after taxation	–	–	–	4,507	59,302	5,143	68,952
Dividends paid (see note 2)	–	–	–	–	–	(4,411)	(4,411)
Purchase of own shares for cancellation	(311)	311	–	(6,357)	–	–	(6,357)
Balance at 31 January 2006	20,422	1,673	32,643	321,756	109,071	4,946	490,511

Cash Flow Statement

	Six months ended 31 July 2006 (unaudited) £'000	Six months ended 31 July 2005 (unaudited) £'000	Year ended 31 January 2006 (audited) £'000
Net return on ordinary activities before taxation	(20,150)	54,527	71,157
Adjustment for:			
Losses/(gains) on investments	24,027	(50,938)	(63,809)
Decrease/(increase) in accrued income	4	(229)	(61)
(Increase)/decrease in other debtors	(16)	(6)	10
(Decrease)/increase in other creditors	(31)	(26)	36
UK corporation tax paid	(499)	(619)	(1,137)
Withholding tax deducted from foreign income	(644)	(570)	(1,240)
Net cash inflow from operating activities	2,691	2,139	4,956
Financial investment			
Purchases of investments	(8,001)	(7,219)	(17,010)
Sales of investments	45,777	11,525	22,570
Index Futures payments	197	–	–
Net cash inflow from financial investment	37,973	4,306	5,560
Equity dividends paid	(2,965)	(2,526)	(4,411)
Net cash inflow before financing	37,699	3,919	6,105
Financing			
Buyback of Ordinary shares (including expenses)	(30,922)	(4,847)	(6,357)
Increase/(decrease) in cash	6,777	(928)	(252)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash as above	6,777	(928)	(252)
Exchange movements	(398)	377	371
Movement in net funds in the year	6,379	(551)	119
Opening net funds	5,437	5,318	5,318
Closing net funds	11,816	4,767	5,437

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies' (December 2005). They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

(b) Dividends payable

Interim and final dividends are recognised in the period in which they are paid.

(c) Foreign currencies

Assets and liabilities on foreign currencies are translated at the rates of exchange ruling on the balance sheet date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Income Statement and are then transferred to the realised capital reserve.

	Six months ended 31 July 2006 £'000	Six months ended 31 July 2005 £'000	Year ended 31 January 2006 £'000
2. Dividends			
Interim dividend of 2.30p	–	–	1,885
Final dividend of 3.70p (2005 – 3.05p) paid on 22 May 2006	2,965	2,526	2,526
	2,965	2,526	4,411

An interim dividend of 2.45p (2005 – 2.30p) will be paid on 20 October 2006 (2005 – 21 October 2005) to shareholders on the register at 22 September 2006. The ex-dividend date is 20 September 2006. In accordance with UK GAAP this is not recognised in these financial statements.

	Six months ended 31 July 2006 p	Six months ended 31 July 2005 p	Year ended 31 January 2006 p
3. Return per share			
Revenue return	3.35	3.03	6.26
Capital return	(30.43)	61.71	77.62
Total return	(27.08)	64.74	83.88

The figures above are based on the following:

	Six months ended 31 July 2006 £'000	Six months ended 31 July 2005 £'000	Year ended 31 January 2006 £'000
Revenue return	2,644	2,506	5,143
Capital return	(24,027)	50,938	63,809
Total return	(21,383)	53,444	68,952

Weighted average number of shares in issue:

78,963,808	82,550,705	82,202,942
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4. Transaction costs

During the six months ended 31 July 2006 expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 July 2006 £'000	Six months ended 31 July 2005 £'000	Year ended 31 January 2006 £'000
Purchases	62	14	48
Sales	37	23	43
	99	37	91

5. Net asset value per equity share

The net assets attributable to the Ordinary shares were as follows:

	As at 31 July 2006	As at 31 July 2005	As at 31 January 2006
Net assets attributable	£435,241,000	£478,398,000	£490,511,000
Number of Ordinary shares	76,170,664	81,959,164	81,689,164
Net asset value per share	571.40p	583.70p	600.46p

6. Subsequent to 31 July 2006 the company bought back a further 2,642,422 ordinary shares for a consideration including expenses of £14,722,714.

7. The financial information in this report comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 31 January 2006 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified under Section 235 of the Companies Act 1985. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

Independent Review Report to Edinburgh US Tracker Trust plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 July 2006 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders Funds, the Cash Flow Statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Statements on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 July 2006.

KPMG Audit Plc
Chartered Accountants
Edinburgh
12 September 2006

Information for Investors

How to Invest

Investors can buy and sell shares in Edinburgh US Tracker Trust directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought through the Aberdeen Investment Trust Share Plan and Investment Trust ISA.

Investment Trust Savings Plan

Aberdeen Asset Management plc (AAM) runs a Share Plan through which shares in Edinburgh US Tracker Trust can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT.

AAM offers both a Mini and Maxi stocks and shares ISA, through which shares in Edinburgh US Tracker Trust can be purchased.

Maxi ISA

An investment of up to £7,000 in Edinburgh US Tracker Trust can be made in the tax year 2006/2007.

Mini ISA

AAM offers a Mini ISA which will enable investors to invest up to £4,000 in the tax year 2006/2007.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA management charge is £24 + VAT, calculated monthly and deducted from income half yearly. Under current legislation, investments in ISAs can grow free of capital gains tax.

PEP Transfer

PEPs are an easy way to make medium and long term tax efficient investments in the stock markets. All capital gains are free of tax. Since 5 April 1999 no further subscriptions can be made into a PEP. You can however transfer existing PEPs to AAM. The minimum lump sum for a PEP transfer is £1,000 and is subject to a minimum per trust of £250.

Investment Trust Pension

The Investment Trust Pension allows you to include Edinburgh UK Tracker Trust in your retirement planning. Contributions can be made monthly, yearly or by lump sums and there are low minimum Investment amounts.

Trust Information

If investors would like details of Edinburgh US Tracker Trust or information on the Share Plan or ISA please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP or e-mail at inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk

Keeping you informed

Edinburgh US Tracker Trust's share price appears daily in most leading newspapers. Investors can also obtain the latest share price by phoning FT Cityline on 0906-003 1598. All calls cost 60p per minute.

For internet users, detailed data on Edinburgh US Tracker Trust, including price and performance information, is available on the company's website (www.edinburghustracker.com) and the TrustNet website (www.trustnet.co.uk). Alternatively, you can call 0500 000 040 for trust information on Edinburgh US Tracker Trust.

Contact us:

Brochure request – 0500 00 40 00
Share Plan/ISA/PEP admin – 0500 00 00 40
Pension admin – 0800 137 079

The above has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Edinburgh Fund Managers plc. Edinburgh Fund Managers is a member of the Aberdeen Asset Management Group and is authorised and regulated by the Financial Services Authority.

Corporate Information

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Guy Crawford
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Archie Hunter

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