

Dunedin Enterprise Investment Trust

DNE

Morningstar Peer Group Classification

Private Equity

Investment Objective

Invests only in direct private equity investments or via private equity funds managed by Dunedin Capital Partners within UK lower mid-market buyouts.

Valuation statistics (NAVs estimated¹) GBX

	02 Feb 2012	12 m High	Low
Price	336.00	383.00	274.00
Fair Cum NAV	528.55		
Fair Ex NAV	528.20		
Par Cum NAV	528.55		
Par Ex NAV	528.20	533.72	493.50
Fair Cum Discount	-36.43		
Fair Ex Discount	-36.39		
Par Cum Discount	-36.43		
Par Ex Discount	-36.39	-24.22	-48.59
Peer Group Discount	-33.20		
Z-Statistic ²	0.14		

Last Actual NAVs (GBX) as at 30 Sep 2011

Fair Cum NAV	531.70
Fair Ex NAV	-
Par Cum NAV	531.70
Par Ex NAV	-

Key Data

Domicile	UK
Launch Date	01 Apr 1987
Financial Year-end	31 Dec
Exchange	London (LSE)
Next AGM	May 2012
NAV Frequency	Semi-annually
Dividend Frequency	Semi-annual
Total Assets (GBP)	159.1m
Net Assets (GBP)	159.1m
Shares Outstanding	30,122,380
Gross Gearing ³	100
Net Gearing ⁴	99
Average Daily Shares Traded (1yr)	0.021m
Average Daily Value Traded (1yr)	0.114m
Total Expense Ratio ⁵ (2010)	1.35%
Market Capitalisation (GBP)	101.2m
Net Dividend Yield ⁶	1.13%

Dividend Policy

The fund intends to pay semi-annual dividends

Year-on-Year Dividend Growth % (financial year 31 Dec)

2012	2011	2010	2009	2008
-	-	52.00	-77.78	136.72

Dividend Growth % (annualised on current financial year)⁷

1 year	2 years	3 years	4 years	5 years
0.00	0.00	14.98	-23.76	-19.03

Directors

Edward W Dawnay (Chairman), Elisabeth Airey, Brian Finlayson, David Gamble, Federico Marescotti

Fund Manager: Team Managed (31 Mar 2011)

Dunedin Capital Partners

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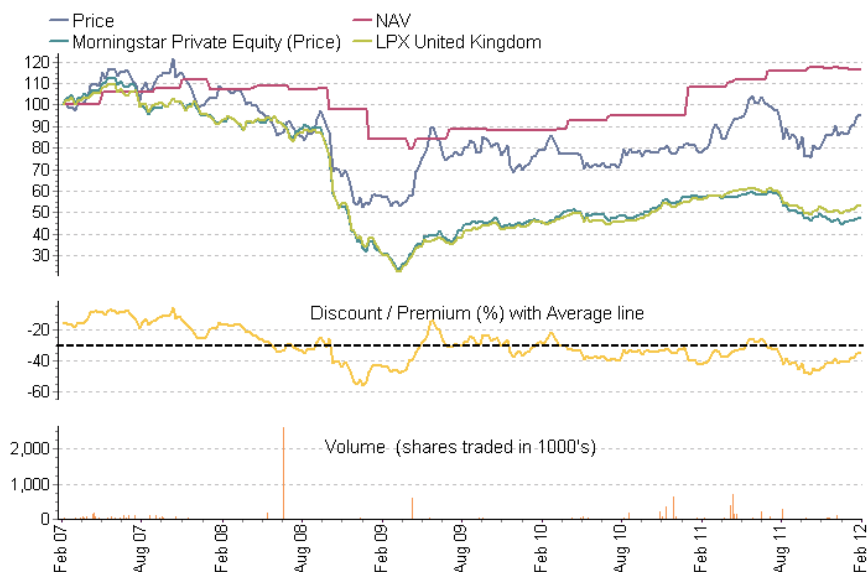
Website: www.dunedinenterprise.com

Stockbroker: Canaccord Genuity Ltd

Management Fee Summary

Management Fees payable quarterly in advance, 1.5% p.a. on Investments and 0.5% on undrawn commitments & cash. Dunedin Managed Funds pay same fees as paid by third party investors in such Funds. Contract terminable on 24 months notice.

Total Return Performance (GBP) over 5 years (or since inception)

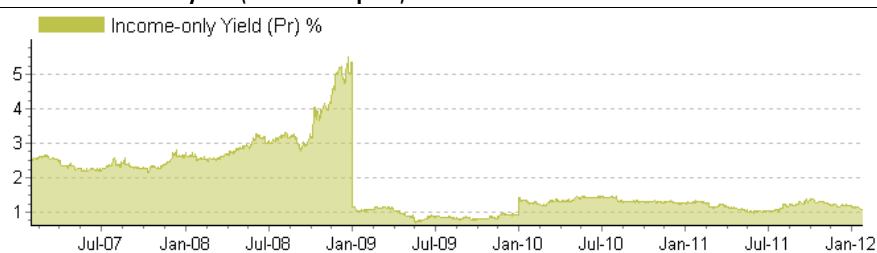


Performance (Total Return %)⁸ GBP

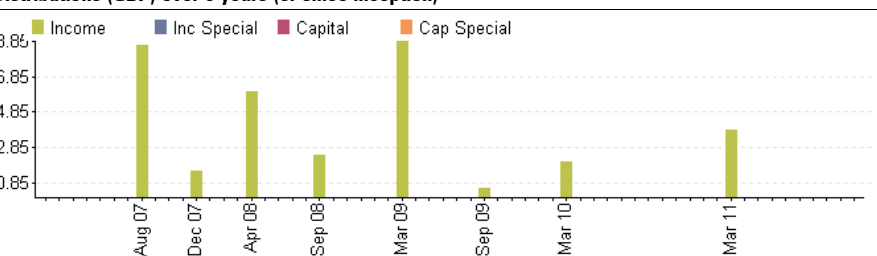
	1 month	3 months	6 months	1 year	YTD	3 years	5 years
Price	+7.18	+14.29	+0.90	+19.25	+7.18	+62.66	-7.23
NAV	-0.11	-0.61	+0.61	+7.84	-0.11	+38.54	+16.56
Peer Group (Price)	+4.67	+0.35	-15.44	-15.01	+4.68	+62.01	-51.68
Peer Group (NAV)	+0.82	+0.74	-4.24	+1.24	+0.82	+0.31	-14.33
Benchmark	+9.06	+5.92	-5.30	-1.70	+9.13	+86.70	-44.70

Peer Group: Morningstar IT Private Equity P
Morningstar Benchmark: LPX United Kingdom Index
Fund distributions reinvested on ex-dividend date⁹

Dividend Yields over 5 years (or since inception)



Distributions (GBP) over 5 years (or since inception)



Latest Dividend History (GBP)

Type	Dividend	Declared Date	Ex Div Date	Record Date	Payment Date	Financial Year
Income	3.800	23 Feb 11	13 Apr 11	15 Apr 11	20 May 11	2010
Income	2.000	25 Feb 10	03 Mar 10	05 Mar 10	31 Mar 10	2009
Income	0.500	06 Aug 09	09 Sep 09	14 Aug 09	31 Aug 09	2009
Income	8.850	27 Feb 09	15 Apr 09	17 Apr 09	15 May 09	2008
Special	14.600	27 Feb 09	15 Apr 09	17 Apr 09	15 May 09	2008

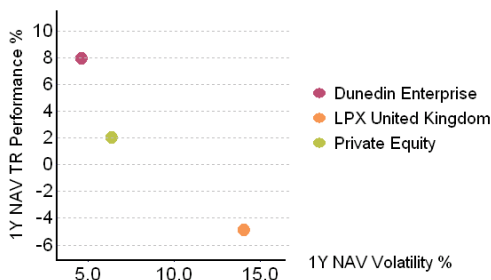
Initial Public Offering

18,662,400 Ordinary shares at 114.00 GBX on 01 Apr 1987 raising 27.3m gross and 21.3m net of expenses

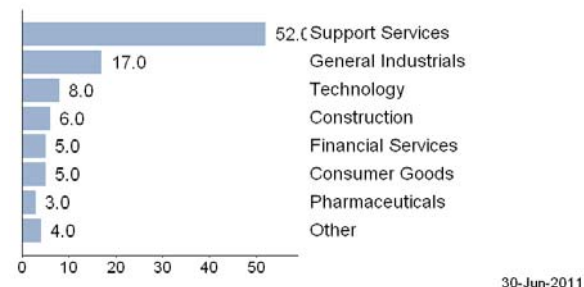
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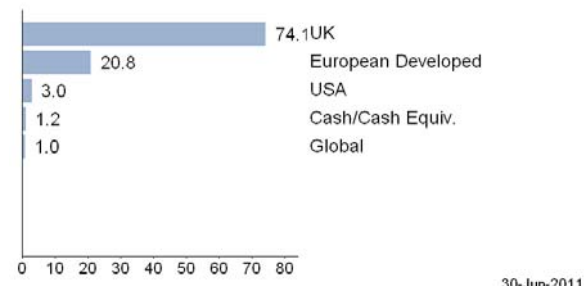
Risk & Return⁹



Sector Breakdown (%)



Geographic Breakdown (%)



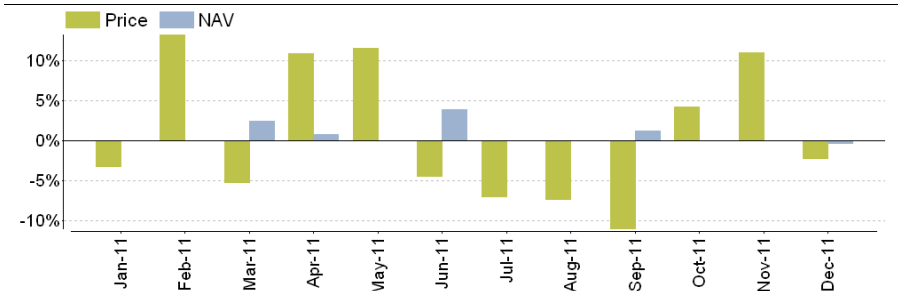
Largest Holdings (% Portfolio¹⁰) as at 30 Jun 2011

Holder	Percentage (%)
SWIP Private Equity Fund of Funds II	11.3%
Practice Plan Group	10.3%
OSS Environmental Holdings	7.9%
CitySprint (UK) Group	7.4%
WFEL Holdings	6.8%
Weldex (International) Offshore	6.8%
Capula Global Relative Value Fund Ltd	5.2%
etc.venues Group Limited	4.9%
CGI Group	4.1%
U-POL	4.0%
Total	68.7%

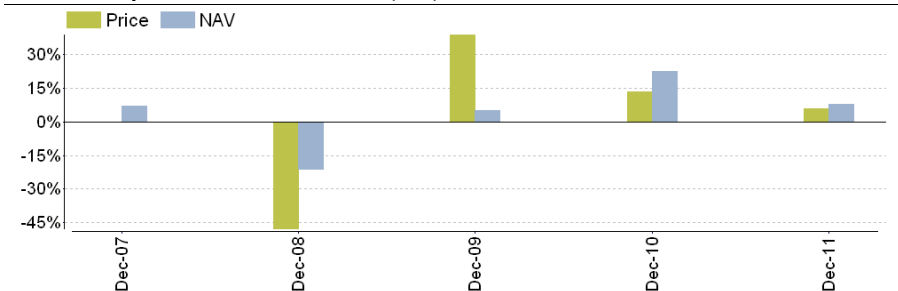
Capital Structure

Number of Shares	Share Type
30,122,380	Ord 25p

Discrete Monthly Price & NAV Total Return % (GBP)



Discrete Yearly Price & NAV Total Return % (GBP)



Risk & Correlation

	3 months	6 months	1 year	3 years	5 years
Alpha (NAV) ¹¹	-0.02	0.00	0.56	0.77	0.22
Beta (NAV) ¹²	0.03	0.01	-0.02	0.09	0.15
R-squared (NAV) ¹³	0.06	0.00	0.00	0.07	0.14
Sharpe (NAV) ¹⁴	-2.44	0.08	1.54	1.03	0.08
Price Volatility ¹⁵	26	32	30	31	31
NAV Volatility ¹⁵	1	2	5	9	11
Benchmark Volatility ¹⁵	12	17	14	23	25
Peer Group Price Volatility ¹⁵	11	18	15	20	22
Peer Group NAV Volatility ¹⁵	5	6	6	9	11

Additional Performance (Total Return⁸) GBX

Period	Price	NAV	Peer Price	Peer NAV	Benchmark
2012	+7.18	-0.11	+4.68	+0.82	+9.13
2011	+5.70	+7.95	-19.26	+0.70	-7.53
2010	+13.30	+22.42	+24.53	+17.98	+23.55
2009	+38.89	+4.94	+29.06	-20.52	+19.30
2008	-48.17	-21.35	-62.66	-24.46	-60.91
2007	-0.07	+6.97	-0.32	+20.64	-0.36
Since FTSE 2009 Low (13 Mar 09)	+68.67	+38.54	+94.82	+5.60	+134.16
Since Sub-Prime (20 Nov 07)	-15.83	+4.35	-52.12	-26.53	-44.06
Since FTSE 2007 Peak (13 Oct 07)	-23.66	+8.03	-53.01	-26.74	-46.49
Since FTSE 2003 Low (12 Mar 03)	+129.06	+129.06	+25.86	+48.59	+44.71
Since NASDAQ Recovery (30 Sep 02)	+116.12	+102.02	+30.94	+46.90	+50.99

Wind-up Provisions/Buy Back Policy

The Company has unlimited life. If the Company shall be wound-up, the liquidator may, with the authority of an extraordinary resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may determine how such division shall be carried out as between the different classes of members. At the AGM held on 16-May-11, the Company renewed the authority to repurchase up to 14.99% of the issued capital. At least 50% of the capital gains made on realisations of the Company's investments in UK lower mid market buyouts and a substantial proportion of the net proceeds from any sales of the Company's existing investments in third party managed funds will be used to fund Share buy-backs, tender offers, returns of capital, dividend payments or other distributions to Shareholders.

1 **NAV Estimation** - Fair value of debt refers to the market price of the debt if it is traded or, if it is not traded, an estimation of its value calculated using points over gilt methodology.
 Cum Income NAVs include net revenue in the financial year to date. All estimates are fully diluted for the effects of warrants, convertibles or treasury shares. NAV estimations are created and maintained by Morningstar. For more detailed methodology document please contact FD.Support@morningstar.com

2 **Z-Statistic 1y** - Shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount - Mean) / Std Dev

3 **Gross Gearing** - The ratio of estimated gross Assets to the Net Assets, expressed as a percentage

4 **Net Gearing** - The ratio of estimated Gross Assets minus cash and fixed interest to the Net Assets, expressed as a percentage. Cash and fixed interest represents not-equity exposure.

5 **Total Expense Ratio** - (Total Expenses - Performance Fees - Cost of Leverage - Tax - Restructuring Costs) / Average Net Assets

6 **Net Dividend Yield** - This is calculated by dividing the current financial years dividends (this will include prospective dividends) by the current price.

7 **Dividend Growth** - The annualised percentage growth in dividends. Based upon the current financial year, including any future estimates or forecasts.

8 **Performance** - Calculated using start and end period Share Prices or NAV Dividends are reinvested on the ex-dividend date at the prevailing Share Price or NAV.

9 **Risk & Return** - 1 Year ex income par NAV total return performance against 1 Year NAV volatility. Please see notes 8 and 15 for performance and volatility definitions respectively.

10 **Portfolio** - In order to calculate the portfolio value we deduct any holdings in cash only (Note that Fixed Interest is not included).

11 **Alpha** - The difference between the fund's average excess total return and the benchmark's average excess total return.

12 **Beta** - The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

13 **R-squared** - A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.

14 **Sharpe** - A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

15 **Volatility** - The annualized standard deviation of the logged daily returns, adjusting for distributions from capital.