



Murray Income Trust PLC

Half Yearly Report 31 December 2024

An investment trust founded in 1923 aiming
for high and growing income with capital growth

murray-income.co.uk



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Investment Objective

The Company aims for a high and growing income combined with capital growth through investment in a portfolio principally of UK equities.

Benchmark

The Company's benchmark is the FTSE All-Share Index.

Front cover image:
Looking East along the
River Clyde, Glasgow,
to the Clyde Arc and
the Finnieston Crane.

Performance Highlights

Net asset value total return^{AB}

Six months ended 31 December 2024

-2.1%

Year ended 30 June 2024

+9.9%

Share price total return^A

Six months ended 31 December 2024

-2.4%

Year ended 30 June 2024

+7.6%

Benchmark total return

Six months ended 31 December 2024

+1.9%

Year ended 30 June 2024

+13.0%

Ongoing charges^A

Forecast year to 30 June 2025

0.47%

Year ended 30 June 2024

0.50%

Earnings per share (revenue)

Six months ended 31 December 2024

15.2p

Six months ended 31 December 2023

14.2p

Dividend per Ordinary share

Year ended 30 June 2024

38.50p

Year ended 30 June 2023

37.50p

Discount to net asset value^{AB}

As at 31 December 2024

11.0%

As at 30 June 2024

10.5%

Dividend yield^A

As at 31 December 2024

4.7%

As at 30 June 2024

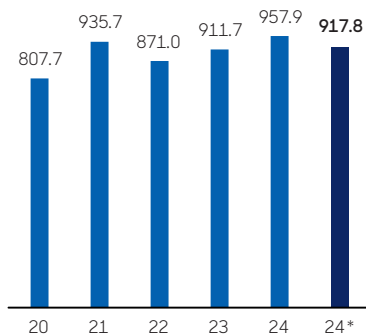
4.5%

^A Considered to be an Alternative Performance Measure as set out on pages 30 to 32.

^B With debt at fair value.

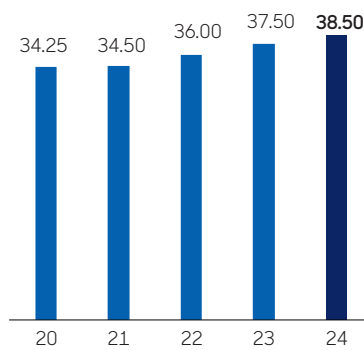
Net asset value per share^B

At 30 June (*31 December) – pence



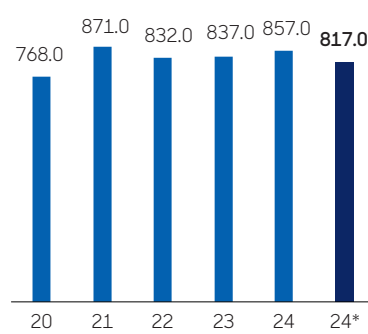
Dividends per share

Year ended 30 June – pence



Mid-Market price per share

At 30 June (*31 December) – pence



Financial Calendar, Dividends and Highlights

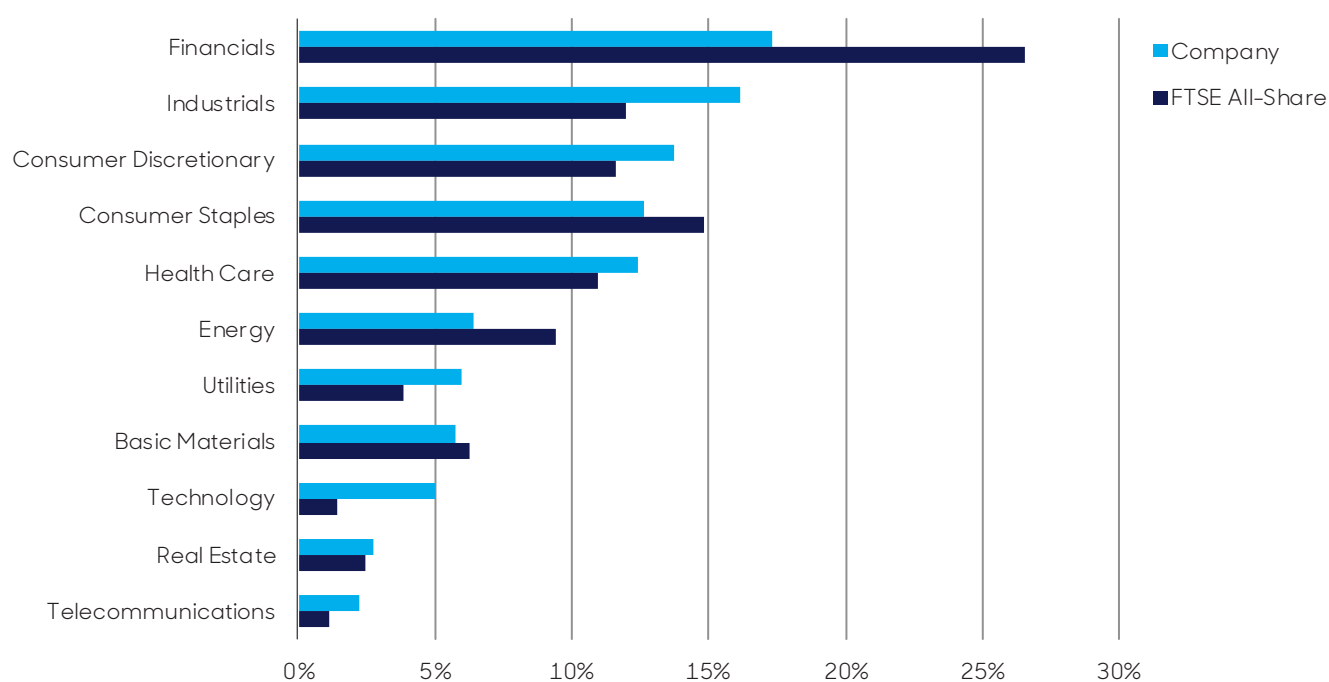
Financial Calendar

Payment dates of quarterly dividends	March, June, September, December
Financial year end	30 June
Expected announcement date of annual results	September
Annual General Meeting (London)	4 November 2025

Dividends

	Rate	Ex-dividend date	Record date	Payment date
First interim	9.50p	14 Nov 2024	15 Nov 2024	12 Dec 2024
Second interim	9.50p	13 Feb 2025	14 Feb 2025	13 Mar 2025
Third interim	9.50p	15 May 2025	16 May 2025	12 Jun 2025

Investment Portfolio by Sector as at 31 December 2024



“The current investment portfolio boasts a significantly higher return on equity than the market, meaningfully stronger earnings growth stability than the market and lower gearing than the market – all in all a good quality portfolio currently standing at an attractive discount to NAV.”

Peter Tait, Chair

Chair's Statement

Highlights

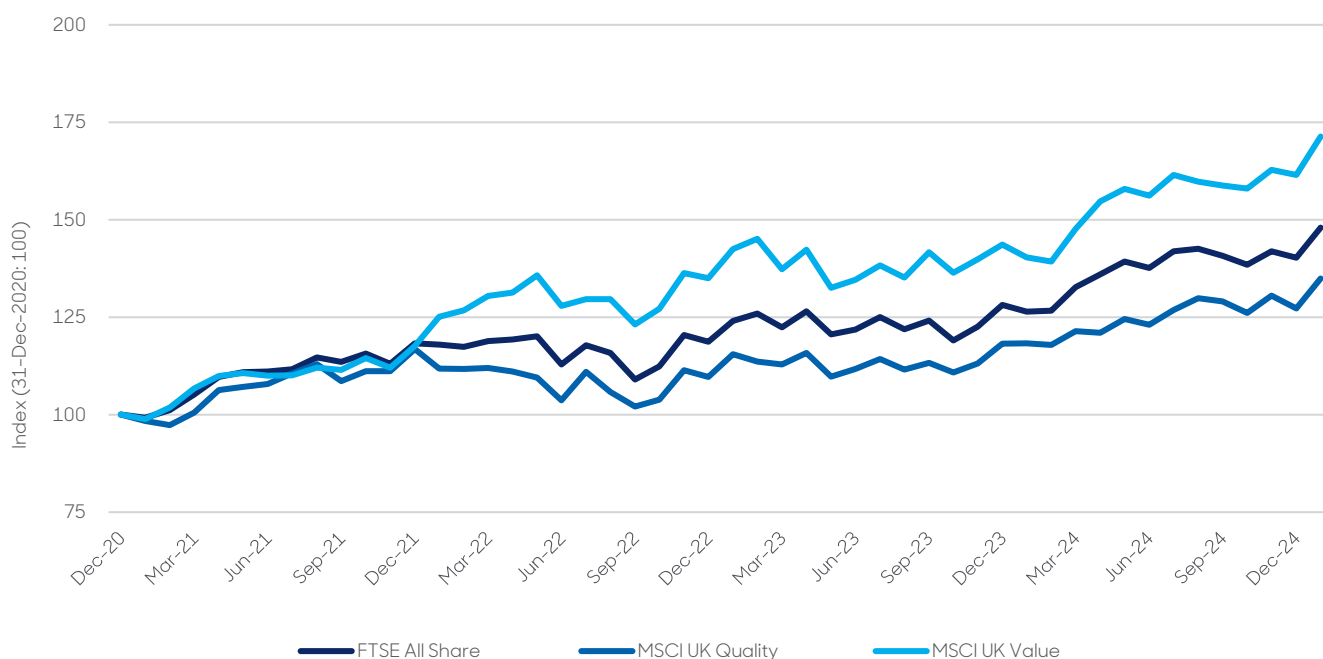
- The Board has declared that the first three interim dividends for the year to 30 June 2025 are 9.5p per share, with a fourth dividend to be announced after the Company's year end. The total dividend for the year to 30 June 2025 is expected to be at least 39.0p per share.
- NAV total return of -2.1%, underperforming the benchmark return of +1.9%.
- Continuation of share buybacks, with 2.8% of shares bought back in the six month period.
- Reduction and simplification of the investment management fee from 1 July 2024.
- Awarded 'Best Equity Income Trust' at the UK Investor Magazine Awards 2024.

The Company has been awarded the 'Best Equity Income Trust' award by UK Investor Magazine. The judging criteria included: the long term consistency of dividend growth; the current yield; the attractive cost basis relative to peers; and the current opportunity to buy shares at an attractive discount to NAV.

Investment Performance

For the six months ended 31 December 2024 (the "Period"), the Company's NAV (with debt at fair value) fell by 2.1% to 917.8p while the share price fell by 2.4% to 817.0p, both measured on a total return basis, whilst the FTSE All-Share Index (the "Benchmark") rose by 1.9% on a total return basis.

In the context of the wider stockmarket it should be noted that the Company portfolio is a 'Quality' dividend growth trust and that, as illustrated in the chart, 'Quality' has significantly underperformed 'Value' based indices over the past four years, after a previous four-year period of strong performance from 'Quality' stocks. There have also been some stock specific issues which have detracted from performance in the Period. We continue to believe, however, that a portfolio of 'Quality' income stocks will outperform over the long term. Further detail may be found in the Investment Manager's Report.



(Sources: Investec, Bloomberg, Morningstar)

Dividend

The dividend for the year ended 30 June 2024 was increased by 2.7% to 38.5p per share, the 51st year of consecutive dividend growth. In relation to the year to 30 June 2025, the Board has declared three interim dividends of 9.5p per share, payable quarterly. The fourth interim dividend, to be announced in August 2025, is expected to be at least 10.5p (2024: 10.0p). This would give a total dividend for the year of at least 39.0p per share.

The Board is aware that the listed companies in which the Company invests are currently making greater use of share buybacks. In the main, this is in addition to paying dividends but, in several cases, as a substitute for dividends. While the Board is watching this trend closely, including its implications for the Company's level of direct investment income, it should be noted that such share buybacks signify that these companies see good value in their own shares, a helpful indicator which should be broadly positive for the market.

Discount and share buybacks

The Board has undertaken substantial share buybacks in order to take advantage of the current discount to NAV at which the Company's shares trade. Not only do share buybacks help to stabilise and reduce the volatility of the Company's shares, they also enhance the underlying NAV for continuing shareholders and are a strong sign that the Board believes in the value of the underlying portfolio. In the Period, the Company bought back 2.8% of the shares in issue at the start of the Period (excluding treasury shares), adding 0.6% to the Company's NAV.

In addition, since the Period end, the Board has sanctioned a further uplift in share buyback activity, believing that there are opportunities to buy a portfolio of quality stocks at an attractive price, in an undervalued market. Between 1 January 2025 and 28 February 2025, the latest practicable date, the Company bought back an additional 2,880,000 shares into treasury, representing 2.8% of the issued share capital, excluding treasury shares, at 31 December 2024.

It is not only the Company's shares which are standing at a discount to NAV. Significant discounts have persisted across a wide of range of investment trusts with the current average discount for the sector, excluding 3i trust, at around 14% at the time of writing.

The effect of share buybacks in closing the discount is, of course, contingent on a number of factors including portfolio performance as well as the visibility, relevance, liquidity and value for money of a particular trust, but also subject to a number of factors outside the Board's control, such as the comparative appeal of equities as opposed to either cash or bonds and the relative attractiveness (in the case of the Company in particular) of the UK equity market.

Reduction and Simplification of Investment Management fee

With effect from 1 July 2024, the Company's investment management fee was reduced and simplified from three tiers to two tiers, with 0.35% charged on the first £1.1bn of net assets, falling to 0.25% for net assets above that level. This is reflected in a decrease in the ongoing charges to 0.47%, which is now one of the lowest for investment companies in the AIC's UK Equity Income sector.

Gearing

In October 2024, the Company entered into a new, three-year multi-currency revolving credit facility of £30m with The Royal Bank of Scotland International, London Branch (the "Facility"). As at 31 December 2024, the Company had drawn down £6.2m from the Facility. The Company's £100 million of long term borrowings remain in place, comprising £40m loan notes redeemable at par in November 2027 and £60 million loan notes redeemable at par in May 2029, with a combined weighted annual interest cost of 3.6%. The Company's net gearing was 10.7% at 31 December 2024 (30 June 2024: 9.1%).

Annual General Meeting ("AGM")

The AGM was held in London on 5 November 2024, celebrating 101 years since the inception of the Company. The AGM and the related webinar attracted in the region of 200 shareholders. A recording of the webinar may be viewed on the Company's website. We expect to repeat the webinar later in the year, and the next AGM will be held on 4 November 2025, again at Wallacespace in London's Bishopsgate, which all shareholders are invited to attend.

Chair's Statement

Continued

Board

The Board completed its search for a new director, as described in my Chair's Statement in the 30 June 2024 Annual Report, with the appointment of Andrew Page on 17 January 2025. Andrew brings with him considerable business and investment trust experience and he is a welcome addition to the non-executive Board of the Company.

Investment Team

aberdeen plc is our appointed investment management company. Charles Luke has been our lead portfolio manager since 2006, and works alongside co-manager Iain Pyle and Rhona Miller as members of aberdeen plc's Developed Market Equities Team.

Investment Process

Our Manager's investment process is best described as a search for good quality companies at attractive valuations, with the potential for dividend growth and capital appreciation. The Manager defines a quality company as one capable of strong and predictable cash generation, sustainably high returns on capital and with attractive growth opportunities over the long term. These typically result from a sound business model, a robust balance sheet and strong and deliverable management policies and practices.

Overview

The Period under review witnessed significant geopolitical events including the re-election of President Trump in the USA and, in the UK in July 2024, the election of a new Labour Government, as well as the continuation of the war in Ukraine. Specifically, the re-election of President Trump, with his predilection for tariffs, could favour UK domestically oriented stocks relative to international ones, and the Ukraine war will continue to impact on UK energy supply issues and UK defence expenditure. Indeed, as we go to press, the Government has just announced an increase in overall defence expenditure from 2.3% to 2.5% of GDP by 2027.

Before the election, the Labour Party had been at pains to demonstrate that it would pursue a business-friendly and economic growth agenda, an intention which was not fully apparent in its October Budget. More recently there have been announcements about re-focusing on a number of infrastructure projects, including the Oxford-Cambridge rail link, new reservoirs, the development of small nuclear reactors, and even the re-emergence of the Heathrow expansion plan. Whilst these projects will take years to come to fruition, there is a potential benefit, in the intervening years, for increased demand for construction and skilled engineering and design services in the UK.

In the meantime, we continue to advocate for fair cost disclosure for investment trusts such that they are not disadvantaged relative to other investment products. The UK Government appears to have accepted this case in principle, although the Financial Conduct Authority seems less convinced. I would also like to repeat my support for an end to the Stamp Duty tax on the purchase of UK equity shares. Such an abolition would bring the UK in line with other major equity markets such as the USA and Germany. I realise that the UK Government is strapped for cash at present but even a move to exempt smaller companies from this tax, or to reduce the percentage level at which it is charged, would represent an initial step in the right direction.

Finally, I would just wish to highlight that, as mentioned in the Investment Manager's report, the current investment portfolio boasts a significantly higher return on equity than the market, meaningfully stronger earnings growth stability than the market and lower gearing than the market – all in all a good quality portfolio currently standing at an attractive discount to NAV.



Peter Tait
Chair
4 March 2025

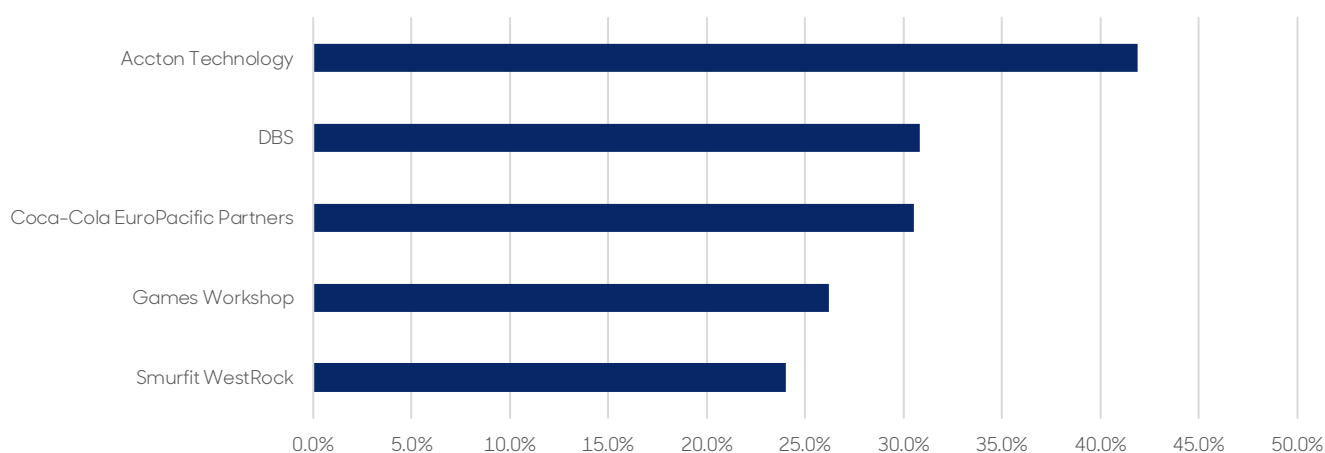
Investment Manager's Report

The Company generated a negative Net Asset Value ("NAV") per share (with debt at fair value) total return of -2.1% for the six months ended 31 December 2024 (the "Period"). This was behind the Company's Benchmark (the FTSE All-Share Index) which exhibited a total return of +1.9%. The share price total return was -2.4%, reflecting the discount widening from 10.5% to 11.1% (based on NAV with debt at fair value).

The top five winners and losers in the portfolio over the Period are set out in the two charts below:

Top five winners in the portfolio:

(with the individual share price total return gain or loss indicated):



Accton Technology – the shares of this Taiwan-listed internet data company performed strongly following robust results and excitement around the prospects for the business as a part of the artificial intelligence value chain.

DBS – this was a new purchase during the Period, which performed strongly, helped by its new capital repatriation strategy that was received well by the stockmarket (please see the Investment Case Study on page 15 for further information).

Coca-Cola EuroPacific Partners – the combination of sound trading and the prospect of the company entering the FTSE 100 Index led the shares to do well (please see the Investment Case Study on page 15 for further information).

Games Workshop – a strong trading update, the agreement of creative guidelines for the adaptation of the company's Warhammer series to appear on Amazon Prime combined with promotion to the FTSE 100 Index resulted in a strong share price performance from this fantasy wargaming model company.

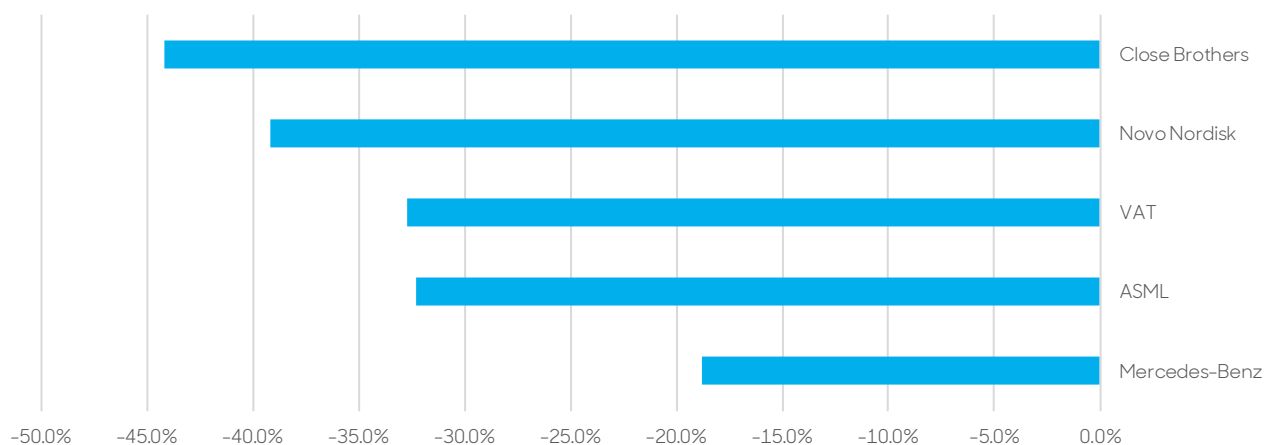
Smurfit WestRock – a leading global paper and packaging business, this stock performed well during the Period as the stockmarket reacted positively to the company's upbeat results and increased synergy target following the merger.

Investment Manager's Report

Continued

Top five losers in the portfolio:

(with the individual share price total return gain or loss indicated)



Close Brothers – this UK specialist lender performed poorly following the UK Supreme Court judgment on historic car finance mis-selling claims and specifically that car dealers had a fiduciary duty to their customers to disclose commission payments to them by lenders and that lenders, such as Close Brothers, would be liable for dealers' non-disclosure. Close Brothers has been granted permission to appeal the judgment with the UK Supreme Court likely to hear the appeal at the start of April.

Novo Nordisk – the shares of this Danish pharmaceutical company were weak in the Period following disappointing trial results for CagriSema, its once-weekly subcutaneous weight-loss product.

VAT – the shares of this Swiss vacuum valve manufacturer fell in the Period following strong performance previously; the holding was reduced on concerns around the potential impact of export restrictions to China, which weighed on the share price.

ASML – the shares of this global leader in semiconductor lithography equipment performed poorly in the Period following a reduction in 2025 guidance due to delayed orders and weakness in non-artificial intelligence markets.

Mercedes-Benz – the shares were weak in the Period following a disappointing trading update which highlighted weaker demand for its vehicles in China.

Purchases and Disposals

A new holding in **ASML**, the Dutch listed global leader in semiconductor lithography equipment, was purchased for the portfolio. The company's extremely strong leadership position provides pricing power, high returns on capital employed and good long-term growth visibility, benefiting from the development of AI.

DBS, listed in Singapore, is the largest bank in South East Asia and we see the bank's wealth management division, high return on equity, and level of fee income as attractive quality characteristics. The holding in **Oversea-Chinese Banking Corp** was sold to fund **DBS**. Oversea-Chinese Banking Corp had performed strongly during our period of ownership but we felt that **DBS** would be more likely to outperform in future.

UK home-furnishings retailer **Dunelm** was purchased for the portfolio. Dunelm's strong market position and new stores and formats should allow the company to continue to take market share. The company has a robust balance sheet and strong cash generation which provides for likely special dividends to enhance income. The new holding was part funded by a sale of **Direct Line** where the approach from Aviva provided the catalyst to fully exit.

We repurchased **LondonMetric**, the UK-focused property business with a high degree of exposure to logistics. The stock has been held in the portfolio previously, with the position sold at a more expensive valuation around three years' ago. We now see the valuation and dividend yield as being at attractive levels and are positive on the outlook for the logistics sector given limited new supply and strong rental growth potential.

Rio Tinto, the global metals and mining company, replaced the portfolio's position in peer **BHP** given its stronger medium term growth prospects and more attractive valuation, including higher dividend yield.

Reckitt Benckiser, the consumer health and hygiene company, is progressing through a period of change with the divestment of non-core businesses. In future, the company will focus on self-care, germ protection and household care products which have strong brands and market positions, and attractive growth prospects.

Also during the Period the holding in **Coca-Cola Hellenic** was sold following a period of strong performance and due to concerns regarding the level of profits derived from its Russian operations. **OSB** was also exited given a deteriorating view of the company's sustainable competitive advantage in its Precise Mortgages division.

Other transactions related to existing holdings where changes were made to take advantage of attractive valuation opportunities or to reduce holdings where strong share price performances allowed the recycling of capital and also provided funds for the Company's buyback of its own shares. We took advantage of share price weakness to add to **Anglo American, Diageo, Haleon, Rotork** and **Convatec**, amongst others. Conversely, there were reductions to holdings including to **Accton Technology, AstraZeneca, Howden Joinery, Intermediate Capital, London Stock Exchange, Microsoft** and **Unilever**.

We continued our measured option-writing programme which is based on our fundamental analysis of holdings in the portfolio. We believe that the option-writing strategy is of benefit to the Company by diversifying and modestly increasing the level of income generated and providing headroom to invest in companies with lower starting yields but better dividend and capital growth prospects. The Company also bought back shares, representing 2.8% of the shares in issue, during the Period.

Portfolio Characteristics

One of the tenets of our investment philosophy is the belief that in order to grow dividends over the long term a business needs to grow its earnings and cashflow and that high quality businesses are best placed to do that. We believe that the portfolio is well positioned to do just this. Looking at the portfolio from a quantitative perspective at 31 December 2024, typical measures of portfolio quality such as profitability and capital efficiency measures and earnings stability were high in absolute terms and considerably better than the UK stock market (for example, in aggregate, the return on equity and return on assets of the portfolio holdings was 23.3% and 7.4% respectively, compared to the Benchmark at 15.6% and 5.6%, respectively). Furthermore, the dividend yield of the Company of 4.7% at 31 December 2024 sits at a premium to the Benchmark. Also at 31 December 2024, the portfolio traded on a forward P/E multiple of 14.6x compared to the Benchmark on 12.0x: marginally more expensive but to our minds a reasonable price to pay for a considerably better quality portfolio and one still very attractively valued in absolute terms. However, given the discount to NAV at which the Company's shares trade, an investor is able to access a meaningfully higher quality portfolio at close to the Benchmark valuation which we believe is a highly attractive opportunity.

Engagement and Governance

Examples of engagement and governance activities which the Manager has undertaken during the Period include interactions with **Unilever, LVMH** and **Sage**.

Firstly, we met with investor relations at **Unilever**, where we were encouraged to hear that its refreshed sustainability initiatives are unchanged despite some targets being reset. Secondly, we engaged with **LVMH** following the investigation into a Dior supplier which was found to have abused the human rights of its employees. The meeting provided reassurance that Dior is taking steps to address the issue including ending the supplier relationship and enhancing processes around the audit of their supply chain. Thirdly, we met with **Sage** to discuss proposed changes to its remuneration policy.

Investment Manager's Report

Continued

Market and Economic Background

The UK equity market, as measured by the Benchmark, rose by 1.9% on a total return basis over the Period. However, the path to the market ending higher was bumpy, reflecting a number of broader themes and market influences: namely, the domestic political and economic environment and global factors such as geopolitics, commodity prices and the election in the United States.

Performance at a sector level was mixed. The Financials and Consumer Staples sectors performed well while the Energy and Basic Materials sectors struggled. The more domestically focused FTSE 250 Index marginally outperformed the FTSE 100 Index over the Period.

Labour's win in the early July 2024 general election was followed by a warning from the new Government of a 'black hole' in the public finances. Uncertainty ahead of the UK's Budget in late October weighed on the market. The Budget set out higher-than-expected tax increases, including rising employer National Insurance contributions, together with increased day-to-day spending and investment and changed fiscal rules that will increase borrowing. Although the measures have the potential to boost near-term growth in the UK, this has yet to materialise. Indeed, the market for UK gilts reacted negatively with the need for expanded future gilt issuance a factor in driving yields higher.

After a slightly more positive start to the calendar year 2024 in terms of GDP growth, the second half of 2024 saw UK economic activity continue to stagnate. GDP increased by 0.1% in the three months to September 2024, following 0.5% growth in the previous quarter to June. Preliminary GDP data for the three months ended December 2024 suggested growth of 0.1%, marginally ahead of expectations. Consumer confidence data continued to be in negative territory despite wage growth exceeding forecasts, while vacancies fell over the Period.

Inflation data was more within the realms of the Bank of England's ("BoE") 2% target during the Period than has been the case in recent years. However, the November reading was the highest since March 2024, with the Consumer Prices Index ("CPI") rising to 2.6% in November and then marginally decreasing to 2.5% in December. The BoE delivered two 0.25 percentage point cuts in the Period bringing the Bank Rate down to 4.75%. Rates were held flat at the December meeting and then subsequently, post the Period end, reduced by 0.25 percent to 4.5% in February. The BoE's Monetary Policy Committee anticipated CPI continuing to rise in the near term and reiterated that further rate cuts would be dependent on CPI returning towards the BoE's target level, after reaching 3.0% for January.

Stickier inflation trends have also been seen in the US, which has led the US Federal Reserve to be more cautious on cutting rates than had been expected. In the Eurozone, weak growth had led to rate cuts. Economic growth in the US has remained robust and Donald Trump's win in the November election was taken positively by markets. In China, green shoots were seen in economic activity data towards the end of the Period following more supportive policy announcements. Oil prices finished the Period at lower levels as concerns about slowing global demand and the potential for OPEC to unwind some production cuts outweighed geopolitical risks.

Outlook

Economic growth in the UK has slowed and we expect rate cuts to follow a quarterly cadence during the year with 100bps of easing a more rapid rate of reduction than the market is currently pricing in. In theory, the political and economic environment in the UK should be more settled following the general election. Although, as we have seen relatively recently, it is possible that rising gilt yields and slowing growth could force further changes to fiscal policy. Overseas, US activity is likely to remain robust. Although there remains uncertainty around the Trump administration's policy priorities, the likelihood is that stickier inflation will result in the Fed cutting rates cautiously. Conversely, in the Eurozone, domestic and international economic headwinds are likely to lead to sustained rates cuts by the European Central Bank.

Positioned for strong returns

The portfolio is full of attractive high quality companies with long term growth tailwinds which are valued in aggregate, by the market, in an unusually modest way. Although rising real gilt yields have been a headwind to performance over the last three years, we strongly believe in the potential of the companies in the portfolio to outperform over the longer term. Furthermore, it is also worth noting the various limbs to the investment strategy which are important in their own right and help to differentiate the portfolio. Our healthy exposure to mid-cap companies aids growth and provides diversification, while these companies are also more likely to be subject to corporate activity. The patient 'buy-and-hold' approach helps to reduce frictional costs. The overseas-listed holdings increase the opportunity set, providing access to industries not available in the UK and helping to diversify the portfolio. The low beta of the portfolio reflects academic research which demonstrates that low beta portfolios tend to outperform. Finally, diversification within the portfolio reduces risk at the stock and sector level for both capital and income.

With the shares trading at a meaningful discount to NAV, as well as the buyback of shares continuing to be accretive to NAV, investors are provided with a rare opportunity to capitalise on a 'double discount': by accessing a discounted portfolio of high quality companies in a market that is itself trading at a significant discount to global equities.



Charles Luke

Senior Investment Director
abrdn Investments Limited

4 March 2025

Ten Largest Investments

As at 31 December 2024



RELX

RELX is a global provider of information and analytics for professionals and businesses across a number of industries including scientific, technical, medical and law. The company offers resilient earnings combined with long term structural growth opportunities.



Unilever

Unilever is a global consumer goods company supplying food, home and personal care products. The company has a portfolio of strong brands including: Dove, Knorr, Axe and Persil. Over half of the company's sales are to developing and emerging markets.



AstraZeneca

AstraZeneca researches, develops, produces and markets pharmaceutical products. With a significant focus on oncology and rare diseases, the company offers appealing growth potential over the medium term.



London Stock Exchange

London Stock Exchange is a diversified global financial markets infrastructure and data business. The company is highly cash generative and very well placed to benefit from increased spend on data services.



Diageo

Diageo produces, distills and markets alcoholic beverages including vodkas, whiskies, tequilas, gins and beer. The company should benefit from attractive long term drivers such as population and income growth, and premiumisation. The company has a variety of very strong brands and faces very limited private label competition.



National Grid

National Grid is an investor-owned utility company which owns and operates the electricity and gas transmission network in Great Britain and the electricity transmission networks in the Northeastern United States. The company offers resilient earnings and an attractive dividend yield.



bp

bp is a fully integrated energy company involved in exploration, production, refining, transportation and marketing of oil and natural gas. We believe the industry is currently in a sweetspot with rising prices and benign costs. The company provides an attractive dividend yield and is well placed for the energy transition while also preserving its strengths in its core operations.



TotalEnergies

TotalEnergies is a broad energy company that produces and markets fuels, natural gas and electricity. It is a leader in the sector's energy transition with an attractive pipeline of renewable assets



Experian

Experian is a market leader in the provision of credit and marketing services. It maintains one of the largest credit bureaus and offers specialist analytical solutions for credit scoring, risk management and application processing across a number of different markets including financial services, health, retail and government.



Sage Group

Sage Group is a software publishing business which develops, publishes and distributes accounting and payroll software. It also maintains a registered user database which provides a market for their related products and services, including computer forms, software support contracts, program upgrades and training.

Investment Portfolio

As at 31 December 2024

Investment	FTSE All-Share Sector	Country	Valuation £'000	Total investments %
RELX	Media	UK	56,204	5.5
Unilever	Personal Care Drug and Grocery Stores	UK	55,250	5.4
AstraZeneca	Pharmaceuticals and Biotechnology	UK	48,012	4.7
London Stock Exchange	Finance and Credit Services	UK	47,120	4.6
Diageo	Beverages	UK	45,770	4.5
National Grid	Gas, Water and Multi-utilities	UK	39,558	3.9
bp	Oil, Gas and Coal	UK	33,598	3.3
TotalEnergies	Oil, Gas and Coal	France	31,751	3.1
Experian	Industrial Support Services	UK	30,935	3.1
Sage Group	Software and Computer Services	UK	27,419	2.7
Top ten investments			415,617	40.8
DBS	Banks	Singapore	27,222	2.7
HSBC	Banks	UK	26,001	2.6
Anglo American	Industrial Metals and Mining	UK	25,533	2.5
Convatec	Medical Equipment and Services	UK	24,430	2.4
Haleon	Pharmaceuticals and Biotechnology	UK	23,985	2.4
Rio Tinto	Industrial Metals and Mining	UK	22,198	2.2
Rentokil Initial	Industrial Support Services	UK	21,696	2.1
SSE	Electricity	UK	20,180	2.0
Intermediate Capital	Investment Banking and Brokerage Services	UK	19,582	1.9
Inchcape	Industrial Support Services	UK	18,499	1.8
Top twenty investments			644,943	63.4
Nordea Bank	Banks	Sweden	16,964	1.7
Coca-Cola EuroPacific Partners	Beverages	UK	16,298	1.6
Howden Joinery	Retailers	UK	16,288	1.6
Smurfit Kappa	General Industrials	UK	15,762	1.5
Safestore	Real Estate Investment Trusts	UK	15,555	1.5
M&G	Investment Banking and Brokerage Services	UK	15,347	1.5
Games Workshop	Leisure Goods	UK	14,104	1.4
Microsoft	Software and Computer Services	United States	13,954	1.3
Rotork	Electronic and Electrical Equipment	UK	13,168	1.3
Kone	Industrial Engineering	Finland	12,864	1.3
Top thirty investments			795,247	78.1

Investment Portfolio

Continued

As at 31 December 2024

Investment	FTSE All-Share Sector	Country	Valuation £'000	Total investments %
LondonMetric	Real Estate Investment Trusts	UK	12,581	1.2
RS Group	Industrial Support Services	UK	12,410	1.2
Oxford Instruments	Electronic and Electrical Equipment	UK	12,297	1.2
Accton Technology	Telecommunications Equipment	Taiwan	12,071	1.2
Genus	Pharmaceuticals and Biotechnology	UK	11,659	1.2
GSK	Pharmaceuticals and Biotechnology	UK	11,263	1.1
Genuit	Construction and Materials	UK	11,247	1.1
Berkeley	Household Goods and Home Construction	UK	11,076	1.1
Reckitt Benckiser Group	Personal Care Drug and Grocery Stores	UK	10,872	1.1
Telenor	Telecommunications Service Providers	Norway	10,412	1.0
Top forty investments			911,135	89.5
Mastercard	Industrial Support Services	United States	10,355	1.0
Air Liquide	Chemicals	France	10,190	1.0
Hiscox	Non-life Insurance	UK	9,599	1.0
ASML	Technology Hardware and Equipment	Netherlands	9,304	0.9
L'Oréal	Personal Goods	France	9,155	0.9
LVMH	Personal Goods	France	8,744	0.9
Moonpig	Retailers	UK	8,345	0.8
Mercedes-Benz	Automobiles and Parts	Germany	7,993	0.8
Dunelm	Retailers	UK	7,505	0.7
Chesnara	Life Insurance	UK	6,980	0.7
Top fifty investments			999,305	98.2
VAT Group	Electronic and Electrical Equipment	Switzerland	6,390	0.6
Close Brothers	Banks	UK	6,358	0.6
Novo-Nordisk	Pharmaceuticals and Biotechnology	Denmark	5,970	0.6
Total investments (53)			1,018,023	100.0

Investment Case Studies



Coca-Cola EuroPacific Partners

Coca-Cola EuroPacific Partners ("CCEP") is the bottler of Coca-Cola beverages in Western Europe, Australia, Indonesia and the Philippines and, as such, the world's largest Coke bottler.

The company offers an attractive geographic balance with a combination of developed and emerging market exposures: Indonesia and the Philippines offer volume growth while UK and French soft drinks consumption is below that of Germany. Helped by its strong cash generative qualities the company has the potential to add other territories within the Coke bottling system. Whereas the Coca-Cola Company owns the trademark to the brands and focuses on broad consumer marketing and concentrate supply, the role of CCEP is product bottling, sales & distribution, customer management and local marketing. As the bottler for Coke, the company offers access to some of the strongest beverage brands in the world (such as Coke, Fanta and Sprite) in an area that generally has limited private label competition. The company offers dependable sales growth with the prospect of margin expansion through operating leverage, premiumisation and mix benefits from more profitable energy and sports drinks. The company should be able to provide a low teens total return from high single digit operating profit growth together with an attractive dividend yield and a likely buy back given excess cash flow. In an increasingly health-conscious world, CCEP is well-positioned with 19 out of the top 20 drinks having a low-calorie alternative and low-calorie drinks currently represent 50 per cent of volumes.

Although CCEP's shares are listed in London, the historic lack of a premium listing has meant that the company has not been included in FTSE indices. However, following changes to the listing rules and a number of actions by CCEP, the company is likely to enter the FTSE 100 at the end of March which should provide more visibility for the company and a positive catalyst for the share price.



DBS

DBS is the largest listed bank in South East Asia and adds to the portfolio an attractive exposure to the robust growth dynamics of the region.

The company, which is listed and has its headquarters in Singapore, has particular strength in large corporate loans, cash management and wealth management. Around 60% of its income is derived from Singapore and the majority of the remainder from Hong Kong, China, Indonesia and India. DBS displays qualitative metrics including a strong capital ratio and a relatively modest loan to deposit ratio. The industry leading return on equity (or 18%) is derived from the high current and savings accounts as a percentage of total deposits and strong fee income from global transaction services and wealth management. Furthermore, significant investment in technology positions the company well from this perspective for the future.

DBS has reduced its net interest margin sensitivity to falling interest rates through the use of hedges to lock in fixed rates, a balance sheet that has pivoted to fixed rate assets and would expect to benefit from additional loan growth and higher fee income if rates fall. The strong capital position of DBS is likely to lead to the additional repatriation of capital above that of the current attractive dividend yield of 5% at the time of writing.

Interim Management Report

Principal Risks and Uncertainties

The Board regularly reviews the principal risks and uncertainties which it has identified, together with the delegated controls it has established to manage the risks and address the uncertainties. These are considered to be materially unchanged as at 31 December 2024 as compared to 30 June 2024. The principal risks and uncertainties are set out in detail on pages 17 to 21 of the Company's Annual Report for the year ended 30 June 2024 ("Annual Report 2024") which is available on the Company's website. The Annual Report 2024 also contains, in note 18 to the Financial Statements, an explanation of other risks relating to the Company's investment activities, specifically market risk, liquidity risk and credit risk, and a note of how these risks are managed.

Related Party Transactions

Under Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties have been identified. There have been no related party transactions that have had a material effect on the financial position of the Company.

Going Concern

The factors which have an impact on the Company's status as a going concern are set out in the Going Concern section of the Directors' Report on page 42 of the Annual Report 2024. As at 31 December 2024, there had been no material changes to these factors.

The Directors are mindful of the principal risks and uncertainties disclosed above and, having reviewed forecasts detailing revenue and liabilities as well as taking account of the highly liquid nature of the investment portfolio, they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the Financial Statements.

US Executive Order No. 14032

The Board confirms that the Company has not and does not intend to invest in any of the companies designated as "Chinese Military-Industrial Complex Companies" by the US Executive Order No. 14032.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half-Yearly Financial Report for the six months ended 31 December 2024 comprises the Half-Yearly Board Report, the Directors' Responsibility Statement and the condensed set of Financial Statements.

For and on behalf of the Board

Peter Tait

Chair

4 March 2025

Condensed Statement of Comprehensive Income (unaudited)

	Notes	Six months ended 31 December 2024			Six months ended 31 December 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(35,990)	(35,990)	-	32,687	32,687
Currency gains/(losses)		-	265	265	-	(59)	(59)
Income	2	17,020	-	17,020	17,364	-	17,364
Investment management fee	4, 13	(507)	(1,184)	(1,691)	(551)	(1,287)	(1,838)
Administrative expenses		(601)	-	(601)	(683)	-	(683)
Net return before finance costs and taxation		15,912	(36,909)	(20,997)	16,130	31,341	47,471
Finance costs		(404)	(943)	(1,347)	(385)	(897)	(1,282)
Net return before taxation		15,508	(37,852)	(22,344)	15,745	30,444	46,189
Taxation	5	233	-	233	(191)	-	(191)
Net return after taxation		15,741	(37,852)	(22,111)	15,554	30,444	45,998
Return per Ordinary share	6	15.2p	(36.6)p	(21.4)p	14.2p	27.7p	41.9p

The total column of this statement represents the profit and loss account of the Company prepared in accordance with FRS 102. 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.

No operations were acquired or discontinued in the period.

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

Condensed Statement of Financial Position (unaudited)

	Notes	As at 31 December 2024 £'000	As at 30 June 2024 £'000
Fixed assets			
Investments at fair value through profit or loss		1,018,023	1,073,534
Current assets			
Other debtors and receivables		6,320	12,512
Cash and cash equivalents		13,974	25,148
		20,294	37,660
Creditors: amounts falling due within one year			
Derivative financial instruments		(362)	-
Other payables		(1,937)	(7,056)
Bank loans	7	(6,190)	(6,282)
		(8,489)	(13,338)
Net current assets		11,805	24,322
Total assets less current liabilities		1,029,828	1,097,856
Creditors: amounts falling due after one year			
2.51% Senior Loan Notes 2027	7	(39,963)	(39,955)
4.37% Senior Loan Notes 2029	7	(66,828)	(67,619)
		(106,791)	(107,574)
Net assets		923,037	990,282
Capital and reserves			
Share capital	8	29,882	29,882
Share premium account		438,213	438,213
Capital redemption reserve		4,997	4,997
Capital reserve		421,963	484,787
Revenue reserve		27,982	32,403
Total Shareholders' funds		923,037	990,282
Net asset value per Ordinary share			
	9		
Debt at fair value		917.8p	957.9p
Debt at par value		907.2p	946.0p

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

Condensed Statement of Changes in Equity (unaudited)

Six months ended 31 December 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2024		29,882	438,213	4,997	484,787	32,403	990,282
Net return after tax		-	-	-	(37,852)	15,741	(22,111)
Buyback of Ordinary shares for treasury	8	-	-	-	(24,972)	-	(24,972)
Dividends paid	3	-	-	-	-	(20,162)	(20,162)
Balance at 31 December 2024		29,882	438,213	4,997	421,963	27,982	923,037

Six months 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 1 July 2023		29,882	438,213	4,997	489,428	36,664	999,184
Net return after tax		-	-	-	30,444	15,554	45,998
Buyback of Ordinary shares for treasury	8	-	-	-	(30,540)	-	(30,540)
Dividends paid	3	-	-	-	-	(24,434)	(24,434)
Balance at 31 December 2023		29,882	438,213	4,997	489,332	27,784	990,208

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

Condensed Statement of Cash Flows (unaudited)

	Notes	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
Operating activities			
Net return before finance costs and taxation		(20,997)	47,471
Adjustments for			
Increase in accrued expenses		462	115
Overseas withholding tax		1,007	(201)
Decrease in dividend income receivable		1,960	1,830
Decrease/(increase) in interest income receivable		8	(28)
Interest paid		(1,353)	(1,508)
(Losses)/gains on investments		35,990	(32,687)
Amortisation of loan note expenses		8	7
Accretion of loan note book cost		(791)	(791)
Foreign exchange (gains)/ losses		(265)	59
Increase in other debtors		(331)	(417)
Net cash inflow from operating activities		15,698	13,850
Investing activities			
Purchases of investments		(135,487)	(62,488)
Sales of investments		153,366	113,005
Net cash inflow from investing activities		17,879	50,517
Financing activities			
Dividends paid	3	(20,162)	(24,434)
Buyback of Ordinary shares for treasury		(24,762)	(30,540)
Net cash outflow from financing activities		(44,924)	(54,974)
(Decrease)/increase in cash		(11,347)	9,393
Analysis of changes in cash during the period			
Opening balance		25,148	15,115
Effect of exchange rate fluctuations on cash held		173	60
(Decrease)/increase in cash as above		(11,347)	9,393
Closing balance		13,974	24,568
Represented by:			
Cash at bank and in hand		2,956	4,675
Money market funds		11,018	19,893
		13,974	24,568

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

Notes to the Financial Statements

For the six months ended 31 December 2024

1. Accounting policies

Basis of preparation. The condensed financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

The condensed financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

2. Income

	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
Investment income		
UK dividends	10,878	11,738
Overseas dividends	3,855	3,109
Property income dividends	637	252
	15,370	15,099
Other income		
Deposit interest	5	25
Money Market interest	387	538
Traded option premiums	1,246	1,695
Interest on tax reclaim	12	7
	1,650	2,265
Total income	17,020	17,364

Notes to the Financial Statements

Continued

3. Dividends

Dividends paid on Ordinary shares deducted from the revenue reserve:

	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
2023 fourth interim dividend - 12.75p	-	14,100
2024 first interim dividend - 9.50p	-	10,334
2024 fourth interim dividend - 10.00p	10,428	-
2025 first interim dividend - 9.50p	9,734	-
	20,162	24,434

The first interim dividend for 2025 of 9.50p (2024 - 9.50p) was paid on 12 December 2024 to shareholders on the register on 15 November 2024. The ex-dividend date was 14 November 2024.

A second interim dividend for 2025 of 9.50p (2024 - 9.50p) will be paid on 13 March 2025 to shareholders on the register on 14 February 2025. The ex-dividend date is 13 February 2025.

A third interim dividend for 2025 of 9.50p (2024 - 9.50p) will be paid on 12 June 2025 to shareholders on the register on 16 May 2025. The ex-dividend date is 15 May 2025.

4. Management fee

The management fee is as reported in the 2024 Annual Report, being a tiered fee based on net assets. The management fee was changed with effect from 1 July 2024, as shown below.

With effect from 1 July 2024		
Fee rate per annum	Net assets	£'million
0.35%	up to	1,100
0.25%	greater than	1,100

Effective until 30 June 2024		
Fee rate per annum	Net assets	£'million
0.55%	up to	350
0.45%	within the range	350-450
0.25%	greater than	450

The management fee and finance costs are charged 30% to revenue and 70% to capital.

5. Taxation

The expense for taxation reflected in the Condensed Statement of Comprehensive Income is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 30 June 2025 is the current standard rate of 25% (2024 – 25%).

During the period the Company received a refund of withholding tax previously suffered on overseas dividend income, which contributed to a net credit of £233,000 (31 December 2023 – suffered £191,000).

6. Return per Ordinary share

	Six months ended 31 December 2024		Six months ended 31 December 2023	
	£'000	p	£'000	p
Revenue return	15,741	15.2	15,554	14.2
Capital return	(37,852)	(36.6)	30,444	27.7
Total return	(22,111)	(21.4)	45,998	41.9
Weighted average number of Ordinary shares in issue		103,306,567		109,756,794

7. Senior Loan Notes and bank loans

Senior Loan Notes. The Company has in issue:

- (i) £40,000,000 of 10 year Senior Loan Notes at a fixed rate of 2.51%, redeemable at par on 8 November 2027;
- (ii) £60,000,000 of 15 year Senior Loan Notes at a fixed rate of 4.37% redeemable at par on 8 May 2029.

The Loan Notes rank pari passu and are secured by floating charges over the whole of the assets of the Company and pay interest in half yearly instalments in May and November. The Company has complied with both Note Purchase Agreements: that the ratio of net assets to gross borrowings must be greater than 3.5:1 and that net assets must not be less than £550,000,000.

The fair value of both Loan Notes have been calculated by aggregating the expected future cash flows for that loans discounted at a rate based on UK gilts issued with comparable coupon rates and maturity dates plus a margin representing the credit risk for Investment Grade A bonds. The fair value of the Loan Notes is shown in note 9.

Notes to the Financial Statements

Continued

	31 December 2024 £'000	30 June 2024 £'000
2.51% Senior Loan Notes	40,000	40,000
Unamortised 2.51% Senior Loan Notes issue expenses	(37)	(45)
	39,963	39,955
4.37% Senior Loan Notes at fair value	73,344	73,344
Amortisation of 4.37% Senior Loan Note	(6,516)	(5,725)
	66,828	67,619
	106,791	107,574

Bank loans. The Company has a three year £30 million multi-currency unsecured revolving credit facility ('RCF') with the Royal Bank of Scotland International Limited ('Scotia'), committed until 22 October 2027 (at 30 June 2024, the Company had a £50 million multi-currency unsecured RCF with Scotia committed until 27 October 2024). At each period end the Company had drawn down the facility as shown below:

	31 December 2024			30 June 2024		
	Rate	Currency	£'000	Rate	Currency	£'000
Euro	4.48%	4,050,000	3,348	4.79%	4,050,000	3,434
Swiss Franc	2.40%	363,000	320	2.55%	363,000	319
US Dollar	6.02%	2,400,000	1,916	6.57%	2,400,000	1,898
Danish Krona	4.37%	2,750,000	305	4.75%	2,750,000	313
Norwegian Krone	6.12%	4,275,000	301	5.78%	4,275,000	318
			6,190			6,282

8. Share capital

	Six months ended 31 December 2024		Year ended 30 June 2024	
	Shares	£'000	Shares	£'000
Allotted, called-up and fully paid:				
Ordinary shares of 25p each: publicly held	101,743,980	25,436	104,685,001	26,171
Ordinary shares of 25p each; held in treasury	17,785,552	4,446	14,844,531	3,711
	119,529,532	29,882	119,529,532	29,882

During the period 2,941,000 (30 June 2024 – 7,035,000) Ordinary shares were bought back for treasury at a cost of £24,972,000 (30 June 2024 – £59,007,000). As at 28 February 2025, a further 2,880,000 shares have been bought back at a cost of £24,494,000.

9. Net asset value per Ordinary share

The net asset value and the net asset value attributable to the Ordinary shares at the end of the period follow. These were calculated using 101,743,980 (30 June 2024 – 104,685,001) Ordinary shares in issue at the period end (excluding treasury shares).

	31 December 2024		30 June 2024	
	£'000	Net Asset Value Attributable pence	£'000	Net Asset Value Attributable pence
Net asset value – debt at par	923,037	907.2	990,282	946.0
Add: amortised cost of 2.51% Senior Loan Notes	39,963	39.3	39,955	38.2
Less: fair value of 2.51% Senior Loan Notes	(37,307)	(36.7)	(36,530)	(34.9)
Add: amortised cost of 4.37% Senior Loan Notes	66,828	65.7	67,619	64.5
Less: fair value of 4.37% Senior Loan Notes	(58,693)	(57.7)	(58,535)	(55.9)
Net asset value – debt at fair value	933,828	917.8	1,002,791	957.9

10. Transaction costs

During the period, expenses were incurred in acquiring or disposing of investments classified at fair value through profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
Purchases ^A	532	266
Sales ^A	92	55
	624	321

^A Costs associated with the purchases and sale of portfolio investments in the normal course of the Company's business comprising stamp duty, financial transaction taxes and brokerage.

Notes to the Financial Statements

Continued

11. 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 has the following levels:

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 within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly; and

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 Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 December 2024	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,018,023	-	-	1,018,023
Financial liabilities at fair value through profit or loss					
Derivatives	b)	(226)	(136)	-	(362)
Net fair value		1,017,797	(136)	-	1,017,661

As at 30 June 2024	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,073,534	-	-	1,073,534
Net fair value		1,073,534	-	-	1,073,534

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) **Derivatives.** The fair value of the Company's investments in Exchange Traded Options has been determined using observable market inputs on an exchange traded basis and therefore has been included in Fair Value Level 1.

The fair value of the Company's investments in Over the Counter Options (where the underlying equities are also held) has been determined using observable market inputs other than quoted prices of the underlying equities (which are included within Fair Value Level 1) and therefore determined as Fair Value Level 2.

The fair value of the 2.51% Senior Loan Notes have been calculated as £37,014,000 (30 June 2024 - £36,530,000), 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, compared to carrying amortised cost of £39,963,000 (30 June 2024 - £39,955,000).

The fair value of the 4.37% Senior Loan Notes, have been calculated as £58,036,000 (30 June 2024 - £58,535,000), the value being based on a comparable debt security, compared to carrying amortised cost of £66,828,000 (30 June 2024 - £67,619,000).

All other financial assets and liabilities of the Company are included in the Condensed Statement of Financial Position at their book value which in the opinion of the Directors is not materially different from their fair value.

12. Analysis of changes in net debt

	At 30 June 2024 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 December 2024 £000
Cash and cash equivalents	25,148	173	(11,347)	-	13,974
Debt due within one year	(6,282)	92	-	-	(6,190)
Debt due after one year	(107,574)	-	-	783	(106,791)
Total	(88,708)	265	(11,347)	783	(99,007)

	At 30 June 2023 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 December 2023 £000
Cash and cash equivalents	15,115	60	9,393	-	24,568
Debt due within one year	(6,378)	(119)	-	-	(6,497)
Debt due after one year	(109,141)	-	-	784	(108,357)
	(100,404)	(59)	9,393	784	(90,286)

An analysis of cash and cash equivalents between cash at bank and in hand and money market funds is provided in the Statement of Cash Flows.

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.

Notes to the Financial Statements

Continued

13. Transactions with the Manager

The Company has delegated the provision of investment management, secretarial, accounting and administration and promotional services to the Manager.

The amounts charged excluding VAT for the period are set out below:

	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
Management fee	1,691	1,838
Promotional activities	201	212
Secretarial fees	38	38
	1,930	2,088

The amounts payable excluding VAT at the period end are set out below:

	Six months ended 31 December 2024 £'000	Six months ended 31 December 2023 £'000
Management fee	545	612
Promotional activities	101	212
Secretarial fees	19	19
	665	843

No fees are charged in the case of investments managed or advised by aberdeen. There were no commonly managed funds held in the portfolio during the six months to 31 December 2024 (2023 – none). The management agreement may be terminated by either party on the expiry of three months written notice. On termination the Manager would be entitled to receive fees which would otherwise have been due up to that date.

14. Segmental information

The 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.

- 15.** The financial information in this report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 30 June 2024 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 and contained no statement under Section 498 of the Companies Act 2006.

- 16.** This Half-Yearly Financial Report was approved by the Board on 4 March 2025.

Alternative Performance Measures ("APMs")

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 to net asset value per Ordinary share with debt at fair value

The discount is the amount by which the share price is lower than the net asset value per share with debt at fair value, expressed as a percentage of the net asset value.

		31 December 2024	30 June 2024
NAV per Ordinary share	a	917.8p	957.9p
Share price	b	817.0p	857.0p
Discount	$(b-a)/a$	11.0%	(10.5%)

Discount to net asset value per Ordinary share with debt at par value

The discount is the amount by which the share price is lower than the net asset value per share with debt at par value, expressed as a percentage of the net asset value.

		31 December 2024	30 June 2024
NAV per Ordinary share	a	907.2p	946.0p
Share price	b	817.0p	857.0p
Discount	$(b-a)/a$	(9.9%)	(9.4%)

Dividend yield

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

		31 December 2024	30 June 2024
Dividends per share (p)	a	38.50p	38.50p
Share price (p)	b	817.0p	857.0p
Dividend yield	a/b	4.7%	4.5%

The dividend used for 31 December 2024 of 38.50p is presented on a historical basis and represents the amount paid in respect of the year ended 30 June 2024.

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.

		31 December 2024	30 June 2024
Bank loans (£'000)	a	(6,190)	(6,282)
Senior Loan Notes (£'000)	b	(106,791)	(107,574)
Total borrowings (£'000)	c=a+b	(112,981)	(113,856)
Cash (£'000)	d	13,974	25,148
Amounts due to brokers (£'000)	e	-	(5,167)
Amounts due from brokers (£'000)	f	-	3,787
Shareholders' funds (£'000)	g	923,037	990,282
Net gearing	$-(c+d+e+f)/g$	10.7%	9.1%

Ongoing charges

The ongoing charges ratio has been calculated based on the total of the investment management fee and administrative expenses less non-recurring charges and expressed as a percentage of the average daily net asset values with debt at fair value published throughout the period.

		31 December 2024	30 June 2024
Investment management fee ^A (£'000)	a	3,306	3,692
Administrative expenses ^A (£'000)	b	1,264	1,334
Less: non-recurring charges ^B (£'000)	c	(43)	(25)
Ongoing charges (£'000)	a+b+c	4,527	5,001
Average net assets (£'000)	d	957,938	991,404
Ongoing charges ratio	$(a+b+c)/d$	0.47%	0.50%

^A 31 December 2024 represents the annualised forecast to 30 June 2025.

^B 31 December 2024 comprises £17,000 directors recruitment fees, £20,000 relating to legal fees and £3,000 relating to other professional services unlikely to recur. 30 June 2024 comprises £20,000 directors recruitment fee and £5,000 relating to professional services unlikely to recur.

The ongoing charges ratio above differs from that provided in the Company's Key Information Document.

Alternative Performance Measures ("APMs")

Continued

Total return

Share price and NAV total returns show how the NAV and share price has 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 FTSE All-Share Index, respectively.

Six months ended 31 December 2024		Share price	NAV (debt at fair value)	NAV (debt at par)
Opening at 1 July 2024	a	857.0p	957.9p	946.0p
Closing at 31 December 2024	b	817.0p	917.8p	907.2p
Price movements	$c=(b/a)-1$	(4.7)%	(4.2)%	(4.1)%
Dividend reinvestment ^A	d	2.3%	2.1%	2.0%
Total return	c+d	(2.4)%	(2.1)%	(2.1)%

Year ended 30 June 2024		Share price	NAV (debt at fair value)	NAV (debt at par)
Opening at 1 July 2023	a	837.0p	911.7p	894.4p
Closing at 30 June 2024	b	857.0p	957.9p	946.0p
Price movements	$c=(b/a)-1$	2.4%	5.1%	5.8%
Dividend reinvestment ^A	d	5.2%	4.8%	5.0%
Total return	c+d	7.6%	9.9%	10.8%

^A 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. 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.

Keeping You Informed

Investors may receive information about the Company via email by registering on the website: murray-income.co.uk

The website also includes current and historic Annual and Half-Yearly Reports, performance data, the latest monthly factsheet issued by the Manager together with links to the Company's share price and recent London Stock Exchange announcements.

If you have any general questions about the Company, the Manager or performance, please send an email to murray.income@abrdn.com or write to:

Murray Income Trust PLC
1 George Street
Edinburgh EH2 2LL

Information about the Company, and other investment companies managed by the Manager, may also be found on social media, as follows:

X: @murrayincome; @aberdeenTrusts
LinkedIn: Murray Income Trust PLC; aberdeen Investment Trusts
YouTube: @aberdeenInvestmentTrusts

Benchmark

The Company's Benchmark is the FTSE All-Share Index.

Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed abrdn Fund Managers Limited (the "Manager") as its alternative investment fund manager and BNP Paribas Trust Corporation UK Limited as its depositary under the AIFMD.

The AIFMD requires the Manager to make available to investors certain information around leverage and risk policies prior to such investors' investment in the Company. This information is contained in the PIDD which may be viewed on the Company's website at: murray-income.co.uk

The periodic disclosures required to be made by the Manager under the AIFMD are set out on page 98 of the Company's Annual Report for the year ended 30 June 2024.

Investor Warning - Be alert to share fraud and boiler room scams

aberdeen has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment trust shares, purporting to work for aberdeen. aberdeen has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for aberdeen and any third party making such offers/claims has no link with aberdeen.

aberdeen does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact the Company using the details in Additional Shareholder Information.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: fca.org.uk/consumers/scams

Shareholder Enquiries

In the event of queries regarding holdings of shares, lost certificates, dividend payments, registered details, shareholders holding their shares in the Company directly should contact the registrar, MUFG Corporate Markets (formerly Link Group), whose contact details may be found in Additional Shareholder Information. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrar in writing.

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking a high and growing income combined with capital growth through investment in a portfolio principally of UK equities, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

Keeping You Informed

Continued

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, so that its Ordinary shares can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs").

The Company's shares are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are shares in an investment trust.

Key Information Document ('KID')

The KID relating to the Company, published by the Manager, can be found on the Company's website, murray-income.co.uk.

How to Invest in Murray Income Trust PLC and other aberdeen-managed investment trusts

A range of leading investment platforms and share dealing services let you buy and sell aberdeen-managed investment trusts including the shares of the Company.

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.

Flexibility

Many investment platform providers will allow investors to buy and hold aberdeen 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 investment 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.

Getting advice

aberdeen 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 pimfa.co.uk or unbiased.co.uk (see below). You will pay a fee for advisory services.

Platform providers

Platforms featuring the Company's shares, as well as the shares of other aberdeen-managed investment trusts, include:

- 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
- interactive investor (owned by aberdeen): www.ii.co.uk/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. aberdeen is not responsible for the content and information on these third-party sites, apart from interactive investor, which is owned by aberdeen.

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 & Financial Advice Association at: pimfa.co.uk.

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
at <https://register.fca.org.uk>
Email: consumerqueries@fca.org.uk

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares: the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Additional Shareholder Information

Directors

Peter Tait (Chair)
Stephanie Eastmont (Senior Independent Director)
Nandita Sahgal Tully (Chair of the Audit Committee)
Angus Franklin
Andrew Page

Company Secretaries and Registered Office

abrDN Holdings Limited
1 George Street
Edinburgh EH2 2LL

Registered in Scotland under company number SC012725

Website

murray-income.co.uk

Points of Contact

The Chair, Senior Independent Director or Company Secretaries c/o the Registered Office of the Company

Email: murray.income@abrDN.com

aberdeen Social Media accounts

X: [@murrayincome](https://twitter.com/murrayincome); [@aberdeenTrusts](https://twitter.com/aberdeenTrusts)

LinkedIn: Murray Income Trust PLC;

aberdeen Investment Trusts

YouTube: [@aberdeenInvestmentTrusts](https://www.youtube.com/channel/UCberdeenInvestmentTrusts)

Legal Entity Identifier ("LEI")

549300IRNFGVQIQHUI13

United States Internal Revenue Service

FATCA Registration Number ("GIIN")

8Q8ZFE.99999.SL.826

Alternative Investment Fund Manager

abrDN Fund Managers Limited

Authorised and regulated by the Financial Conduct Authority

Investment Manager

abrDN Investments Limited

Authorised and regulated by the Financial Conduct Authority



Registrar

The Company's registrar is MUFG Corporate Markets (formerly Link Group), whose Share Portal is a secure online website where shareholdings can be managed quickly and easily, including changing address or arranging to pay dividends directly into a bank account, or to receive electronic communications. To register, shareholders will need their Investor Code which may be found on their share certificate or by contacting the Registrar at: signalshares.com

Alternatively, please contact the Registrar -

By email, via the above website

By phone **+44 (0)371 664 0300**

Calls to 0371 numbers are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom are charged at the applicable international rate.

MUFG Corporate Markets are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.

By post -

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Depository

BNP Paribas Trust Corporation UK Limited
10 Harewood Avenue
London
NW1 6AA

Auditor

PricewaterhouseCoopers LLP
144 Morrison Street
Edinburgh
EH3 8EB

Lawyer

Dickson Minto

Stockbroker

Investec Bank Limited

For more information visit murray-income.co.uk

aberdeenplc.com