

The North American Income Trust plc

Leading US companies picked for their higher income potential

Performance Data and Analytics to 31 August 2022

Investment objective

To provide investors with above average dividend income and long term capital growth through active management of a portfolio consisting predominantly of S&P 500 US equities.

Reference benchmark

Russell Value 1000 Index.

Cumulative performance (%)

	as at 31/08/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	301.0p	1.0	(0.5)	10.2	10.8	16.0	49.6
NAV ^a	327.9p	1.2	0.2	6.8	9.9	24.0	45.6
Russell 1000 Value		1.5	2.3	7.7	10.9	35.0	61.7

Discrete performance (%)

	31/08/22	31/08/21	31/08/20	31/08/19	31/08/18
Share Price	10.8	30.7	(19.8)	8.7	18.6
NAV ^a	9.9	28.1	(11.9)	2.5	14.6
Russell 1000 Value	10.9	32.7	(8.3)	7.4	11.5

Five year dividend table (p)

Financial year	2022	2021	2020	2019	2018
Total dividend (p)	10.30	10.00	9.50	8.50	7.80

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: Aberdeen Asset Managers Limited, Lipper and Morningstar. **Past performance is not a guide to future results.**

^a Including current year revenue.

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Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.



Ten largest equity holdings (%)

CVS Health	5.0
Omega Healthcare	4.4
Baker Hughes	3.9
Phillips 66	3.8
MetLife	3.5
Bristol-Myers Squibb	3.4
Comcast	3.4
Gaming and Leisure Properties	3.3
Philip Morris	3.2
FMC Corporation	3.1
Total	37.0

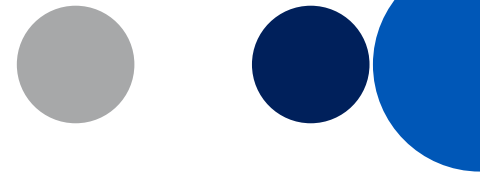
Sector allocation (%)

Financials	21.1
Health Care	18.9
Energy	10.6
Information Technology	9.2
Consumer Discretionary	8.4
Real Estate	8.1
Materials	6.4
Industrials	6.2
Communication Services	6.1
Consumer Staples	5.0
Total	100.0

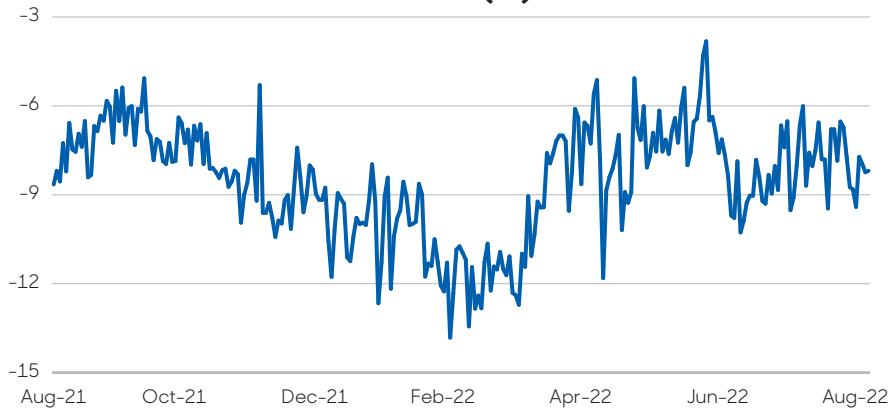
All sources (unless indicated): abrdn: 31 August 2022.



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1 Year Premium/Discount Chart (%)



Fund managers' report

Major US equity market indices moved modestly higher in sterling terms in August 2022. With the second-quarter earnings season proving more resilient than anticipated, investors initially took advantage of depressed valuations to increase their positions. Also, signs of easing inflation led to hopes that the US Federal Reserve (Fed) would hike interest rates less than feared over the cycle. Together, these factors triggered a rally in US stocks over the first half of August. However, Fed policymakers maintained their hawkish rhetoric as they reiterated their determination to fight higher inflation, which led to a weakening in the US market in the second half of the month. The market backdrop remains challenging given heightened inflationary pressures, ongoing supply-chain issues, the prospect of further Fed monetary policy tightening, and continued geopolitical turmoil, all of which have combined to raise the risk of a global recession.

Regarding economic data, annual consumer price inflation decreased from an over 40-year high of 9.1% in June to a lower-than-expected 8.5% in July. The Fed's preferred measure – the core Personal Consumption Expenditures Price Index – eased to a lower-than-expected 4.6%, but remained well above its 2% target. With the central bank having raised the target range for its fed funds rate by a cumulative 225 basis points (bps) to 2.25–2.50% for the year to date, the yield spread between two- and 10-year Treasuries has inverted, which historically has signaled a looming recession. Indeed, according to an advance estimate of GDP, the US economy recently entered a technical recession after it contracted by 0.6% on an annualised basis during the second quarter of 2022 (after posting a decline of 1.6% in the first quarter). However, the US labour market has remained strong, with the unemployment rate falling to 3.5% in July

Fund managers' report continues overleaf

^c Represents cash being used as collateral against open equity options positions, and therefore not available for investment.

^d Expressed as a percentage of average daily net assets for the year ended 31 January 2022. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^e Calculated using the Company's historic net dividends and month end share price.

^f Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

^g Excludes cash being used as collateral against open option positions from cash/cash equivalents.

^h The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Geographic breakdown (%)

USA	86.7
Canada	8.5
Cash available for investment	3.9
Other cash ^c	0.9
Total	100.0

Total number of investments

Total number of equity investments	38
Total number of fixed income investments	3
Total	41

Key information

Calendar

Year end	January
Accounts published	April
Annual General Meeting	June
Dividend paid	February, June, August, October
Established	1902
Fund managers	Fran Radano Ralph Bassett
Ongoing charges ^d	0.95%
Annual management fee	0.75% of net assets up to £250m; 0.6% of net assets between £250m; and £500m; 0.5% of net assets above £500m
Premium/(Discount)	(8.2)%
Yield ^e	3.6%
Net gearing ^f	1.5%
Net gearing ^{f,g}	2.5%
Active share ^h	93.6%

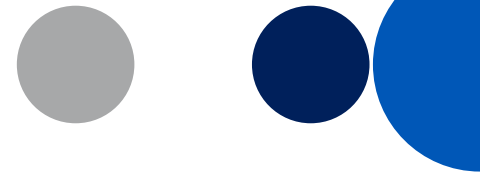
AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross	502.7
Debt	42.9
Cash & cash equivalents	35.9

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Fund managers' report – continued

(from 3.6% the month before), and nonfarm payrolls increasing by a better-than-expected total of 528,000.

In portfolio-related corporate news, multi-lines insurance company MetLife reported better-than-expected earnings for the second quarter of its 2022 fiscal year. The company benefited mainly from strength in Latin America and in its Group Benefits business. Biopharmaceutical firm Gilead Sciences provided an earlier-than-expected update on the trail of its breast cancer drug, Trodelvy. The company stated that overall survival rates for patients taking the drug was clinically meaningful – a positive development.

Just one Trust holding announced a notable dividend action in August. Internet services provider Cogent Communications Holdings raised its quarterly payout by 2.8%, equivalent to an annualised yield of 6.8%.

Regarding portfolio activity during the month, we initiated a holding in pharmaceutical firm Merck & Co., and added to the Trust's positions in specialty chemicals producer FMC Corp. and Canada-based asset manager CI Financial Corp. We exited the Trust's positions in automotive parts manufacturer Genuine Parts Co. and Ohio-based regional bank Huntington Bancshares. We trimmed the Trust's holdings in Gilead Sciences; diversified financial services company Citigroup; and Air Products and Chemicals, a supplier of industrial gases.

Outlook

The investment environment undoubtedly has become more challenging given the recession "warning signs" that are flashing, as well as the fact that a period of aggressive interest-rate tightening is now underway. These conditions typically spell difficult times for equity markets, particularly as the year-to-date weakness largely has been driven by a contraction in valuation multiples as opposed to lowered earnings expectations (which are yet to fully materialise). Furthermore, the ongoing Russia-Ukraine conflict, with its outcome highly uncertain, is likely to keep weighing on corporate behavior. At the very least, US quarterly GDP is expected to continue to disappoint, though whether a lengthy recession occurs remains to be seen.

¹ Calculated as notional principal of outstanding divided by gross equity assets.

The risks outlined overleaf relating to exchange rate movements is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given.

Important information overleaf

Assets

	%	£m
Equities	99.5	480.2
Fixed Income	0.5	2.3
Total	100.0	482.5

Options

Number of open options positions	4
Equity sleeve optionised ¹	2.58%

Capital structure

Ordinary shares	140,234,749
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Allocation of management fees and finance costs

Capital	70%
Revenue	30%

Trading details

Reuters/Epic/ Bloomberg code	NAIT
ISIN code	GB00BJ00Z303
Sedol code	BJ00Z30
Stockbrokers	WINS Investment Trusts
Market makers	SETSmm



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.investments.co.uk/#signup or www.northamericanincome.co.uk



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Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

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