



# Murray Income Trust PLC

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

Performance Data and Analytics to 31 August 2022

## Investment objective

To achieve a high and growing income combined with capital growth through investment in a portfolio principally of UK equities.

## Benchmark

FTSE All-Share Index.

## Cumulative performance (%)

	as at 31/08/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	814.0p	(5.4)	(6.8)	(1.2)	(9.3)	12.2	29.4
NAV <sup>a</sup>	882.5p	(3.7)	(3.3)	(0.9)	(7.3)	13.9	27.1
FTSE All-Share		(1.7)	(3.6)	(1.3)	1.0	12.0	17.8

## Discrete performance (%)

	31/08/22	31/08/21	31/08/20	31/08/19	31/08/18
Share Price	(9.3)	28.6	(3.8)	12.2	2.8
NAV <sup>a</sup>	(7.3)	28.7	(4.5)	6.7	4.6
FTSE All-Share	1.0	26.9	(12.6)	0.4	4.7

## Five year dividend table (p)

Financial year	2021	2020	2019	2018	2017
Total dividend (p)	34.50	34.25	34.00	33.25	32.75

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.**

<sup>a</sup> Including current year revenue.

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## Morningstar Rating™



<sup>b</sup> 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.

## Morningstar Sustainability Rating™



## Twenty largest equity holdings (%)

AstraZeneca	6.1
Diageo	5.2
RELX	4.1
Unilever	3.9
TotalEnergies	3.4
BHP	3.3
SSE	3.2
Anglo American	2.8
BP	2.8
Euromoney Institutional Investor	2.7
Standard Chartered	2.5
Inchcape	2.3
National Grid	2.2
Coca-Cola HBC	2.2
Safestore	2.2
Aveva	2.2
Rentokil Initial	2.0
Experian	2.0
Close Brothers	1.9
Novo-Nordisk	1.9
<b>Total</b>	<b>58.9</b>

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



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## 1 year Premium/(Discount) Chart (%)



## Fund managers' report

### Market commentary

Equity market volatility continued in August with markets ending the month lower as investors became increasingly concerned about the macroeconomic environment. Markets gained at the start of the month, continuing the positive sentiment from July with investors optimistic when inflation reports were lower than expected. However, this positivity was short-lived when hawkish messaging from the annual Jackson Hole summit led markets down. UK equities ended the month 1.7% lower on a total return basis, as measured by the FTSE All-Share Index. The FTSE 100 Index performed better than the mid-cap FTSE 250 Index. The MSCI World Index returned -4.1% in August (on a total return basis in US dollar terms). European stocks underperformed the global average given growing fears about a potential recession.

The UK's consumer price index rose 10.1% year on year in July, driven by rising food prices. The Bank of England ("BoE") increased its base rate by 0.5% at its August meeting, bringing the base rate to 1.75%. The BoE expects the UK to enter into a recession starting in the fourth quarter of this year. Jay Powell's speech at Jackson Hole reiterated the US Federal Reserve's commitment to controlling high inflation even if the labour market weakens, while acknowledging higher rates could bring pain for households and businesses. The comments prompted a wave of selling in bond markets and yields soared. Commodity prices ended the month lower, with oil falling particularly sharply. European natural gas prices rose at the end of the month when Russia halted supplies through the Nord Stream 1 pipeline. Agricultural commodities rose whereas precious and industrial metals weakened slightly.

### Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 30 June 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.

<sup>d</sup> The management fee is 0.55% per annum on net assets up to £350m, 0.45% per annum on net assets between £350m and £450m, and 0.25% per annum on net assets above £450m.

<sup>e</sup> Calculated using the Company's historic net dividends and month end share price.

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

<sup>g</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Total number of investments 59

### Sector allocation (%)

Financials	16.7
Industrials	16.6
Consumer Staples	13.5
Health Care	12.0
Consumer Discretionary	8.6
Basic Materials	7.8
Utilities	6.7
Energy	6.1
Technology	5.1
Real Estate	4.9
Telecommunications	1.5
Cash	0.5
<b>Total</b>	<b>100.0</b>

Figures may not add up to 100 due to rounding.

### Key information

#### Calendar

Year end	30 June
Accounts published	September
Annual General Meeting	November
Dividend paid	March, June, September and December
Established	1923
Fund manager	Charles Luke
Ongoing charges <sup>c</sup>	0.48%
Annual management fee <sup>d</sup>	0.55% per annum on the first £350m of net assets, 0.45% on the next £100m and 0.25% on the excess over £450m.
Premium/(Discount)	(7.8)%
Yield <sup>e</sup>	4.4%
Net gearing <sup>f</sup>	9.4%
Active share <sup>g</sup>	75.4%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

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## Fund managers' report – continued

### Performance

The benchmark FTSE All-Share index declined approximately 1.7% in August on a total return basis. After outperforming the benchmark in July, the portfolio underperformed it by approximately 2% in August. The portfolio's exposure to the Information Technology sector contributed most positively, while the exposure to the Industrials, Materials and Energy sectors contributed negatively.

At the stock level, the positions in Aveva, GSK, TotalEnergies and BHP had the largest positive contributions. Aveva shares reacted positively to news that Schneider Electric were considering a possible offer for the company. The fund is underweight GSK whose shares were impacted by litigation fears surrounding the company's sales of indigestion drug Zantac, which was pulled from the market after discovery of a potentially carcinogenic ingredient. BHP outperformed as the company reported strong profit performance as a result of record commodity prices and expectations for a stronger demand outlook in China in the year ahead.

The holdings in Marshalls and XP Power contributed most negatively this month. Marshalls shares fell on investor concerns about softening demand in the residential DIY market against a backdrop of weak consumer confidence. XP Power declined as supply chain challenges continue to impact sales. Relative performance was also impacted by stocks the fund doesn't hold including Shell, British American Tobacco and HSBC.

### Trading

Trading in August focused on continuing to ensure the portfolio is invested in stocks with strong quality characteristics. The holding in Sage was added to, where we believe the essential nature of its products should prove resilient in a downturn. The small position in Haleon, the consumer healthcare business which was recently spun-out from GSK, was exited. Proceeds were reinvested into Unilever which we prefer in the Consumer Staples sector as it has lower levels of debt and a higher dividend yield. The holding in Weir was reduced with proceeds used to add to Anglo American which has a more attractive dividend yield.

### Outlook

Looking forward, the outlook continues to appear more difficult with a tightening policy backdrop and inflationary challenges coupled with the implications of the conflict in Ukraine, all leading to a slower global growth dynamic. However, we take comfort that the valuations of UK-listed companies remain attractive on a relative and absolute basis and as such we think a fair proportion of the portfolio may be vulnerable to corporate activity (indeed, we have seen a number of companies in the portfolio involved in bid activity so far this year). Moreover, the dividend yield of the UK market remains at an appealing premium to other regional equity markets let alone other asset classes. Furthermore, international investors remain underweight the UK providing a further underpin. Therefore, we feel very comfortable maintaining our long term focus on investments in high quality companies with robust competitive positions and strong balance sheets led by experienced management teams, capable of delivering sustainable earnings and dividend growth.

**The risk outlined overleaf relating to gearing is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given.**

**Important information overleaf**

### Assets/Debt (£m)

Gross	1,138.0
Debt	117.1
Cash & cash equivalents	21.4

### Capital structure

Ordinary shares	116,660,472
Treasury shares	2,869,060

### Trading details

Reuters/Epic/ Bloomberg code	MUT
ISIN code	GB0006111123
Sedol code	0611112
Stockbrokers	Investec
Market makers	SETSmm



### Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.investments.co.uk/#signup](http://www.investments.co.uk/#signup) or [www.murray-income.co.uk](http://www.murray-income.co.uk)



### Contact

#### Private investors

0808 500 4000

#### Institutional investors

InvestmentTrustInvestorRelations-UK@  
abrdrn.com

+44 (0)20 7463 5971

+44 (0)131 222 1863

## 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.
- 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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