



# 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 May 2024

## 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 31/05/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	866.0p	1.4	6.6	7.9	8.1	8.3	30.7
NAV <sup>a</sup>	966.0p	2.2	7.5	11.1	11.2	17.0	38.3
FTSE All-Share		2.4	9.9	13.6	15.4	25.5	37.3

## Discrete performance (%)

	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20
Share Price	8.1	(0.8)	1.0	25.9	(4.1)
NAV <sup>a</sup>	11.2	2.3	2.8	22.2	(3.3)
FTSE All-Share	15.4	0.4	8.3	23.1	(11.2)

## Five year dividend table (p)

Financial year	2023	2022	2021	2020	2019
Total dividend (p)	37.50	36.00	34.50	34.25	34.00

Total return; NAV cum income, with 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: abrdn Investments 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	5.7
Unilever	5.2
RELX	5.2
Diageo	3.9
BP	3.7
TotalEnergies	3.7
London Stock Exchange	3.6
Intermediate Capital	3.5
Experian	3.1
Sage	2.7
National Grid	2.5
BHP	2.5
Oversea-Chinese Banking	2.4
Anglo American	2.4
Inchcape	2.2
Convatec	2.0
Rentokil Initial	2.0
SSE	1.9
Oxford Instruments	1.8
Howden Joinery	1.8
<b>Total</b>	<b>61.8</b>

All sources (unless indicated): abrdn: 31 May 2024.



# Murray Income Trust PLC

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



## Fund managers' report

### Market commentary

Global equities rebounded in May due to renewed optimism that central banks might cut interest rates in the near future. The first quarter earnings season was also generally positive, particularly in the technology sector. UK shares finished the month higher, but weakened in the second half of the month as Prime Minister Sunak announced a general election for July. The mid-cap FTSE 250 Index outperformed the FTSE 100 Index. Commodity prices in aggregate fell in May. Bond market performance was mixed, with positivity in the US but selling in Europe, due to divergent inflation data.

The Bank of England (BoE) kept rates unchanged at its May meeting but highlighted that upcoming labour market and inflation reports would be critical in determining the near-term path for policy. The Consumer Price Index showed prices rose by 2.3% year on year in April, aided by a large fall in energy prices and softer food inflation. This is the lowest level for UK inflation in almost three years, however the fall was smaller than had been expected. First quarter UK GDP data came in stronger than expected, at 0.6% quarter-on-quarter. The UK labour market report was mixed, with wage growth slightly stronger than expected but on the other hand there was a slight tick up in the unemployment rate.

### Performance

The benchmark FTSE All-Share index returned approximately 2.4% in May on a total return basis. The portfolio performance was also positive on an absolute basis but underperformed the benchmark by approximately 0.7% on a gross assets basis. At a sector level, the portfolio's underweight position in the Real Estate sector contributed most positively to relative performance, while the higher exposure than the benchmark to the Technology sector and lower Consumer Staples exposure detracted from relative performance.

### Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 30 June 2023. 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 54

### Sector allocation (%)

Financials	20.3
Industrials	16.3
Consumer Discretionary	13.0
Health Care	12.5
Consumer Staples	11.3
Energy	8.4
Basic Materials	4.9
Technology	4.5
Utilities	4.5
Telecommunications	1.8
Real Estate	1.7
Cash	0.8
<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>	0.50%
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)	(10.4)%
Yield <sup>e</sup>	4.8%
Net cash/(gearing) <sup>f</sup>	(10.5)%
Net cash/(gearing) with debt at market value <sup>f</sup>	(9.4)%
Active share <sup>g</sup>	67.4%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

## Fund managers' report – continued

At the stock level, not holding Shell contributed most to relative performance as the Energy sector underperformed on lower oil prices as Israel and Hamas held ceasefire talks and US interest rate cuts (which could boost demand) were seen as less likely. Of stocks held, the positions in Intermediate Capital and Safestore contributed most positively in May. Intermediate Capital rose on strong results and new medium-term fundraising guidance. Safestore outperformed despite no specific newsflow, however the takeover offer for Lok'nStore together with a much more upbeat trading statement from peer Big Yellow helped the company recoup its prior weakness. Performance was most negatively impacted by the holdings in Sage and TotalEnergies. As with Shell, TotalEnergies underperformed as oil prices fell. Sage underperformed following a very marginal downgrade to its revenue growth aspirations.

### Trading

Two new positions were introduced to the portfolio in May. The first was Haleon, the consumer healthcare business, which has strong brands benefitting from long-term growth drivers. The second was Air Liquide, the French-listed industrial gas company, which is a high quality company in an industry not available in the UK market. We continued to add to the recently introduced position Smurfit Kappa. The holding in National Grid was added to following share price weakness on the announcement of a capital raise to fund the company's multi-year investment plan. The positions in Howden Joinery and VAT Group were trimmed to manage weightings in the portfolio following strong performance while the holding in Anglo American was reduced as uncertainty increased that the company would conclude a deal with BHP. We continued to write options to gently increase the income available to the fund including calls in Anglo American, Coca-Cola HBC, Experian and Intermediate Capital and puts in Mastercard.

### Outlook

Inflation is expected to continue to trend downwards but still remains higher than BoE targets and a key focus for markets will be on interest rate cutting cycles and when and how quickly they get under way. abrdn's economists now expect the BoE will start to cut rates in the second half of 2024. The year will also see heightened political risk with a number of significant elections and geopolitical risk remains elevated, including in the Middle East.

The portfolio is full of high quality, predominantly global businesses capable of delivering appealing long term earnings and dividend growth at a modest valuation. Our focus on quality companies should provide protection through a downturn: those companies with pricing power, high margins and strong balance sheets are better placed to navigate a more challenging economic environment and emerge in a strong position. Furthermore, these quality characteristics are helpful in underpinning the portfolio's income generation.

Despite the recent healthy performance of the market, the valuations of UK-listed companies remain attractive on a relative and absolute basis. The UK's market multiple looks good value being cheap in absolute terms, relative to history and also relative to global equities. Investors are benefitting from global income at a knock-down price. Moreover, the dividend yield of the UK market remains at an appealing premium to other regional equity markets.

In summary, we feel optimistic that our long-term focus on investments in high quality companies with robust competitive positions and strong balance sheets, which are led by experienced management teams, will be capable of delivering premium 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 Assets	£'000	%
Equities – UK	879,497	87.9
– Overseas	230,131	23.0
Total investments	1,079,509	110.9
Cash & cash equivalents	9,183	0.9
Other net assets	6,285	0.6
Short-term borrowings	(6,288)	(0.6)
Loan notes	(107,705)	(10.8)
<b>Net assets</b>	<b>1,001,024</b>	<b>100.0</b>

## Capital structure

Ordinary shares	105,243,001
Treasury shares	14,286,531

## Trading details

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



### Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.abrdn.com/trustupdates](http://www.abrdn.com/trustupdates) [www.murray-income.co.uk](http://www.murray-income.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.
- 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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