

Murray Income Trust PLC



Investment objective

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

Benchmark

FTSE All-Share Index.

Cumulative performance (%)

	as at 31/12/09	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	525.0p	0.3	2.5	22.8	23.3	(14.6)	30.5
NAV ^a	572.6p	6.8	5.8	32.9	26.1	(13.3)	26.6
FTSE All-Share		4.3	5.5	29.1	30.1	(4.0)	36.8
FTSE 350 Higher Yield		3.9	4.7	27.4	18.8	(11.9)	22.2

Discrete performance (%)

Year ending:	31/12/09	31/12/08	31/12/07	31/12/06	31/12/05
Share Price	23.3	(26.2)	(6.2)	20.0	27.3
NAV ^a	26.1	(32.4)	1.8	18.2	23.5
FTSE All-Share	30.1	(29.9)	5.3	16.8	22.0
FTSE 350 Higher Yield	18.8	(26.7)	1.2	14.9	20.6

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 par. Source: Aberdeen Asset Managers Limited, Factset and Morningstar.

^a Excluding current year revenue.

Past performance is not a guide to future performance. The value of shares may go down as well as up and an investor may not get back the amount invested.

Fund managers' report

The FTSE All-Share Index increased by 4.3% in December on a total return basis, closing at a yearly high aided by continued reassuring global economic data and the decision by Abu Dhabi to bail out Dubai World. The FTSE SmallCap Index underperformed both the FTSE 100 and 250 Indices over the month, a function of its greater domestic exposure. From a sector perspective, autos and tobacco outperformed, while banks and general retailers lagged.

Outside the UK economic data was generally positive, although it remained mixed domestically. Third quarter GDP was revised up marginally to -0.2%. The Monetary Policy Committee maintaining both interest rates at 0.5% and the scale of quantitative easing at £200bn. CPI inflation increased to 1.9% in November partly due to petrol price inflation. On a positive note, the unemployment claimant count unexpectedly fell in November and both the manufacturing and services PMIs remain in positive territory.

The month was a quiet period in terms of trading. We added to Wood, a recent introduction to the Trust, and sold our residual holding in Tomkins following its strong share price performance given the belief that the market had overestimated the potential for margin recovery. In order to increase the level of income we wrote calls on AstraZeneca.

Fund managers' report continues overleaf

The risks outlined overleaf relating to gearing and single country market exposure are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.

Twenty largest equity holdings

	%
BP ^b	6.3
Royal Dutch Shell 'B'	5.6
HSBC	5.5
Centrica	4.8
AstraZeneca	4.7
Vodafone	4.6
British American Tobacco ^b	4.5
GlaxoSmithKline ^b	4.4
National Grid	4.2
Tesco	3.0
Unilever ^b	3.0
Whitbread	3.0
Aviva	2.5
BHP Billiton	2.4
Wm Morrison Supermarkets	2.3
AMEC	2.2
Cobham	2.2
Mothercare	2.2
Provident Financial	2.2
Standard Chartered	2.2
Total	71.8
Total number of investments	39

^b Consolidates the equity and reverse convertible holdings in the same underlying security.

Sector allocation

	%
Financials	19.8
Consumer Services	16.5
Oil & Gas	14.4
Consumer Goods	13.3
Healthcare	8.7
Utilities	8.5
Industrials	6.3
Telecommunications	4.4
Basic Materials	3.9
Cash	4.2
Total	100.0

Further information

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Receive the factsheet of your choice by email as soon as they are available by registering at www.investments.co.uk/ITemail

All sources (unless indicated): Aberdeen Asset Managers Limited 31 December 2009.

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Fund managers' report – continued

Although conditions remain very accommodative, at some stage both monetary and fiscal stimuli will need to be withdrawn and in a number of cases reversed. We remain cognisant that the market may not necessarily be factoring in the full implications of this. We believe that volatility is likely to remain a significant characteristic of the market, however, where opportunities present themselves we will continue to add to our holdings which we believe are, in the longer term, attractively valued and maintain strong business models.

Key information

Calendar	
Year end	30 June
Accounts published	September
Dividend paid	January, April, July, October
AGM	November
Established	1923
Fund managers	
	Charles Luke Anne Richards Ben Ritchie
Total expense ratio	0.8%
Annual management fee	0.55% ^c
^c 0.55% per annum on first £400m of net assets, 0.45% on next £150m, 0.25% on excess over £550m.	
Premium/(Discount)	(8.3)%
Yield	5.3%
Gearing^d	9.0%
Assets	
	£m
Gross	407.3
Short-term borrowings	35.0
^d Gearing is expressed as a percentage of gross assets, which includes current year revenue, divided by shareholders' funds.	
Capital structure	
Ordinary shares	64,689,458
Treasury shares	1,727,000
Allocation of expenses and interest	
Capital	50%
Revenue	50%
Trading details	
Bloomberg/Epic/Reuters code	MUT LN
Stockbrokers	Arbutnot, Collins Stewart
Market makers	SETSmm

Important information

Risk factors you should consider prior to investing:

- In common with most investment companies, investment trusts 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 a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV.
- In order to maintain the high level of dividend paid by the Trust some of the assets selected for the underlying portfolio may be liable to diminish in capital value over time.
- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Past performance is not a guide to the future.
- Exposure to a single country market increases potential volatility.
- There is no guarantee that the market price of shares in the Trust will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of investment trust shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread.

Other Important Information:

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