



# 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 October 2023

## 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 31/10/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	778.0p	(6.6)	(8.6)	(8.8)	6.2	24.1	32.6
NAV <sup>a</sup>	857.7p	(5.4)	(6.8)	(7.8)	6.8	27.8	30.6
FTSE All-Share		(4.1)	(4.8)	(5.9)	5.9	39.4	21.1

## Discrete performance (%)

	31/10/23	31/10/22	31/10/21	31/10/20	31/10/19
Share Price	6.2	(10.9)	31.2	(12.6)	22.2
NAV <sup>a</sup>	6.8	(10.5)	33.8	(11.3)	15.2
FTSE All-Share	5.9	(2.8)	35.4	(18.6)	6.8

## 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 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: 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 (%)

RELX	5.8
Unilever	5.2
AstraZeneca	5.2
Diageo	5.0
BP	4.2
TotalEnergies	4.1
London Stock Exchange	3.3
Sage	3.1
BHP	2.7
Anglo American	2.5
National Grid	2.5
Oversea-Chinese Banking	2.4
Experian	2.3
Close Brothers	2.3
SSE	2.2
Intermediate Capital	2.1
Inchcape	2.0
Howden Joinery	1.9
Rentokil Initial	1.9
Microsoft	1.8
<b>Total</b>	<b>62.5</b>

All sources (unless indicated): abrdn: 31 October 2023.



# Murray Income Trust PLC

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



## Fund managers' report

### Market commentary

Equities fell again in October given investors' concerns about the war in the Middle East, the outlook for interest rates, and a sluggish global economy. Stocks dropped in the US, Europe, UK, Japan and emerging markets, with the MSCI World Index returning -2.9% in October (on a total return basis in US dollars). In the UK, the FTSE All-Share fell by 4.1% over the month (on a total return basis in GBP) and the large-cap companies of the FTSE 100 outperformed the mid-cap FTSE 250 Index. In aggregate, commodities fell back over the month, although natural gas prices rose sharply. Brent crude started the month at over \$90 per barrel, however prices then fell back as traders judged that the Israel-Hamas conflict was unlikely to affect the wider region. US Treasuries and Gilts both fell in October, with further falls in global corporate bonds.

Central banks in Europe and the US held rates stable at their most recent meetings, as annual inflation data fell. In the UK, the Bank of England is expected to leave rates unchanged when its Monetary Policy Committee meets in early November. While analysts predicted a fall in annual inflation in September, the UK's Consumer Price Index remained unchanged at 6.7%, due to the recent rise in petrol prices. Purchasing managers' index data indicates that the UK's manufacturing sector remains in stagnation. The Office for National Statistics said the British economy had expanded marginally in August while figures published by S&P Global indicated that both business output and confidence had declined during October.

### Performance

The benchmark FTSE All-Share Index declined approximately 4.1% in October on a total return basis. The portfolio underperformed the benchmark by approximately 0.8% on a gross assets basis. At a sector level, the portfolio's underweight position in the Financials sector contributed most positively

### 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 51

### Sector allocation (%)

Financials	18.0
Industrials	15.6
Health Care	12.5
Consumer Staples	12.5
Consumer Discretionary	11.9
Energy	8.2
Basic Materials	5.2
Technology	4.9
Utilities	4.7
Telecommunications	1.9
Real Estate	1.4
Cash	3.1
<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)	(9.3)%
Yield <sup>e</sup>	4.8%
Net gearing <sup>f</sup>	9.0%
Active share <sup>g</sup>	69.2%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

## Fund managers' report – continued

to relative performance. The higher exposure than the benchmark to the Industrials sector detracted from relative performance.

At the stock level, the holdings in Relx and TotalEnergies contributed most positively in October. Relx outperformed on increasing optimism that artificial intelligence will drive revenue growth acceleration at the company. TotalEnergies rose following the capital markets day where the guidance for future shareholder returns was upgraded. Not holding HSBC also had a positive impact on relative performance. On the other hand, the holdings in Rentokil and Vistry detracted most from relative performance. Rentokil dropped after reporting weaker than expected revenue growth due to a softer demand environment. Vistry shares fell after the third quarter update did not show signs of the normal seasonal pick-up in sales in early autumn. Not holding Shell (which performed well) also detracted from relative performance.

### Trading

Trading in October included exiting two positions: Croda, where we have lower conviction in the long-term strategy while the valuation remains high, and Drax, where we see increasing uncertainty around the long-term business model. We took the opportunity to add to Rentokil as we saw the market reaction to the third quarter trading update as overdone. We also added to the positions in Intermediate Capital, Oxford Instruments, Rotork and RS Group which we see as having strong quality characteristics.

### Outlook

There are signs that central bank actions to counter high inflation are starting to slow growth in the UK and the Eurozone. The US economy remains more resilient, however, with leading indicators such as bank credit conditions and industrial surveys consistent with an eventual downturn, we still think the US economy will enter a mild recession during 2024. We believe a downturn will lead to central banks beginning to cut interest rates over the next year. In China, the economy has faced headwinds from subdued consumer confidence and challenges in the real estate sector, but substantial policy easing is coming through which we think will be supportive for the growth outlook.

The portfolio is jam-packed with high quality, predominantly global businesses capable of delivering appealing long term earnings and dividend growth at a modest aggregate 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.

The valuations of UK-listed companies remain attractive on a relative and absolute basis. Apart from the global financial crisis, the UK's market multiple is nearing its lowest point for 30 years. It is 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	1,035.6
Debt	115.1
Cash & cash equivalents	32.2

## Capital structure

Ordinary shares	109,280,951
Treasury shares	10,248,581

## 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](mailto: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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