

The North American Income Trust plc

Half Yearly Report
for the six months ended 31 July 2014



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Objective

The objective of the Company is 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.

Highlights and Financial Calendar

	31 July 2014	31 January 2014	% change
Net asset value per Ordinary share	857.6p	815.7p	+5.1
Share price per Ordinary share (mid)	808.0p	775.0p	+4.3
Discount to net asset value	5.8%	5.0%	
Revenue return per Ordinary share ^A	13.8p	16.6p	-16.9
Interim dividends	12.0p ^B	11.0p ^C	+9.1

^A Comparison uses the six months ended 31 July 2013.

^B Includes a first interim dividend of 6.0p paid on 1 August 2014 and a second interim dividend of 6.00p payable on 31 October 2014.

^C Interim dividend for the six months ended 31 July 2013.

Performance – Total Return

	Six months ended 31 July 2014	Year ended 31 January 2014
Net asset value per Ordinary share	+7.1%	+9.9%
Share price per Ordinary share	+6.3%	+8.9%
S&P 500 Index (in sterling terms)	+6.5%	+17.2%

Financial Calendar

12 September 2014	Announcement of Half-Yearly Financial Report
September 2014	Half-Yearly report posted to shareholders
31 October 2014	Second quarterly dividend payable for the year ending 31 January 2015
February 2015	Third quarterly dividend payable for the year ending 31 January 2015
March 2015	Announcement of Annual Financial Report
April 2015	Annual Report posted to shareholders
May 2015	Annual General Meeting
June 2015	Final Ordinary dividend payable for the year ending 31 January 2015

Interim Board Report

Dividend

The Directors have declared a second quarterly dividend of 6.0p per share, which will take the total dividends for the first half of the fiscal year to 12.0p (2013 – 11.0p). The second quarterly dividend is payable on 31 October 2014 to shareholders on the register on 3 October 2014. Quarterly dividends are paid in August, November, February and May each year.

The revenue return per Ordinary share for the six months ended 31 July 2014 amounted to 13.8p compared to 16.6p for the equivalent period in 2013 with dollar earnings being affected by the appreciation of Sterling. Our investments continue to increase their dividends. This gives the Board confidence in the Trust's ability to maintain its policy of dividend increases covered by earnings growth.

Portfolio

During the six-month period ended 31 July 2014, the Company's net asset value per share rose by 7.1% on a total return basis, whilst the S&P 500 Index produced a total return of 6.5% (both of which in sterling terms with dividends reinvested). Although a healthy absolute return, performance was held back in part by the lower returns of corporate bonds and the weaker performance of higher yielding stocks in the second half of the period. A small allocation to corporate bonds remains an effective means to supplement revenue while adding additional benefits of diversification. The Company's share price rose by 4.3% from 775.0p to 808.0p.

As of 31 July 2014, the portfolio consisted of 43 equity holdings and 15 corporate bonds; the latter represented approximately 7.4% of total investments. Further details of the portfolio are shown on pages 6-8.

Market Review

Major North American equity market indices registered mixed performances for the six-month period ended 31 July 2014, having outperformed most other global equity markets. Shares of large-cap companies, as measured by the US broader-market S&P 500 Index, significantly outperformed versus their small-cap counterparts, as represented by the Russell 2000 Index, which ended the period in negative territory. The S&P 500 reached several record highs during the period on the release of generally improving economic data before moving sharply lower in late July on growing concerns about geopolitical risks in Ukraine and the Middle East, as well as some relatively disappointing corporate earnings reports.

While the International backdrop has been a source of some distraction, the domestic operating environment for our investments continues to be stable and heading in the right

direction. For all the noise, monetary policy under new Fed Chair Yellen remains friendly and likely to be so for some considerable time yet. Our investments continue to demonstrate that they are able to operate at modest levels of economic activity while still increasing cashflows. Reassuringly, these cashflows are being allocated prudently between capital re-investment programs as well as boosting shareholder returns. We view this current environment as more favourable to our manager's investment style as investors shift their focus to fundamentals and valuation.

Gearing

On 17 July 2014 the Company's loan facility provided by State Street Bank & Trust Company was increased from £30m to £45m and extended to July 2017.

£30m (equivalent to \$51.045m) has been fixed for this three year term at an all-in rate of 2.18% and has been fully drawn down. The balance of the facility of £15m is uncommitted, is repayable with no penalty and provides finance at an improved margin of 0.9% over Libor. Since the period-end amounts of \$10m (equivalent to £6.035m) and £1.5m have been drawn down under the revolving uncommitted element of the facility.

Discount

At the Annual General Meeting held in May shareholders renewed the annual authority to buyback up to 14.99% of the Company's issued share capital.

During the six month period ended 31 July 2014 the Company bought back 25,000 Ordinary shares for cancellation at a cost of £200,797. A further 31,500 Ordinary shares have been bought back for cancellation at a cost of £259,979 between 31 July 2014 and the date of this interim report.

Promotional Activity

The Company continues to be promoted through the Investment Manager's initiative which provides a series of savings schemes through which savers can invest in the Company in a low cost and convenient manner (see page 17).

Up-to-date information about the company, including monthly factsheets, interviews with the Manager and the latest net asset value and price of the Ordinary shares may be found on the Company's website at www.northamericanincome.co.uk.

Annual General Meeting ("AGM")

The Company's AGM was held in Edinburgh on 29 May 2014 at which all resolutions were passed by shareholders.

Alternative Investment Fund Managers (AIFM) Directive

The Alternative Investment Fund Managers Directive (the "Directive") proposed by the EU was fully implemented in the UK on 22 July 2014. This Directive required the Company to appoint an authorised Alternative Investment Fund Manager ("AIFM") and a depositary. The Company has now appointed Aberdeen Fund Managers Limited ("AFML"), following its authorisation by the FCA, to act as the Company's AIFM, entering a new management agreement with AFML on 18 July 2014. Under this agreement AFML delegates portfolio management services to Aberdeen Asset Managers Limited, which continues to act as the Company's Investment Manager. There is no change in the commercial arrangements from the previous investment management agreement.

The Company entered into a depositary agreement with AFML and BNP Paribas Securities Services on 18 July 2014 which replaces the previous custodial arrangements. The appointment of a depositary is a new requirement under the Directive which will result in additional administrative costs.

Outlook

The major US equity market indices have made several new highs thus far in 2014, despite mixed readings on the economy and tensions in the Ukraine and the Middle East. China also continues to be a concern in terms of credit and

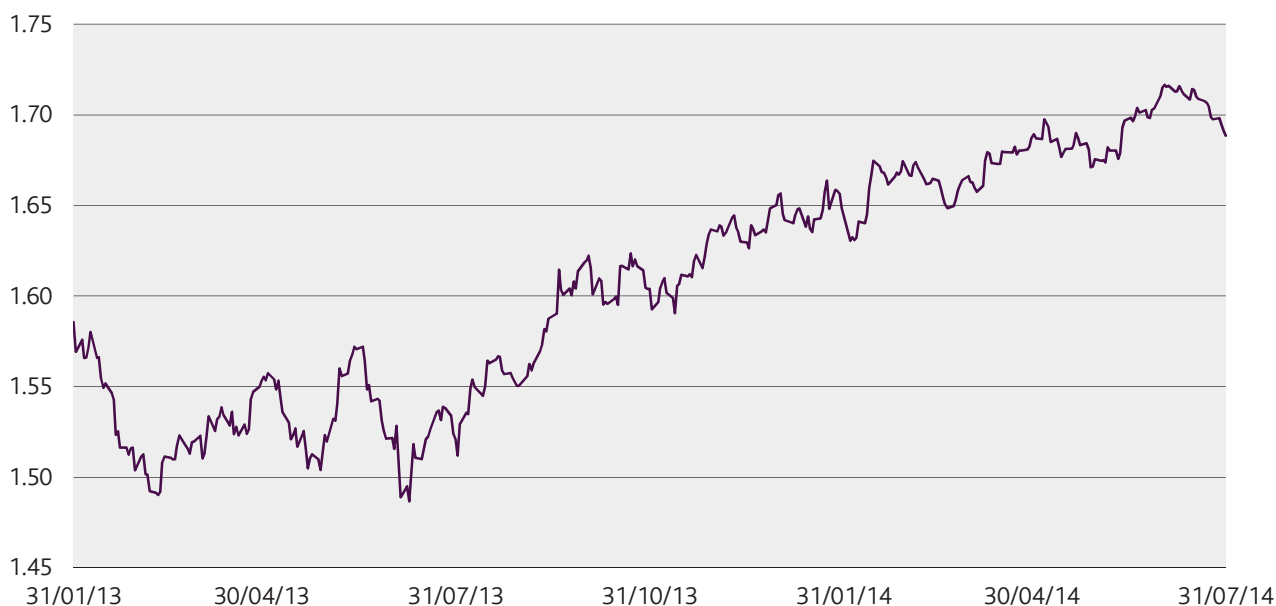
pace of growth. There are many explanations as to why the market rally has been sustained: the outlook for a gradually improving economy, supportive valuations within a historical context, or simply that investors continue to favour equities. The enthusiasm of investors for stocks has been fuelled by the levels of liquidity provided by central banks, which has resulted in historically low-yielding investments across other asset classes.

Corporations remain in good shape and have continued distributing capital (prompted in part by a rise in shareholder activism), but anecdotally many now also seem more focused on mergers and capital investment than they were six months ago. The issue for many companies is to find revenue growth amid tepid economic growth and a lower contribution from emerging markets. Notwithstanding this, our Manager continues to believe that the overall environment for the companies in our portfolio is favourable and will provide progressive dividend payments and long term capital appreciation.

James Ferguson
Chairman
11 September 2014

Currency Graph (Exchange rate US\$ to £)

From 31 January 2013 to 31 July 2014



Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 17 to the financial statements in the 2014 Annual Report. The Board has adopted a matrix of the key risks that affect its business.

Market and performance risk

The Company is exposed to the effect of variations in share prices and movements in the US\$/£ exchange rate due to the nature of its business. A fall in the market value of its portfolio would have an adverse effect on shareholders' funds.

Gearing risk

As at 31 July 2014 the Company had £30.2 million of borrowings. Gearing has the effect of exacerbating market falls and gains. In order to manage the level of gearing, the Board has set a maximum gearing ratio of 20% of net assets.

Discount volatility

The Company's share price can trade at a discount to its underlying net asset value. The Board monitors the discount level of the Company's shares and will consider share buybacks when the discount exceeds 5% for any significant period of time assuming normal market conditions.

Regulatory risk

The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as Section 1158 of the Corporation Tax Act 2010, the UKLA Listing Rules and the Companies Acts, could lead to a number of detrimental outcomes and reputational damage. The Audit Committee monitors compliance with regulations by reviewing internal control reports from the Manager.

Dividend

The ability of the Company to pay dividends and any future dividend growth will depend primarily on the level of income received from its investments (which may be affected by currency movements, exchange controls or withholding taxes imposed by jurisdictions in which the Company invests) and the timing of receipt of such income by the Company. Accordingly, there is no guarantee that the Company's dividend income objective will continue to be met and the amount of the dividends paid to Ordinary Shareholders may fluctuate and may go down as well as up.

Derivatives

The Company uses derivatives primarily to enhance the income generation of the Company. The risks associated with

such contracts are managed within guidelines set by the Board.

Debt securities

Any debt securities that may be held by the Company will be affected by general changes in interest rates that will in turn result in increases or decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise and, when interest rates rise, the value of those investments may decline. Adverse changes in the financial position of an issuer of debt securities or general economic conditions may impair the ability of the issuer to meet interest payments and repayments of principal. Accordingly, debt securities that may be held by the Company will also be subject to the inherent credit or default risks associated with the debt securities and there can be no assurance as to the levels of default and/or recovery that may be experienced by the Company with regard to such securities.

Scottish Independence

As a Scottish-registered Company, the Board is aware that there is uncertainty arising in relation to the referendum on Scottish independence due on 18 September 2014. The Board has given consideration to the implications that this might have for the Company.

Going Concern

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if necessary. The Company has a three year credit facility in place which is available until July 2017. The Board considers that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

The Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of interim financial statements has been prepared in accordance with Statement *Half Yearly Financial Reports* issued by the UK Accounting Standards Board; and
- the Interim Board Report (constituting the interim management statement) includes a fair review of the information required by rules 4.2.7R of the Disclosure and Transparency Rules (being an indication of important

events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last annual report that could so do).

The Half Yearly Financial Report for the six months to 31 July 2014 comprises the Interim Board Report, the Directors' Responsibility Statement and the condensed set of financial statements.

For and on behalf of the Board of The North American Income Trust plc

James Ferguson
Chairman
11 September 2014

Investment Portfolio - Equities

As at 31 July 2014

Company	Industry classification	Valuation £'000	Total portfolio %
Microsoft	Systems Software	11,332	3.9
Verizon Communications	Diversified Telecommunication Services	11,104	3.8
ConocoPhillips	Oil, Gas & Consumable Fuels	10,115	3.5
Royal Bank of Canada	Commercial Banks	9,812	3.4
Potash Corp of Saskatchewan	Chemicals	9,731	3.4
Pepsico	Beverages	9,677	3.4
TransCanada	Oil, Gas & Consumable Fuels	8,928	3.1
Target	Multiline Retail	8,866	3.1
Republic Services	Commercial Services & Supplies	8,632	3.0
Baxter International	Healthcare Equipment & Supplies	8,359	2.9
Ten largest equity investments		96,556	33.5
Freeport-McMoRan Copper & Gold	Metals & Mining	8,263	2.9
Nucor	Metals & Mining	8,172	2.8
Wells Fargo	Commercial Banks	7,998	2.8
Philip Morris	Tobacco	7,850	2.7
Telus	Diversified Telecommunication Services	7,476	2.6
CMS Energy	Multi-Utilities	7,011	2.4
Cisco Systems	Telecommunications Equipment	6,904	2.4
Pfizer	Pharmaceuticals	6,800	2.4
Chevron	Oil, Gas & Consumable Fuels	6,791	2.4
Digital Realty Trust	Real Estate Investment Trusts (REITs)	6,739	2.4
Twenty largest equity investments		170,560	59.3
Emerson Electric	Electrical Equipment	6,481	2.3
Kraft Foods	Food Products	6,480	2.2
Wisconsin Energy	Multi-Utilities	6,309	2.2
Johnson & Johnson	Pharmaceuticals	5,869	2.0
Exxon Mobil	Oil, Gas & Consumable Fuels	5,737	2.0
Molson Coors Brewing	Beverages	5,653	2.0
Dow Chemical	Chemicals	5,491	1.9
CME Group	Investment Services	5,308	1.8
Lockheed Martin	Aerospace & Defense	4,888	1.7
Procter & Gamble	Household Products	4,688	1.6
Thirty largest equity investments		227,464	79.0

Company	Industry classification	Valuation £'000	Total portfolio %
Mattel	Leisure Equipment & Products	4,295	1.5
Paychex	IT Services	3,940	1.4
Ventas	Real Estate Investment Trusts (REITs)	3,889	1.3
Blackrock	Capital Markets	3,664	1.3
Genuine Parts	Distributors	3,473	1.2
Sysco	Food & Staples Retailing	3,183	1.1
Colgate-Palmolive	Household Products	3,114	1.1
Aflac	Insurance	2,666	0.9
Praxair	Chemicals	2,649	0.9
Staples	Specialty Retail	2,551	0.9
Forty largest equity investments		260,888	90.6
Intel	Semiconductors & Semiconductor Equipment	2,221	0.8
National Oilwell Varco	Energy Equipment & Services	2,141	0.7
Starwood Hotels & Resorts	Hotels, Restaurants & Leisure	1,379	0.5
Total equity investments		266,629	92.6

Investment Portfolio – Other Investments

As at 31 July 2014

Company	Industry classification	Valuation £'000	Total portfolio %
HSBC Finance 6.676% 15/01/21	Consumer Finance	2,475	0.9
General Electric Capital 7.125% Non-Cum Perp Pref	Diversified Financial Services	2,447	0.9
Qwest Corp 7.25% 15/10/35	Telephone Communications	2,270	0.8
First Data 7.375% 15/06/19	IT Services	2,166	0.7
Windstream 7.75% 01/10/21	Diversified Telecommunication Services	1,669	0.6
Cincinnati Bell 8.375% 15/10/20	Diversified Telecommunication Services	1,619	0.6
International Lease Finance Corp 6.25% 15/05/19	Diversified Financial Services	1,546	0.5
Hilcorp Energy 8% 15/02/20	Oil, Gas & Consumable Fuels	1,458	0.5
Hercules Offshore 6.75% 01/04/22	Oil, Gas & Consumable Fuels	1,068	0.4
First Quantum Minerals 7.25% 15/05/22	Metals & Mining	1,038	0.3
Ten largest other investments		17,756	6.2
Alpha Natural Resources 6.25% 01/06/21	Oil, Gas & Consumable Fuels	1,009	0.4
Post Holdings 7.375% 15/02/22	Food Products	727	0.2
Tenneco 6.875% 15/12/20	Auto Components	640	0.2
Seagate HDD Cayman 4.75% 01/06/23	Computer Hardware & Storage	601	0.2
Genon Energy 9.875% 15/10/20	Independent Power Producers & Energy Traders	498	0.2
Total other investments		21,231	7.4
Total investments		287,860	100.0

Geographical Analysis

As at 31 July 2014

Country	Equities %	Bonds %	Total %
Canada	12.5	0.4	12.9
USA	80.1	7.0	87.1
	92.6	7.4	100.0

Income Statement

	Six months ended 31 July 2014 (unaudited)			Six months ended 31 July 2013 (unaudited)			Year ended 31 January 2014 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments	–	15,238	15,238	–	35,193	35,193	–	12,652	12,652
Net currency gains/(losses)	–	175	175	–	(159)	(159)	–	56	56
Income (note 2)	6,231	–	6,231	6,926	–	6,926	12,929	–	12,929
Investment management fee	(338)	(789)	(1,127)	(331)	(772)	(1,103)	(667)	(1,555)	(2,222)
Administrative expenses (note 3)	(341)	–	(341)	(321)	–	(321)	(616)	–	(616)
Net return before finance costs and taxation	5,552	14,624	20,176	6,274	34,262	40,536	11,646	11,153	22,799
Finance costs	(54)	(126)	(180)	(47)	(110)	(157)	(94)	(219)	(313)
Return on ordinary activities before taxation	5,498	14,498	19,996	6,227	34,152	40,379	11,552	10,934	22,486
Taxation (note 4)	(899)	196	(703)	(941)	303	(638)	(1,863)	669	(1,194)
Return on ordinary activities after taxation	4,599	14,694	19,293	5,286	34,455	39,741	9,689	11,603	21,292
Return per share (pence) (note 6)	13.80	44.07	57.87	16.57	108.02	124.59	29.80	35.69	65.49

The total column of this statement represents the profit and loss account of the Company.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

Balance Sheet

	Notes	As at 31 July 2014 (unaudited) £'000	As at 31 July 2013 (unaudited) £'000	As at 31 January 2014 (audited) £'000
Fixed assets				
Investments at fair value through profit or loss		287,860	290,200	279,010
Current assets				
Debtors and prepayments		2,965	2,849	949
Cash and short term deposits		26,369	12,659	7,329
		29,334	15,508	8,278
Creditors: amounts falling due within one year				
Bank loan		(30,235)	(15,831)	(14,603)
Other payables		(1,250)	(737)	(733)
		(31,485)	(16,568)	(15,336)
Net current liabilities		(2,151)	(1,060)	(7,058)
Net assets		285,709	289,140	271,952
Capital and reserves				
Called-up share capital		8,328	8,192	8,335
Share premium account		48,467	43,736	48,467
Capital redemption reserve		14,232	14,225	14,225
Capital reserve	8	207,539	215,899	193,047
Revenue reserve		7,143	7,088	7,878
Equity shareholders' funds		285,709	289,140	271,952
Net asset value per share (pence)	9	857.64	882.37	815.73

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 July 2014 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2014	8,335	48,467	14,225	193,047	7,878	271,952
Buyback of Ordinary shares	(7)	–	7	(202)	–	(202)
Return on ordinary activities after taxation	–	–	–	14,694	4,599	19,293
Dividends paid (note 5)	–	–	–	–	(5,334)	(5,334)
Balance at 31 July 2014	8,328	48,467	14,232	207,539	7,143	285,709

Six months ended 31 July 2013 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2013	7,870	32,643	14,225	181,444	5,887	242,069
Issue of Ordinary shares	322	11,093	–	–	–	11,415
Return on ordinary activities after taxation	–	–	–	34,455	5,286	39,741
Dividends paid (note 5)	–	–	–	–	(4,085)	(4,085)
Balance at 31 July 2013	8,192	43,736	14,225	215,899	7,088	289,140

Year ended 31 January 2014 (audited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2013	7,870	32,643	14,225	181,444	5,887	242,069
Issue of Ordinary shares	465	15,824	–	–	–	16,289
Return on ordinary activities after taxation	–	–	–	11,603	9,689	21,292
Dividends paid (note 5)	–	–	–	–	(7,698)	(7,698)
Balance at 31 January 2014	8,335	48,467	14,225	193,047	7,878	271,952

Cash Flow Statement

	Six months ended 31 July 2014 (unaudited) £'000	Six months ended 31 July 2013 (unaudited) £'000	Year ended 31 January 2014 (audited) £'000
Net return on ordinary activities before taxation	20,176	40,536	22,799
Adjustment for:			
Gains on investments	(15,238)	(35,193)	(12,652)
Foreign exchange (gains)/losses	(175)	159	(56)
Amortisation of fixed income book cost	(38)	37	67
Increase in accrued income	(100)	(255)	(58)
Increase in other debtors	(1,991)	(1,793)	(2)
Increase/(decrease) in other creditors	517	(138)	(142)
Net cash inflow from operating activities	3,151	3,353	9,956
Servicing of finance			
Interest paid	(180)	(157)	(313)
Taxation			
Overseas withholding tax paid	(628)	(596)	(1,240)
Net tax paid	(628)	(596)	(1,240)
Financial investment			
Purchases of investments	(35,343)	(52,797)	(100,760)
Sales of investments	41,769	45,754	82,336
Net cash inflow/(outflow) from financial investment	6,426	(7,043)	(18,424)
Equity dividends paid	(5,334)	(4,085)	(7,698)
Net cash inflow/(outflow) before financing	3,435	(8,528)	(17,719)
Financing			
(Buyback)/issue of Ordinary shares	(202)	11,415	16,289
Drawdown of bank loan	15,817	–	–
Net cash inflow from financing	15,615	11,415	16,289
Increase/(decrease) in cash	19,050	2,887	(1,430)
Analysis of changes in cash during the period			
Opening net debt	(7,274)	(5,900)	(5,900)
Increase/(decrease) in cash as above	19,050	2,887	(1,430)
Foreign exchange movements	175	(159)	56
Drawdown of bank loan	(15,817)	–	–
Closing net debt	(3,866)	(3,172)	(7,274)

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on half yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

All expenses are charged to revenue except those where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. Accordingly, the investment management fee is allocated 30% to revenue and 70% to capital, in order to reflect the Board's expected long-term view of the nature of investment returns of the Company. The half yearly financial statements have been prepared using the same accounting policies applied for the year ended 31 January 2014.

(b) Dividends payable

Interim and final dividends are recognised in the period in which they are paid.

	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year ended 31 January 2014 £'000
2. Income			
Income from overseas listed investments			
Dividend income	4,387	4,433	8,210
REIT income	330	–	544
Interest income from investments	746	868	1,634
	5,463	5,301	10,388
Other income from investment activity			
Traded option premiums	767	1,622	2,534
Deposit interest	1	3	7
	768	1,625	2,541
Total income	6,231	6,926	12,929

Notes to the Accounts continued

	Six months ended 31 July 2014 (unaudited) £'000	Six months ended 31 July 2013 (unaudited) £'000	Year ended 31 January 2014 (audited) £'000
3. Administration expenses			
Directors' fees	27	27	54
Secretarial and administration fees	51	50	100
Marketing contribution	106	85	184
Auditor's remuneration	8	9	16
Custodian charges	16	16	31
Registrar's fees	38	29	50
Professional fees	27	31	58
Other	68	74	123
	341	321	616

4. Taxation

The taxation expense reflected in the Income Statement is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 31 January 2015 is an effective rate of 21.33%. This is above the current corporation tax rate of 21% as, prior to 1 April 2014, the prevailing corporation tax rate was 23%.

Detailed below is an analysis of the tax charge for each period.

Taxation	Six months ended 31 July 2014			Six months ended 31 July 2013			Year ended 31 January 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK corporation tax	238	(238)	–	303	(303)	–	605	(605)	–
Overseas tax suffered	661	–	661	638	–	638	1,258	–	1,258
Current tax charge for the period	899	(238)	661	941	(303)	638	1,863	(605)	1,258
Deferred taxation	–	42	42	–	–	–	–	(64)	(64)
Total tax	899	(196)	703	941	(303)	638	1,863	(669)	1,194

	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year ended 31 January 2014 £'000
5. Dividends			
1st interim dividend for 2014 – 5.5p	–	–	1,798
2nd interim dividend for 2014 – 5.5p	–	–	1,815
3rd interim dividend for 2014 – 6.0p	2,000	–	–
Final dividend for 2014 – 10.0p (2013 – 13.0p)	3,334	4,092	4,092
Unclaimed dividends from previous years	–	(7)	(7)
	5,334	4,085	7,698

A final dividend of 10.00p per Ordinary share for the year ended 31 January 2014 was paid to shareholders on 3 June 2014.

The Company pays four dividends per year. The first interim dividend of 6.0p (2014 – 5.5p) for the year ending 31 January 2015 was paid on 1 August 2014 to shareholders on the register at 4 July 2014, with an ex-dividend date of 2 July 2014. A second interim dividend of 6.0p (2014 – 5.5p) for the year ending 31 January 2015 will be paid on 31 October 2014 to shareholders on the register at 3 October 2014. The ex-dividend date is 1 October 2014. In accordance with UK GAAP neither of these interim dividends is recognised in these financial statements.

	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year ended 31 January 2014 £'000
6. Return per Ordinary share			
Based on the following figures:			
Revenue return	4,599	5,286	9,689
Capital return	14,694	34,455	11,603
Total return	19,293	39,741	21,292
Weighted average number of shares in issue	33,336,648	31,898,085	32,511,787
	p	p	p
Revenue return per Ordinary share	13.80	16.57	29.80
Capital return per Ordinary share	44.07	108.02	35.69
Total return per Ordinary share	57.87	124.59	65.49

7. Transaction costs

During the six months ended 31 July 2014 expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 July 2014 £'000	Six months ended 31 July 2013 £'000	Year ended 31 January 2014 £'000
Purchases	35	56	113
Sales	50	67	129
	85	123	242

8. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 July 2014 includes gains of £42,194,000 (31 July 2013 – £60,268,000; 31 January 2014 – £30,746,000) which relate to the revaluation of investments held at the reporting date.

	As at 31 July 2014	As at 31 July 2013	As at 31 January 2014
9. Net asset value per Ordinary share			
Net assets attributable (£'000)	285,709	289,140	271,952
Number of Ordinary shares in issue	33,313,582	32,768,582	33,338,582
Net asset value per Ordinary share (p)	857.64	882.37	815.73

Notes to the Accounts continued

	At 1 February 2014 £'000	Cashflow £'000	Exchange movements £'000	At 31 July 2014 £'000
10. Analysis of changes in net debt				
Cash and short term deposits	7,329	19,050	(10)	26,369
Bank loan	(14,603)	(15,817)	185	(30,235)
	(7,274)	3,233	175	(3,866)

11. Subsequent events

A further 31,500 Ordinary shares have been bought back and cancelled by the Company subsequent to the reporting period end for a total consideration of £259,000. Following the buyback of shares there were 33,282,082 Ordinary shares in issue.

12. Half-Yearly Financial Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 31 July 2014 and 31 July 2013 has not been audited.

The information for the year ended 31 January 2014 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

13. This Half-Yearly Financial Report was approved by the Board on 11 September 2014.

How to Invest in The North American Income Trust plc

Direct

Investors can buy and sell shares in The North American Income Trust plc directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan, Investment Trust ISA and Investment Trust Pension.

Suitable for Retail

The Company's shares are designed for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from income and capital growth prospects of North American markets and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the shares issued by The North American Income Trust plc can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("AAM") runs an Investment Plan for Children (the "Children's Plan") (subject to the eligibility criteria as stated within the terms and conditions) which covers a number of investment companies under its management including The North American Income Trust plc. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in The North American Income Trust plc can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £15,000 can be made from 1 July 2014 through the Aberdeen Investment Trust ISA.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in The North American Income Trust plc while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

How to Invest in The North American Income Trust plc continued

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs and PEPs, may be changed by future legislation.

Trust Information

If investors would like details of The North American Income Trust plc or information on the Children's Plan, Share Plan, ISA or ISA Transfers please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB or e-mail at inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk

Terms and conditions for the Aberdeen managed savings products can also be found under the Literature section of our website at www.invtrusts.co.uk.

Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times.

For internet users, detailed data on The North American Income Trust, including price, performance information and a monthly fact sheet is available from the Trust's website (www.northamericanincome.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Investor Warning

Aberdeen is aware that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided.

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Corporate Information

Directors

James Ferguson, Chairman
Guy Crawford
Archie Hunter

Manager

Aberdeen Asset Managers Limited
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Secretary and Registered Office

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Telephone: 0131 528 4000

Alternative Investment Fund Manager *

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Bow Bells House
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London EC4M 9HH
(Registered in England and Wales with Company Registration
Number: 00740118)
(* appointed as required by EU Directive 2011/61/EU).

Company Registration Number

SC005218

Registrars

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Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number (GIIN): XYAARK.99999.SL.826

Website

www.northamericanincome.co.uk

