The North American Income Trust plc

Annual Report and Accounts

31 January 2014

Aberdeen

Contents

Objective of The North American Income Trust plc

To provide investors with above average dividend income and long term capital growth through active management of a portfolio consisting predominately of S&P 500 US equities. The Company's investment policy is shown in the Overview of Strategy on page 9.

Strategic Report - Results

Financial Summary

	31 January 2014	31 January 2013	% change
Total assets	£286,555,000	£257,207,000	+11.4
Equity shareholders' funds	£271,952,000	£242,069,000	+12.3
Share price (mid market)	775.00p	738.00p	+5.0
Net asset value per share[A]	815.73p	769.00p	+6.1
Discount (difference between share price and net asset value)	5.0%	4.0%	
Dividends and earnings			
Revenue return per share	29.80p	19.72p	+51.1
Dividends per share (including proposed final dividend)	27.00p	19.50p	+38.5
Dividend yield (based on year end share price)	3.5%	2.6%	
Dividend cover	1.10	1.01	
Revenue reserves per share:			
Prior to payment of third interim dividend declared and proposed final dividend[B]	23.63p	18.70p	
After payment of third interim dividend declared and proposed final dividend[B]	7.63p	5.70p	
Operating costs			
Ongoing charges[C]	1.04%	0.81%	

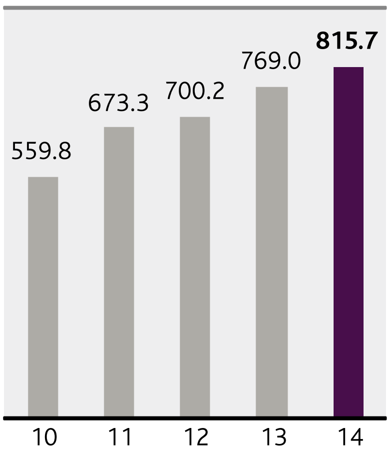
[A] Including undistributed revenue.

[B] For 2013 proposed final dividend only, as only one interim dividend was declared with respect to that year.

[C] The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses divided by the average cum income net asset value throughout the year.

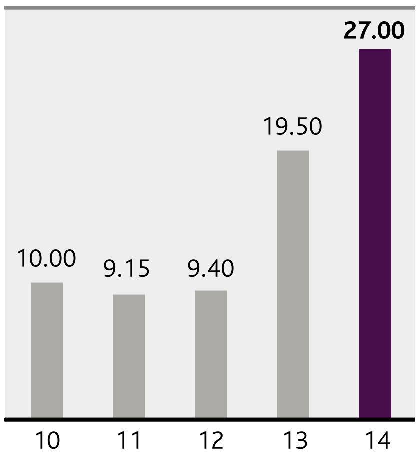
Net Asset Value per share

At 31 January – pence



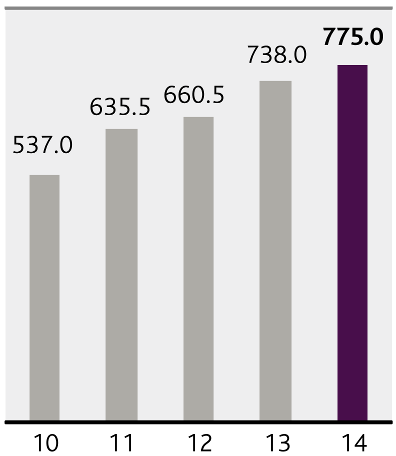
Dividends per share

For year to 31 January - pence



Share price

At 31 January – pence



Performance

Total return (Capital return plus dividends reinvested)	1 year return %	3 year return[A] %	5 year return[A] %
Share price	+8.9	+30.5	+75.4
Net asset value per share	+9.9	+29.4	+87.0
S&P 500 Index (in sterling terms)(reference Index)	+17.2	+44.1	+111.1

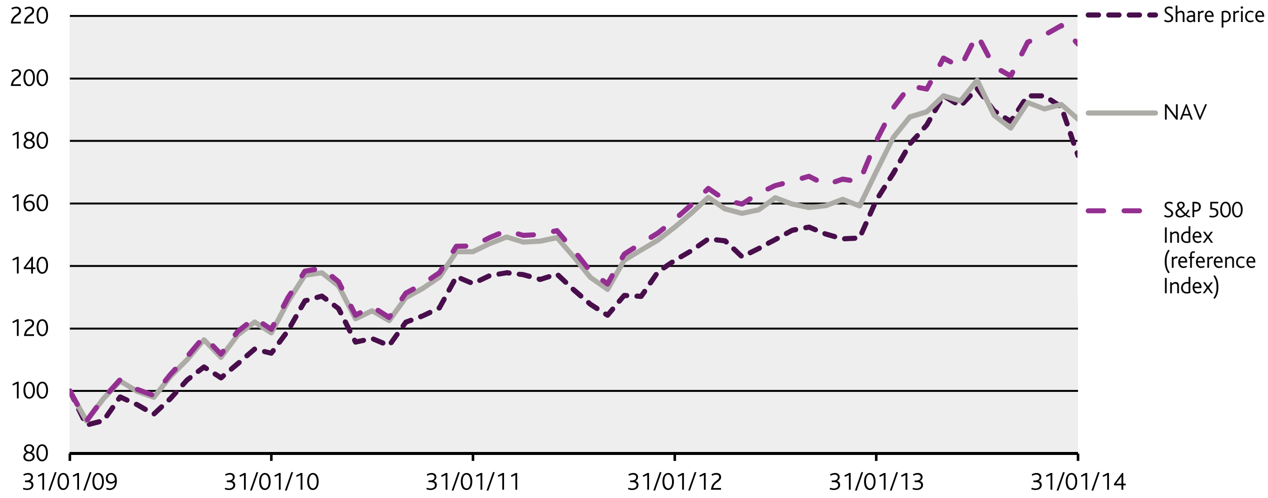
[A] Cumulative return

The Company's investment objective changed on 29 May 2012 from a S&P 500 index-tracker trust to being actively managed. The three and five year performance figures shown reflect periods of time when the Company ran with these two different objectives.

Strategic Report - Performance

Total Return of NAV and Share Price vs S&P 500 Index (in sterling terms) (reference index)

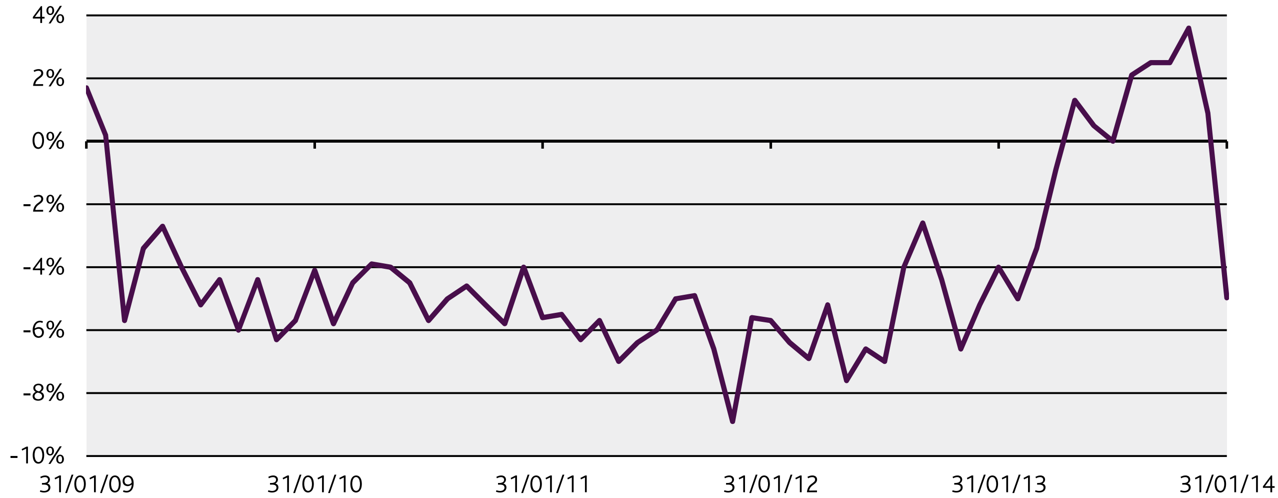
Five years to 31 January 2014 (rebased to 100 at 31 January 2009)



Source: Aberdeen Asset Management, Morningstar & Lipper

Share Price Premium/(Discount) to NAV (exc income)

Five years to 31 January 2014



Source: Morningstar

Ten Year Financial Record

Year to 31 January	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Per share (p)										
Net revenue return	5.16	6.26	6.92	7.44	7.93	8.02	8.81	9.39	19.72	29.80
Dividends	5.05	6.00	6.90	11.42	7.90	10.00	9.15	9.40	19.50	27.00
As at 31 January										
Net asset value per share (p)	521.3	600.5	615.3	583.2	481.5	559.8	673.3	700.2	769.0	815.7
Shareholders' funds (£'000)	432,327	490,511	446,344	221,354	181,042	204,098	222,855	220,409	242,069	271,952

The NAV figure for 2005 was restated at 31 January 2006 to reflect changes in accounting policies.

Strategic Report - Chairman's Statement

This Annual Report looks different to those of recent years. This reflects changes in the Companies Act, the UK Corporate Governance Code and the remuneration regulations. We are required to ensure that the annual report and financial statements are fair, balanced and understandable; the Board believes that this is the case (see page 26).

Dividend

Compared to the year ended 31 January 2013, the revenue per Ordinary share has risen by 51% from 19.7p to 29.8p. This is the result of a full year of the new investment policy with its objective of providing an income that is above average as well as long term capital growth.

The Directors declared a third quarterly dividend of 6.0p per share (increased from 5.5p) which was paid on 14 February and are recommending a final dividend per Ordinary share of 10.0p, which will take the total dividends for the fiscal year to 27.0p (2013 – 19.5p), an increase of 38.5%. 2.8p per share will be added to the revenue reserve. The full year 27.0p total dividend would represent a yield of 3.5%, using the share price of 775.0p at the year end, compared to the 2.1% yield from the S&P 500 index.

The final dividend will be payable on 3 June 2014 to shareholders on the register on 9 May 2014. The quarterly dividends are paid in August, November, February and May each year.

Portfolio

During the year ended 31 January 2014, the Company's net asset value per share rose by 9.9% on a total return basis, in sterling terms. It is interesting to compare this result over the year with the S&P 500 index; this is not our benchmark but gives an indication of the performance of the US equity market. The S&P provided a total return of 17.2% in sterling terms, however, there was a sharp divergence between higher and lower yielding constituents of the index particularly beginning in mid-2013 when the Federal Reserve began to discuss the possible tapering of its asset purchase programme. A hypothetical basket of S&P 500 stocks yielding greater than 2.5% underperformed their lower yielding counterparts by over 6 percentage points assuming a constant basket of constituents. Relatively it was not a good year for yield stocks, but over the longer term we believe that the quality of the underlying companies in the portfolio can provide above average dividend growth as well as good performance in capital terms.

The Company's share price rose by 5.0% from 738.0p to 775.0p and ended the year with its share price standing at a 5.0% discount to net asset value, compared with a 4.0% discount at the end of the 2013 financial year. No shares were bought back in the period. Despite ending the year with the share price trading at a discount to net asset value, the price stood at a premium to the net asset value from May to the first week of January.

As of 31 January 2014, the portfolio consisted of 42 equity holdings and 17 other holdings including corporate bonds; the latter represented approximately 9.3% of total assets. Further details of the portfolio are shown on pages 12 to 14.

Issue of New Shares

At the Annual General Meeting held in May 2013 shareholders renewed the annual authority to issue up to 10% of the Company's issued share capital for cash at a premium to the prevailing net asset value at the time of each issue. During the year the Company issued 1,860,000 new Ordinary shares at a premium raising an additional £16.4 million of new capital which represents 5.9% of the Ordinary shares in issue at the start of the year. New shares are only issued at a premium to net asset value.

Gearing

The Company has a three year £30 million uncommitted revolving bank facility provided by State Street Bank & Trust Company in place until October 2015. The facility is repayable with no penalty and provides finance at a margin of 1.5% over Libor. At the year-end $24 million (£14.6 million) of the facility was drawn down. Further details on rates can be found in the notes to the accounts.

Market Review

North American equity markets performed strongly over the Company's financial year to the end of January 2014. These strong equity markets persisted until the latter half of January. All-time highs were supported by the release of more positive US economic data and the growing expectance that new Fed chair, Janet Yellen, intends to continue the present accommodating monetary policy. Federal Reserve officials at the end of January decided for the second time to trim their monthly bond purchases by $10 billion to $65 billion but also pledged to keep short-term interest rates very low "well past" the time the unemployment rate falls to 6.5%. Ten-year Treasury yields bottomed early in May 2013 at 1.6% and rose by over 100 basis points) to finish the year end at 2.6%. Further details can be found in the Manager's report.

Marketing

The Board continues to market the Company 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 48).

Up-to-date information about the Company, including monthly factsheets, interviews with the Investment 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.

Alternative Investment Fund Managers (AIFM) Directive

The Alternative Investment Fund Managers Directive ("the Directive") came into force in the UK on 22 July 2013 with a transitional period prior to full implementation during July 2014. After consideration, the Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's AIFM as required by the Directive. The Board expects to be able to implement the changes in cooperation with Aberdeen Asset Managers Limited and other service providers prior to the expiry of the AIFMD's transitional arrangements in July 2014.

Outlook

The US has seen a recovery. Economic data look positive: the fiscal deficit has narrowed to 3%-4% of GDP from 10% just a few years ago whilst house prices are rising. An increase in growth should provide additional support for stock prices as well as corporate profits, which are expected to grow 5-7% in 2014, up from around 6% last year. The US 'shale revolution' has enabled increasing production of oil and gas and helped to reduce dependence on imported energy, diversifying the economy and providing a fillip to many companies. Another bright spot is the growth in manufacturing, which tends to lead to job creation in other parts of the economy.

Despite deep ideological differences, Washington reached an uneasy truce that sidesteps the sort of funding crisis that almost shut down the country last year. Negative impacts from fiscal drag and policy uncertainty are expected to ease. The two-year budget deal agreed by Congress should reduce gridlock on Capitol Hill. Our Manager continues to believe that the operating environment will remain positive for our investments and sees no signs that capital disciplines are declining. This bodes well for cash generation and the continuation of progressive dividend payments.

In general the market is fairly valued. The S&P 500's price-to-earnings ratio expanded a great deal in 2013 and is back to near historical norms. The market P-E, based on trailing 12-month earnings, has risen to almost 17x from 14x, however, there is still good value to be found in the type of companies in which we invest.

Annual General Meeting ("AGM")

The Company's AGM will be held at 2.30 p.m. on Thursday 29 May 2014 at 40 Princes Street, Edinburgh. I hope that we shall see as many shareholders as possible.

James Ferguson
Chairman
19 March 2014

Strategic Report - Manager's Review

Market Review

North American equities, as measured by the broader-market S&P 500 Index, posted healthy gains for the 12-month period ended 31 January 2014. The modest decline of the Barclays U.S. Aggregate Bond Index, the US fixed income market benchmark, in sterling terms, was chiefly attributable to negative currency effect. Ten-year US Treasury yields were volatile and in December crossed the 3.0% threshold for the first time since July 2011. The yield subsequently declined in January to 2.67% but was still up 65 basis points over the period.

The strongest performing sectors within the S&P 500 over the year were healthcare, consumer discretionary and industrials. Whilst recording positive returns, the more defensive and relatively higher dividend-paying sectors of telecommunication services and utilities significantly lagged the overall market and were the weakest performers. This was, in part, a reversal of what we had seen earlier in the year.

Strong equity markets persisted for most of the year (with a few periods of volatility) and hit all-time highs. At the macro level, returns were supported by positive US economic data and the growing expectation that new US Federal Reserve Chair Janet Yellen intended to maintain monetary accommodation. However, unlike in 2011 and 2012, when operating profit growth was meaningful to market performance, the near 30% rally of calendar year 2013 was primarily driven by a valuation re-rating of equities. Investors began to question valuations in January amid news of weak holiday sales and renewed growth fears from China and other emerging markets.

Performance

The Company's net asset value increased by 9.9% in sterling terms over the 12-month period with the equity portion returning 10.9% gross (before expenses); however, this still underperformed the S&P 500 by more than we would like.

As markets moved higher through 2013 our search for high quality dividends remained unchanged. Many of the companies with the highest returns last year had characteristics that rendered them unattractive to us. The rally also favoured smaller companies. Returns were lowest for larger companies and highest for smaller companies. Small, non-dividend paying companies did very well on the whole.

The underperformance over the year was primarily attributable to three factors: sector allocation, the sterling-based performance of our Canadian holdings and stock-specific detractors.

The asset allocation lowlights were our consumer staples and telecom overweights and our consumer discretionary underweights. Both consumer staples and telecom are natural over-weights given growing cash generation and the willingness of those companies to grow distributions. Both sectors underperformed the reference index during the year.

Our Canadian holdings were impacted by the significant depreciation of the Canadian dollar during the period. This was a tough headwind that only the stock appreciation of Molson Coors managed to offset. The pricing difficulties of fertiliser maker Potash Corporation of Saskatchewan are well documented but appear to be incrementally improving with respect to the more dire expectations. The company expects higher volumes and lower cost of production and we expect to see growing distributions to shareholders. In aggregate, our Canadian investments are characterised by high cash-generation and management teams committed to dividend growth. They are accretive to our yield.

On a stock-specific level, shares of technology-related REIT Digital Realty Trust sold off in the fall of 2013 along with those of other REITs in response to the threat of Fed tapering. The shares also reacted negatively to threats of increased industry supply and accounting changes. We used the lower valuation to add to our position making it a top three holding. Energy pipeline company TransCanada Corporation posted a weak performance amid uncertainty regarding the future of its Keystone XL pipeline which, if approved by the US government, is projected to transport about 800,000 barrels of oil per day. Given the strength of its long-term project backlog and the limited impact to earnings should the pipeline fail to win approval, we increased our investment. Tobacco company Philip Morris saw disappointing volumes in 2013 amid excise tax increases in several regions and broadly slower growth from many emerging markets. As might be expected, we maintain our investment because of the high level of cash generation buttressed by its ability to use price to offset volume loss. Additionally, currency weakness in some of the company's principal operating markets (Japan, Indonesia and Thailand) had the effect of lowering earnings due to the translation effect back to a stronger dollar. Finally, our non-holding in Google, which had a strong performance over the reporting period, was a notable detractor from performance. Google's poor governance and lack of dividend distributions render it unsuitable for the Trust.

Nonetheless, there were noteworthy stock selection gains. In particular, our industrials holdings performed well, despite an underweight to the sector. The Trust also benefitted from positive stock selection within the technology sector, particularly our holdings in Microsoft and Paychex, whose shift in capital allocation strategy to grow their shareholder distributions was rewarded. Non-holdings in high-yielders

AT&T and tech device manufacturer Apple have also aided performance.

Overall, the prospective yield on the portfolio is close to 1.5 times that of the S&P 500, and that has grown in the low-double digits. To reiterate, we like the ability of our staple holdings to grow distributions from the combination of low organic growth and operational efficiencies. Operationally, these have performed as expected (with the exception of Philip Morris International), but the market remains uncertain of emerging market earnings for now and wary of overpaying for high dividend paying stocks. This has hurt our investments with an overseas earnings bias. As we manage this risk, we continue to look for domestically focused industrials with attractive yields. Companies like Praxair, Nucor and Republic Services are three such holdings.

Portfolio Activity

After several meetings with management over the past two years, we initiated an investment in Wisconsin Energy. This utility operates in a stable geography, has modest capital expenditure requirements and will use earnings growth to finance a growing dividend. The de-rating that utilities saw in the back end of the year enabled us to buy more cheaply in November. We also initiated a position in Wells Fargo, which is our only US banking investment. We believe that earnings and future dividend growth will be driven by its consistent leading position in business lending to small and medium-sized companies. Share price weakness in Target Corporation (Canadian store roll-out and data breach) was used as an opportunity to re-establish a position. Other new investments made during the year included toy manufacturer Mattel, Praxair and Potash Corporation.

We added to the portfolio's holdings in two REITs, Healthcare Realty Trust and Digital Realty Trust, after a period of weak share price performance for both companies. We later reduced the exposure to Digital Realty Trust after the stock price rose sharply in December and January. Additionally, we increased positions in Microsoft, Philip Morris, and miner Freeport-McMoRan Copper & Gold.

We sold our investment in Kellogg due to ongoing weakness in its core cereal business and a desire to reduce our overall consumer staples weighting. Other sales included packaged foods maker H.J. Heinz, consumer products company Kimberly Clark and pharmaceutical firm Bristol-Myers Squibb. We sold our holding in Lorillard, a tobacco company we had previously maintained as a large weight since the Trust's restructure. Whilst it is one of the highest yielders in the equity portfolio, we felt that regulatory risks around menthol cigarettes had begun to outweigh the attractiveness of its cash-flow and distribution policies. We also trimmed positions as share prices rose in Johnson & Johnson, supplemental life and health insurance provider Aflac, payroll services provider Paychex and consumer products maker Colgate-Palmolive Co.

Although the Trust's equity positioning since the beginning of the year has shifted towards more cyclical sources of dividend income, its overall positioning remains skewed towards high-quality dividend-payers, predominantly consumer non-cyclicals.

The Trust's fixed income segment had low turnover for the year under review. Portfolio changes made earlier in the year reduced duration and increased exposure to high yield bonds within a smaller fixed income element. These changes reduced the performance drag whilst providing an uplift to the revenue account at lower levels of risk. At the end of the year, the portfolio was positioned with 17 bond holdings, which continue to help diversify the Trust's roughly 40 equity positions, as well as providing some attractive yield uplift. We have been reinvesting the coupon income generated from the fixed income portfolio into the equity segment. Bond holdings represent 9.3% of gross assets and have an average yield to maturity of 5.7% on a 3.9-year average duration with an average credit rating that remains a notch below investment grade.

Option activity was consistent with prior periods and remains typically equivalent to 5-8% of the Trust's gross assets or an average of 3-4 positions at any one time. As overall portfolio yields have decreased on higher share prices, options have given us scope to add incremental revenues. This activity remains consistent with our own company research and has contributed approximately 20% of trust revenue.

Dividend Growth

Nearly 90% of our holdings raised their dividends over the past year. The weighted average dividend increase of the equity portfolio is around 10%. Dividend increases are being financed from internal cash flows, and there has been no significant increase in debt financing. Among the noteworthy dividend-raisers were Microsoft, Potash Corporation, Cisco and Wells Fargo, which raised their dividends by 20% or more over the year. Fiscal year 2015 is off to a good start with Dow Chemical, Blackrock, Molson Coors and Cisco all declaring double-digit increases in their regular dividends.

Outlook

On the whole, we continue to believe that the operating environment will remain positive for our investments. We see no signs of capital disciplines declining, which bodes well for cash generation and the continuation of progressive dividend payments. We expect to see modest dividend growth this year as payouts have risen and companies may be encouraged to increase capital expenditures that remain below trend. Activist shareholders and corporate activity will remain a feature of the landscape and holdings like PepsiCo, Proctor & Gamble and Dow Chemical continue to push back "shrink to grow" proposals.

Our confidence in the operating environment translates to operating profit growth expectations of mid-single digits, in line with historic averages. Productivity or margin improvements are still possible with many of our holdings engaged in rolling efficiency programs. The impact of technology in reducing working capital requirements is underestimated. Dividend-paying stocks were de-rated last year, and we view this as a healthy correction to the number of holdings we viewed as expensive six months ago. While we continue to see strong revenue growth and margin expansion in North America, we also see improvements in the fundamentals of the foreign operations of our holdings, assuming that emerging market worries subside. That said, we are mindful of the impact on the Trust's returns should growth from emerging markets remain below rates seen in the last ten years. This will pressure demand for western consumer goods as well as having secondary impacts on EM currencies which may yet transmit to renewed inflation and higher interest rates. This sequence of events is not our core view but it is one we are mindful of. Lastly, thinking of currencies, we would be surprised to see the magnitude of Canadian dollar weakness and sterling strength repeated this year.

Overall, last year was challenging for the relative performance of the Company's total net asset value. It was a better year for dividend growth. The revenue account saw good growth and gives a solid foundation for the year ahead. In 2014 we could well see a reversal implying potentially lower growth in the revenue account but improved relative performance in the net asset value. Irrespective, we remain focused on investing in those companies with the best prospects for sustainable dividend growth as well as remaining watchful of valuations, external risks and the implied impact to asset allocation.

Aberdeen Asset Managers Limited
19 March 2014

Strategic Report – Overview of Strategy

Introduction

The Company is an investment trust and its Ordinary shares are listed on the premium segment of the London Stock Exchange. The Company aims to attract long term private and institutional investors wanting to benefit from the income and growth prospects of North American companies.

The Directors do not envisage any change in the Company's activity in the foreseeable future.

Reference Index

The Board reviews performance against relevant factors, including the S&P 500 Index (in sterling terms) as well as peer group comparisons. The aim to provide investors with above average dividend income from predominantly US equities means that investment performance can diverge, possibly quite materially in either direction, from this or any other index.

Investment Policy

The Company invests in a portfolio predominantly comprised of S&P 500 constituents. The Company may also invest in Canadian stocks and US mid and small capitalisation companies to provide for diversified sources of income. The Company may invest up to 20% of its gross assets in fixed income investments, which may include non-investment grade debt.

The Company's investment policy is flexible, enabling it to invest in all types of securities, including (but not limited to) equities, preference shares, debt, convertible securities, warrants, depositary receipts and other equity-related securities.

The maximum single investment will not exceed 10% of gross assets at the time of investment and it is expected that the portfolio will contain around 50 holdings (including fixed income investments), with an absolute minimum of 35 holdings.

The composition of the Company's portfolio is not restricted by minimum or maximum market capitalisation, sector or country weightings.

The Company may borrow up to an amount equal to 20% of its net assets.

Subject to the prior approval of the Board, the Company may also use derivative instruments for efficient portfolio management, hedging and investment purposes. The Company's aggregate exposure to such instruments for investment purposes (excluding collateral held in respect of any such derivatives) will not exceed 20% of the Company's net assets at the time of the relevant acquisition, trade or borrowing.

The Company does not generally intend to hedge its exposure to foreign currency.

The Company will not acquire securities that are unlisted or unquoted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be listed or quoted, if appropriate. The Company may participate in the underwriting or sub-underwriting of investments where appropriate to do so.

The Company may invest in open-ended collective investment schemes and closed-ended funds that invest in the North American region. However, the Company will not invest more than 10%, in aggregate, of the value of its gross assets in other listed investment companies (including listed investment trusts), provided that this restriction does not apply to investments in any such investment companies which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed investment companies.

The Company will normally be substantially fully invested in accordance with its investment objective but, during periods in which changes in economic conditions or other factors so warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

The Directors are responsible for determining the investment policy and the investment objective of the Company, while the day-to-day management of the Company's assets has been delegated to Aberdeen Asset Managers Limited (the "Manager" or "Aberdeen"). The Manager invests in a range of North American companies, following a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value, concentrating on quality first, then price. Top-down investment factors are secondary in the Manager's portfolio construction, with diversification rather than formal controls guiding stock and sector weights.

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. 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 January 2014 the Company had £14.6 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%.

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, however, considers that it is too early at this stage to prejudge the outcome of a vote, or of any subsequent negotiations as they may affect the Trust and its shareholders.

Performance and Outlook
At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The Board also considers the marketing and promotion of the Company, including effective communications with shareholders, which is explained in more detail on page 47. The future strategic direction and development of the Company is regularly discussed as part of Board meeting agendas.

A review of the Company's activities and performance during the year to 31 January 2014 and future developments is detailed in the Chairman's Statement and the Manager's Review. This covers market background, investment activity, portfolio strategy, dividend and gearing policy and investment outlook. A comprehensive analysis of the portfolio is provided in the Portfolio of Investments and Geographical and Sector Analyses on pages 12 to15.

Key Performance Indicators (KPIs)
The main KPIs used by the Board in assessing the Company's performance include:

- Net asset value v reference index (total return) and peer group
- Premium/Discount
- Dividend yield
- Ongoing charges

Details of the Company's results are provided on page 2.

Duration

The Company does not have a fixed winding-up date, but shareholders are given the opportunity to vote on the continuation of the Company every three years at the Annual General Meeting. The next continuation vote will be in 2015.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the appropriate knowledge in order to allow the Board to fulfill its obligations. At 31 January 2014, the Board consisted of three males. The Company has no employees.

Employee and Socially Responsible Policies

As the Company has delegated the management of the portfolio, it has no employees and therefore has no requirement for disclosures in this area. The Company's socially responsible investment policy is out in the Statement of Corporate Governance.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

The Manager's corporate socially responsible policy including environmental policy can be found on http://www.aberdeen-asset.com/aam.nsf/groupCsr/home.

James Ferguson
Chairman
19 March 2014

Investment Portfolio – Ten Largest Equity Investments

As at 31 January 2014

Company	Industry classification	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
Microsoft Microsoft manufactures and licenses software products for operating systems, applications, software development and internet services.	Systems Software	11,535	4.0	7,905
Digital Realty Trust Digital Realty Trust, Inc. is a real estate investment trust (REIT) that engages in the ownership, acquisition, development, redevelopment, and management of technology-related real estate.	Real Estate Investment Trusts	9,761	3.4	5,354
Pepsico PepsiCo, Inc. operates as a food and beverage company worldwide.	Beverages	9,068	3.2	5,121
Potash Corp Of Saskatchewan Potash Corporation of Saskatchewan Inc., together with its subsidiaries, produces and sells fertilizers and related industrial and feed products primarily in the United States and Canada.	Chemicals	8,631	3.0	–
Philip Morris Philip Morris International Inc., through its subsidiaries, manufactures and sells cigarettes and other tobacco products.	Tobacco	8,454	2.9	5,798
Royal Bank of Canada Royal Bank of Canada, a diversified financial service company, provides personal and commercial banking, wealth management, insurance, investor, and capital markets products and services worldwide.	Commercial Banks	8,430	2.9	5,884
ConocoPhillips ConocoPhillips is a global energy producer, and also has businesses in refining and transporting commodities.	Oil, Gas & Consumable Fuels	8,181	2.9	7,080
Nucor Nucor Corporation, together with its subsidiaries, engages in the manufacture and sale of steel and steel products in North America and internationally.	Metals & Mining	8,083	2.8	3,414
Baxter International Baxter International Inc. develops, manufactures, and markets products for people with hemophilia, immune disorders, infectious diseases, kidney diseases, trauma, and other chronic and acute medical conditions.	Healthcare Equipment & Supplies	7,998	2.8	5,514
TransCanada TransCanada Corporation operates as an energy infrastructure company in North America.	Oil, Gas & Consumable Fuels	7,928	2.8	6,129
Ten largest equity investments		**88,069**	**30.7**	

Investment Portfolio – Other Equity Investments

As at 31 January 2014

Company	Industry classification	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
Telus	Diversified Telecommunication Services	7,670	2.7	7,668
Republic Services	Commercial Services & Supplies	7,488	2.6	5,546
Pfizer	Pharmaceuticals	7,399	2.6	5,760
Wells Fargo	Commercial Banks	7,319	2.5	–
Chevron	Oil, Gas & Consumable Fuels	6,997	2.4	7,482
CMS Energy	Multi-Utilities	6,918	2.4	7,289
Intel	Semiconductors & Semiconductor Equipment	6,577	2.3	6,681
Verizon Communications	Diversified Telecommunication Services	6,574	2.3	6,740
Kraft Foods	Food Products	6,504	2.3	6,594
Johnson & Johnson	Pharmaceuticals	6,185	2.2	8,356
Twenty largest equity investments		**157,700**	**55.0**	
Cisco Systems	Telecommunications Equipment	6,159	2.2	5,691
Dow Chemical	Chemicals	6,038	2.1	3,388
Winsconsin Energy	Multi-Utilities	5,515	1.9	–
CME Group	Investment Services	5,513	1.9	5,545
Freeport-McMoRan Copper & Gold	Metals & Mining	5,427	1.9	3,902
Aflac	Insurance	4,960	1.7	5,617
Procter & Gamble	Household Products	4,772	1.7	5,919
Target	Multiline Retail	4,715	1.7	2,920
Mattel	Leisure Equipment & Products	4,713	1.7	–
Exxon Mobil	Oil, Gas & Consumable Fuels	4,671	1.6	3,916
Thirty largest equity investments		**210,183**	**73.4**	
Lockheed Martin	Aerospace & Defense	4,539	1.6	5,311
Emerson Electric	Electrical Equipment	4,518	1.6	3,531
Paychex	IT Services	4,128	1.4	7,107
Molson Coors Brewing	Beverages	4,046	1.4	3,235
Blackrock	Capital Markets	3,712	1.3	3,487
Genuine Parts	Distributors	3,543	1.2	4,050
Healthcare Realty Trust	Real Estate Investment Trusts	3,418	1.2	5,205
Sysco	Food & Staples Retailing	3,214	1.1	3,921
Colgate-Palmolive	Household Products	3,089	1.1	1,884
Staples	Specialty Retail	2,976	1.0	5,264
Forty largest equity investments		**247,366**	**86.3**	
Praxair	Chemicals	2,649	0.9	–
Southern Company	Electric Utilities	2,456	0.9	2,730
Total equity investments		**252,471**	**88.1**	

Investment Portfolio – Other Investments

As at 31 January 2014

Company	Industry classification	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
HSBC Finance 6.676% 15/01/21	Consumer Finance	2,482	0.9	2,631
General Electric Capital 7.125% Non-Cum Perp Pref	Diversified Financial Services	2,414	0.8	2,561
Qwest 7.25% 15/10/35	Telephone Communications	2,270	0.8	2,477
First Data 7.375% 15/06/19	IT Services	2,262	0.8	2,318
Seagate HDD Cayman 7% 01/11/21	Computer & Office Equipment	2,086	0.7	2,145
Blackstone Holdings Finance 5.875% 15/03/21	Capital Markets	2,058	0.7	2,092
Bombardier 7.75% 15/03/20	Aerospace & Defense	1,728	0.6	1,833
Windstream 7.75% 01/10/21	Diversified Telecommunication Services	1,669	0.6	1,800
Cincinnati Bell 8.375% 15/10/20	Diversified Telecommunication Services	1,657	0.6	1,728
International Lease Finance Corp 6.25% 15/05/19	Diversified Financial Services	1,592	0.6	1,680
Ten largest other investments		20,218	7.1	
Hilcorp Energy 8% 15/02/20	Oil, Gas & Consumable Fuels	1,518	0.5	1,614
Alpha Natural Resources 6.25% 01/06/21	Oil, Gas & Consumable Fuels	1,301	0.4	1,476
Taseko Mines 7.75% 15/04/19	Metals & Mining	1,053	0.4	1,053
Post Holdings 7.375% 15/02/22	Food Products	748	0.3	809
Tenneco 6.875% 15/12/20	Auto Components	668	0.2	695
Entergy Louisiana 6.3% 01/09/35	Electric Utilities	517	0.2	535
Genon Energy 9.875% 15/10/20	Independent Power Producers & Energy Traders	516	0.2	583
Total other investments		**26,539**	**9.3**	
Total equity investments		**252,471**	**88.1**	
Total investments		**279,010**	**97.4**	
Net current assets[A]		**7,545**	**2.6**	
Total assets[A]		**286,555**	**100.0**	

[A] Excluding bank loan of £14,603,000.

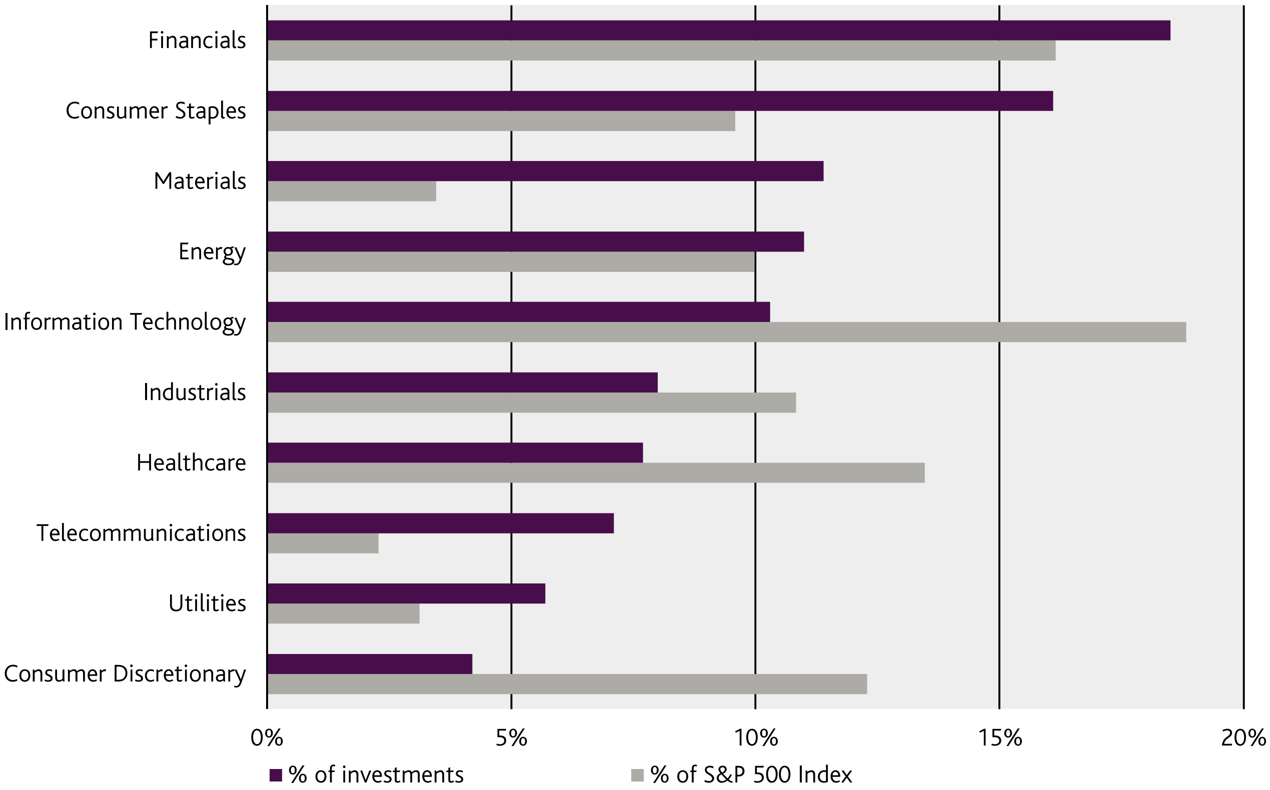
Geographical Analysis

As at 31 January 2014

Country	Equity %	Fixed interest %	Total %
Canada	11.7	–	11.7
US	78.8	9.5	88.3
	90.5	**9.5**	**100.0**

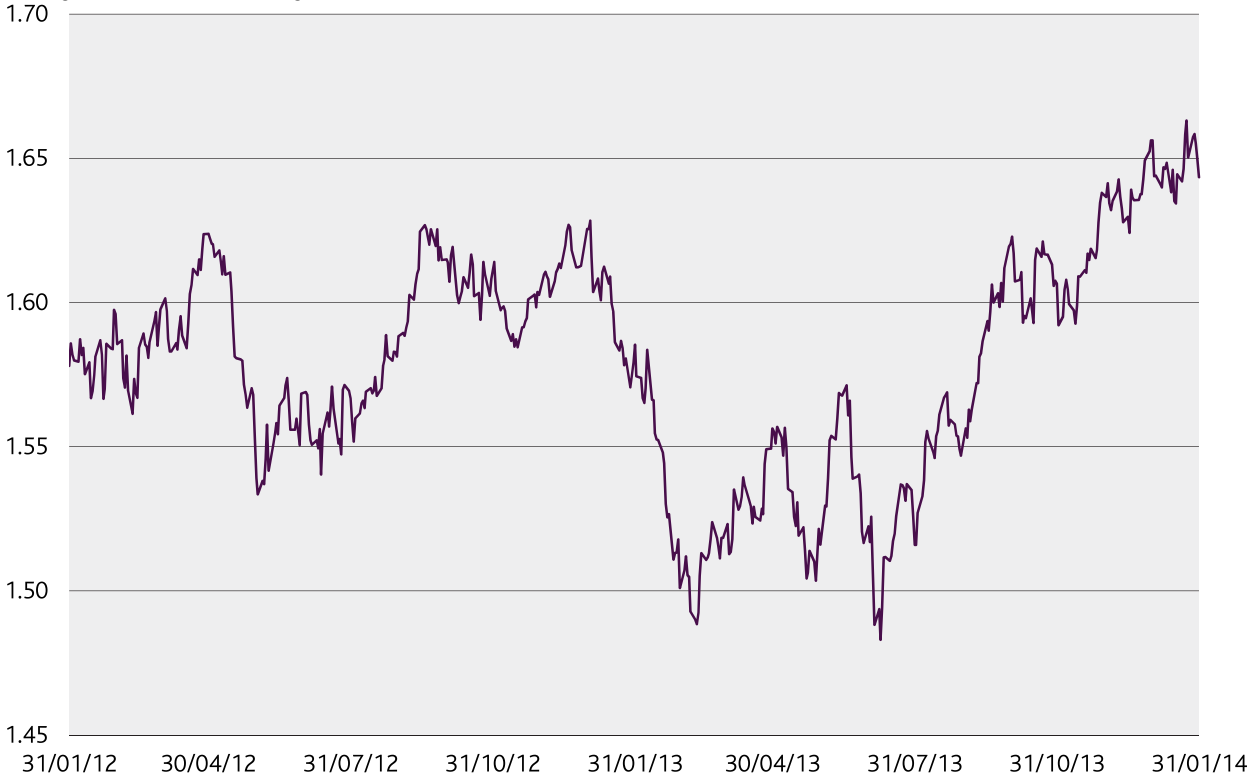
Sector Analysis for Equity Portfolio

As at 31 January 2014



Currency Graph (exchange rate US$ to £)

Two years to 31 January 2014

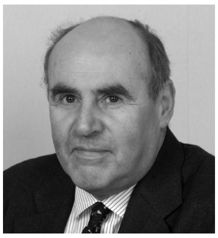


Board of Directors

The Directors, all of whom are non-executive, and the majority of whom are independent of the Manager, supervise the management of The North American Income Trust plc and represent the interests of Shareholders.

James Ferguson

Status: Independent Non-Executive Chairman
Length of service: 12 years, appointed a Director on 12 March 2002
Experience: a former chairman and director of Stewart Ivory and a former deputy chairman of the AIC. Director of a number of investment companies and chairman of Amati Global Investors Limited
Last re-elected to the Board: 22 May 2013
Committee membership: Audit Committee and Management Engagement Committee (Chairman)
All other public company directorships: chairman of Monks Investment Trust, Value and Income Trust, Audax Properties, Northern 3 VCT and The Scottish Oriental Smaller Companies Investment Trust and director of The Independent Investment Trust
Employment by the Manager: None
Other connections with Company or Manager: None
Shared Directorships with any other Company Directors: None
Shareholding in Company: 15,770 Ordinary shares



Guy Crawford

Status: Independent Non-Executive Director and Senior Independent Director
Length of service: 10 years, appointed a Director on 8 March 2004
Experience: over 30 years' experience of investment management and a chartered accountant. Formerly senior investment manager of Caledonia Investments and served 12 years on the AIC tax committee
Last re-elected to the Board: 25 May 2011
Committee membership: Audit Committee and Management Engagement Committee
All other public company directorships: None
Employment by the Manager: None
Other connections with Company or Manager: None
Shared Directorships with any other Company Directors: None
Shareholding in Company: 4,000 Ordinary shares

Archie Hunter

Status: Independent Non-Executive Director
Length of service: 10 years, appointed a Director on 1 September 2003
Experience: a chartered accountant, former president of The Institute of Chartered Accountants of Scotland and former managing partner of KPMG Scotland
Last re-elected to the Board: 22 May 2013
Committee membership: Audit Committee (Chairman) and Management Engagement Committee
All other public company directorships: None
Employment by the Manager: None
Other connections with Company or Manager: None
Shared Directorships with any other Company Directors: None
Shareholding in Company: 2,800 Ordinary shares

Directors' Report

Status

The Company, which was incorporated in 1902, is registered as a public limited company and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company's registration number is SC005218.

The Company has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 February 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 January 2014 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Share Capital and Rights attaching to the Company's Shares

At 31 January 2014, the Company's capital structure consisted of 33,338,582 Ordinary shares of 25p each (2013 – 31,478,582 Ordinary shares). During the year to 31 January 2014 the Company issued 1.86 million shares at a premium to its net asset value.

The Ordinary shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Board) and to receive any interim dividends which the Company may resolve to pay. On a winding-up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings. On a show of hands, every shareholder present in person, or by proxy, has one vote and, on a poll, every Ordinary shareholder present in person has one vote for each share held and a proxy has one vote for every share represented.

There are no restrictions concerning the holding or transfer of the Company's shares and there are no special rights attached to any of the shares. The Company is not aware of any agreements between shareholders which may result in restriction on the transfer of shares or the voting rights.

The rules concerning amendments to the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Acts 2006.

Results and Dividends

The financial statements for the year ended 31 January 2014 appear on pages 29 to 44. Details of dividends for the year to 31 January 2014 can be found in the Table below.

Significant Agreements

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover and there are no agreements between the Company and its Directors concerning compensation for loss of office. Other than the investment management agreement with the Manager, further details of which are set out below, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

Directors

Details of the current Directors of the Company, all of whom held office throughout the year under review, are shown on page 16.

No contract or arrangement subsisted during the period in which any of the Directors was materially interested. No Director has a service contract with the Company.

Dividends

	Rate	xd date	Record date	Payment date
1st Interim dividend 2014	5.50p	3 July 2013	5 July 2013	2 August 2013
2nd Interim dividend 2014	5.50p	2 October 2013	4 October 2013	1 November 2013
3rd Interim dividend 2014	6.00p	22 January 2014	24 January 2014	14 February 2014
Proposed final dividend 2014	10.00p	7 May 2014	9 May 2014	3 June 2014
Total dividends 2014	**27.00p**			
Interim dividend 2013	6.50p	26 September 2012	28 September 2012	26 October 2012
Final dividend 2013	13.00p	24 April 2013	26 April 2013	24 May 2013
Total dividends 2013	**19.50p**			

Directors' Report continued

Directors' & Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. Each Director of the Company shall be entitled to be indemnified out of the assets of the Company to the extent permitted by law against any loss or liability incurred by him in the execution of his duties in relation to the affairs of the Company. These rights are included in the Articles of Association of the Company.

Manager and Company Secretary

Investment management services are provided to the Company by Aberdeen Asset Managers Limited. Company secretarial, accounting and administrative services are provided by Aberdeen Asset Management PLC. The fee is calculated at 0.8% per annum of the total assets of the Company, after deducting current liabilities and excluding the value of any investments managed within the Aberdeen Asset Management Group. In addition, a company secretarial and administration fee of £100,000, was paid during the year to 31 January 2014 and increases in line with RPI with effect from 1 February each year.

The Board believes the fee charged to be competitive with reference to other investment trusts with a similar mandate.

The investment management agreement is normally terminable by either party on three months' notice. In the event of termination on less than the agreed notice period, compensation is payable in lieu of the unexpired notice period.

The management fees paid during the year to 31 January 2014 are shown in note 3 to the accounts.

The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Board on an annual basis. Details are provided in the Statement of Corporate Governance.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is shown on pages 20 to 23.

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 two year credit facility in place which is available until July 2015. The Board considers that the Group has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he could reasonably be expected to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Following their intention to gradually wind down the activity in their registered firm, KPMG Audit Plc, KPMG have proposed that an alternative entity, KPMG LLP, become the Company's auditor. The change is purely administrative and there will be no adverse impact on investors' interests as a result.

Accordingly, KPMG have notified the Company that KPMG Audit Plc is not seeking reappointment and have provided a statutory statement of circumstances upon ceasing to hold office pursuant to section 519 of the Companies Act 2006. In accordance with section 520 of the 2006 Act, a copy of this statement is enclosed with the report and accounts. The Board has decided to put KPMG LLP forward to be appointed as auditor and a resolution concerning its appointment will be put to the forthcoming AGM of the Company. There is no impact on the terms in which the auditor will be retained.

The Directors have reviewed the level of non-audit services provided by the auditor during the year, together with the auditor's procedures in connection with the provision of such services, and remain satisfied that KPMG Audit Plc's objectivity and independence is being safeguarded.

Substantial Interests

At 31 January 2014 the following had notified the Company as being interested in 3% or more of the Company's Ordinary share capital:

Name of shareholder	Number of Ordinary shares held	% of Ordinary shares held
Aberdeen Asset Management PLC	2,126,835	6.4
Rathbone Brothers	1,966,010	5.9
Lloyds Banking Group	1,925,380	5.8
Brewin Dolphin	1,632,363	4.9
Investec Wealth	1,599,090	4.8

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the year.

Annual General Meeting

The Annual General Meeting will be held on 29 May 2014. The notice of the Annual General Meeting and related notes can be found on pages 51 to 53.

The Board considers that the resolutions to be proposed at the AGM are all in the best interests of the Company and of shareholders as a whole and recommends that shareholders vote in favour of them.

Resolutions 1 to 9 are self explanatory, resolutions 10 to 12 are summarised below:

(i) Resolution 10, which is an ordinary resolution, seeks to renew the Directors' authority under section 551 of the Companies Act to allot shares up to an aggregate nominal value of £2,778,215 representing approximately 33.3% of the issued Ordinary share capital of the Company, excluding treasury shares, as at the date of this Report. This authority will expire on 31 July 2015 or, if earlier, at the conclusion of the next Annual General Meeting (unless previously revoked, varied or extended). The Directors will only exercise this authority if they believe it is advantageous and in the best interests of shareholders . There are no treasury shares in issue.

(ii) Resolution 11, which is a special resolution, seeks to renew the dis-application of statutory pre-emption rights in relation to the issue of shares (or sale of shares out of treasury) up to an aggregate nominal value of £833,465, representing approximately 10% of the issued Ordinary share capital of the Company as at the date of this Report.

(iii) Resolution 12, which is a special resolution, seeks to renew the Company's authority for the Company to make market purchases of its own Ordinary shares, up to a maximum of 14.99% of the issued Ordinary share capital of the Company. Shares so repurchased will be cancelled or held in treasury.

By order of the Board
Aberdeen Asset Management PLC
Secretary, Edinburgh

19 March 2014

Statement of Corporate Governance

Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which is shown on pages 17 to 19.

Compliance

The Company is committed to high standards of corporate governance. The Board is responsible for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company applied the principles set out in the 2010 and 2012 UK Corporate Governance Codes ("the UK Codes"), which is available on the Financial Reporting Council's website www.frc.org.uk. The Board confirms that the Company has complied throughout the accounting period to 31 January 2014 with the relevant provisions contained within the UK Code unless otherwise indicated below.

The Company is also a member of the Association of Investment Companies ('AIC'), which has published its own Code of Corporate Governance (the 'AIC Code') to recognise the special circumstances of investment trusts. The Board is of the opinion that the Company has complied with the recommendations of the AIC Code. The AIC Code is available on the AIC's website: www.theaic.co.uk

The Board

The Board consists of three non-executive Directors, of whom James Ferguson is the Chairman. Guy Crawford is the Senior Independent Director. All Directors are considered by the Board to be independent of the Company and the Manager, Aberdeen Asset Managers Limited, and free of any material relationship with the Manager which could interfere with the exercise of their independent judgment. The Board takes the view that independence is not compromised by length of tenure on the Board and that experience can add significantly to the Board's strength. This is consistent with the AIC Code. The Board considers that the post of chief executive officer is not relevant for an investment trust company as this role has effectively been delegated to the Manager under the terms of the Investment Management Agreement.

Biographies of the Board members, including their relevant experience, appear on page 16, which demonstrate that each Director has the requisite high level and range of business, investment and financial experience, and enables the Board to provide clear and effective leadership and proper stewardship of the Company.

The table opposite sets out the number of routine Board and Committee meetings attended by each Director during the year compared to the total number of meetings that each Director was entitled to attend. The Board has a schedule of matters reserved to it for decision, and the requirement for Board approval on these matters is communicated directly to the senior staff of the Manager. Such matters include strategy, performance, dividend policy, gearing policy, marketing, Board composition, communication with shareholders and corporate governance matters. Full and timely information is provided to the Board in order to enable the Board to function effectively and to allow Directors to discharge their responsibilities. The Board also reviews the financial statements and revenue budgets.

Meetings held and attendance	Board	Audit Committee	Management Engagement Committee
James Ferguson	4/4	2/2	1/1
Guy Crawford	4/4	2/2	1/1
Archie Hunter	4/4	2/2	1/1

The Board maintains regular contact with the Manager between routine meetings.

The Board adopts a zero tolerance approach to bribery and corruption and has implemented appropriate procedures designed to prevent bribery. The Board monitors on a regular basis the direct and indirect interests of each Director and has concluded that there were no situations which gave rise to an interest of a Director which conflicted with the interests of the Company.

Performance Evaluation

An appraisal of each Director, including the Chairman, and of the operation of the Board and its Committees is undertaken on an annual basis. The process is based upon individual discussions between each Director and the Chairman and the Chairman's performance appraisal is led by the Senior Independent Director. Following these appraisals, the Board confirms that all Directors contribute to the effective running of the Company. The Board has also reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and Directors are capable of devoting sufficient time to the Company. The Directors assessed the collective performance of the Board as a whole against the requirements of the Company's business and the need to have a balanced Board and concluded that their aggregate balance of abilities, perspective and experience is appropriate and secures the right measure of continuity for the Board as a whole.

There are no separate Nominations or Remuneration Committees. Director appraisals, succession planning, new appointments, training and remuneration are considered by the whole Board. New Directors are identified against the requirements of the Company's business and the need to have a balanced Board. A description of the required role for a new appointment is prepared and nominations of Directors are initially sought in the financial and investment sectors. External search consultants may be used to ensure that a wide range of candidates can be considered. Appointments are made on merit, taking into account the benefits of diversity, including gender. However, the over-riding priority is to appoint the person with the best mix of experience and skills to complement the existing make-up of the Board.

New Directors are given appropriate induction from the Manager covering legal responsibilities, the Manager's operations and investment trust matters. All Directors are entitled to receive appropriate training as deemed necessary. Details of remuneration are contained within the Directors' Remuneration Report.

A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. In addition, all Directors are required to submit themselves for re-election at least every three years, and Directors with more than nine years' service are required to submit themselves for annual re-election. The Board recommends the re-elections of James Ferguson, who has extensive experience of the investment trust industry, Guy Crawford, who has experience of investment and Archie Hunter, who is a chartered accountant and brings accounting and financial expertise to the Board.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. This is in addition to the access which every Director has to the advice and services of the company secretary, Aberdeen Asset Management PLC, which is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Mr Ferguson. The Committee reviews the performance of the Manager, the investment process and risk controls and its compliance with the terms of the management and secretarial agreement. The terms of reference of the Management Engagement Committee, which are available on request and on the Company's website, are reviewed on an annual basis. The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Committee on an annual basis.

The Committee considers that the Manager, whose team is well-qualified and experienced, has fully met the terms of its agreement with the Company. Following a review of the management fees and total expense ratio, the Committee believe these are reasonable and competitive. Taking these factors into account, the Committee and the Board believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The Company benefits from the expertise of the Manager's team of investment professionals. The Board continues to keep this matter under review.

Audit Committee

The Audit Committee comprises all of the Directors and is chaired by Mr Hunter. Mr Hunter, a chartered accountant, has the necessary recent and relevant financial experience. The Audit Committee meets at least twice a year and considers reports from the auditor and the Manager's internal audit and compliance functions. The terms of reference of the Audit Committee, which are available on request and on the Company's website, are reviewed on an annual basis. The main responsibilities of the Audit Committee are:

- to review the interim and annual financial statements of the Company, the accounting policies applied therein and to ensure compliance with financial and regulatory reporting requirements.
- to assess whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.
- to review and monitor the internal control systems and risk management systems on which the Company is reliant.
- to consider annually whether there is a need for the Company to have its own internal audit function.
- to develop and implement policy on the engagement of the auditor to supply non-audit services.
- to review the arrangements in place within the Manager whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ('whistleblowing').
- to make recommendations to the Board in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor.
- to consider the auditor's reports, including the audit strategy and findings.
- to review annually the auditor's independence, objectivity, effectiveness, resources and qualification.

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 26 and 28.

Significant Accounting Issues

The significant accounting issue considered by the Committee during the year in relation to the Company's financial statements was the valuation, existence and ownership of investments. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 1(a) and 1(c) to the accounts on page 33.

The audit includes independent confirmation of the existence of all investments from the Company's custodian. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within the FRS 29 fair value hierarchy.

Other Accounting Issues

Other accounting issues considered by the Committee included:

- Recognition of Investment Income. The recognition of investment income is undertaken in accordance with accounting policy note 1(b) to the accounts on page 33. The audit includes an analytical review of the Company by comparing income received to its stated reference index.
- Compliance with Sections 1158 and 1159. Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1 January 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.

Review of Auditor

The Audit Committee has reviewed the independence and the effectiveness of the auditor, KPMG Audit Plc ("KPMG"), as follows:

- The auditor reports on an annual basis the steps it takes to ensure its independence and objectivity and confirms that it has complied with the relevant UK independence guidelines. The level of non-audit services provided by the auditors is assessed and for the year ended 31 January 2014 there were no non-audit services provided.
- The Committee considers the experience, continuity and tenure of the audit team, including the audit director. The audit team consists of suitably experienced staff with knowledge of the investment trust sector and there is a process in place for the rotation of the director.
- The Committee assesses the level of audit service annually. The audit plan is reviewed well in advance and subsequent audit findings are reported comprehensively in a timely manner and are resolved satisfactorily. The auditor has a constructive working relationship with both the Board and the Manager.

The Committee is satisfied that KPMG remains independent and effective and, as such, has not considered it necessary to conduct a tender process for the appointment of its auditor. Although KPMG has held office as auditor for 21 years, the audit director is rotated at least every five years, in accordance with professional guidelines. The current audit director has served for two years.

KPMG Audit Plc has instigated an orderly wind down of its business and has proposed that KPMG LLP be proposed as auditor at the AGM. On the recommendation of the Audit Committee, the Board is satisfied to propose the resolution to appoint KPMG LLP at the AGM. Shareholders have the opportunity at each AGM to vote on the appointment of the auditor for the forthcoming year.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this annual report and accounts, and is regularly reviewed by the Board and accords with the Financial Reporting Council's Guidance.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Manager's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented. The Board has reviewed, through management reports, the effectiveness of the Company's risk management and internal control systems. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational;
- compliance; and
- risk management.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC guidance, and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

Note 17 to the financial statements provides further information on risks. The key components designed to provide effective internal control are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;

- the Board and Manager have agreed clearly-defined investment criteria, specified levels of authority and exposure limits. Reports on these, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- an internal audit function operated by the Manager, under delegation from the Directors, and as outlined above; and
- at its March 2014 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 January 2014 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 31 January 2014.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and, by their nature, can only provide reasonable, and not absolute assurance, against material misstatement or loss.

The Manager's Head of Internal Audit reports six-monthly to the Audit Committee of the Company, and has direct access to the Directors at any time.

Relations with Shareholders

The Directors believe in good communication with shareholders. The report and accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service. The Board welcomes correspondence from shareholders addressed to the Company's registered office and responds to letters from shareholders on a wide range of issues. The Manager maintains contact with institutional shareholders and feeds back shareholder views to the Board. The Company's annual and interim reports and other publications can be downloaded from the Company's website, www.northamericanincome.co.uk.

The notice of the Annual General Meeting, included within the annual report and accounts, is sent out at least 20 working days in advance of the meeting. Investors in the Manager's savings plans are encouraged to vote by means of a Letter of Direction enclosed with the annual report. All shareholders have the opportunity to put questions at the Company's Annual General Meeting. Proxy voting figures for each resolution are announced to the meeting after voting on a show of hands.

Corporate Governance and Socially Responsible Investment Policy

The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance and Socially Responsible Investing. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas.

The Manager's ultimate objective, however, is to deliver superior investment return for their clients. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in these areas, this must not be to the detriment of the return on the investment portfolio.

Proxy Voting as an Institutional Shareholder

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Board has reviewed and accepts the Manager's Corporate Governance Principles, which may be found on the Manager's website, at http://www.aberdeen-asset.com/aam.nsf/AboutUs/governancestewardship. This document set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Disclosure Response to the UK Stewardship Code, which appears on the Manager's website, at the web address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio companies and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights. The Board recognises and supports the Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

Directors' Remuneration Report

The Board has prepared this report in accordance with the new regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises two parts:

(i) Remuneration Policy, which will be subject to a binding shareholder vote to be put to the members at the forthcoming AGM in the first instance and then every three years thereafter. Should the Remuneration Policy be varied during this interval, then Shareholder approval for the new Remuneration Policy will be sought; and

(ii) An annual report on the implementation of remuneration, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on pages 27 to 28.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future, except for the Directors' fees, as set out in the Implementation Report below.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. As the Company has no employees and the Board is comprised wholly of non-executive Directors and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and their fees are set within the limits of the Company's Articles of Association which limit the aggregate fees payable to the Board of Directors per annum. The level of cap may be increased by shareholder resolution from time to time. Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Fee rates are established by taking advice from external sources as to current market levels.

	31 January 2014 £	31 January 2013 £
Chairman	23,100	23,100
Chairman of Audit Committee	15,200	15,200
Director	15,200	15,200

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £17,000).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

It is intended that, if approved, the Remuneration Policy will take effect at the conclusion of the AGM on 29 May 2014.

Implementation Report

Aggregate Fees Increase

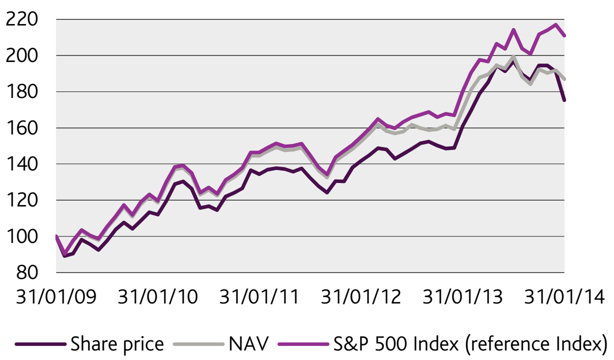
The Company's Articles of Association currently limits the aggregate fees payable to the Board of Directors to a total of £100,000 per annum subject to any changes to the Retail Prices Index in any year (or such other amount as may from time to time be determined by ordinary resolution of the Company).

Directors' Fees Increase

The Board carried out a review of the level of Directors' fees and concluded that the amounts should increase to £25,000 for the Chairman and £17,000 for each Director, effective from 1 February 2014. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

Also during the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total return from the S&P 500 Index (in sterling terms) for the five year period to 31 January 2014 (rebased to 100 at 31 January 2009). This index was chosen for comparison purposes, as it is the reference index used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 22 May 2013, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 January 2013. 99.7% of votes were in favour of the resolution, 0.2% were against, and 0.1% abstained.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

Director	2014 £	2013 £	Taxable Benefits 2014	Taxable Benefits 2013
James Ferguson	23,100	23,100	-	-
Guy Crawford	15,200	15,200	-	-
Archie Hunter	15,200	15,200	-	-
Total	**53,500**	**53,500**	**-**	**-**

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the table above.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company.

The Directors (including connected persons) at 31 January 2014 and 31 January 2013 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 Jan 2014 Ord 25p	31 Jan 2013 Ord 25p
James Ferguson	15,770	15,770
Guy Crawford	4,000	4,000
Archie Hunter	2,800	1,000

The Directors' Remuneration Report was approved by the Board of Directors on 19 March 2014 and signed on its behalf by:

James Ferguson
Chairman

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report & Accounts and the financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- that in the opinion of the Directors, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For The North American Income Trust plc
James Ferguson
Chairman

19 March 2014

Independent Auditor's Report to the Members of The North American Income Trust plc

Opinions and conclusions arising from our audit

Our opinion on the financial statements is unmodified

We have audited the financial statements of The North American Income Trust plc for the year ended 31 January 2014 set out on pages 29 to 44. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2014 and of its return for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of quoted equity investments:
Refer to page 21 (Audit Committee section of the Directors' Report), page 33 (accounting policy) and pages 37 to 38 (financial disclosures).

The risk: The Company's investment portfolio makes up 97.4% of total assets (by value) and is considered to be the key driver of the Company's capital and revenue performance. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement, because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: Our procedures over the existence and valuation of the Company's quoted equity investment portfolio included, but were not limited to:
- documenting the processes in place to record investment transactions and to value the portfolio;
- agreeing the valuation of portfolio investments to externally quoted prices; and
- agreeing portfolio investment holdings to independently received third party confirmations.

Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £2.9m. This was determined using a benchmark of Total Assets (of which it represents 1%). Total Assets, which is primarily composed of the Company's quoted equity investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we consider it to be one of the principal considerations for members of the Company in assessing the financial performance of the Company.

In addition, we applied a materiality of £0.6m to income from investments for which we believe misstatements of lesser amounts than materiality as a whole could be reasonably expected to influence the economic decisions of the members of the company taken on the basis of the financial statements.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of £144,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the office of the administrator, BNP Paribas, in Dundee.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the "Significant Issues for the Audit Committee" section of the Statement of Corporate Governance on page 21 does not appropriately address matters communicated by us to the audit committee.

Independent Auditor's Report to the Members of The North American Income Trust plc continued

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 18, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 20 to 23 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Edinburgh

19 March 2014

Income Statement

	Notes	Year ended 31 January 2014 Revenue £'000	Capital £'000	Total £'000	Year ended 31 January 2013 Revenue £'000	Capital £'000	Total £'000
Net gains on investments	9	–	12,652	12,652	–	20,480	20,480
Net currency gains/(losses)	16	–	56	56	–	(171)	(171)
Income	2	12,929	–	12,929	8,338	–	8,338
Investment management fee	3	(667)	(1,555)	(2,222)	(515)	(851)	(1,366)
Administrative expenses	5	(616)	–	(616)	(605)	(254)	(859)
Net return on before finance costs and taxation		11,646	11,153	22,799	7,218	19,204	26,422
Finance costs	4	(94)	(219)	(313)	(32)	(74)	(106)
Return on ordinary activities before taxation		11,552	10,934	22,486	7,186	19,130	26,316
Taxation	6	(1,863)	669	(1,194)	(978)	–	(978)
Return on ordinary activities after taxation		**9,689**	**11,603**	**21,292**	**6,208**	**19,130**	**25,338**
Return per share (pence)	8	**29.80**	**35.69**	**65.49**	**19.72**	**60.77**	**80.49**

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.

The accompanying notes are an integral part of the financial statements.

Proposed final dividend

The Board is proposing a final dividend of 10.0p per share (£3,334,000), making a total dividend of 27.0p per share (£8,947,000) for the year to 31 January 2014 which, if approved, will be payable on 3 June 2014 (see note 7).

For the year ended 31 January 2013, the final dividend was 13.00p per share (£4,092,000) making a total dividend of 19.50p per share (£6,138,000).

Balance Sheet

	Notes	As at 31 January 2014 £'000	As at 31 January 2013 £'000
Fixed assets			
Investments at fair value through profit or loss	9	279,010	248,001
Current assets			
Debtors and prepayments	10	949	843
Cash and short term deposits	16	7,329	9,238
		8,278	10,081
Creditors: amounts falling due within one year			
Bank loan	11	(14,603)	(15,138)
Other payables	11	(733)	(875)
		(15,336)	(16,013)
Net current liabilities		(7,058)	(5,932)
Net assets		**271,952**	**242,069**
Capital and reserves			
Called-up share capital	12	8,335	7,870
Share premium account		48,467	32,643
Capital redemption reserve		14,225	14,225
Capital reserve	13	193,047	181,444
Revenue reserve		7,878	5,887
Equity shareholders' funds		**271,952**	**242,069**
Net asset value per share (pence)	14	**815.73**	**769.00**

The financial statements were approved and authorised for issue by the Board on 19 March 2014 and were signed on its behalf by:

James Ferguson
Director

The accompanying notes are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 January 2014

	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 (see note 7)	–	–	–	–	(7,698)	(7,698)
Balance at 31 January 2014	**8,335**	**48,467**	**14,225**	**193,047**	**7,878**	**271,952**

For the year ended 31 January 2013

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2012	7,870	32,643	14,225	162,314	3,357	220,409
Return on ordinary activities after taxation	–	–	–	19,130	6,208	25,338
Dividends paid (see note 7)	–	–	–	–	(3,678)	(3,678)
Balance at 31 January 2013	**7,870**	**32,643**	**14,225**	**181,444**	**5,887**	**242,069**

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 31 January 2014 £'000	Year ended 31 January 2014 £'000	Year ended 31 January 2013 £'000	Year ended 31 January 2013 £'000
Net cash inflow from operating activities	15		9,956		6,198
Servicing of finance					
Interest paid			(313)		(102)
Taxation					
Overseas withholding tax paid		(1,240)		(957)	
Net tax paid			(1,240)		(957)
Financial investment					
Purchases of investments		(100,760)		(269,518)	
Sales of investments		82,336		259,926	
Net cash outflow from financial investment			(18,424)		(9,592)
Equity dividends paid			(7,698)		(3,678)
Net cash outflow before financing			(17,719)		(8,131)
Financing					
Issue of Ordinary shares		16,289		–	
Drawdown of bank loan		–		15,138	
Net cash inflow from financing			16,289		15,138
(Decrease)/increase in cash			**(1,430)**		**7,007**
Reconciliation of net cash flow to movement in net debt					
(Decrease)/increase in cash as above			(1,430)		7,007
Drawdown of bank loan			–		(15,138)
Exchange movements			56		(171)
Movement in net debt in the year			(1,374)		(8,302)
Opening net (debt)/funds			(5,900)		2,402
Closing net debt	16		**(7,274)**		**(5,900)**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements For the year ended 31 January 2014

1. Accounting policies

A summary of the principal accounting policies, all of which, unless otherwise stated, have been consistently applied throughout the year and the preceding year is set out below.

(a) Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with the applicable UK Accounting Standards 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 Directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on page 18.

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

(b) Income

Income from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex dividend. Special dividends are credited to capital or revenue, according to the circumstances.

The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares.

Interest receivable from cash and short-term deposits and interest payable is accrued to the end of the year.

(c) Expenses

All expenses are accounted for on an accruals basis and are charged to the Income Statement. Expenses are charged against revenue except as follows:

- transaction costs on the acquisition or disposal of investments are charged to the capital account in the Income Statement;
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect, the investment management fee is allocated 30% to revenue and 70% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(d) Deferred taxation

Deferred taxation is provided on all timing differences, that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Balance Sheet date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(e) Investments

All purchases and sales of investments are recognised on the trade date, being the date the Company commits to purchase or sell the investment. Investments are initially recognised and subsequently re-measured at fair value in the Income Statement. Transaction costs on purchases and sales are expensed through the Income Statement.

(f) Borrowings

Monies borrowed to finance the investment objectives of the Company are stated at the amount of the net proceeds immediately after issue plus cumulative finance costs less cumulative payments made in respect of the debt. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 30% to revenue and 70% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(g) Dividends payable

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

(h) Capital reserve

Gains or losses on realisation of investments and changes in fair values of investments which are readily convertible to cash, without accepting adverse terms, are transferred to the capital reserve. The costs of share buybacks are also deducted from this reserve.

(i) Foreign currency

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Balance Sheet date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Income Statement and are then transferred to the capital reserve.

(j) Traded options

The Company may enter into certain derivatives (e.g. options). Option contracts are accounted for as separate derivative contracts and are therefore shown in other assets or other liabilities at their fair value. The initial fair value is based on the initial premium, which is recognised upfront. The premium received and fair value changes in the open position which occur due to the movement in underlying securities are recognised in the revenue column, losses realised on the exercise of the contracts are recorded in the capital column of the Income Statement.

In addition, the Company may enter into derivative contracts to manage market risk and gains or losses arising on such contracts are recorded in the capital column of the Income Statement.

2. Income	**2014 £'000**	**2013 £'000**
Income from overseas listed investments		
Dividend income	8,210	6,463
REIT income	544	286
Interest income from investments	1,634	1,178
	10,388	7,927
Other income from investment activity		
Traded option premiums	2,534	410
Deposit interest	7	1
	2,541	411
Total income	**12,929**	**8,338**

During the year, the Company was entitled to premiums totalling £2,534,000 (2013 – £410,000) in exchange for entering into derivative transactions. This figure includes a mark to market on derivative contracts open at each year end. At the year end there were 2 open positions, valued at a liability of £14,000 (2013 – liability of £226,000) as disclosed in note 11. Losses realised on the exercise of derivative transactions are disclosed in note 9.

3. Investment management fee	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Investment management fee	**667**	**1,555**	**2,222**	515	851	1,366

The management fee is payable to Aberdeen Asset Managers Limited ("Aberdeen") based on 0.8% per annum of gross assets after deducting current liabilities and excluding commonly managed funds, payable quarterly.

The management agreement between the Company and Aberdeen is terminable by either party on three months' notice. In the event of a resolution being passed at the AGM to wind up the Company the Manager shall be entitled to three months' notice from the date the resolution was passed. In the event of termination on not less than the agreed notice period, compensation is payable in lieu of the unexpired notice period. The balance due to Aberdeeen at the year end was £548,000 (2013 – £488,000).

4. Finance costs	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Bank loans	**94**	**219**	**313**	32	74	106

5. Administrative expenses	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Directors' fees	54	–	54	54	–	54
Registrar's fees	50	–	50	44	–	44
Custody and bank charges	31	–	31	64	–	64
Secretarial fees	100	–	100	67	–	67
Auditor's remuneration (excl. irrecoverable VAT):						
• Fees payable to the Company's auditor for the audit of the annual accounts	15	–	15	15	–	15
• Fees payable to the Company's auditor for other services:						
• other services	1	–	1	–	–	–
Contribution to the Investment Trust Initiative	184	–	184	106	–	106
Printing, postage and stationery	25	–	25	29	–	29
Fees, subscriptions and publications	54	–	54	37	–	37
Standard & Poors' licence fee	6	–	6	4	–	4
Professional fees	58	–	58	156	254	410
Other expenses	38	–	38	29	–	29
	616	**–**	**616**	605	254	859

The Company has an agreement with Aberdeen Asset Managers Limited ("Aberdeen") for the provision of secretarial and administration services. The fee is payable monthly in advance and based on an index–linked annual amount of £100,000 (2013 – £100,000) and there was a accrual of £17,000 (2013 – £17,000) at the year end. The agreement is terminable on three months' notice.

The contribution to the Investment Trust Initiative is paid to the Manager in respect of marketing of the Company. At the year end £71,000 was due (2013 – £57,000 due) to the Manager.

Professional fees allocated to capital in the year to 31 January 2013 relate to the change in the investment mandate.

6. Taxation	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
(a) Analysis of charge for the year						
UK corporation tax	605	(605)	–	–	–	–
Overseas tax suffered	1,258	–	1,258	978	–	978
Current tax charge for the year	1,863	(605)	1,258	978	–	978
Deferred taxation	–	(64)	(64)	–	–	–
Total tax	**1,863**	**(669)**	**1,194**	**978**	–	**978**

(b) Factors affecting the tax charge for the year

The UK corporation tax rate was 24% until 31 March 2013 and 23% from 1 April 2013 giving an effective rate of 23.17% (2013 – effective rate of 24.33%). The tax assessed for the year is lower than the rate of corporation tax. The differences are explained below:

	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Net profit on ordinary activities before taxation	**11,552**	**10,934**	**22,486**	**7,186**	**19,130**	**26,316**
Corporation tax at 23.17% (2013 – 24.33%)	2,676	2,533	5,209	1,748	4,654	6,402
Effects of:						
Non taxable overseas dividends	(1,902)	–	(1,902)	(1,572)	–	(1,572)
Unutilised management expenses	(169)	(194)	(363)	(176)	287	111
Irrecoverable overseas withholding tax	1,258	–	1,258	978	–	978
Capital gains not taxable	–	(2,931)	(2,931)	–	(4,983)	(4,983)
Currency gains not taxable	–	(13)	(13)	–	42	42
Current tax charge	**1,863**	**(605)**	**1,258**	**978**	–	**978**

(c) Provision for deferred taxation

A provision for deferred taxation has been made in the current year due to the Company expecting to fully utilise the losses brought forward in the following year (2013 – £nil). The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

7. Dividends	2014 £'000	2013 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for 2013 – 13.0p per share (2012 – 5.2p)	4,092	1,637
1st interim dividend for 2014 – 5.5p per share (2013 – 6.5p)	1,798	2,046
2nd interim dividend for 2014 –5.5p per share (2013 – n/a)	1,815	–
Unclaimed dividends from previous years	(7)	(5)
	7,698	**3,678**

The proposed third interim dividend was unpaid at the year end and the final dividend for 2014 is subject to approval by shareholders at the Annual General Meeting. Accordingly, neither has been included as a liability in these financial statements.

The table below sets out the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158–1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £9,689,000 (2013 – £6,208,000).

	2014 £'000	2013 £'000
1st interim dividend for 2014 – 5.5p per share (2013 – 6.5p)	1,798	2,046
2nd interim dividend for 2014 –5.5p per share (2013 – n/a)	1,815	–
3rd interim dividend for 2014 – 6.0p per share (2013 – n/a)	2,000	–
Proposed final dividend for 2014 – 10.0p per share (2013 – 13.0p)	3,334	4,092
Unclaimed dividends from previous years	(7)	(5)
	8,940	**6,133**

The amount payable for the proposed final dividend above is based on the Ordinary shares in issue at the date of this Report (33,338,582) and this satisfies the investment trust status test.

8. Return per Ordinary share	2014 £'000	2014 p	2013 £'000	2013 p
Based on the following figures:				
Revenue return	9,689	29.80	6,208	19.72
Capital return	11,603	35.69	19,130	60.77
Total return	**21,292**	**65.49**	**25,338**	**80.49**
Weighted average number of Ordinary shares in issue		**32,511,787**		**31,478,582**

9. Investments	2014 £'000	2013 £'000
Fair value through profit or loss:		
Opening fair value	248,001	217,966
Opening investment holdings gains	(36,295)	(68,246)
Opening book cost	211,706	149,720
Purchases at cost	100,760	269,518
Sales – proceeds	(82,336)	(259,926)
Sales – realised gains[A]	18,201	52,431
Amortisation of fixed income book cost	(67)	(37)
Closing book cost	248,264	211,706
Closing investment holdings gains	30,746	36,295
Closing fair value	**279,010**	**248,001**
Listed on overseas stock exchanges	**279,010**	**248,001**

Gains on investments	2014 £'000	2013 £'000
Realised gains on sales[A]	18,201	52,431
Movement in investment holdings gains	(5,549)	(31,951)
	12,652	**20,480**

[A] Includes losses realised on the exercise of traded options of £1,524,000 (2013 – £26,000) offset by premium received of £2,534,000 (2013 – £410,000) per note 2.

Transaction costs

During the year 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:

	2014 £'000	2013 £'000
Purchases	113	69
Sales	129	71
	242	**140**

10. Debtors: amounts falling due within one year	2014 £'000	2013 £'000
Dividends receivable	412	314
Interest receivable	417	475
Deferred tax	64	–
Other debtors and prepayments	47	45
Overpayment of dividend	9	9
	949	**843**

11. Creditors: amounts falling due within one year	2014 £'000	2013 £'000
(a) **Bank loan**	**14,603**	**15,138**

At the year end, the Company's secured bank loan of US$24,000,000 (2013 – US$24,000,000) equivalent to £14,603,000 (2013 – £15,138,000) was drawn down from the £30 million multi–currency revolving loan facility provided by State Street Bank and Trust Company at an all–in interest rate of 1.6595% (2013 – 1.7017%) with a maturity date of 28 February 2014.

At the date of signing this report US$24,000,000 was drawn down to 28 March 2014 at an interest rate of 1.6545%.

The terms of the loan facility contain covenants that gross borrowings should not exceed 25% of net assets and should not exceed 30% of adjusted assets.

(b) Other payables	2014 £'000	2013 £'000
Investment management fee payable	548	488
Interest payable	4	4
Traded option contracts	14	226
Other creditors	167	157
	733	**875**

12. Called-up share capital	2014 £'000	2013 £'000
Allotted, called-up and fully paid:		
Opening balance	7,870	7,870
Shares issued during the year	465	–
33,338,582 (2013 – 31,478,582) Ordinary shares of 25p each	**8,335**	**7,870**

During the year the Company issued 1,860,000 (2013 – nil) Ordinary shares of 25p each for a total consideration of £16,289,000 (2013 – £ nil).

There have been no buy-backs or share issues of Ordinary shares since the year end, leaving 33,338,582 Ordinary shares in issue at the date of this report.

13. **Capital reserve**	**2014 £'000**	**2013 £'000**
At 1 February	181,444	162,314
Movement in fair value gains	12,652	20,480
Foreign exchange movements	56	(171)
Tax relief to capital	605	–
Deferred tax	64	–
Administrative expenses	–	(254)
Finance costs of bank loan	(219)	(74)
Investment management fees	(1,555)	(851)
At 31 January	**193,047**	**181,444**

The administration expenses of £254,000 in the year to 31 January 2013 relate to the change in investment policy.

Included in the total above are investment holdings gains at the year end of £30,746,000 (2013 – £36,295,000).

The Directors regard the total capital reserve as being available to fund share buy-backs.

14. Net asset value per equity share

The net asset value per share and the net assets attributable to the Ordinary shareholders at the year end were as follows:

	2014	**2013**
Net assets attributable	£271,952,000	£242,069,000
Number of Ordinary shares in issue	33,338,582	31,478,582
Net asset value per share	815.73p	769.00p

15. **Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities**	**2014 £'000**	**2013 £'000**
Return on ordinary activities before finance costs and taxation	22,799	26,422
Adjustments for:		
Net gains on investments	(12,652)	(20,480)
Foreign exchange movements	(56)	171
Amortisation of fixed income book cost	67	37
Increase in accrued income	(58)	(619)
Increase in other debtors	(2)	(5)
(Decrease)/increase in other creditors	(142)	672
Net cash inflow from operating activities	**9,956**	**6,198**

16. Analysis of changes in net debt	At 1 February 2013 £'000	Cash flow £'000	Exchange movements £'000	At 31 January 2014 £'000
Cash and short term deposits	9,238	(1,430)	(479)	7,329
Debt due within one year	(15,138)	–	535	(14,603)
Net debt	**(5,900)**	**(1,430)**	**56**	**(7,274)**

A statement reconciling the movement in net debt to the net cash flow has not been presented as there are no differences from the above analysis.

17. Derivatives and other financial instruments

Risk management

The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

Subject to Board approval, the Company also has the ability to enter into derivative transactions, in the form of traded options, for the purpose of enhancing income returns and portfolio management. During the year, the Company entered into certain derivative contracts. As disclosed in note 2, the premium received and fair value changes in respect of options written in the year was £2,534,000. Positions closed during the year realised a loss of £1,524,000. The largest position in derivative contracts held during the year at any given time was £886,000 (2013 – £331,000). The Company had two open positions in derivative contracts at 31 January 2014 valued at a liability of £14,000 as disclosed in note 11.

The Manager has a dedicated investment management process, which aims to ensure that the investment policy explained on page 46 is achieved. Stock selection procedures are in place based on the active portfolio management and identification of stocks. The portfolio is reviewed on a periodic basis by a Senior Investment Manager and also by the Manager's Investment Committee.

The Company's Manager has an independent Investment Risk department for reviewing the investment risk parameters of all core equity, fixed income and alternative asset classes on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor ex-ante (predicted) portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Additionally, the Manager's Compliance department continually monitors the Company's investment and borrowing powers and reports to the Manager's Risk Management Committee.

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, currency risk and other price risk), (ii) liquidity risk and (iii) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors, other than for currency disclosures.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The Board reviews on a regular basis the values of the fixed interest rate securities.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. Details of borrowings at 31 January 2014 are shown in note 11 on page 38.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the Balance Sheet date was as follows:

At 31 January 2014	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non–interest bearing £'000
Assets					
Sterling	–	0.25	–	3,568	–
US Dollar	7.28	6.22	24,125	3,587	230,857
Canadian Dollar	–	–	–	174	24,028
Total assets			**24,125**	**7,329**	**254,885**
Liabilities					
Bank loans	0.08	1.66	(14,603)	–	–
Total liabilities			**(14,603)**	–	–

At 31 January 2013	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non–interest bearing £'000
Assets					
Sterling	–	0.25	–	2,882	–
US Dollar	8.39	5.91	26,897	6,306	201,423
Canadian Dollar	–	–	–	50	19,681
Total assets			**26,897**	**9,238**	**221,104**
Liabilities					
Bank loans	0.08	1.70	(15,138)	–	–
Total liabilities			**(15,138)**	–	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans. The maturity date of the Company's loan is disclosed in note 11.

The floating rate assets consist of cash deposits at prevailing market rates.

The non-interest bearing assets represent the equity element of the portfolio.

Short-term debtors and creditors have been excluded from the above tables.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

The rate of interest on the loan is the percentage rate per annum which is the aggregate of the applicable margin, adjusted LIBOR Offered Rate and mandatory cost if any.

If interest rates had been 100 basis points higher or lower (based on current parameter used by Manager's Investment Risk Department on risk assessment) and all other variables were held constant, the Company's revenue return for the year ended 31 January 2014 would increase/decrease by £73,000 (2013 – increase/decrease by £92,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will also fluctuate depending on the current market perception.

Foreign currency risk

The Company's portfolio is invested mainly in US quoted securities and the Balance Sheet can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis.

The revenue account is subject to currency fluctuation arising on overseas income.

Foreign currency risk exposure by currency of denomination is detailed underInterest Risk Profile.

Foreign currency sensitivity

There is no sensitivity analysis included as the Company's significant foreign currency financial instruments are in the form of equity investments, and they have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

Other price risk

Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on page 46, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges.

Other price risk sensitivity

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 January 2014 would have increased/decreased by £27,901,000 (2013 – increase/decrease of £24,800,000) and equity reserves would have increased/decreased by the same amount.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan (note 11).

(iii) Credit risk

This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant, and is managed as follows:

- where the Manager makes an investment in a bond, corporate or otherwise, the credit ratings of the issuer are taken into account so as to manage the risk to the Company of default;
- investments in quoted bonds are made across a variety of industry sectors so as to avoid concentrations of credit risk;
- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the custodian's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Manager's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's Risk Management Committee.
- cash is held only with reputable banks with acceptable credit quality. It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the exposure to credit risk at 31 January 2014 was as follows:

	2014		2013	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Debtors and prepayments	949	949	843	843
Cash and short term deposits	7,329	7,329	9,238	9,238
	8,278	**8,278**	**10,081**	**10,081**

18. Capital management policies and procedures

The capital of the Company consists of equity, comprising issued capital, reserves and retained earnings. The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the impact of share buybacks and the extent to which revenue should be retained. The Company is not subject to any externally imposed capital requirements.

19. Fair value hierarchy

FRS 29 'Financial Instruments: Disclosures' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Balance Sheet of financial position are grouped into the fair value hierarchy as follows:

As at 31 January 2014

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	252,471	–	–	252,471
Quoted bonds	b)	26,539	–	–	26,539
Net fair value		**279,010**	–	–	**279,010**
Financial liabilities at fair value through profit or loss					
Derivatives	c)	(14)	–	–	(14)
Net fair value		**(14)**	–	–	**(14)**

As at 31 January 2013

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	218,543	–	–	218,543
Quoted bonds	b)	29,458	–	–	29,458
Net fair value		**248,001**	–	–	**248,001**
Financial liabilities at fair value through profit or loss					
Derivatives	c)	(226)	–	–	(226)
Net fair value		**(226)**	–	–	**(226)**

a) Quoted equities

The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted bonds

The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Bonds included in Fair Value Level 1 include Corporate Bonds.

c) Derivatives

The fair value of the Company's investments in exchange traded options has been determined using quoted prices on an exchange traded basis and therefore have been classed as Level 1.

Information about the Manager

The Company's Manager is Aberdeen Asset Managers Limited ("AAM"), a wholly-owned subsidiary of Aberdeen Asset Management PLC ("Aberdeen"), whose Group companies as at 31 January 2014 managed a combined £185.6 billion of funds for UK institutions, investment trusts, closed end funds, unit trusts, private clients and offshore funds. It has its headquarters in Aberdeen with principal investment offices in Edinburgh, Hong Kong, London, Philadelphia, Singapore and Sydney.

The Group manages over 34 investment trusts and other closed-end funds representing £12.9 billion under management.

The Investment Team Senior Managers

Paul Atkinson
Head of North American Equities
BSc in Economics, with honors from Cardiff Business School and an MSc in Finance from Birkbeck College, University of London. Joined Aberdeen in 1998 and was responsible for specialist global equity funds before joining the North American equity team in 2005. Prior to Aberdeen, Paul worked for UBS and Prudential-Bache. Head of Aberdeen's North American Equities and responsible for all North American equity portfolios and team members.

Ralph Bassett
Deputy Head of North American Equities
Graduated with a BS in Finance, with honors, from Villanova University and is a CFA® Charterholder. Joined Aberdeen in 2006 from Navigant Consulting and is Aberdeen's Deputy Head of North American Equity.

Fran Radano
Senior Investment Manager - North American Equities
Graduated with a BA in Economics from Dickinson College and an MBA in Finance from Villanova University and is a CFA® Charterholder. Joined Aberdeen in 2007 following the acquisition of Nationwide Financial Services. Previously worked at Salomon Smith Barney and SEI Investments.

Doug Burtnick
Senior Investment Manager – North American Equities
Graduated with a BS from Cornell University and is a CFA® Charterholder. Joined Aberdeen in 2007 following the acquisition of Nationwide Financial Services. Previously worked at Brown Brothers Harriman & Barra, Inc.

Charles Tan
Senior Portfolio Manager – Fixed Income Americas
Graduated with a BA from University of International Business and Economics, Beijing and an MBA from Bucknell University, Pennsylvania. Joined Aberdeen in 2005 from Moody's Investor Services where he was a senior analyst covering US high yield industrial companies as well as Asian financial institutions. Previously worked for First Commercial Bank of Philadelphia as a credit officer. Head of Aberdeen's Corporate Portfolios on the North American Fixed Income team.

Keith Bachman
Head of US High Yield – Fixed Income Americas
Graduated with a BA from the University of Maryland Baltimore County and an MBA from Columbia Business School. Joined Aberdeen in 2007 from Stone Tower Capital where he was director of credit research. Previously a Portfolio Manager at Deutsche Asset Management and High Yield Analyst/Director of Distressed Investments at Oppenheimer Funds and has also worked at Merrill Lynch Asset Management and T. Rowe Price in high yield credit.

The Investment Process

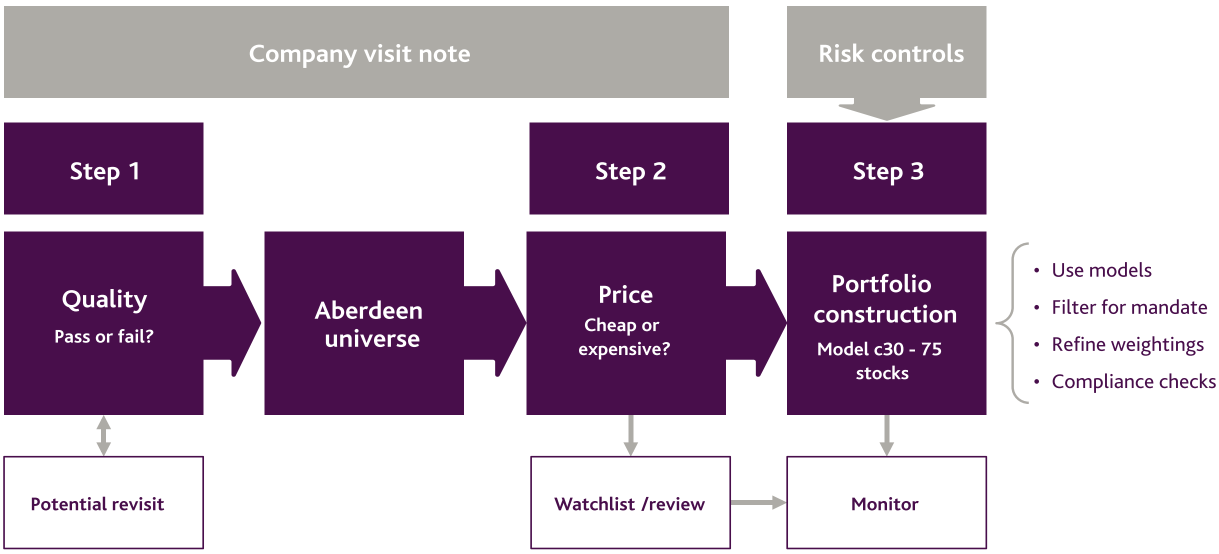
Philosophy and Style

The Manager's investment philosophy is that markets are not always efficient. We (AAM) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

AAM's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Manager primarily to check the portfolio is behaving as expected, not as a predictive tool



Marketing Strategy

The North American Income Trust plc contributes to the marketing programme run by Aberdeen Asset Managers Limited ("Aberdeen") on behalf of a number of investment trusts under its management. Under this agreement the Company's contribution is matched by Aberdeen. This contribution is reviewed annually.

The purpose of the Programme is to communicate effectively with existing shareholders and attract new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares.

These aims can be met in several ways:

Investor Relations Programme

Aberdeen runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month institutional investors and prospects receive a Manager's report on the Company that includes detailed performance analysis.

Group Schemes

The Aberdeen Group administers several savings schemes including the Share Plan, ISA and the Children's Plan. These schemes allow investment at lower costs and have proved popular with private investors.

Direct Response Advertising

Aberdeen advertise the packaged product availability of the Company in the specialist financial press.

Direct Mail

Periodic mail shots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other AAM investment trusts as well as known buyers of investment trusts.

Newsletter

The 'Bulletin' newsletter, an informed commentary on markets and investment trusts managed by the Aberdeen Group is distributed free of charge.

Public Relations

Aberdeen undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder Services

Aberdeen runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately.

The Marketing Programme is under the direction of Aberdeen's Group Head of Brand, who has considerable experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

Internet

The Aberdeen Investment Trust website contains details of closed end funds and investment companies managed or advised by the Aberdeen Group.

The North American Income Trust plc has its own dedicated website at: www.northamericanincome.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

It is intended that ongoing programme activities in these various fields, both proactive and supportive, will assist the Company to increase and maintain its shareholder base, improve liquidity and sustain ratings.

The Company is committed to the close monitoring of the Programme. The Aberdeen's Group Head of Brand reports to the Board and provides a written summary quarterly.

If you have any questions about your Company, the Manager or performance, please contact the Aberdeen Investor Services Department (direct private investors):

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Tel: 0500 00 00 40
E-mail: inv.trusts@aberdeen-asset.com

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 or ISA Transfer.

Suitable for Retail/NMPI Status

The Company's shares are designed for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who seek income and capital growth from investment in north american markets and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting an independent 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 securities issued by The North American Income Trust plc can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's securities 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") 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 £11,880 can be made from 6 April to 30 June 2014 through the Aberdeen Investment Trust ISA. From 1 July 2014 the annual ISA limit increases to £15,000.

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.

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, may be changed by future legislation.

Terms and Conditions

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

Trust Information

For information on The North American Income Trust plc and for any administrative queries relating to the Aberdeen's Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB
Tel: 0500 00 00 40,
E-mail inv.trusts@aberdeen-asset.com

Details are also available on www.invtrusts.co.uk.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:
Telephone: 0500 00 40 00
Email: aam@lit-request.com

Keeping You Informed

The North American Income Trust plc's share price appears daily in the Financial Times.

For internet users, detailed data on The North American Income Trust plc, including price, performance information and a monthly factsheet, is available on the Company'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.

Main Registrar

If you have an administrative query which relates to a direct shareholding, please contact the Company's Registrar, as follows:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0870 889 4084
Website: www.computershare.co.uk
Email: www-uk.computershare.com/investor/contactus.

Investor warning

AAM is aware that some investors have received telephone calls from people purporting to work for AAM, 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 AAM and any third party making such offers has no link with AAM. AAM 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 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Glossary of Terms and Definitions

Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend per share dividend by the Ordinary share price at the relevant date, expressed as a percentage.
Net Asset Value	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing/(Cash)	Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the industry standard method.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Total Assets	Total Assets less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, e.g quarter end, half year or year end date.

Notice of Annual General Meeting

Notice is hereby given that the one hundred and eleventh Annual General Meeting of The North American Income Trust plc will be held at the registered office of the Company, 40 Princes Street, Edinburgh EH2 2BY on 29 May 2014 at 2.30 p.m., for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which Resolutions 1 to 10 inclusive will be proposed as Ordinary Resolutions and Resolutions 11 to 12 will be proposed as Special Resolutions:

1. To receive the reports of the Directors and auditors and the audited financial statements for the year to 31 January 2014.
2. To receive and adopt the Directors' Remuneration Report for the year to 31 January 2014.
3. To receive and adopt the Directors' Remuneration Policy.
4. To approve a final dividend of 10.0p on the Ordinary shares.
5. To re-elect James Ferguson as a Director of the Company.
6. To re-elect Guy Crawford as a Director of the Company
7. To re-elect Archie Hunter as a Director of the Company.
8. To appoint KPMG LLP as auditor of the Company.
9. To authorise the Directors to fix the remuneration of the auditor for the year to 31 January 2015.
10. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("securities") up to an aggregate nominal amount of £2,778,215, such authority to expire on 31 July 2015 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.
11. THAT, subject to the passing of the resolution numbered 10 set out in the notice of this meeting ("Section 551 Resolution") and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the "Act") but without prejudice to the exercise of any such authority prior to the date of this resolution, the directors of the Company be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) either pursuant to the authorisation conferred by the Section 551 Resolution or by way of a sale of treasury shares, in each case for cash as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to the allotment of or sale out of treasury equity securities up to an aggregate nominal amount of £833,465 and such power shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company to be held in 2015 or on 31 July 2015, but so that this power shall enable the Company to make offers, sales or agreements before such expiry which would or might require equity securities to be allotted or sold after such expiry and the directors of the Company may allot or sell from treasury equity securities in pursuance of any such offer, sale or agreement as if such expiry had not occurred.
12. That, in substitution for any existing authority under Section 701 of the Companies Act 2006 (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with Section 701 of the Act, to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") and to cancel or to hold in treasury such shares, provided that:–
    (i) the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution (approximately 5.0 million Ordinary shares);
    (ii) the minimum price which may be paid for an Ordinary share shall be 25p (exclusive of expenses);
    (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Ordinary shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 31 July 2015 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract or contracts.

10 April 2014
Registered office: 7th Floor, 40 Princes Street
Edinburgh EH2 2BY

By order of the Board
Aberdeen Asset Management PLC
Secretary

Notes:

(i) A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman of the meeting) and give your instructions directly to them. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms or would like to appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC on 0870 889 4084. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior). A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which he/she is the holder.

(ii) A form of proxy for use by members is enclosed with these accounts. Completion and return of the form of proxy will not prevent any member from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received not less than 48 hours (excluding non-working days) before the time of the meeting.

(iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by not later than 6.00pm on 27 May 2014 (or, in the event that the Meeting is adjourned, at 6.00pm on the day which is two business days before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(v) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID 3RA50) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(vi) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(viii) The "vote withheld" option on the proxy form is provided to enable a member to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" a particular resolution.

(ix) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes i) and ii) above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.

(x) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.

(xi) As at close of business on 3 April 2014 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 33,338,582 Ordinary shares of 25p each. The total number of voting rights in the Company as at 3 April 2014 was 33,338,582.

(xii) Any person holding 3% or more of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

(xiii) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

(xiv) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditor's Report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address, and be sent to: the Company Secretary, The North American Income Trust plc, 40 Princes Street, Edinburgh EH2 2BY.

(xv) Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.northamericanincome.co.uk.

(xvi) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

1. answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
2. the answer has already been given on a website in the form of an answer to a question; or
3. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(xvii) Members who have general queries about the Annual General Meeting should contact the Company Secretary in writing. Members are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xviii) There are special arrangements for holders of shares through the Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

Corporate Information

Directors
James Ferguson (Chairman)
Guy Crawford
Archie Hunter

Registered Office
40 Princes Street
Edinburgh EH2 2BY
Telephone: 0131 528 4000

Manager
Aberdeen Asset Managers Limited,
a subsidiary of Aberdeen Asset Management PLC
Website: www.aberdeen-asset.com
Authorised and regulated by the Financial Conduct Authority

Secretary
Aberdeen Asset Management PLC

Company Broker
Winterflood Investment Trusts

Company Registration Number
SC005218

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0870 889 4084
Website: www-uk.computershare.com/investor/contactus.

Auditor
KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Bankers and Custodian Bankers
RBC Dexia Investor Services Limited
State Street Bank & Trust

Website
www.northamericanincome.co.uk

Financial Calendar

20 March 2014	Announcement of results for year ended 31 January 2014
29 May 2014 (2.30 p.m.)	Annual General Meeting (Edinburgh)
3 June 2014	Final dividend payable for year ended 31 January 2014
August 2014	First quarterly interim dividend payable for the year ended 31 January 2015
September 2014	Announcement of half yearly results for six months ending 31 July 2014
November 2014	Second quarterly interim dividend payable for year ending 31 January 2015

The Company's History

Issued Share Capital at 31 January 2014

33,338,582	Ordinary 25p shares.

Capital History

Year to 31 January 2014	1,860,000 shares issued at premium to the net asset value.
Year to 31 January 2013	No changes in the issued share capital. The Company amended its investment objective from index tracking to be actively managed by investing predominately in S&P 500 constituents to provide an above average dividend income and long term capital growth. The name of the Company was changed to The North American Income Trust plc from Edinburgh US Tracker Trust plc.
Year to 31 January 2012	1,621,236 Ordinary shares purchased for cancellation at prices ranging from 565.5p to 649.0p
Year to 31 January 2011	3,356,690 Ordinary shares purchased for cancellation at prices ranging from 539.0p to 622.0p
Year to 31 January 2010	1,142,871 Ordinary shares purchased for cancellation at prices ranging from 450.0p to 551.2p
Year to 31 January 2009	357,000 Ordinary shares purchased for cancellation at prices ranging from 513.0p to 568.0p
Year to 31 January 2008	5,373,500 Ordinary shares purchased for cancellation at prices ranging from 567.5p to 619p. Pursuant to the tender offer of up to 50% of the Ordinary shares in issue, 29,206,363 Ordinary shares were purchased by tender and cancelled at 559.17p.
Year to 31 January 2007	9,152,922 Ordinary shares purchased for cancellation at prices ranging from 534p to 594p.
Year to 31 January 2006	1,242,000 Ordinary shares purchased for cancellation at prices ranging from 465p to 557p.
Year to 31 January 2005	5,450,000 Ordinary shares purchased for cancellation at prices ranging from 444p to 489p.
Year to 31 January 2004	No changes.
Year to 31 January 2003	200,000 Ordinary shares issued at 644p.
Year to 31 January 2002	4,910,000 Ordinary shares issued at prices ranging from 562p to 727p. A resolution to increase the authorised share capital to 120,000,000 Ordinary shares of 25p was passed on 13 May 2002.
Year to 31 January 2001	No changes.
Year to 31 January 2000	The 3½% preference stock was repaid on 28 October 1999. A resolution to reclassify the authorised but unissued 'B' Ordinary shares as Ordinary shares was passed on 20 July 1999.
Year to 31 January 1999	No changes.
Year to 31 January 1998	On 5 June 1997 the investment objective was changed to invest in a portfolio designed to track closely the performance of the S&P 500 Index. The name of the Company was changed to Edinburgh US Tracker Trust plc from American Trust plc. The issued share capital was 83,271,164 Ordinary shares of 25p and £1,057,500 3½% cumulative preference stock. The authorised share capital was 94,711,881 Ordinary share capital of 25p, 1,058,119 'B' Ordinary shares of 25p and £1,057,500 3½% cumulative preference stock.