

The North American Income Trust plc

Half Yearly Report
for the six months ended 31 July 2015



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Objective

The objective of the Company is to provide investors with above average dividend income and long term capital growth through active management of a portfolio consisting predominantly of S&P 500 US equities.

Highlights and Financial Calendar

	31 July 2015	31 January 2015	% change
Net asset value per Ordinary share	885.4p	938.9p	-5.7
Share price per Ordinary share (mid)	803.5p	865.0p	-7.1
Discount to net asset value	9.3%	7.9%	
Revenue return per Ordinary share ^A	17.3p	13.8p	+25.4
Interim dividends	13.0p ^B	12.0p ^C	+8.3

^A Comparison uses the six months ended 31 July 2014.

^B Includes a first interim dividend of 6.50p paid on 31 July 2015 and a second interim dividend of 6.50p payable on 30 October 2015.

^C Interim dividend for the six months ended 31 July 2014.

Performance – Total Return

	Six months ended 31 July 2015	Year ended 31 January 2015
Net asset value per Ordinary share	-3.9%	+15.5%
Share price per Ordinary share	-5.1%	+18.9%
S&P 500 Index (in sterling terms)	+2.6%	+25.0%

Financial Calendar

17 September 2015	Announcement of Half-Yearly Financial Report
September 2015	Half-Yearly report posted to shareholders
30 October 2015	Second quarterly dividend payable for the year ending 31 January 2016
February 2016	Third quarterly dividend payable for the year ending 31 January 2016
March 2016	Announcement of Annual Financial Report
April 2016	Annual Report posted to shareholders
May 2016	Annual General Meeting
June 2016	Final Ordinary dividend payable for the year ending 31 January 2016

Interim Board Report – Chairman’s Statement

Dividend

The Directors have declared a second quarterly dividend of 6.5p per share, which will take the total dividends for the first half of the fiscal year to 13.0p (2014 – 12.0p), an 8.3% increase. The second quarterly dividend is payable on 30 October 2015 to shareholders on the register on 2 October 2015.

The revenue return per Ordinary share for the six months ended 31 July 2015 amounted to 17.3p compared to 13.8p for the equivalent period in 2014. Our investments continue to increase their dividends and we remain cautiously optimistic.

Portfolio

During the review period, the Trust’s performance did not keep pace with the S&P 500 Index which, whilst not a perfect index, is used as a reference. The Company’s net asset value per share declined by 3.9% on a total return basis (in sterling terms) compared to a rise of 2.6% total return (in sterling terms) in the S&P 500 Index.

Broadly speaking, higher-yielding companies lagged the overall market as growth-oriented companies continued to diverge from their value-oriented counterparts. To give some context, over the twelve months to 31 July 2015 the Russell 1000 Growth outpaced the Russell 1000 Value by more than 15% (in sterling terms), with the latter making up a significant proportion of dividend paying stocks. Understandably this was a difficult backdrop for the Trust’s holdings to outperform, but we also recognise that several of the portfolio’s holdings did not perform as we had hoped.

At the asset allocation level, the portfolio’s relative underweighting to the lower yielding sectors such as healthcare and consumer discretionary caused relative underperformance as these areas of the market were the strongest performers. In contrast, given the uncertainties over rising interest rates, the higher yielding sectors such as utilities underperformed by more than 10% while many industrial and materials companies also lagged given a slower economic backdrop, particularly overseas. Amid on-going weakness in commodity and oil prices, several of the Trust’s equity holdings in the materials and energy sectors were the largest individual detractors from performance although yields remained attractive and dividends were largely well covered – particularly for many of the larger and more diversified energy companies.

The revenue account remains in good shape, however, underpinned by above-average dividend growth. We continue to believe that the overall quality of the underlying companies in the portfolio is on track to grow the Trust’s dividends and add to revenue reserves for this financial year.

As at 31 July 2015, the portfolio consisted of 40 equity positions and 12 corporate bonds, the latter of which represented approximately 5% of total assets and provided 6.5% of our total income earned compared to 12% over the six-month period ended 31 July 2014. During the reporting period, the Company received premiums totalling £1.3 million (versus £767,000 for the same period a year earlier) for entering into stock option transactions. This option income represents 17.3% of total income (2014 - 12.3%), the generation of which is consistent with the Manager’s company-focused investment process. Bond coupons and option premia will remain of course secondary sources of income given our belief that income from dividends must remain the overwhelming source of income available for distribution. Further details of the portfolio are shown on pages 7 to 8.

Market and Economic Review

North American stocks finished in positive territory for the six-month period ended 31 July 2015, although they did not move in a straight line. There were several gyrations in the market as investors reacted to economic data reports and various geopolitical events. In the midst of a plethora of information a few market themes stood out, including the latest comments regarding monetary policy from the US Federal Reserve (Fed) and slowing growth in China, together with the prolonged slump in oil and commodity prices. While the latter generally has been good news for consumers as it translated into cheaper fuel, it weighed on the energy and materials sectors which were the weakest performers within the US broader-market S&P 500 Index over the review period. It appears that the probability of higher interest rates has already been priced into the US fixed income market. Bond prices fell modestly over the period as US Treasury yields rose.

According to FactSet, almost three quarters of S&P 500 constituents that had reported second-quarter 2015 earnings had exceeded consensus estimates. However, this actually represented a 1.0% drop in aggregate earnings due to the large declines in the energy sector. This represented the first year-on-year decrease in earnings for the index since the third quarter of 2012 (also -1.0%). Companies most often cited negative currency effects as the primary detractor from performance, followed by the fiscal crisis in the Eurozone and economic weakness in China. Unsurprisingly, from a sector perspective, energy companies posted the largest year-on-year decreases, whilst the healthcare sector reported the largest increase in earnings.

Gearing

The Company continued to make use of a closed ended company’s opportunity to gear through its 2.18% fixed term loan facility of \$51.1 million (£32.7 million). Additional

drawings under the revolving element of the facility provided by State Street amount to £7.9 million, making the total debt as at 31 July 2015 of £40.6 million. At the period end, the Company's cash position of £19.9 million largely represented the cash pledged as collateral or ringfenced for potential liabilities in relation to the open options position at the period end.

Discount

Shareholders approved the annual resolution at the Annual General Meeting in May to authorise the Company to buy back up to 14.99% of its issued share capital.

During the six month period ended 31 July 2015 the Company bought back 1,491,848 Ordinary shares for cancellation. These purchases represent 4.5% of opening period share capital and cost £12.8 million.

A further 186,500 Ordinary shares have been bought back for cancellation at a cost of £1.5 million between 31 July 2015 and 15 September 2015. The Board continues to monitor the discount at which the share price trades to the net asset value and will make judicious use of share buybacks. At 15 September 2015 the discount was 8.9%.

Promotional Activity

The Board continues to promote the Company through the 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 pages 19 to 21).

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

Annual General Meeting ("AGM")

The Company's AGM was held in Edinburgh on 28 May 2015 at which all resolutions, including the continuation of the Company, were passed by shareholders. A further vote on continuation will be put to shareholders in accordance with the articles in 2018.

Investment Manager

On 30 June 2015, Ralph Bassett and Fran Radano assumed the management of our portfolio. They are experienced members of Aberdeen Asset Management's North American

Equities team based in Philadelphia. They succeeded Paul Atkinson, formerly Head of North American Equities, who left Aberdeen to return to Europe with his family.

Aberdeen's approach is very much team-based with a strong emphasis on the fundamentals of individual companies. Ralph and Fran continue to adhere to this well-developed investment philosophy.

The Board would like to thank Paul for his considerable contribution in developing the investment policy for the Company and the establishment of our portfolio, since he assumed responsibility for management of our assets in 2012.

Outlook

The US market has been struggling to digest the potential for rising interest rates domestically while also reacting to macro events abroad. The notion of the US market de-coupling from other key global economies has been reinforced with continued reductions in unemployment levels, increases in wages and still muted inflation levels. However, this has also, in part, caused some of the more recent currency moves. Slowing growth in China has exacerbated matters, as has weakness in commodity prices.

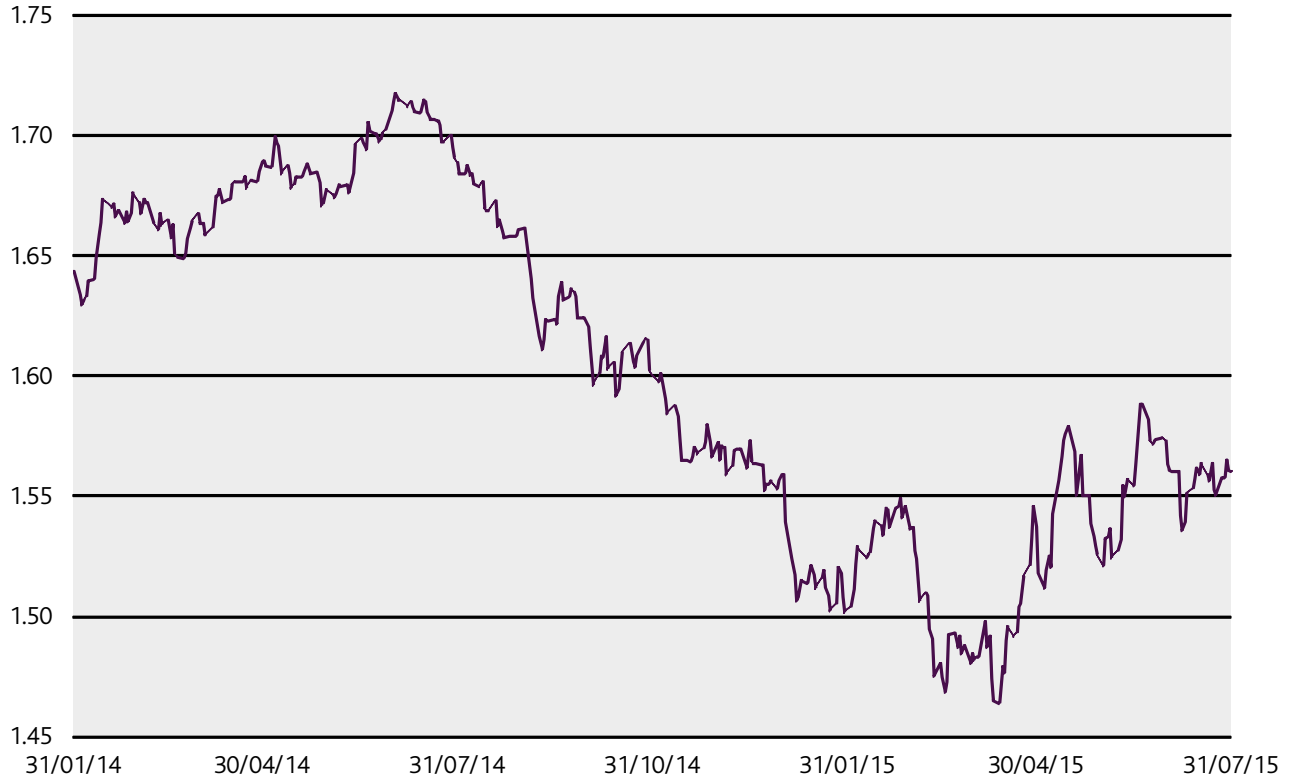
External events such as the Iran nuclear agreement, the debt crisis in Greece, weakness in energy prices and slower growth in China will continue to dominate the headlines and drive short-term market sentiment and direction. The macroeconomic backdrop remains constrained, but business fundamentals should provide support for the equity markets. Balance sheets remain healthy and will allow for continued investment into businesses as well as additional shareholder distributions. Corporate appetite for deal-making has also increased. It is expected that the Federal Reserve will start to raise interest rates later this year, or in early 2016, which should provide support for equities although perhaps slower growth abroad is a broader concern. We continue to believe that our Manager's bottom-up investment process should help in this environment, finding value in these markets and delivering on the Trust's objectives of above average dividend income together with long term capital growth.

James Ferguson
Chairman
16 September 2015

Interim Board Report – Chairman’s Statement continued

Currency Graph (Exchange rate US\$ to £)

From 31 January 2014 to 31 July 2015



Interim Board Report – Other

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 18 to the financial statements in the 2015 Annual Report. The Board has adopted a matrix of the key risks that affect its business.

Market and performance risk

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

Gearing risk

As at 31 July 2015 the Company had £40.6 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% of net assets.

Discount volatility

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

Regulatory risk

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

Dividend

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

Derivatives

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

such contracts are managed within guidelines set by the Board.

Debt securities

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

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 bank credit facility in place which is available until July 2017. The Board considers that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Directors' Responsibility Statement

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

- the condensed set of Financial Statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that

Interim Board Report – Other continued

period; and any changes in the related party transactions described in the last Annual Report that could do so).

The Half-Yearly Financial Report for the six months ended 31 July 2015 comprises the Interim Board Report, the Directors' Responsibility Statement and the condensed set of Financial Statements.

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

James Ferguson
Chairman
16 September 2015

Investment Portfolio - Equities

As at 31 July 2015

Company	Industry classification	Valuation £'000	Total portfolio %
Philip Morris	Tobacco	12,997	4.3
Verizon Communications	Diversified Telecommunication Services	11,148	3.7
Microsoft	Systems Software	10,481	3.5
Sysco	Food & Staples Retailing	9,558	3.2
Molson Coors Brewing	Beverages	9,406	3.1
CME Group	Investment Services	9,244	3.1
Ventas	Real Estate Investment Trusts (REITs)	9,235	3.1
Pepsico	Beverages	9,166	3.1
Dow Chemical	Chemicals	9,006	3.0
Procter & Gamble	Household Products	8,542	2.8
Ten largest equity investments		98,783	32.9
Republic Services	Commercial Services & Supplies	8,501	2.8
Wells Fargo	Commercial Banks	8,170	2.7
Potash Corp of Saskatchewan	Chemicals	8,012	2.7
CMS Energy	Multi-Utilities	7,977	2.7
Telus	Diversified Telecommunication Services	7,940	2.6
Target	Multiline Retail	7,777	2.6
WEC Energy	Multi-Utilities	7,523	2.5
TransCanada	Oil, Gas & Consumable Fuels	7,511	2.5
Chevron	Oil, Gas & Consumable Fuels	7,496	2.5
Kraft Heinz	Food Products	6,971	2.4
Twenty largest equity investments		176,661	58.9
ConocoPhillips	Oil, Gas & Consumable Fuels	6,944	2.3
Pfizer	Pharmaceuticals	6,932	2.3
National Oilwell Varco	Energy Equipment & Services	6,782	2.3
Cisco Systems	Telecommunications Equipment	6,713	2.2
Starwood Hotels & Resorts	Hotels, Restaurants & Leisure	6,489	2.2
Johnson & Johnson	Pharmaceuticals	6,357	2.1
Lockheed Martin	Aerospace & Defense	6,241	2.1
Intel	Semiconductors & Semiconductor Equipment	6,153	2.0
Paychex	IT Services	6,120	2.0
M&T Bank	Commercial Banks	6,060	2.0
Thirty largest equity investments		241,452	80.4
Digital Realty Trust	Real Estate Investment Trusts (REITs)	5,906	2.0
Sonoco Products	Containers & Packaging	5,891	2.0
Nucor	Metals & Mining	5,859	1.9
Royal Bank of Canada	Commercial Banks	5,732	1.9
Emerson Electric	Electrical Equipment	5,399	1.8
Blackrock	Capital Markets	4,375	1.5
Staples	Specialty Retail	3,503	1.2
Regions Financial	Commercial Banks	3,329	1.1
Praxair	Chemicals	2,553	0.8
Freeport-McMoRan	Metals & Mining	26	0.0
Total equity investments		284,025	94.6

Investment Portfolio – Other Investments

As at 31 July 2015

Company	Industry classification	Valuation £'000	Total portfolio %
General Electric Capital 7.125% Non-Cum Perp Pref	Diversified Financial Services	2,615	0.9
Qwest 7.25% 15/10/35	Telephone Communications	2,401	0.8
Onemain Financial Holdings 6.75% 15/12/19	Specialty Finance	2,033	0.7
HSBC Finance 6.676% 15/01/21	Consumer Finance	2,022	0.7
International Lease Finance Corp 6.25% 15/05/19	Diversified Financial Services	1,680	0.6
Cincinnati Bell 8.375% 15/10/20	Diversified Telecommunication Services	1,015	0.3
First Data 7.375% 15/06/19	IT Services	935	0.3
First Quantum Minerals 7.25% 15/05/22	Metals & Mining	812	0.3
Post Holdings 7.375% 15/02/22	Food Products	756	0.3
Seagate HDD Cayman 4.75% 01/06/23	Computer & Office Equipment	650	0.1
Ten largest fixed interest investments		14,919	5.0
Corrections Corporation of America 4.625% 01/05/23	Real Estate Investment Trusts (REITs)	636	0.2
Nationstar 6.5% 01/06/22	Thriffs & Mortgage Finance	585	0.2
Total fixed interest investments		16,140	5.4
Total investments		300,165	100.0

Geographical Analysis

As at 31 July 2015

Country	Equities %	Bonds %	Total %
Canada	9.7	0.3	10.0
USA	84.9	5.1	90.0
	94.6	5.4	100.0

Condensed Statement of Comprehensive Income

	Six months ended 31 July 2015			Six months ended 31 July 2014		
	(unaudited)			(unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	–	(15,993)	(15,993)	–	15,238	15,238
Net currency gains	–	1,121	1,121	–	175	175
Income (note 2)	7,416	–	7,416	6,231	–	6,231
Investment management fee	(348)	(813)	(1,161)	(338)	(789)	(1,127)
Administrative expenses (note 3)	(358)	–	(358)	(341)	–	(341)
Net return before finance costs and taxation	6,710	(15,685)	(8,975)	5,552	14,624	20,176
Finance costs	(125)	(292)	(417)	(54)	(126)	(180)
Return on ordinary activities before taxation	6,585	(15,977)	(9,392)	5,498	14,498	19,996
Taxation (note 4)	(1,023)	223	(800)	(899)	196	(703)
Return on ordinary activities after taxation	5,562	(15,754)	(10,192)	4,599	14,694	19,293
Return per share (pence) (note 6)	17.33	(49.09)	(31.76)	13.80	44.07	57.87

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 Condensed Statement of Comprehensive Income.

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

No operations were acquired or discontinued in the period.

Condensed Statement of Financial Position

	Notes	As at 31 July 2015 (unaudited) £'000	As at 31 January 2015 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss		300,165	342,722
Current assets			
Debtors and prepayments		754	712
Cash and short-term deposits		19,935	9,231
		20,689	9,943
Creditors: amounts falling due within one year			
Bank loans		(7,908)	(8,158)
Other creditors		(1,795)	(1,247)
		(9,703)	(9,405)
Net current assets		10,986	538
Total assets less current liabilities		311,151	343,260
Creditors: amounts falling due after more than one year			
Bank loan		(32,711)	(33,987)
Net assets		278,440	309,273
Capital and reserves			
Called-up share capital		7,862	8,235
Share premium account		48,467	48,467
Capital redemption reserve		14,698	14,325
Capital reserve	8	200,305	228,822
Revenue reserve		7,108	9,424
Equity shareholders' funds		278,440	309,273
Net asset value per share (pence)	9	885.42	938.92

Condensed Statement of Changes in Equity

Six months ended 31 July 2015 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2015	8,235	48,467	14,325	228,822	9,424	309,273
Buyback of Ordinary shares	(373)	–	373	(12,763)	–	(12,763)
Return on ordinary activities after taxation	–	–	–	(15,754)	5,562	(10,192)
Dividends paid (note 5)	–	–	–	–	(7,878)	(7,878)
Balance at 31 July 2015	7,862	48,467	14,698	200,305	7,108	278,440

Six months ended 31 July 2014 (unaudited)

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

Condensed Statement of Cash Flows

	Six months ended 31 July 2015 (unaudited) £'000	Six months ended 31 July 2014 (unaudited) £'000
Net return on ordinary activities before taxation	(8,975)	20,176
Adjustment for:		
Losses/(gains) on investments	15,993	(15,238)
Foreign exchange gains	(1,121)	(175)
Amortisation of fixed income book cost	11	(38)
Increase in accrued income	(33)	(100)
Increase in other debtors	(23)	(1,991)
Increase in other creditors	887	517
Net cash inflow from operating activities	6,739	3,151
Servicing of finance		
Interest paid	(605)	(180)
Taxation		
Overseas withholding tax paid	(938)	(628)
Net tax paid	(938)	(628)
Financial investment		
Purchases of investments	(48,379)	(35,343)
Sales of investments	74,933	41,769
Net cash inflow from financial investment	26,554	6,426
Equity dividends paid	(7,878)	(5,334)
Net cash inflow before financing	23,872	3,435
Financing		
Buyback of Ordinary shares	(12,763)	(202)
Drawdown of bank loan	–	15,817
Net cash (outflow)/inflow from financing	(12,763)	15,615
Increase in cash	11,109	19,050
Analysis of changes in cash during the period		
Opening net debt	(32,914)	(7,274)
Increase in cash as above	11,109	19,050
Foreign exchange movements	1,121	175
Drawdown of bank loan	–	(15,817)
Closing net debt	(20,684)	(3,866)

Notes to the Financial Statements

1. Accounting policies

(a) Basis of accounting

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

These condensed financial statements are the first since FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) came into effect for accounting periods beginning on or after 1 January 2015. An assessment of the impact of adopting FRS 102 has been carried out and found that no restatement of balances as at the transition date, 1 January 2014, or comparative figures in the Condensed Statement of Financial Position or the Condensed Statement of Comprehensive Income is considered necessary.

The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

	Six months ended 31 July 2015 £'000	Six months ended 31 July 2014 £'000
2. Income		
Income from overseas listed investments		
Dividend income	5,359	4,387
REIT income	287	330
Interest income from investments	485	746
	6,131	5,463
Other income from investment activity		
Traded option premiums	1,285	767
Deposit interest	–	1
	1,285	768
Total income	7,416	6,231

Notes to the Financial Statements *continued*

	Six months ended 31 July 2015 (unaudited) £'000	Six months ended 31 July 2014 (unaudited) £'000
3. Administration expenses		
Directors' fees	38	27
Secretarial and administration fees	52	51
Marketing contribution	106	106
Auditor's remuneration:		
• fees payable to the Company's auditor for the audit of the annual accounts	8	8
Custodian charges	13	16
Registrar's fees	28	38
Professional fees	36	27
Depositary charges	19	3
Other	58	65
	358	341

4. Taxation

The taxation expense reflected in the Condensed Statement of Comprehensive Income is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 31 January 2016 is an effective rate of 20.17%. This is above the current corporation tax rate of 20% as, prior to 1 April 2015, the prevailing corporation tax rate was 21%.

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

	Six months ended 31 July 2015			Six months ended 31 July 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Taxation						
UK corporation tax	223	(223)	–	238	(238)	–
Overseas tax suffered	800	–	800	661	–	661
Current tax charge for the period	1,023	(223)	800	899	(238)	661
Deferred taxation	–			–	42	42
Total tax	1,023	(223)	800	899	(196)	703

	Six months ended 31 July 2015 £'000	Six months ended 31 July 2014 £'000
5. Dividends		
3rd interim dividend for 2015 – 6.5p (2014 – 6.0p)	2,141	2,000
Final dividend for 2015 – 11.5p (2014 – 10.0p)	3,679	3,334
1st interim dividend for 2016 – 6.5p	2,058	–
	7,878	5,334

The Company pays four dividends per year. The first interim dividend of 6.5p (2015 – 6.0p) for the year ending 31 January 2016 was paid on 31 July 2015 to shareholders on the register at 3 July 2015, with an ex-dividend date of 2 July 2015. A second interim dividend of 6.5p (2015 – 6.0p) for the year ending 31 January 2016 will be paid on 30 October 2015 to

shareholders on the register at 2 October 2015. The ex-dividend date is 1 October 2015.

	Six months ended 31 July 2015 £'000	Six months ended 31 July 2014 £'000
6. Return per Ordinary share		
Based on the following figures:		
Revenue return	5,562	4,599
Capital return	(15,754)	14,694
Total return	(10,192)	19,293
Weighted average number of shares in issue	32,095,089	33,336,648
	p	p
Revenue return per Ordinary share	17.33	13.80
Capital return per Ordinary share	(49.09)	44.07
Total return per Ordinary share	(31.76)	57.87

7. Transaction costs

During the six months ended 31 July 2015 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 (losses)/gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 July 2015 £'000	Six months ended 31 July 2014 £'000
Purchases	63	35
Sales	116	50
	179	85

8. Capital reserve

The capital reserve reflected in the Statement of Financial Position at 31 July 2015 includes gains of £42,958,000 (31 January 2015 – £65,139,000) which relate to the revaluation of investments held at the reporting date.

	As at 31 July 2015	As at 31 January 2015
9. Net asset value per Ordinary share		
Net assets attributable (£'000)	278,440	309,273
Number of Ordinary shares in issue	31,447,234	32,939,082
Net asset value per Ordinary share (p)	885.42	938.92

Notes to the Financial Statements *continued*

	At 1 February 2015 £'000	Cashflow £'000	Exchange movements £'000	At 31 July 2015 £'000
10. Analysis of changes in net debt				
Cash and short term deposits	9,231	11,109	(1,905)	18,435
Bank loans	(42,145)	–	3,026	(39,119)
	(32,914)	11,109	1,121	(20,684)

11. Fair value hierarchy

FRS 102 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 shall have the following classifications:

Class A: quoted prices for identical instruments in active markets;

Class B: prices of recent transactions for identical instruments; and

Class C: valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Note	Class C				Total £'000
		Class A £'000	Class B £'000	Observable Inputs £'000	Unobservable Inputs £'000	
As at 31 July 2015						
Financial assets at fair value through profit or loss						
Quoted equities	a)	284,025	–	–	–	284,025
Quoted bonds	b)	16,140	–	–	–	16,140
Total		300,165	–	–	–	300,165
Financial liabilities at fair value through profit or loss						
Derivatives	c)	(387)	–	–	–	(387)
Net fair value		299,778	–	–	–	299,778

As at 31 January 2015	Note	Class A £'000	Class B £'000	Class C		Total £'000
				Observable Inputs £'000	Unobservable Inputs £'000	
Financial assets at fair value through profit or loss						
Quoted equities	a)	324,238	–	–	–	324,238
Quoted bonds	b)	18,484	–	–	–	18,484
Total		342,722	–	–	–	342,722
Financial liabilities at fair value through profit or loss						
Derivatives	c)	(65)	–	–	–	(65)
Net fair value		342,657	–	–	–	342,657

a) Quoted equities and preference shares

The fair value of the Company's investments in quoted equities and preference shares has been determined by reference to their quoted bid prices at the reporting date. Quoted equities and preference shares included in Fair Value Class A 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 Classes A and B include Government Bonds and Corporate Bonds. Investments categorised as Class B are not considered to trade in active markets.

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 hence are categorised in Fair Value Class A.

12. Transactions with the Manager

The Company has agreements with Aberdeen Fund Managers Limited ("AFML" or the "Manager") for the provision of investment management, secretarial, accounting and administration and promotional activity services.

The management fee is payable quarterly in arrears based on an annual amount of 0.8% of the value of net assets. The investment management fee is chargeable 30% to revenue and 70% to capital. During the period £1,161,000 (31 July 2014 – £1,127,000) of investment management fees were earned by the Manager, with a balance of £561,000 (31 July 2014 – £576,000) being payable to AFML at the period end.

The secretarial fee of £104,000 per annum is chargeable 100% to revenue and is payable monthly in arrears. During the period £52,000 (31 July 2014 – £51,000) of secretarial fees were earned by the Manager, with a balance of £17,000 (31 July 2014 – £17,000) being payable to AFML at the period end.

The promotional activities fee is based on a current annual amount of £213,000, payable quarterly in arrears. During the period £106,000 (31 July 2014 – £106,000) of fees were earned, with a balance of £71,000 (31 July 2014 – £18,000) being payable to AFML at the period end.

13. Subsequent events

A further 186,500 Ordinary shares have been bought back and cancelled by the Company subsequent to the reporting

Notes to the Financial Statements *continued*

period end for a total consideration of £1.5 million. As at 15 September 2015 there were 31,260,734 Ordinary shares in issue.

14. Half-Yearly Financial Report

The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 31 January 2015 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The interim financial statements have been prepared using the same accounting policies as contained within the preceding annual financial statements.

15. This Half-Yearly Financial Report was approved by the Board on 16 September 2015.

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. Many have online facilities. Alternatively, for Retail clients, shares may be bought directly through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA.

Suitable for Retail/NMPI Status

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

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

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

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("Aberdeen") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including in The North American Income Trust plc. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to eligibility criteria as stated within terms and conditions). 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 purchases. 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 Aberdeen in writing at any time.

Aberdeen Investment Trust Share Plan

Aberdeen runs a Share Plan (the "Plan") through which shares in 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 purchases. 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 Aberdeen in writing at any time.

Aberdeen Investment Trust ISA

Aberdeen offers a stocks and shares ISA which allows an investment of up to £15,240 in the tax year 2015/16.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, 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.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in Aberdeen's Investment Trust Share Plan, Investment Plan for Children and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in 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 investment 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.

How to Invest in The North American Income Trust plc continued

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.

Trust Information

If investors would like details of in The North American Income Trust plc or information on Aberdeen's Children's Plan, Share Plan, ISA or ISA transfers please contact:

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

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

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

Literature Request Service

For literature and application forms for Aberdeen's investment trust products, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

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

Keeping You Informed

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

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

Online dealing providers

Investor information

There are a number of other ways in which you can buy and hold shares in this investment trust.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers
Charles Stanley Direct
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
Idealing
Interactive Investor
Selftrade
The Share Centre
Stocktrade
TD Direct

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.thewma.co.uk

Financial advisers

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk

Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Telephone: 0800 111 6768

Website: www.fca.org.uk/firms/systems-reporting/register/search

Email: register@fca.org.uk

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen has been contacted by investors informing that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Asset Management or for third party firms. Aberdeen has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain investors' personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from them is required to release the supposed payment for their shares.

These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen. Aberdeen Asset Management does not 'cold-call' investors in this way. If you 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 on the 'Contact Us' page.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams:
<http://www.fca.org.uk/consumers/scams>

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.

Corporate Information

Directors

James Ferguson, Chairman
Guy Crawford
Archie Hunter
Lady Susan Rice

Manager, Secretary and Registered Office

Alternative Investment Fund Manager*

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH
(Registered in England and Wales with Company Registration Number: 00740118)
(*appointed as required by EU Directive 2011/61/EU)

Investment Manager

Aberdeen Asset Managers Limited

Secretary and Registered Office

Aberdeen Asset Management PLC
40 Princes Street
Edinburgh
EH2 2BY
Telephone: 0131 528 4000

Company Registration Number

SC005218

Depository

BNP Paribas Securities Services, London Branch

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 7NH
Telephone: 0870 889 4084
Website: www-uk.computershare.com/investor/contactus

Foreign Account Tax Compliance Act ("FATCA")

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

Website

www.northamericanincome.co.uk

Pre-investment Disclosure Document (PIDD)

The Alternative Investment Fund Managers Directive ("AIFMD") requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of The North American Income Trust plc ("the Company"), to make available to investors certain information prior to such investors' investment in the Company. The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as the UCITS regime.

The Company's PIDD is available for viewing on the Company's website.



