

The North American Income Trust plc

Seeking resilient growth and rising income from North American equities

Performance Data and Analytics to 31 March 2024

Investment objective

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.

Reference benchmark

Russell Value 1000 Index.

Cumulative performance (%)

	as at 31/03/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	294.0p	3.9	1.4	8.1	9.0	28.6	26.1
NAV ^a	344.4p	5.2	6.9	10.8	13.5	31.9	43.1
Russell 1000 Value		5.1	10.0	15.3	17.7	38.0	68.5

Discrete performance (%)

	31/03/24	31/03/23	31/03/22	31/03/21	31/03/20
Share Price	9.0	(3.0)	21.8	24.1	(21.1)
NAV ^a	13.5	(1.6)	18.0	31.5	(17.5)
Russell 1000 Value	17.7	0.2	17.0	40.3	(13.0)

Five year dividend table (p)

Financial year ^c	2023	2022	2021	2020	2019
Total dividend (p)	11.70	11.00	10.30	10.00	9.50

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: abrdn Investments Limited, Lipper and Morningstar.
Past performance is not a guide to future results.

^a Including current year revenue.

^b © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

^c Financial year ends in January of the following year.

Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

Ten largest equity holdings (%)

Merck	4.3
Medtronic	4.1
MetLife	4.1
CVS Health	3.7
Gaming & Leisure Properties	3.6
Citigroup	3.5
L3Harris	3.3
American International	3.2
Baker Hughes	3.2
Air Products and Chemicals	3.0
Total	36.0

Sector allocation (%)

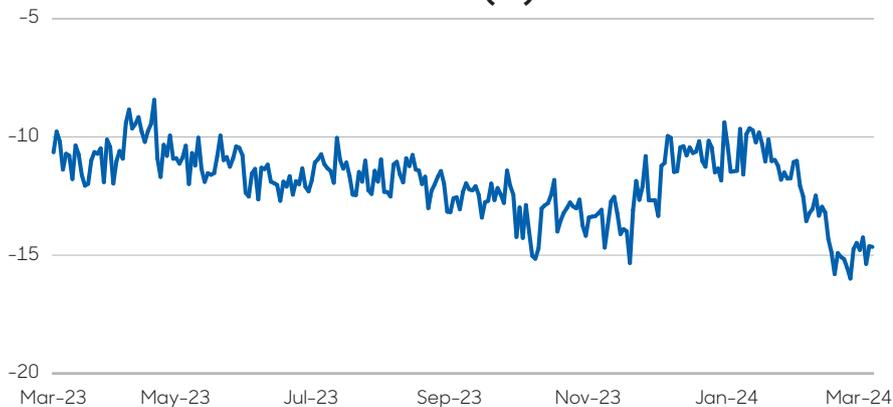
Financials	21.0
Health Care	18.6
Energy	8.8
Industrials	8.7
Consumer Staples	8.6
Real Estate	7.0
Information Technology	6.0
Communication Services	5.8
Utilities	5.7
Consumer Discretionary	5.4
Materials	4.4
Total	100.0

All sources (unless indicated): abrdn: 31 March 2024.



The North American Income Trust plc

1 Year Premium/Discount Chart (%)



Fund managers' report

The Trust generated a net asset value total return marginally ahead of the benchmark Russell 1000 Value Index's total return in sterling terms. The share price total return underperformed the index in the month.

US equities ended higher in March. The domestic economy, particularly the labour market, has continued to prove resilient and robust. As a result, annual consumer price inflation came in higher than expected in both January and February. Meanwhile, heightened tensions in the Middle East have brought additional inflationary risks due to their potential effect on crude supplies and shipping costs. Together, these factors had led to investor fears that the US Federal Reserve (Fed) could turn more hawkish in its signalling about the timing and magnitude of future rate cuts. Against this backdrop, at its March meeting, the Fed kept the target range for its fed funds rate at a 22-year-high of 5.25-5.50%, marking the fifth consecutive time it had left rates unchanged. The Fed also raised its 2024 forecast for GDP growth from 1.4% to 2.1% and that for core inflation from 2.4% to 2.6%. Nonetheless, there has been a sustained fall in the Fed's targeted inflation measure – the core Personal Consumption Expenditures (PCE) Price Index – over recent months. As a result, the latest 'dot plot' from the Fed's committee members confirmed that three rate cuts are still forecast in 2024. Further easing is also likely to come in 2025 and 2026. However, with core PCE inflation still above the Fed's 2% target, the number of expected rate cuts in 2025 has been reduced from four to three (with the same number still forecast for 2026). Therefore, the Fed aims to maintain a restrictive policy stance and proceed cautiously for now, continuing with its data-dependent approach as it seeks greater clarity over underlying economic trends.

In terms of economic data, a final reading of US GDP showed that the economy expanded an annualised 3.4% over the fourth quarter of 2023. This was slightly above the second estimate of 3.2%. However, it still marked a decrease from the 4.9% growth rate reported in the third quarter. Meanwhile, annual consumer price inflation unexpectedly edged up from 3.1% in January to 3.2% in February, given elevated energy costs. The annual core rate (which excludes volatile food and energy prices) fell from 3.9% to a higher-than-expected 3.8%. The core PCE

Fund managers' report continues overleaf

^D Expressed as a percentage of average daily net assets for the year ended 31 January 2024. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^E Calculated using the Company's historic net dividends and month end share price.

^F Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

^G Excludes cash being used as collateral against open option positions from cash/cash equivalents.

^H The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Geographic breakdown (%)

USA	93.7
Canada	6.3
Total	100.0

Total number of investments

Total number of equity investments	37
Total number of fixed income investments	9
Total	46

Key information

Calendar

Year end	January
Accounts published	April
Annual General Meeting	June
Dividend paid	February, June, August, October
Established	1902
Fund managers	Fran Radano
Ongoing charges ^D	0.99%
Annual management fee	0.75% of net assets up to £250m; 0.6% of net assets between £250m; and £500m; 0.5% of net assets above £500m
Premium/(Discount)	(14.6)%
Yield ^E	3.8%
Net cash/(gearing) - including collateral cash ^F	(1.8)%
Net cash/(gearing) - excluding collateral cash ^G	(2.2)%
Active share ^H	86.7%

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross	505.3
Debt	39.5
Cash & cash equivalents	31.2

The North American Income Trust plc

Fund managers' report – continued

Price Index declined from an annual rate of 2.9% in January to 2.8% in February, as expected, but remained above the Fed's 2% target. According to a preliminary estimate, the S&P Global Composite US Purchasing Managers' Index (PMI) declined from 52.5 in February to 52.2 in March, which was lower than expected (with a reading above 50 indicative of an expansion in business activity). Within that, the manufacturing PMI improved from 52.2 to a higher-than-expected 52.5, while the services PMI fell from 52.3 to a worse-than-expected 51.7. Meanwhile, retail sales rose by a lower-than-forecast 0.6% month on month in February, having fallen by a downwardly revised 1.1% in January, as higher prices and interest rates weighed on consumers. Despite the Fed's monetary tightening campaign, the US labour market has remained relatively tight. In particular, the US economy added 275,000 non-farm jobs in February, significantly surpassing expectations. Meanwhile, reduced inflation expectations and a strong labour market continued to support consumer confidence, with the University of Michigan's barometer rising from 76.9 in February to 79.4 in March. The average rate for a 30-year fixed-rate mortgage eased to 6.8% over the month but remained elevated in historical terms.

In portfolio-related corporate news, renewable energy company NextEra Energy hosted a well-received "Renewable Development Day" event for investors, during which it highlighted its leading industry position, significant backlog of projects and the numerous competitive advantages that enable the company to generate internal rates of return that are 5–10% higher than its peers. Oil refiner Phillips 66 is benefiting from a strong crack-spread environment in 2024, resulting from resilient demand for gasoline and tight supplies, which is due to both geopolitical challenges in the Middle East and refinery maintenance. The company also continues to make progress against its strategic initiatives, which are meant to improve its earnings before interest, tax, depreciation and amortisation, as well as its cash flow, through cost cutting, operational improvements, and divestitures.

Banking group JPMorgan Chase was the only company to announce a notable change to its dividend policy in March. The company raised its quarterly dividend by 9.5%, which is equivalent to an annualised yield of 2.3%.

In terms of portfolio activity during the month, we initiated positions in diversified healthcare company UnitedHealth Group and agricultural chemical and seed firm Corteva. Meanwhile, we added to our holdings in industrial gases company Air Products and Chemicals, soft drinks maker Coca-Cola, pharmaceutical firm Merck, real estate investment trust Omega Healthcare Investors, internet services provider Cogent Communications Holdings and beverage firm Keurig Dr Pepper. Meanwhile, we sold our positions in network equipment manufacturer Cisco Systems and agricultural sciences company FMC Corporation. In addition, we trimmed the Trust's holdings in semiconductor manufacturers Analog Devices and Broadcom, Genuine Parts Company, a leading global distributor of automotive and industrial replacement parts, insurers AIG and MetLife, health solutions provider CVS Health, oil refiner Phillips 66, pharmaceutical firm AbbVie, real estate investment trust Gaming & Leisure Properties and oilfield services provider Baker Hughes.

Outlook

US economic growth has been resilient, benefiting from several factors such as unwinding supply-chain pressures, falling energy prices, and higher productivity growth. Despite tighter credit conditions and greatly reduced household savings, the chances of a soft landing versus a mild recession are becoming more balanced as inflation subsides.

¹ Calculated as notional principal of outstanding divided by gross equity assets.

The risks outlined overleaf relating to exchange rate movements is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given.

Important information overleaf

Assets

	%	£m
Equities	98.2	465.2
Fixed Income	1.8	8.4
Total	100.0	473.6

Options

Number of open options positions	6
Equity sleeve optionised ¹	3.40%

Capital structure

Ordinary shares	136,225,094
-----------------	-------------

Allocation of management fees and finance costs

Capital	70%
Revenue	30%

Trading details

Reuters/Epic/ Bloomberg code	NAIT
ISIN code	GB00BJ00Z303
Sedol code	BJ00Z30
Stockbrokers	WINS Investment Trusts
Market makers	SETSmm



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.abrdn.com/trustupdates or www.northamericanincome.co.uk



Contact

Private investors
trusts@abrdn.com

Institutional Investors
InvestmentTrustInvestorRelations-UK@abrdn.com

Ben Heatley
Head of Closed End Fund Sales
Ben.Heatley@abrdn.com

Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares and is by way of information only. Investment should only be following a review of the current Key Information Document (KID) and pre-investment disclosure document (PIDD) both of which are available on www.investortrusts.co.uk. Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. * abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Issued by abrdn Fund Managers Limited, registered in England and Wales (740118) at 280 Bishopsgate, London, EC2M 4AG, authorised and regulated by the Financial Conduct Authority in the UK.

For more information visit abrdn.com/trusts

abrdn.com/trusts

0003219016