The North American Income Trust plc

Seeking resilient growth and rising income from North American equities

Performance Data and Analytics to 31 October 2023

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 31/10/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	258.5p	(5.8)	(7.5)	(4.7)	(14.2)	41.7	20.4
NAV[A]	304.2p	(2.9)	(3.3)	(0.5)	(6.1)	39.8	27.0
Russell 1000 Value		(3.0)	(4.3)	(0.8)	(5.0)	42.7	44.9

Discrete performance (%)

	31/10/23	31/10/22	31/10/21	31/10/20	31/10/19
Share Price	(14.2)	14.7	43.9	(26.6)	15.8
NAV[A]	(6.1)	14.1	30.4	(13.7)	5.2
Russell 1000 Value	(5.0)	10.7	35.6	(7.5)	9.8

Five year dividend table (p)

Financial year[C]	**2022**	**2021**	**2020**	**2019**	**2018**
Total dividend (p)	11.00	10.30	10.00	9.50	8.50

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.

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 (%)

Baker Hughes	4.9
CVS Health	4.5
MetLife	4.3
Merck & Co	4.1
Gaming & Leisure Properties	4.1
Medtronic	3.8
CMS Energy	3.7
Omega Healthcare Investors	3.6
L3Harris	3.5
Cogent Communications	3.5
Total	**40.0**

Sector allocation (%)

Financials	18.5
Health Care	16.9
Energy	11.0
Consumer Staples	8.0
Information Technology	8.0
Real Estate	7.7
Communication Services	7.0
Industrials	6.9
Consumer Discretionary	5.8
Utilities	5.4
Materials	4.8
Total	**100.0**

[A] Including current year revenue.
[B] 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.

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

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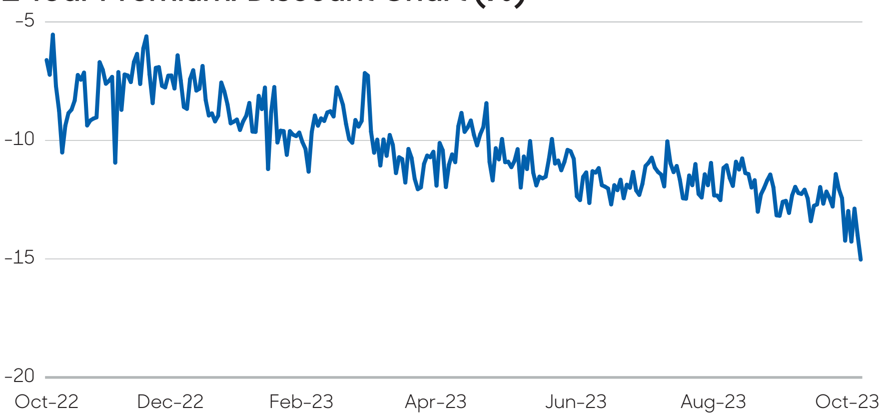
1 Year Premium/Discount Chart (%)



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, while the share price total return underperformed.

US equities ended lower in October. At a speech at the Economic Club of New York, Federal Reserve (Fed) chairman Jerome Powell acknowledged that the recent rise in market interest rates had led to a tightening of financial conditions (highlighting the rise in long-term bond yields). However, the US economy, particularly the labour market, is relatively robust and annual inflation, while declining, is still above the Fed's 2% target. Therefore, future interest rate hikes from the Fed could still be necessary but are likely to be limited in number given a more restrictive financial environment and cooling core inflation. Otherwise, US corporates' third-quarter reporting season has got off to an encouraging start. For the first time since the third quarter of 2022, companies in aggregate are now expected to record a year-on-year increase in earnings. Moreover, annual earnings growth is forecast to accelerate over the fourth quarter of 2023.

In terms of economic data, annual consumer price inflation remained at 3.7% in September, which was slightly above expectations due to elevated energy costs. Meanwhile, the annual core rate (which excludes volatile food and energy prices) fell from 4.3% to 4.1% over the same period. The Fed's preferred measure of inflation – the core Personal Consumption Expenditures Price Index – declined from an annual rate of 3.8% in August to 3.7% in September, but remained well above the Fed's 2% target. Third-quarter annualised GDP, according to an advance estimate, rose by a greater-than-expected 4.9%, driven by increased consumer spending. This increase in GDP came after 2.1% growth in the second quarter and was the highest for nearly two years.

Fund managers' report continues overleaf

Geographic breakdown (%)

USA	93.5
Canada	6.5
Total	**100.0**

Total number of investments

Total number of equity investments	35
Total number of fixed income investments	10
Total	**45**

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]	0.93%
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)	(15.0)%
Yield[E]	4.3%
Net gearing[F]	8.9%
Net gearing[FG]	9.4%
Active share[H]	87.2%

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross	458.1
Debt	41.1
Cash & cash equivalents	3.8

[D] Expressed as a percentage of average daily net assets for the year ended 31 January 2023. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.
[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.

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Fund managers' report - continued

According to a preliminary estimate, the S&P Global Composite US Purchasing Managers' Index (PMI) rose from 50.2 in September to 51.0 in October (with a reading above 50 indicative of an expansion in business activity). Within that, the manufacturing PMI edged up from 49.8 to 50.0, while the services PMI increased from 50.1 to 50.9 (equivalent to accelerating growth). Meanwhile, retail sales rose by a higher-than-expected 0.7% in September, their sixth consecutive monthly rise, as the US consumer remained resilient despite high prices and rising interest rates. The labour market remained strong, with the unemployment rate holding steady at 3.8% and the US economy adding 336,000 jobs in September, the largest gain in eight months. Meanwhile, inflationary challenges have continued to weigh on consumer confidence, with the University of Michigan's barometer falling from 68.1 in September to a lower-than-expected 63.0 in October, according to a preliminary estimate. Also, the average rate for a 30-year fixed-rate mortgage in the US has remained high, at around 7.8%.

In portfolio-related corporate news, utility company CMS Energy announced plans for an 85-megawatt solar array project that will provide enough power for approximately 20,000 homes. The project will be operational by 2026 and replace power generated by the coal plants that the company closed earlier in the year. Also, stock exchange operator CME Group reported better-than-expected earnings thanks to strong volumes in its commodity futures products, along with diligent cost management.

There were no notable dividend actions announced by the Trust's holdings in October.

In terms of portfolio activity during the month, we added to three of our holdings: Genuine Parts Company, a leading global distributor of automotive and industrial replacement parts; semiconductor manufacturer Texas Instruments; and Royal Bank of Canada. Meanwhile, we trimmed the Trust's holdings in semiconductor manufacturers Analog Devices and Broadcom, stock exchange operator CME Group, real estate investment trust Omega Healthcare Investors, oil refiner Phillips 66 and fast-food chain Restaurant Brands International.

Outlook

In September, the Fed paused its tightening cycle, but the resilient US economy and the choppy descent of inflation have caused the bank to keep the door open for another hike if necessary. Up to this point, the consumer has remained strong, buoyed by a loosening, but still healthy, labour market and excess savings accumulated during the pandemic. However, as these savings balances are depleted amid rising gas prices, higher debt servicing costs and the resumption of student loan payments, we expect consumption to be pressured and underlying growth in the US to slow. In line with this, the abrdn 'house' view remains that a mild recession is likely, beginning in the middle of 2024.

[I] 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	98.0	446.6
Fixed Income	2.0	8.9
Total	**100.0**	**455.5**

Options

Number of open options positions	8
Equity sleeve optionised[I]	4.49%

Capital structure

Ordinary shares	138,882,294

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.invtrusts.co.uk/signup
www.northamericanincome.co.uk

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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:

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