Murray Income Trust PLC
LEGAL ENTITY IDENTIFIER (LEI): 549300IRNFGVQIQHUI

Half-Yearly Report for the 6 months ended 31 December 2020

The Directors of Murray Income Trust PLC report the unaudited results for the six months ended 31 December 2020.

Performance Highlights

Net asset value total return{A}		Share price total return{A}		Benchmark total return		Ongoing charges{A,B}	
Six months ended 31 December 2020	+9.2%	Six months ended 31 December 2020	+11.6%	Six months ended 31 December 2020	+9.3%	Six months ended 31 December 2020	0.46%
Year ended 30 June 2020	-5.3%	Year ended 30 June 2020	-5.8%	Year ended 30 June 2020	-13.0%	Year ended 30 June 2020	0.64%
Earnings per share		**Dividend per Ordinary share**		**Dividend yield{A}**		**Discount to net asset value{A}**	
Six months ended 31 December 2020	13.5p	Year ended 30 June 2020	34.25p	As at 31 December 2020	4.1%	As at 31 December 2020	-3.0%
Six months ended 31 December 2019	15.4p	Year ended 30 June 2019	34.00p	As at 30 June 2020	4.5%	As at 30 June 2020	-5.0%

	31 December 2020	30 June 2020
Equity shareholders' funds (£'000)	1,003,997	534,361
Net asset value per Ordinary share - debt at par	857.8p	808.3p
Share price of Ordinary share (mid-market)	832.0p	768.0p

{A} Considered to be an Alternative Performance Measure.
{B} Lower than would normally be expected due to a management fee waiver in respect of net assets transferred from Perpetual Income and Growth Investment Trust plc in November 2020.

Dividends

	Rate	XD date	Record date	Payment date
First interim	12.55p	29 Oct 2020	30 Oct 2020	17 Dec 2020
Second interim	3.95p	18 Feb 2021	19 Feb 2021	18 Mar 2021
Third interim	8.25p	20 May 2021	21 May 2021	17 Jun 2021

Financial Calendar

Payment dates of quarterly dividends	December, March, June, September
Financial year end	30 June
Expected announcement date of annual results	September
Annual General Meeting (London)	November

CHAIRMAN’S STATEMENT

First I would like to reiterate my warm welcome to all our new shareholders and to thank them and our existing shareholders for their strong support during the merger with Perpetual Income and Growth Investment Trust ("PLI"). The merger was completed successfully on 17 November 2020 with 80% of PLI and net assets of £427m joining us, representing 43.5% of the enlarged Company. Some of the results can be seen already. Net assets are now over £1bn, trading volumes are higher, and we have seen an approximate halving of the bid-offer spread when trading. Your Company has also been included in the FTSE 250 Index. Once the Manager's six-month management fee subsidy has expired, the Company's blended management fee rate will be 0.36% p.a. as compared to the pre-merger rate of 0.48% p.a.

Performance

After an exceptional run of outperformance for nine quarters in a row, we ran into some performance headwinds in the final quarter of 2020 which our Manager Charles Luke explains in more detail in his report. Over the six months ended 31 December 2020, the Company's net asset value ("NAV") per share rose 9.2% in total return terms, slightly behind the FTSE All-Share Index (the "Index") return of 9.3%. The share price total return was 11.6% with the discount narrowing from 5.0% to 3.0%.

Looking over longer periods to 31 December 2020, as set out in the table below, performance is significantly ahead of the Index over one, three, five and ten years.

At the same time we continue to grow our dividend, with a dividend increase chalked up in every one of the past forty-seven years. This puts us into the top ten (as measured by the number of years of dividend growth) in the AIC's 'Dividend Heroes' list of investment trusts with 20 years or more of consecutive annual dividend growth.

Performance (total return)	Year ended 31 December 2020	3 years ended 31 December 2020	5 years ended 31 December 2020	10 years ended 31 December 2020
Net Asset Value per Ordinary share (par){A}	-5.1%	11.5%	44.7%	103.1%
Share price per Ordinary share{A}	-2.4%	19.5%	55.1%	105.5%
FTSE All-Share Index	-9.8%	-2.7%	28.5%	71.9%

{A} Considered to be an Alternative Performance Measure.

Source: Aberdeen Standard Investments, Morningstar & Lipper

Investment Objective

The Company aims for a high and growing income combined with capital growth through investment in a portfolio principally of UK equities. Plain vanilla if you like, it is a diversified portfolio of quality companies.

Investment Process

Our Manager's investment process is best summarised as a search for good quality companies at attractive valuations. The Manager defines a quality company as one capable of strong and predictable cash generation, sustainably high returns on capital and with attractive growth opportunities. These typically result from a sound business model, a robust balance sheet, good management and strong environmental, social and governance characteristics. These qualities have helped avoid the worst of the dividend shocks in 2020.

Investment People

Aberdeen Standard Investments is our appointed investment management company. Charles Luke has been our portfolio manager since 2006. His deputy is Iain Pyle and they are members of the now seven-strong UK Equity Income pod which itself is part of the fifteen-strong UK Equity team headed by Andrew Millington.

Annual General Meeting ("AGM")

Due to UK Government restrictions related to Covid-19, we had to hold our AGM on 27 November 2020 as a closed meeting with the minimum legal number of shareholders. The Board hopes that these restrictions will have eased before the next AGM, due to held in London on 2 November 2021, and will make extra efforts to reach out to shareholders as soon as we are able.

Dividends

Every October the Company announces its first, second and third interim dividends for the financial year. On 12 October 2020 we announced a first interim dividend of 12.55p per share to be paid on 17 December 2020, a second interim dividend of 3.95p per share to be paid on 18 March 2021 and a third interim dividend of 8.25p per share to be paid on 17 June 2021. The aggregate of the three interim dividends is 24.75p per share which is the same as that paid for the three interim dividends in respect of the previous year ended 30 June 2020. The Board will announce the rate for its fourth interim dividend in August 2021 with payment expected in September 2021.

The interim dividend paid on 17 December 2020 was received by those shareholders on the register on 30 October 2020, that is, before the merger with PLI. Shareholders of PLI received a dividend of 13.0p per PLI share on 13 November 2020, representing the payout of the PLI revenue reserves.

Covid-19 has led to a sudden, large and unexpected cut in dividend payments from many UK companies. Hit hard by declining revenues, companies have chosen to conserve cash or followed guidance to suspend dividends whilst in receipt of government furlough funding or other assistance. Companies are beginning to restore their dividends but many will not be able to bring them back to anywhere near their previous levels. The latest UK Dividend Monitor published by Link Group found that calendar year 2020 dividends for the UK market as a whole were down 44% on 2019 levels and forecast that it would take until 2025 for them to regain their 2019 levels. Our Manager estimates a 16% reduction in our portfolio income in 2020 and it may take until 2025 for the portfolio income levels to attain new highs.

One of the big advantages of investment trusts is that they can use their reserves accumulated over the years to smooth dividend payments in times like these. Revenue reserves are used first in this situation. Shareholders voted in November 2020 to allow the Company to pay dividends from capital if necessary. We do not plan to pay dividends from capital reserves, but having them available is an insurance policy that will give us the confidence to grow the dividend faster in future.

In the year ended 30 June 2020 we were able to increase our full year dividend per share to 34.25p which represents a yield of 4.1% on the 31 December 2020 share price of 832p. We did this by paying out 30.50p as last year's revenue supplemented by 3.75p from revenue reserves. This reduced our revenue reserves per share from 27.8p to 24.1p per share, a number which was then diluted to 15.5p upon the issue of new shares to the incoming PLI shareholders. In line with the Company's income objective, continued dividend growth is a key consideration for the Board.

Share Capital

The Company did not issue, sell from treasury, or buy back any shares during the six months ended 31 December 2020 other than in connection with the merger with PLI. As at 31 December 2020, there were 117,046,487 Ordinary 25p shares in issue with voting rights and an additional 2,483,045 shares held in treasury.

Borrowings and Gearing

As part of the merger, the Company absorbed PLI's £60m 4.37% senior loan notes 2029. Alongside the Company's existing £40m 2.51% senior loan notes 2027 and a new one year £20m floating rate multicurrency bank facility, this provides a mixture of fixed and floating rate debt maturing at different times.

With £6.5m drawn down from the Company's multicurrency bank facility, and partially off-set by £17.0m cash on deposit, net borrowings at the period end totalled £102.6m, which is equivalent to 10.2% of net assets. The beta of the investment portfolio is currently running at 0.88, meaning that statistically the portfolio is expected to capture 88% of any market movement, up or down. The Board continues to believe that the appropriate neutral gearing rate is 10%. The annualised cost of the Company's current borrowings is 0.21% of NAV.

Environmental, Social and Governance ("ESG")

ESG is one of the key components of Aberdeen Standard Investments' philosophy as it seeks to mitigate risk and enhance returns. The Company benefits from the significant amount of time and resource that the Manager dedicates to focusing on the ESG characteristics of the companies in which they invest. ESG considerations are deeply embedded in the company analysis carried out by the Manager who is also able to draw on the expertise of more than 30 in-house ESG specialists. This results in frequent dialogue with investee companies and helps to ensure that the companies in the portfolio are acting in the best long term interests of their shareholders and society at large. The Company has been awarded a Morningstar Sustainability Rating of four out of five.

Update

From 31 December 2020 to 15 February 2021, the NAV per share total return and share price total return were 3.2% and 2.6%, respectively, while the discount had widened from 3.0% to 3.6%. The FTSE All-Share Index total return was 4.7%.

Outlook

Just about everybody who has expressed a confident view in the past year about what would happen regarding the pandemic, politics or the economic outlook has been made to look foolish at some point, often very quickly. There are still large forces of unusual magnitude interacting with each other. Trying to predict the residual economic or stock market outlook is so difficult that whatever the conclusion, a very low level of confidence should remain. Possible tailwinds include a successful vaccination programme meaning that the UK can move much closer to normal during the summer, the pent-up demand from UK consumers who have more savings but have had fewer opportunities to spend, companies adapting to Brexit faster than many predicted, the stimulation programmes from governments and central banks and overseas investors still being at historically low weightings in the UK. Possible headwinds include further mutations of the Covid-19 virus or a vaccination setback, government policy being unable to lift the economy out of recession, rising interest rates, the massive stimulus leading us into a new era of inflation plus political uncertainty as the US, China, Russia, European Union and the UK spar with each other.

The Austrian economist Joseph Schumpeter revised the Marxist concept of "creative destruction". Essentially, he wrote how capitalism continually reinvents itself with new companies or technologies coming along that render old ones obsolete. Typically the process speeds up in times of recession or technological advance, which would aptly describe the last ten years except that super-low interest rates have kept afloat many companies that would not normally have survived. Think high-street retail, airlines or European banks for example. The pandemic has put such a serious hole in the cash flows of many of these zombie companies that it is likely that a large number of these will not be around for the recovery. It has also accelerated trends that were already established, such as Zoom versus business travel and online versus high street shopping. Whatever your view on Brexit, it is going to be different: some companies will be winners, some losers.

All in all, it would seem that the next ten years are going to be very different from the last ten. To succeed, companies will first need the balance sheet strength to survive long enough and to be able to invest in the future. They will need well-rehearsed strategies to navigate changing conditions. They will be exposed to future growth areas or if not they will be spinning off cash for their shareholders. They will act responsibly in consideration of their employees, their customers and the environment. In other words, they will need to be quality companies.

Happy Vaccinations!

Neil Rogan,
Chairman
17 February 2021

INTERIM BOARD REPORT

Principal Risks and Uncertainties
The Board regularly reviews the principal risks and uncertainties which it has identified, together with the delegated controls it has established to manage the risks and address the uncertainties, and these are set out in detail on pages 19 to 22 of the Company's Annual Report for the year ended 30 June 2020 ("Annual Report 2020") which is available on the Company's website. The Annual Report 2020 also contains, in note 17 to the Financial Statements, an explanation of other risks relating to the Company's investment activities, specifically market risk, liquidity risk and credit risk, and a note of how these risks are managed.

Related Party Transactions
Under Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties have been identified. There have been no related party transactions that have had a material effect on the financial position of the Company.

Going Concern
The factors which have an impact on the Company's status as a going concern are set out in the Going Concern section of the Directors' Report on page 42 of the Annual Report 2020. As at 31 December 2020, there had been no significant changes to these factors.

The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with covenants associated with the Senior Loan Notes and bank facilities. As at 31 December 2020, in addition to the £40m 10 year Senior Loan Notes 2027 and £60m 10 year Senior Loan Notes 2029, £6.5m of the Company's one-year £20m multi-currency revolving bank credit facility (the "Facility") was drawn down. In advance of expiry of the Facility in November 2021, the Company will enter into negotiations with its bankers. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access the Facility. However, should these terms not be forthcoming, any outstanding borrowing will be repaid through the proceeds of equity sales.

The Directors are mindful of the principal risks and uncertainties disclosed above and, having reviewed forecasts detailing revenue and liabilities, they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the Financial Statements.

US Executive Order No. 13959
The Board confirms that the Company does not and will not invest in any of the companies designated as "Communist Chinese Military Companies" by the US Executive Order No. 13959.

Statement of Directors' Responsibilities
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 Guidance 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 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 December 2020 comprises the Half-Yearly Board Report, the Directors' Responsibility Statement and the condensed set of Financial Statements.

For and on behalf of the Board

Neil Rogan,
Chairman
17 February 2021

MANAGER'S INVESTMENT REPORT
The portfolio performed broadly in line with the benchmark during the six months ended 31 December 2020 with the NAV per Ordinary share rising by 9.2% compared to an increase in the FTSE All-Share Index of 9.3% (both figures calculated on a total return basis).

The portfolio outperformed for the first three months of the period as the benchmark index fell. The portfolio's underweight positions in the oil & gas and bank sectors benefited performance. However, in the second half of the period the portfolio underperformed (albeit rising very strongly in absolute terms) as the announcement of successful coronavirus vaccine trials and the election victory of Joe Biden led to a sharp rally and a rotation from good quality companies into poorer quality 'value' companies. Those companies that performed strongly included those whose survivability had been questioned up to this point, as well as companies that were in more economically sensitive areas of the market. This second three month period witnessed a reversal in terms of sector performance with the portfolio underperforming due to its lack of exposure to oil & gas and bank stocks relative to the benchmark and its overall focus on good quality companies.

During November the combination of the portfolio with the Perpetual Income and Growth Investment Trust ("PLI") portfolio took place. The PLI portfolio had already been broadly aligned with Murray Income's portfolio hence it was a relatively simple process to aggregate the two portfolios and we did not inherit any unwanted holdings.

We added four new holdings to the portfolio during the period. The first purchase was Safestore, which owns and operates self-storage facilities mostly in the UK and France. The business has attractive defensive attributes and further scope for growth from greater occupancy and better pricing. The second new entrant was Direct Line, the personal and commercial insurance provider. The business benefits from a strong brand and was purchased given its attractive dividend yield and resilient earnings stream. The third purchase was Intermediate Capital Group, the specialist investment firm and asset manager, where we have confidence in future fund raising opportunities, the company's strong balance sheet, and like the visibility of future management fees coupled with a healthy dividend yield. The final new holding was Softcat which is the second largest technology reseller in the UK. Its culture, customer relationships and broad offering should continue to allow it to outperform a fragmented market.

We increased exposure to a number of our existing holdings which we believe have high quality characteristics with attractive growth prospects including: Marshalls, Close Brothers, Croda, Ashmore and Diageo.

We sold three holdings. Firstly, National Express, the bus operator, as we became less confident in the pace of recovery for earnings and the timing of the reinstatement of the dividend. Secondly, the small holding in Diversified Gas & Oil was also sold. Finally, the residual holding in AB Foods was sold given the more challenging trading environment and lack of an online presence for Primark.

Profits were taken in a number of holdings that had performed strongly and where the valuation had started to look less attractive such as Aveva and Roche.

We continued our measured option-writing programme which is based on our fundamental analysis of holdings in the portfolio. We strongly believe that the option-writing strategy has been of benefit to the Company by diversifying and increasing the level of income generated, providing headroom to invest in companies with lower starting yields but better dividend and capital growth prospects.

Market and Economic Background

The UK equity market rose by 9.3% on a total return basis over the 6 month period. The market gently retreated from the start of July to the end of October as concerns around coronavirus and, in particular the implications of a second wave on the economy, continued to be at the forefront of investors' minds. Brexit discussions also came back into focus ahead of the end of the transition period. However, the market staged a very strong rally from November onwards as it became clear that Joe Biden had won the US presidency, then again due to successful trial results of three major Covid-19 vaccines which pushed sectors hit by pandemic-related disruption higher. Markets also responded positively to the late Brexit deal on Christmas Eve. Despite the recovery in the second half of the calendar year, the market ended 2020 down 9.8% on a total return basis.

Over the 6 month period in question at a sector level, the more economically sensitive areas of the market (such as mining and industrials) and particularly those sectors (such as travel & leisure and general retail) that had been most impacted by the coronavirus outperformed. In contrast, the more defensive areas (including healthcare and utilities) underperformed. The Mid Cap Index outperformed the FTSE 100 by around 10% over the period generally reflective of its relatively more economically sensitive constituents.

Domestic economic data published across the first half of the period reflected the prior gradual easing of coronavirus restrictions. UK GDP grew month-on-month until November when it fell by 2.6%, the first time GDP had fallen since April. The initial rounds of emergency fiscal stimulus packages delivered at the peak of the crisis began to expire but these were generally extended. Indeed, the Autumn Budget was cancelled given the need for a nearer term focus on protecting the economy. The Bank of England maintained base rates at 0.1% throughout the period but increased the size of its government bond purchasing program to £875 billion at its November meeting given further lockdowns impacting the recovery. For 2020, our economists expect a fall of 11.5% in GDP (the worst performance in the G7) followed by a recovery of 6.2% in 2021 and 5.3% in 2022, the recovery being marginally ahead of consensus forecasts given a supportive monetary and fiscal policy backdrop, helping to offset the additional headwinds associated with the Brexit trade agreement.

Overseas, recent data has suggested that the global economy continues its recovery but further coronavirus lockdowns have diminished the pace of the upturn to varying degrees. In the Eurozone weak Purchasing Managers' Index data suggests a fall in economic activity during the fourth quarter of 2020. In contrast, the US economy has been relatively resilient and should benefit from further fiscal easing. In Asia, and particularly China, economic activity is returning to normal in a number of countries.

Looking forward, the trajectory of economic recovery in the UK continues to be relatively uncertain and on a global basis, in a number of regions, further waves of coronavirus may create near term headwinds. However, with the roll-out of vaccines beginning in earnest, the route out of the pandemic is now clearer. In addition, the Brexit deal has now been agreed and although there will be assorted ramifications for some time, in many cases businesses' ability to plan for the future has improved. In the United States, the election of Joe Biden removes a further source of uncertainty. Although the picture has become brighter, we retain an air of caution given the likelihood that the scars of the post-Covid-19 environment will be characterised by a period of modest growth, low interest rates, pressure on company profits and high corporate debt. In these circumstances we believe that companies with attractive dividend yields, sound growth prospects and strong balance sheets are likely to be prized more highly. Therefore it seems eminently sensible to maintain our careful and measured approach to investing in high quality companies that should be able to thrive in a challenging environment and provide the potential to grow their earnings and hence their dividends over the long term.

Charles Luke and Iain Pyle,
Aberdeen Asset Managers Limited
Investment Manager
17 February 2021

Investment Case Studies

Dechra Pharmaceuticals

Dechra Pharmaceuticals ("Dechra") is a fast growing global specialist veterinary pharmaceuticals company. The business is well positioned in the companion animal segment of the market, with a greater share of its business represented by this segment than any of its major veterinary peers. The companion animal market is enjoying strong fundamentals driven by growing pet ownership, particularly in emerging markets, and an increasing per capita spend on pets in developed markets.

Our expectation is that Dechra will deliver strong earnings growth driven by continued new pipeline product introductions, further geographical expansion and the rapid growth of its US business. Longer-term, Dechra has an expanding pipeline with key products including Tri-Solfen, a local anaesthetic product used with food producing animals and a long-acting veterinary insulin for use in dogs. In addition the company has a strong track record of bolt-on acquisitions using its salesforce to generate increased revenues from acquired products.

Safestore

Safestore is the UK's largest self-storage company. The company also has operations in France with a nascent presence in Holland, Belgium and Spain. Safestore operates in an attractive industry where supply is constrained (given planning restrictions and the availability of suitable land), the use of the internet as an enquiry channel favours the larger players, there is very low obsolescence risk and the self-storage market is less developed than countries such as the United States and Australia. The relatively low personal consumer awareness of self-storage provides an opportunity for future industry growth while demand from business customers is also increasing driven by the growth of online retailers.

Earnings and hence dividend growth should continue to progress as Safestore has the opportunity to increase occupancy and continue to improve pricing which given the relatively fixed nature of the cost base mostly converts to profit. Furthermore, the company has opportunities to open new sites in the UK while the European operations provide a further avenue for growth under the auspices of an entrepreneurial management team that have generated a strong track record.

MURRAY INCOME TRUST PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

		Six months ended 31 December 2020		
		Revenue	Capital	Total
	Notes	£'000	£'000	£'000
Gains on investments		-	47,935	47,935
Currency gains		-	103	103
Income	2	11,852	-	11,852
Investment management fees	4, 13	(365)	(851)	(1,216)
Administrative expenses		(648)	-	(648)
Net return before finance costs and taxation		10,839	47,187	58,026
Finance costs		(218)	(509)	(727)
Net return before taxation		10,621	46,678	57,299
Taxation	5	(13)	-	(13)
Net return after taxation		**10,608**	**46,678**	**57,286**
Return per Ordinary share	6	**13.5p**	**59.4p**	**72.9p**

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance issued by the Association of Investment Companies.

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

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

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

MURRAY INCOME TRUST PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited) (Cont'd)

	Notes	Six months ended 31 December 2019 Revenue £'000	Capital £'000	Total £'000
Gains on investments		-	42,918	42,918
Currency gains		-	139	139
Income	2	11,412	-	11,412
Investment management fees	4, 13	(410)	(956)	(1,366)
Administrative expenses		(607)	-	(607)
Net return before finance costs and taxation		10,395	42,101	52,496
Finance costs		(170)	(396)	(566)
Net return before taxation		10,225	41,705	51,930
Taxation	5	(25)	-	(25)
Net return after taxation		**10,200**	**41,705**	**51,905**
Return per Ordinary share	6	**15.4p**	**63.1p**	**78.5p**

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance issued by the Association of Investment Companies.

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

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

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

MURRAY INCOME TRUST PLC
CONDENSED STATEMENT OF FINANCIAL POSITION (unaudited)

	Notes	As at 31 December 2020 £'000	As at 30 June 2020 £'000
Non-current assets			
Investments at fair value through profit or loss		1,104,217	561,207
Current assets			
Other debtors and receivables		6,258	4,854
Cash and cash equivalents		16,995	16,365
		23,253	21,219
Creditors: amounts falling due within one year			
Derivative financial instruments		(830)	-
Other payables		(3,075)	(1,494)
Bank loans	7	(6,505)	(6,667)
		(10,410)	(8,161)
Net current assets		12,843	13,058
Total assets less current liabilities		1,117,060	574,265
Creditors: amounts falling due after one year			
2.51% Senior Loan Notes 2027	7	(39,911)	(39,904)
4.37% Senior Loan Notes 2029	7	(73,152)	-
Net assets		**1,003,997**	**534,361**
Capital and reserves			
Share capital	8	29,882	17,148
Share premium account		438,213	24,020
Capital redemption reserve		4,997	4,997
Capital reserve		512,679	466,001
Revenue reserve		18,226	22,195
Total Shareholders' funds		**1,003,997**	**534,361**
Net asset value per Ordinary share	9		
Debt at par value		**857.8p**	**808.3p**

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

MURRAY INCOME TRUST PLC
CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

Six months ended 31 December 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2020	17,148	24,020	4,997	466,001	22,195	534,361
Net return after tax	-	-	-	46,678	10,608	57,286
Issue of shares on merger	12,734	414,486	-	-	-	427,220
Cost of shares issued in respect of the merger	-	(293)	-	-	-	(293)
Dividends paid (note 3)	-	-	-	-	(14,577)	(14,577)
Balance at 31 December 2020	**29,882**	**438,213**	**4,997**	**512,679**	**18,226**	**1,003,997**

Six months ended 31 December 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2019	17,148	24,020	4,997	515,981	25,004	587,150
Net return after tax	-	-	-	41,705	10,200	51,905
Dividends paid (note 3)	-	-	-	-	(12,065)	(12,065)
Balance at 31 December 2019	**17,148**	**24,020**	**4,997**	**557,686**	**23,139**	**626,990**

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

MURRAY INCOME TRUST PLC
CONDENSED STATEMENT OF CASH FLOWS (unaudited)

	Notes	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000
Operating activities			
Net return before finance costs and taxation		58,026	52,496
Increase in accrued expenses		535	432
Overseas withholding tax		(13)	(50)
Dividend income		(10,929)	(10,286)
Dividends received		9,764	10,384
Interest income		-	(79)
Interest received		-	81
Interest paid		(392)	(571)
Amortisation of Loan Notes		(185)	2
Foreign exchange gains		(103)	(139)
Gains on investments		(47,935)	(42,918)
Increase in other debtors		(263)	(168)
Stock dividends included in investment income		(245)	(788)
Net cash inflow from operating activities		8,260	8,396
Investing activities			
Purchases of investments		(54,759)	(66,822)
Sales of investments		24,025	73,800
Costs associated with the merger		(635)	-
Net cash (outflow)/inflow from investing activities		(31,369)	6,978
Financing activities			
Dividends paid	3	(14,577)	(12,065)
Cost of shares issued in respect of the merger		(293)	-
Net cash acquired following merger		38,668	-
Repayment of bank loans		(6,582)	(2,051)
Drawdown of bank loans		6,568	2,020
Net cash inflow/(outflow) from financing activities		23,784	(12,096)
Increase in cash		**675**	**3,278**
Analysis of changes in cash during the period			
Opening balance		16,365	27,171
Effect of exchange rate fluctuations on cash held		(45)	(95)
Increase in cash as above		675	3,278
Closing balance		**16,995**	**30,354**

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

Notes to the Financial Statements

1. Accounting policies

Basis of preparation. The condensed financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019 (the AIC SORP). 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.

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

2. Income

	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000
Investment income		
UK dividends	8,960	8,515
Overseas dividends	1,117	403
Property income dividends	607	580
Stock dividends	245	788
	10,929	10,286
Other income		
Deposit interest	-	79
Stock lending income	-	12
Traded option premiums	923	1,035
	923	1,126
Total income	**11,852**	**11,412**

3. **Dividends.** Dividends paid on Ordinary shares deducted from the revenue reserve:

	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000
2019 final dividend - 10.00p	-	6,611
2020 first interim dividend - 8.25p	-	5,454
2020 fourth interim dividend - 9.50p	6,280	-
2021 first interim dividend - 12.55p	8,297	-
	14,577	**12,065**

The first interim dividend for 2021 of 12.55p (2020 – 8.25p) was paid on 17 December 2020 to shareholders on the register on 30 October 2020, before the merger of the Company with Perpetual Income and Growth Investment Trust plc. The ex-dividend date was 29 October 2020.

A second interim dividend for 2021 of 3.95p (2020 - 8.25p) will be paid on 18 March 2021 to shareholders on the register on 19 February 2021. The ex-dividend date is 18 February 2021.

A third interim dividend for 2021 of 8.25p (2020 - 8.25p) will be paid on 17 June 2021 to shareholders on the register on 21 May 2021. The ex-dividend date is 20 May 2021.

4. **Management fee and finance costs.** The management fee and finance costs are as reported in the Annual Report 2020 being a tiered fee based on net assets and calculated as follows:

Fee rate per annum	Net assets	£'million

0.55%	less than	350
0.45%	within the range	350-450
0.25%	greater than	450

Aberdeen Standard Fund Managers Limited agreed to waive the management fee payable by the Company in respect of the net assets transferred to the Company for a period of 182 days following completion of the merger on 17 November 2020.

5. **Taxation.** The expense for taxation 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 30 June 2021 is an effective rate of 19% (2020 - 19%).

During the period the Company suffered withholding tax on overseas dividend income of £13,000 (31 December 2019 - £25,000).

6. **Return per Ordinary share**

	Six months ended 31 December 2020		Six months ended 31 December 2019	
	£'000	**p**	**£'000**	**p**
Revenue return	10,608	13.5	10,200	15.4
Capital return	46,678	59.4	41,705	63.1
Total return	**57,286**	**72.9**	**51,905**	**78.5**

Weighted average number of Ordinary shares in issue	**78,567,605**	**66,110,413**

7. **Senior Loan Notes and bank loan.** The Company has in issue £40,000,000 of 10 year Senior Loan Notes at a fixed rate of 2.51%. Interest is payable in half yearly instalments in May and November and the Loan Notes are due to be redeemed at par on 8 November 2027. The Loan Notes are secured by a floating charge over the whole of the assets of the Company. The Company has complied with the Note Purchase Agreement that the ratio of net assets to gross borrowings will be greater than 3.5:1 and that net assets will not be less than £275,000,000.

The fair value of the 2.51% Senior Loan Notes as at 31 December 2020 was £40,175,000 (30 June 2020 - £40,266,000), the value being calculated by aggregating the expected future cash flows discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time.

As a result of the merger with Perpetual Income and Growth Investment Trust plc on 17 November 2020 (as explained in note 14), £60,000,000 of 15 year Senior Loan Notes at a fixed rate of 4.37% issued on 8 May 2014 was novated to the Company. Under FRS 102 the loan notes are required to be recorded initially at their fair value of £73,344,000 in the Company's Financial Statements and will be amortised over the remaining life of the loan. The amortisation of the fair value adjustment is presented as a finance cost, split 70% to capital and 30% to revenue. Interest is payable in half yearly instalments in May and November and the Loan Notes are due to be redeemed at par on 8 May 2029. The Loan Notes are secured by a floating charge over the whole of the assets of the Company. The Company has complied with the Note Purchase Agreement that the ratio of net assets to gross borrowings will be greater than 2:1 and that net assets will not be less than £350,000,000.

The fair value of the 4.37% Senior Loan Notes as at 31 December 2020 was £74,308,000, the value being based on a comparable quoted debt security.

The Company's three year £20 million multi-currency unsecured revolving bank credit facility with Scotiabank (Ireland) expired on 6 November 2020. The Company entered into a new one year £20 million multi-currency unsecured revolving bank credit facility with Scotiabank Europe, committed until 3 November 2021. At 31 December 2020 the Company had drawn down £6,505,000 (30 June 2020 - £6,667,000) of the facility.

	31 December 2020	30 June 2020

	Rate	Currency	£'000	Rate	Currency	£'000
Euro	0.95%	1,800,000	1,611	0.85%	1,800,000	1,636
Swiss Franc	0.95%	3,000,000	2,483	0.85%	3,000,000	2,562
US Dollar	1.10275%	850,000	622	1.03475%	850,000	688
Danish Krona	3.40%	6,000,000	721	0.85%	6,000,000	732
Norwegian Krone	1.21%	12,500,000	1,068	1.01%	12,500,000	1,049
			6,505			**6,667**

8. **Share capital**

	Six months ended 31 December 2020	Year ended 30 June 2020
Ordinary shares of 25p each: publicly held		
Opening balance	66,110,413	66,110,413
Issue of shares on merger	50,936,074	-
	117,046,487	**66,110,413**
Ordinary shares of 25p each; held in treasury		
Opening and closing balance	2,483,045	2,483,045
Total issued share capital	**119,529,532**	**68,593,458**

9. **Net asset value per Ordinary share.** The net asset value and the net asset value attributable to the Ordinary shares at the end of the period follow. These were calculated using 117,046,487 (30 June 2020 - 66,110,413) Ordinary shares in issue at the period end (excluding treasury shares).

		31 December 2020 Net Asset Value Attributable		30 June 2020 Net Asset Value Attributable
	£'000	pence	£'000	pence
Net asset value - debt at par	1,003,997	857.8	534,361	808.3
Add: amortised cost of 2.51% Senior Loan Notes	39,911	34.1	39,904	60.4
Add: amortised cost of 4.37% Senior Loan Notes	73,152	62.5	-	-
Less: fair value of 2.51% Senior Loan Notes	(40,175)	(34.3)	(40,266)	(61.0)
Less: fair value of 4.37% Senior Loan Notes	(74,308)	(63.5)	-	-
Net asset value - debt at fair value	**1,002,577**	**856.6**	**533,999**	**807.7**

10. **Transaction costs.** During the period, expenses were incurred in acquiring or disposing of investments classified at fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 December 2020	Six months ended 31 December 2019
	£'000	£'000
Purchases{A}	224	281

Costs associated with the merger{B}	2,519	-
Sales{A}	7	26
	2,750	**307**

{A} Costs associated with the purchases and sale of portfolio investments in the normal course of the Company's business comprising stamp duty, financial transaction taxes and brokerage.

{B} Costs associated with the acquisition of assets from PLI, comprising £1,863,000 relating to stamp duty and financial transaction taxes and £656,000 relating to professional fees.

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 has the following levels:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

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

As at 31 December 2020	**Note**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,104,217	-	-	1,104,217
Financial liabilities at fair value through profit or loss					
Derivatives	b)	(424)	(406)	-	(830)
Net fair value		**1,103,793**	**(406)**	**-**	**1,103,387**

As at 30 June 2020	**Note**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss					
Quoted equities	a)	561,207	-	-	561,207
Net fair value		**561,207**	**-**	**-**	**561,207**

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) Derivatives. The fair value of the Company's investments in Exchange Traded Options has been determined using observable market inputs on an exchange traded basis and therefore has been included in Fair Value Level 1.

The fair value of the Company's investments in Over the Counter Options (where the underlying equities are also held) has been determined using observable market inputs other than quoted prices of the underlying equities (which are included within Fair Value level 1) and therefore determined as Fair Value Level 2.

All other financial assets and liabilities of the Company are included in the Condensed Statement of Financial Position at their book value which in the opinion of the Directors is not materially different from their fair value.

12. **Analysis of changes in net debt**

	At 30 June 2020 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 December 2020 £000
Cash and cash equivalents	16,365	(45)	675	-	**16,995**
Debt due within one year	(6,667)	148	14	-	**(6,505)**
Debt due after one year	(39,904)	-	-	(73,159)	**(113,063)**
Total	**(30,206)**	**103**	**689**	**(73,159)**	**(102,573)**

	At 30 June 2019 £000	Currency differences £000	Cash flows £000	Non-cash movements £000	At 31 December 2019 £000
Cash and cash equivalents	27,171	(95)	3,278	-	**30,354**
Debt due within one year	(6,601)	234	31	-	(6,336)
Debt due after one year	(39,896)	-	-	(2)	**(39,898)**
Total	**(19,326)**	**139**	**3,309**	**(2)**	**(15,880)**

13. **Transactions with the Manager.** The Company has delegated the provision of investment management, secretarial, accounting and administration and promotional services to Aberdeen Standard Fund Managers Limited ("ASFML" or the "Manager").

The amounts charged for the period are set out below:

	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000
Management fees	1,216	1,366
Promotional activities	241	255
Secretarial fees	45	45
	1,502	**1,666**

The amounts payable at the period end are set out below:

	Six months ended 31 December 2020 £'000	Six months ended 31 December 2019 £'000
Management fees	373	462
Promotional activities	94	178
Secretarial fees	23	45
	490	**685**

No fees are charged in the case of investments managed or advised by the Standard Life Aberdeen PLC group. There was one commonly managed fund held in the portfolio during the six months to 31 December 2020 (2019 - one). The management agreement may be terminated by either party on the expiry of three months written notice. On termination the Manager would be entitled to receive fees which would otherwise have been due up to that date.

14. **Transaction with Perpetual Income and Growth plc ("PLI")**. On 17 November 2020, the Company announced that it had acquired £427 million of net assets from PLI in consideration for the issue of 50,936,074 new Ordinary shares based on the respective formula asset values of the two entities on 12 November 2020.

Net assets acquired	**£'000**
Investments	459,361
Cash	38,668
Debtors	2,583
Current liabilities	(48)
Long term liabilities - 4.37% senior loan notes 2029	(73,344)
Net assets	**427,220**
Satisfied by the value of new Ordinary shares issued	**427,220**

With the exception of the long term liabilities, which are amortised over the remaining life of the loan as explained in note 7, there were no fair value adjustments on completion of the merger made to the above figures.

15. **Segmental Information.** The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

16. 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 30 June 2020 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 of the Companies Act 2006.

17. This Half-Yearly Financial Report was approved by the Board on 17 February 2021.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are reviewed as particularly relevant for closed-end investment companies.

Total return. Total return is considered to be an alternative performance measure. Share price and NAV total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the FTSE All-Share Index, respectively.

		Share price	NAV
Opening at 1 July 2020	a	768.0p	808.3p
Closing at 31 December 2020	b	832.0p	857.8p
Price movements	c=(b/a)-1	8.3%	6.1%
Dividend reinvestment{A}	d	3.3%	3.1%
Total return	c+d	**11.6%**	**9.2%**

{A} Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend.

Discount to net asset value per Ordinary share. The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value.

		31 December 2020	30 June 2020
NAV per Ordinary share (p)	a	857.8p	808.3p
Share price (p)	b	832.0p	768.0p
Discount	(b-a)/a	**(3.0%)**	**(5.0%)**

Dividend yield. The annual dividend of 34.25p per Ordinary share (30 June 2020 - 34.25p) divided by the share price of 832.00p (30 June 2020 768.00p), expressed as a percentage

		31 December 2020	30 June 2020
Dividends per share (p)	a	34.25p	34.25p
Share price (p)	b	832.0p	768.0p
Dividend yield	a/b	**4.1%**	**4.5%**

Net gearing. Net gearing measures the total borrowings less cash and cash equivalents dividend by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the year end as well as cash and cash equivalents.

		31 December 2020	30 June 2020
Borrowings (£'000)	a	119,568	46,571
Cash (£'000)	b	16,995	16,365
Amounts due to brokers (£'000)	c	-	534
Amounts due from brokers (£'000)	d	-	2,610
Shareholders' funds (£'000)	e	1,003,997	534,361
Net gearing	(a-b+c-d)/e	**10.2%**	**5.3%**

Ongoing charges. 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 and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 31 December 2020 is based on forecast ongoing charges for the year ending 30 June 2021.

		31 December 2020	30 June 2020
Investment management fees (£'000)	a	2,478	2,660
Administrative expenses (£'000)	b	1,284	1,105
Less: non-recurring charges{A} (£'000)	c	(8)	(105)
Ongoing charges (£'000)	a+b+c	**3,754**	**3,660**
Average net assets (£'000)	d	**818,351**	**570,683**
Ongoing charges ratio	(a+b+c)/d	**0.46%**	**0.64%**

{A} Includes audit merger costs and professional fees

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes financing and transaction costs.

INVESTMENT PORTFOLIO - AS AT 31 DECEMBER 2020

As at 31 December 2020

Investment	FTSE All-Share Index Sector	Country	Valuation £'000	Total investments %
Diageo	Beverages	UK	48,552	4.4
Unilever	Personal Care	UK	43,427	3.9
Rio Tinto	Mining	UK	42,482	3.9
BHP Group	Mining	UK	42,051	3.8
AstraZeneca	Pharmaceuticals & Biotechnology	UK	41,055	3.7
Relx	Media	UK	39,201	3.6
GlaxoSmithKline	Pharmaceuticals & Biotechnology	UK	35,902	3.3
Aveva	Software & Computer Services	UK	33,394	3.0
Close Brothers	Banks	UK	31,920	2.9
National Grid	Gas, Water & Multi-utilities	UK	30,181	2.7
Top ten investments			**388,165**	**35.2**
SSE	Electricity	UK	28,625	2.6
Assura	Real Estate Investment Trusts	UK	25,913	2.3
Prudential	Life Assurance	UK	25,567	2.3
Total	Oil & Gas Producers	France	25,196	2.3
Croda International	Chemicals	UK	23,969	2.2
Coca-Cola HBC	Beverages	Switzerland	23,720	2.2
Standard Chartered	Banks	UK	23,559	2.1
Inchcape	General Retailers	UK	23,391	2.1
Mondi	Forestry & Paper	UK	23,010	2.1
Euromoney Institutional Investor	Media	UK	22,524	2.0
Top twenty investments			**633,639**	**57.4**
Roche Holdings	Pharmaceuticals & Biotechnology	Switzerland	22,508	2.0
Ashmore Group	Financial Services	UK	20,704	1.9
Weir Group	Industrial Engineering	UK	19,582	1.8
Rentokil Initial	Support Services	UK	19,261	1.7

Nestle	Food Producers	Switzerland	19,081	1.7
Countryside Properties	Household Goods & Home Construction	UK	18,689	1.7
M&G	Financial Services	UK	18,012	1.6
Direct Line Insurance	Non-life Insurance	UK	17,475	1.6
LondonMetric Property	Real Estate Investment Trusts	UK	16,132	1.5
Telenor	Mobile Telecommunications	Norway	15,821	1.4
Top thirty investments			**820,904**	**74.3**
Smith & Nephew	Health Care Equipment & Services	UK	15,396	1.4
Marshalls	Construction & Materials	UK	15,156	1.4
BP	Oil & Gas Producers	UK	14,843	1.4
Howden Joinery	Support Services	UK	14,583	1.3
Novo Nordisk	Pharmaceuticals & Biotechnology	Denmark	14,199	1.3
Kone	Industrial Engineering	Finland	13,809	1.3
Telecom Plus	Fixed Line Telecommunications	UK	13,634	1.2
Microsoft	Software & Computer Services	USA	13,586	1.2
VAT Group	Industrial Engineering	Switzerland	13,498	1.2
Polypipe	Construction & Materials	UK	13,312	1.2
Top forty investments			**962,920**	**87.2**
XP Power	Electronic & Electrical Equipment	UK	12,845	1.2
Bodycote	Industrial Engineering	UK	12,403	1.1
British American Tobacco	Tobacco	UK	12,365	1.1
Sirius Real Estate	Real Estate Investment Services	UK	11,911	1.1
Convatec	Health Care Equipment & Services	UK	11,848	1.1
Fevertree	Beverages	UK	10,793	1.0
Dechra Pharmaceuticals	Pharmaceuticals & Biotechnology	UK	10,444	0.9
Safestore	Real Estate Investment Trusts	UK	9,018	0.8
Unite Group	Real Estate Investment Trusts	UK	7,858	0.7
Chesnara	Life Assurance	UK	7,732	0.7
Top fifty investments			**1,070,137**	**96.9**
Mowi	Food Producers	Norway	6,850	0.6
Standard Life UK Smaller Companies Trust	Equity Investment Instruments	UK	6,470	0.6
John Laing	Financial Services	UK	5,550	0.5
Intermediate Capital	Financial Services	UK	5,531	0.5
Sanne	Financial Services	UK	5,061	0.5
Big Yellow Group	Real Estate Investment Trusts	UK	4,163	0.4
Softcat	Software & Computer Services	UK	455	-
Total investments			**1,104,217**	**100.0**

END