The North American Income Trust plc

Half Yearly report
31 July 2012

2012

Aberdeen

Contents

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 2012	31 January 2012	% change
Net asset value per Ordinary share	**738.1p**	700.2p	5.4
Share price per Ordinary share (mid)	**686.5p**	660.5p	3.9
Discount to net asset value	**(7.0%)**	(5.7%)	
Interim dividend	**6.50p**[A]	4.20p[B]	54.8

[A] For the six months ended 31 July 2012.
[B] For the six months ended 31 July 2011.

Performance – Total Return

	Six months ended 31 July 2012	Year ended 31 January 2012
Net asset value per Ordinary share	**+6.2%**	+5.4%
Share price per Ordinary share	**+4.7%**	+5.5%
S&P 500 Index (in sterling terms)	**+7.0%**	+5.8%

Financial Calendar

18 September 2012	Announcement of Half-Yearly Financial Report
October 2012	Half-Yearly report posted to shareholders
26 October 2012	Interim Ordinary dividend payable for the year ending 31 January 2013
March 2013	Announcement of Annual Financial Report
April 2013	Annual Report posted to shareholders
May 2013	Annual General Meeting
May 2013	Final Ordinary dividend payable for the year ending 31 January 2013

Interim Board Report

At the General Meeting held on 29 May 2012, shareholders approved the change in the investment policy of the Company which was set out in the circular to shareholders dated 27 April 2012. The new investment policy came into effect following the conclusion of the General Meeting.

The investment objective has been changed to provide investors with above average dividend income and long-term capital growth through investing predominantly in S&P 500 Index constituents. Following approval for the change to the investment policy, the Company changed its name to The North American Income Trust plc. The management fee was amended to 0.8% of gross assets, reflecting the change from passive to active management. Further details are provided in the notes to the accounts.

The revenue return per share has risen by 50.3% from 4.43p to 6.66p. This is due to dividend increases from investee companies and the new focus on higher yielding stocks and bonds following the change of investment objective. The Directors have declared an interim dividend of 6.50p per share (2012 - 4.50p) for the year to 31 January 2013 payable on 26 October 2012 to shareholders on the register on 28 September 2012.

During the six-month period ended 31 July 2012, the Company's net asset value per share rose by 6.2% on a total return basis, whilst the S&P 500 Index produced a total return of 7.0% and the Company's share price rose by 3.9% from 660.5p to 686.5p, representing a discount of 7.0% to the net asset value per share. No shares were bought back in the period.

The Company is negotiating a short term borrowing facility, as outlined in the circular, with a US commercial bank and was ungeared throughout the reporting period.

Portfolio

Following the General Meeting held on 29 May 2012, the Company's portfolio was restructured in early June to implement the new investment policy. The majority of the stocks held under the previous policy were sold and the proceeds re-invested in a more concentrated portfolio of US and Canadian equities and bonds which will provide above average income as well as long term capital growth. As of 31 July, 2012, the portfolio consisted of 40 equity holdings and 27 US corporate bonds which represented approximately 14% of total assets. Further details of the portfolio are shown on pages 5 to 6.

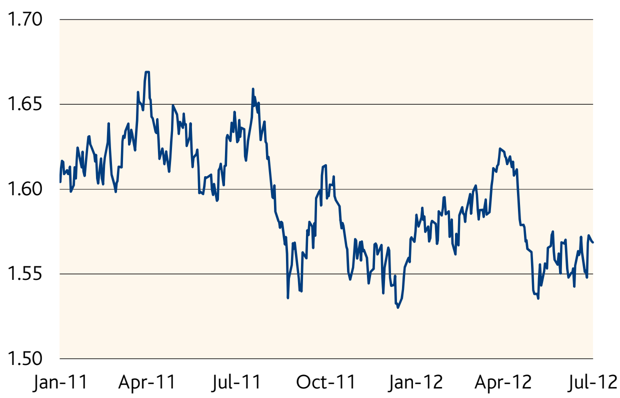
Portfolio activity in the period after the reorganisation included additions to Johnson & Johnson, the healthcare and pharmaceutical company, and TransCanada, the energy infrastructure company. The position in Colgate-Palmolive was reduced, after a period of strong performance, and a bond holding in CenturyLink, the telecommunications company, was sold.

Market Review

In a volatile period for equities worldwide, North American stock markets remained resilient with the S&P 500 Index rising by 6%. Canadian markets, however, fell modestly as the economy is more commodity-oriented and energy and commodity prices were generally weaker in the period. The strongest performing sectors were the relatively defensive telecom and consumer staples. Conversely, the weakest performers included the more economically exposed sectors of industrials, materials and energy.

The fiscal issues in the Eurozone and a second financial bailout of Greece unsettled the markets although US equities proved to be one of the better performing markets. The US economy was on a relatively sound footing early in the period and remained fairly stable, although it was evident that the economy was showing signs of slowing. This was due to a combination of both external factors and internal concerns over the pending fiscal situation with uncertainty over taxation policy causing companies to delay decision making. GDP grew at an annualised pace of 2.0% in the first quarter of 2012 and 1.5% in the second, with this deceleration attributable mainly to a slowdown in consumer spending, most notably in purchases of durable goods. The data indicate that consumer confidence may be waning amid the uncertainty over the employment picture. Consequently, the Federal Reserve Bank Chairman, Ben Bernanke, recently indicated that the central bank will take more action if the relatively slow pace of economic growth does not accelerate soon. However, he stopped short of committing to a third round of quantitative easing. The unemployment rate ended the period at 8.3% and while jobs were created during the period, the rate of growth in payrolls remains below the level needed to reduce the unemployment rate significantly.

Currency Graph (Exchange rate US$ per £) from 31 January 2011 to 31 July 2012



Outlook

Volatility in North American equity markets is expected to continue for the foreseeable future. While the domestic economy has proven relatively resilient in recent months, domestic growth remains vulnerable to the economic slowdown in Europe and Asia, particularly China.

In addition, domestic fiscal issues are likely to become more meaningful in the coming months. The looming tax increases and reductions in government spending remain etched in the nation's conscience as consumers and business leaders fret over the likely impact on the economy. Common sense may prevail and Congress may well agree to a temporary roll-over of existing tax rates until a more permanent solution can be found after the November elections. Longer term, investors may also continue to worry over the unsustainability of the growth in total government debt until a credible plan to slow that growth is in place. Indeed, any signs that a new administration may be willing and able to forge such a plan will be well-received by equity investors. These fiscal headwinds will continue to generate market volatility and temper investment sentiment in the latter half of 2012.

In contrast, the underlying operational performance of the many North American companies which are reporting high profit margins is resilient and companies are distributing an increasing proportion of profits as dividends to shareholders. These positive trends however have been largely ignored as investors focus more on 'top-down' issues, with the result that equity valuations based on forward earnings are undemanding while equity dividend yields are increasingly attractive when compared to 10 year Treasury bond yields of less than 2%.

James Ferguson
Chairman
17 September 2012

Risks and Uncertainties

The Board has identified a number of key risks that affect its business. The principal risks are as follows:

Ordinary shares

The market price and the realisable value of the Ordinary shares, as well as being affected by their underlying net asset value, also take into account supply and demand for the Ordinary shares, market conditions and general investor sentiment. As such, the market value and the realisable value of the Ordinary shares may fluctuate and vary considerably from the net asset value of the Ordinary shares and investors may not be able to realise the value of their original investment. There is no certainty that the Board's discount management policy will achieve its objective.

Dividends

The Company will only pay dividends on the Ordinary shares to the extent that it has profits (current year or brought forward) available for that purpose. The ability of the Company to pay any dividends in respect of the Ordinary shares and any future dividend growth will depend primarily on the level of income received from its investments. The Company's income is derived primarily from equity dividends and corporate bond interest income and the amounts received in any year is liable to fluctuation. Accordingly, the amount of the dividends paid to shareholders may also fluctuate.

Borrowings

Whilst the use of borrowings should enhance the total return on the Ordinary shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is less than the cost of borrowing, further reducing the total return on the Ordinary shares.

Market Risks

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. Market risk comprises three elements, interest rate risk, currency risk and equity price risk. Further details of these risks are disclosed in note 16 to the financial statements for the year ended 31 January 2012.

Regulatory Risk

The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as the tax legislation for investment trust companies, the UK Listing Rules and the Companies Act, could lead to a number of detrimental outcomes and reputational damage. The Audit Committee monitors the Company's compliance with regulations.

Taxation

Any change in the Company's tax status or in taxation legislation (including the tax treatment of dividends or other investment income received by the Company) could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders or alter the post-tax returns to shareholders.

Going Concern

The Company's assets consist of primarily a diverse portfolio of listed equities which, in most circumstances, are realisable within a short timescale. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 interim financial statements has been prepared in accordance with Statement *Half Yearly Financial Reports* issued by the UK Accounting Standards Board; and
- the Interim Board Report (constituting the interim management statement) includes a fair review of the information required by rules 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 for the remaining six months of the financial year) and 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 so do).

The Half Yearly Financial Report for the six months to 31 July 2012 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
17 September 2012

Investment Portfolio - Equities

As at 31 July 2012

Company	Industry classification	Valuation £'000	Total portfolio %
Verizon Communications	Diversified Telecommunication Services	8,212	3.6
Johnson & Johnson	Pharmaceuticals	7,918	3.5
Chevron	Oil, Gas & Consumable Fuels	7,205	3.2
Telus	Diversified Telecommunication Services	7,186	3.2
CMS Energy	Multi-Utilities	7,077	3.1
ConocoPhillips	Oil, Gas & Consumable Fuels	6,898	3.0
Intel	Semiconductors & Semiconductor Equipment	6,485	2.8
Republic Services	Commercial Services & Supplies	6,476	2.8
Lockheed Martin	Aerospace & Defense	6,092	2.7
Philip Morris	Tobacco	6,086	2.7
Ten largest equity investments		**69,635**	**30.6**
Bristol-Myers Squibb	Pharmaceuticals	6,007	2.6
TransCanada	Oil, Gas & Consumable Fuels	5,980	2.6
Kellogg	Food Products	5,461	2.4
Digital Realty Trust	Real Estate Investment Trusts	5,251	2.3
Kimberly-Clark	Household Products	5,162	2.3
Pfizer	Pharmaceuticals	5,136	2.3
Paychex	IT Services	5,114	2.2
Healthcare Realty Trust	Real Estate Investment Trusts	5,077	2.2
Pepsico	Beverages	5,020	2.2
Southern Company	Electric Utilities	4,944	2.2
Twenty largest equity investments		**122,787**	**53.9**
Royal Bank of Canada	Commercial Banks	4,908	2.1
H.J. Heinz	Food Products	4,887	2.1
Lorillard	Tobacco	4,885	2.1
Microsoft	Software	4,730	2.1
Staples	Specialty Retail	4,488	2.0
Aflac	Insurance	4,159	1.8
Exxon Mobil	Oil, Gas & Consumable Fuels	4,102	1.8
Sysco	Food & Staples Retailing	3,952	1.7
Genuine Parts	Distributors	3,857	1.7
Emerson Electric	Electrical Equipment	3,823	1.7
Thirty largest equity investments		**166,578**	**73.0**
Freeport-McMoRan Copper & Gold	Metals & Mining	3,771	1.7
Baxter International	Healthcare Equipment & Supplies	3,755	1.6
Nucor	Metals & Mining	3,086	1.4
Molson Coors Brewing	Beverages	3,066	1.3
Target	Multiline Retail	2,967	1.3
Procter & Gamble	Household Products	2,927	1.3
Kraft Foods	Food Products	2,921	1.3
Blackrock	Capital Markets	2,815	1.2
Dow Chemical	Chemicals	2,605	1.1
Colgate-Palmolive	Household Products	1,906	0.8
Total equity investments		**196,397**	**86.0**

Investment Portfolio – Fixed Interest

As at 31 July 2012

Company	Industry classification	Valuation £'000	Total portfolio %
General Electric Capital 7.125% 15/12/49 Perp A	Diversified Financial Services	1,733	0.8
Bombardier 7.75% 15/03/20	Aerospace & Defense	1,621	0.7
Nationwide Mutual Insurance 9.375% 15/08/39	Insurance	1,601	0.7
Legg Mason 5.5% 21/05/19	Capital Markets	1,595	0.7
ERAC USA Finance 7% 15/10/37	Road & Rail	1,592	0.7
Transatlantic Holdings 8% 30/11/39	Insurance	1,588	0.7
El Paso Pipeline Partners 7.5% 15/11/40	Oil, Gas & Consumable Fuels	1,581	0.7
Energy Transfer Partners 7.5% 01/07/38	Oil, Gas & Consumable Fuels	1,531	0.7
HSBC Finance 6.676% 15/01/21	Consumer Finance	1,497	0.7
Blackstone Holdings Finance 5.875% 15/03/21	Capital Markets	1,444	0.6
Ten largest fixed interest investments		**15,783**	**7.0**
International Lease Finance Corp 6.25% 15/05/19	Diversified Financial Services	1,416	0.6
Hanesbrands 6.375% 15/12/20	Textiles, Apparel & Luxury Goods	1,165	0.5
HCA 6.5% 15/02/20	Healthcare Providers & Services	1,144	0.5
Hilcorp Energy 8% 15/02/20	Oil, Gas & Consumable Fuels	1,131	0.5
Liberty Mutual 6.5% 01/05/42	Insurance	1,100	0.5
First Data 7.375% 15/06/19	IT Services	1,071	0.5
Alpha Natural Resources 6.25% 01/06/21	Oil, Gas & Consumable Fuels	1,055	0.5
Taseko Mines 7.75% 15/04/19	Metals & Mining	1,047	0.5
Puget Sound Energy 5.625% 15/07/22	Multi-Utilities	1,015	0.4
Ford Motor Co 7.45% 16/07/31	Automobiles	954	0.4
Twenty largest fixed interest investments		**26,881**	**11.9**
Post Holdings 7.375% 15/02/22	Food Products	836	0.4
Genon Energy 9.875% 15/10/20	Independent Power Producers & Energy Traders	772	0.3
CCO Holdings Capital 6.625% 31/01/22	Cable & Satellite	767	0.3
Cincinnati Bell 8.375% 15/10/20	Diversified Telecommunication Services	735	0.3
Tenneco 6.875% 15/12/20	Auto Components	692	0.3
Windstream 7.75% 01/10/21	Diversified Telecommunication Services	686	0.3
Entergy Louisiana 6.3% 01/09/35	Electric Utilities	542	0.2
Total fixed interest investments		**31,911**	**14.0**
Total investments		**228,308**	**100.0**

Geographical Analysis

As at 31 July 2012

Country	Equities %	Bonds %	Total %
Canada	7.9	1.2	9.1
USA	78.1	12.8	90.9
	86.0	**14.0**	**100.0**

Income Statement

	Six months ended 31 July 2012 (unaudited)			Six months ended 31 July 2011 (unaudited)			Year ended 31 January 2012 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	–	11,964	11,964	–	(4,036)	(4,036)	–	7,597	7,597
Net currency (losses)/gains (note 11)	–	(58)	(58)	–	(86)	(86)	–	54	54
Income (note 2)	3,080	–	3,080	2,200	–	2,200	4,532	–	4,532
Investment management fee (note 3)	(232)	(190)	(422)	(221)	–	(221)	(435)	–	(435)
Administrative expenses (note 4)	(354)	(254)	(608)	(204)	–	(204)	(399)	–	(399)
Net return before taxation	2,494	11,462	13,956	1,775	(4,122)	(2,347)	3,698	7,651	11,349
Taxation (note 5)	(399)	–	(399)	(316)	–	(316)	(652)	–	(652)
Return on ordinary activities after taxation	**2,095**	**11,462**	**13,557**	**1,459**	**(4,122)**	**(2,663)**	**3,046**	**7,651**	**10,697**
Return per share (pence) (note 7)	**6.66**	**36.41**	**43.07**	**4.43**	**(12.52)**	**(8.09)**	**9.39**	**23.60**	**32.99**

The total column of this statement represents the profit and loss account of the Company.

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

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

No operations were acquired or discontinued in the period.

Interim dividend

An interim dividend of 6.50p per share (£2,046,100) has been declared for the year ending 31 January 2013 and is payable on 26 October 2012 (2012 – 4.20p).

Balance Sheet

	As at 31 July 2012 (unaudited) £'000	As at 31 July 2011 (unaudited) £'000	As at 31 January 2012 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	228,308	210,330	217,966
Current assets			
Debtors and prepayments	2,131	236	240
Cash and short term deposits	4,175	3,441	2,402
	6,306	3,677	2,642
Creditors: amounts falling due within one year	(2,279)	(213)	(199)
Net current assets	4,027	3,464	2,443
Net assets	**232,335**	**213,794**	**220,409**
Capital and reserves			
Called-up share capital	7,870	8,090	7,870
Share premium account	32,643	32,643	32,643
Capital redemption reserve	14,225	14,005	14,225
Capital reserve	173,776	155,934	162,314
Revenue reserve	3,821	3,122	3,357
Equity shareholders' funds	**232,335**	**213,794**	**220,409**
Net asset value per share (pence)	**738.07**	**660.68**	**700.19**

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 July 2012 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2012	7,870	32,643	14,225	162,314	3,357	220,409
Return on ordinary activities after taxation	–	–	–	11,462	2,095	13,557
Dividends paid (note 6)	–	–	–	–	(1,631)	(1,631)
Balance at 31 July 2012	**7,870**	**32,643**	**14,225**	**173,776**	**3,821**	**232,335**

Six months ended 31 July 2011 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2011	8,275	32,643	13,820	164,822	3,295	222,855
Return on ordinary activities after taxation	–	–	–	(4,122)	1,459	(2,663)
Dividends paid (note 6)	–	–	–	–	(1,632)	(1,632)
Purchase of own shares for cancellation	(185)	–	185	(4,766)	–	(4,766)
Balance at 31 July 2011	**8,090**	**32,643**	**14,005**	**155,934**	**3,122**	**213,794**

Year ended 31 January 2012 (audited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2011	8,275	32,643	13,820	164,822	3,295	222,855
Return on ordinary activities after taxation	–	–	–	7,651	3,046	10,697
Dividends paid (note 6)	–	–	–	–	(2,984)	(2,984)
Purchase of own shares for cancellation	(405)	–	405	(10,159)	–	(10,159)
Balance at 31 January 2012	**7,870**	**32,643**	**14,225**	**162,314**	**3,357**	**220,409**

Cash Flow Statement

	Six months ended 31 July 2012 (unaudited) £'000	Six months ended 31 July 2011 (unaudited) £'000	Year ended 31 January 2012 (audited) £'000
Net return on ordinary activities before taxation	13,956	(2,347)	11,349
Adjustment for:			
(Gains)/losses on investments	(11,964)	4,036	(7,597)
Foreign exchange losses/(gains)	58	86	(54)
(Increase)/decrease in accrued income	(716)	52	67
Increase in other debtors	(51)	(6)	(25)
Increase in other creditors	253	21	5
Net cash inflow from operating activities	1,536	1,842	3,745
Taxation			
Overseas withholding tax paid	(366)	(313)	(651)
Net tax paid	(366)	(313)	(651)
Financial investment			
Purchases of investments	(213,081)	(3,258)	(4,878)
Sales of investments	215,365	8,885	14,503
Net cash inflow from financial investment	2,284	5,627	9,625
Equity dividends paid	(1,631)	(1,635)	(2,984)
Net cash inflow before financing	1,823	5,521	9,735
Financing			
Buy back of Ordinary shares (including expenses)	–	(4,766)	(10,159)
Net cash outflow from financing	–	(4,766)	(10,159)
Increase/(decrease) in cash	**1,823**	**755**	**(424)**
Analysis of changes in cash during the period			
Opening net funds	2,402	2,772	2,772
Increase/(decrease) in cash as above	1,823	755	(424)
Foreign exchange movements	(58)	(86)	54
Other non-cash movements	8	–	–
Closing net funds	**4,175**	**3,441**	**2,402**

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on half yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis.

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

During the period shareholders approved proposals to amend the Company's investment policy. As a by-product of this change, all expenses will continue to be charged to revenue except those where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. Accordingly, the investment management fee will be allocated 30% to revenue and 70% to capital, in order to reflect the Board's expected long-term view of the nature of investment returns of the Company. Subject to the foregoing, the half yearly financial statements have been prepared using the same accounting policies applied for the year ended 31 January 2012.

(b) Investment income

Dividends receivable on equity shares (other than special dividends), including taxes deducted at source, is included in revenue for the period by reference to the date on which the investment is quoted ex dividend. Special dividends are credited to capital or revenue, according to their circumstances.

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

(c) Dividends payable

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

2. Income	Six months ended 31 July 2012 £'000	Six months ended 31 July 2011 £'000	Year ended 31 January 2012 £'000
Income from investments held at fair value through profit or loss			
Dividends from overseas listed equities	2,793	2,200	4,532
Interest from overseas listed bonds	287	–	–
Total income	**3,080**	**2,200**	**4,532**

3. Investment management fee

With effect from 29 May 2012, when the change in the Company's investment policy was approved by shareholders, the basic management fee was increased from 0.2% per annum of gross assets for passive management to 0.8% per annum of gross assets, after deducting current liabilities and excluding commonly managed funds, for active management. Up until 29 May 2012 the investment management fee was allocated 100% to revenue, however, from this date the allocation was changed to 30% to revenue and 70% to capital to reflect the Board's expected long-term view of the nature of investment returns of the Company.

The agreement remains terminable on three months' notice and in the event of termination of less than the agreed notice period, compensation would be payable in lieu of the unexpired notice period.

An annual company secretarial and administration fee of £100,000, which will increase in line with any increases in RPI, is also payable.

4. Administration expenses (revenue)

	Six months ended (unaudited) £'000	Six months ended (unaudited) £'000	Year ended (audited) £'000
Directors' fees	27	26	51
Secretarial and administration fees	17	–	–
Marketing contribution	37	36	73
Auditor's remuneration	8	7	15
Custodian charges	48	14	33
Registrars fees	33	31	61
Professional fees related to the reorganisation	105	–	–
Other	79	90	166
	354	**204**	**399**

During the period the Company incurred expenses of £359,000 (31 July 2011 and 31 January 2012 – £nil) in relation to the reorganisation, of which 70% (£254,000) have been allocated to capital in line with current policy on the charging of management fee and finance costs to capital.

5. Taxation

The charge for the period represents withholding tax suffered on overseas dividend income.

6. Dividends

	Six months ended 31 July 2012 £'000	Six months ended 31 July 2011 £'000	Year ended 31 January 2012 £'000
Interim dividend for 2012 – 4.20p	–	–	1,352
Final dividend for 2012 – 5.20p (2011 – 4.95p)	1,637	1,637	1,637
Unclaimed dividends written back	(6)	(6)	(6)
	1,631	**1,631**	**2,983**

A final dividend of 5.20p for the year ended 31 January 2012 (2011 – 4.95p) was paid to shareholders on 1 June 2012.

An interim dividend of 6.50p (2012 – 4.20p) for the year ending 31 January 2013 will be paid on 26 October 2012 to shareholders on the register at 28 September 2012. The ex-dividend date is 26 September 2012. In accordance with UK GAAP this is not recognised in these financial statements.

7. Return per Ordinary share	Six months ended 31 July 2012 £'000	Six months ended 31 July 2011 £'000	Year ended 31 January 2012 £'000
Based on the following figures:			
Revenue return	2,095	1,459	3,046
Capital return	11,462	(4,122)	7,651
Total return	**13,557**	**(2,663)**	**10,697**
Weighted average number of shares in issue	**31,478,582**	**32,927,000**	**32,427,651**
	p	**p**	**p**
Revenue return per Ordinary share	6.66	4.43	9.39
Capital return per Ordinary share	36.41	(12.52)	23.60
Total return per Ordinary share	**43.07**	**(8.09)**	**32.99**

8. Transaction costs

During the six months ended 31 July 2012 expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 July 2012 £'000	Six months ended 31 July 2011 £'000	Year ended 31 January 2012 £'000
Purchases	32	8	16
Sales	35	2	3
	67	**10**	**19**

The increase in transaction costs in the current period is primarily due to the restructuring of the portfolio following the change in the investment policy (see note 12).

9. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 July 2012 includes gains of £31,391,000 (31 July 2011 – £57,795,000; 31 January 2012 – £68,246,000) which relate to the revaluation of investments held at the reporting date.

10. Net asset value per Ordinary share	As at 31 July 2012	As at 31 July 2011	As at 31 January 2012
Net assets attributable	£232,335,000	£213,794,000	£220,409,000
Number of Ordinary shares in issue	31,478,582	32,359,818	31,478,582
Net asset value per Ordinary share	738.07p	660.68p	700.19p

11. Analysis of changes in net funds	At 1 Feb 2012 £'000	Cashflow £'000	Exchange movements £'000	Other movements £'000	At 31 July 2012 £'000
Cash and short term deposits	**2,402**	**1,823**	**(58)**	**8**	**4,175**

Notes to the Accounts continued

12. Change to investment policy

On 21 March 2012 the Company announced proposals to seek shareholder approval to amend the Company's investment policy to provide investors with an above average dividend income and long term capital growth through active management of a portfolio consisting predominantly of S&P 500 US equities and to make certain other associated changes, including changing the Company's name to The North American Income Trust plc.

A Circular outlining the details of the changes and the resolutions requiring shareholder approval was posted to shareholders on 27 April 2012.

A General Meeting of the Company was held on 29 May 2012 at which these proposals were approved. Since this date the portfolio has been re-aligned and is being managed in line with the approved changes. Further information can be found on the Company's website at www.northamericanincome.co.uk

13. Half-Yearly Financial Report

The financial information contained in this Half–Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 31 July 2012 and 31 July 2011 has not been audited.

The information for the year ended 31 January 2012 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

14. This Half-Yearly Financial Report was approved by the Board on 17 September 2012.

How to Invest in The North American Income Trust plc

Direct

Investors can buy and sell shares in The North American Income Trust plc (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("AAM") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £11,280 in the Company can be made in the tax year 2012/2013. There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT.

The annual ISA administration charge is £24 + VAT, calculated annually and deducted on 31 March (or the last business day in March) either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer the management of previous tax year investments to AAM for investment in the Company while retaining your ISA wrapper. The minimum lump sum transfer is £1,000, subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread. Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

Keeping You Informed

For internet users, detailed data on the Company, 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).
You can also call 0500 00 00 40 for information.

Literature Request Service

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

Telephone: 0500 00 40 00

Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration
PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Services Authority.

Corporate Information

Directors

James Ferguson, Chairman
Guy Crawford
Archie Hunter

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Manager

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Telephone: 0131 528 4000

Company Registration Number

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Aberdeen