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29 July 2020

Murray Income Trust PLC
LEI: 549300IRNFGVQIQHUI13

Combination with Perpetual Income and Growth Investment Trust plc

The Board of Murray Income Trust PLC (the “**Company**” or “**MUT**”) is pleased to announce that heads of terms have been agreed for a combination of the Company with the assets of Perpetual Income and Growth Investment Trust plc (“**PLI**”) following a comprehensive manager search conducted by the Board of PLI. The combination, if approved by each company’s shareholders and the requisite consents obtained by each company’s noteholders, will be implemented through a scheme of reconstruction pursuant to section 110 of the Insolvency Act 1986, resulting in the voluntary liquidation of PLI and the rollover of its assets into the Company in exchange for the issue of new MUT shares to PLI shareholders, with PLI shareholders offered the option of a cash exit for up to 20% of PLI’s shares in issue (the “**Transaction**”).

MUT, which has a similar investment objective to PLI, aims to provide a high and growing income combined with capital growth through investment in a portfolio principally of UK equities. MUT is an AIC Dividend Hero, and intends to seek to retain this status, having grown its dividend for 46 consecutive years and currently has a yield of 4.5%¹. The proposed Transaction will result in MUT being one of the largest investment trusts in the UK Equity Income sector, with gross assets in excess of £1 billion¹.

Shareholders will immediately benefit from an enlarged capital base, which will result in a reduction of the weighted average annual management fee to 0.38% p.a.² and a reduction of the estimated pro forma ongoing charges ratio to 0.50% p.a.². Moreover, the increase in the size of the Company is expected to result in improved secondary market liquidity for the shares.

The Company will continue to benefit from the extensive resource and experience within the UK Equities team at ASI, with Charles Luke as lead portfolio manager supported by the UK Equities team. The investment strategy, which will not change, has delivered annualised NAV total returns of 5.6% over the 5 years ending 30 June 2020, representing annualised outperformance of 2.6% against the FTSE All-Share Index³.

New MUT shares that are issued to PLI shareholders will be issued on a Formula Asset Value (“**FAV**”)-to-FAV basis. FAVs will be calculated using the respective net asset values of each company, adjusted for the costs of the Transaction, any dividends and distributions declared by each party which have a record date prior to the effective date of the Transaction, an allowance for the costs of liquidation (for PLI) and the cash exit option (for

PLI). Aberdeen Standard Fund Managers Limited (“**ASFML**”) has agreed to make a contribution to the costs of the Transaction by means of a reduction in the management fee payable by the Company to ASFML for the first six months following the completion of the Scheme. The value of this reduction will be based on the value of the net assets transferred by PLI to the Company as part of the Transaction and the reduction will be for the benefit of all shareholders of the enlarged MUT.

Richard Laing, Alan Giles and Georgina Field, three current PLI directors, have been invited to join the Board of MUT from the date of completion of the Transaction. The three directors who will each have completed nine years’ cumulative service on either or both of the MUT and PLI Boards – namely Richard Laing, Jean Park and Donald Cameron – will retire on or before the 2021 AGM when the Board will reduce back to six directors. Neil Rogan will remain Chairman of MUT.

In accordance with customary practice for such transactions involving investment trusts, the City Code on Takeovers and Mergers is not expected to apply to the Transaction. However, the Transaction is subject to the approval, inter alia, of the respective shareholders and noteholders of the Company and PLI, as well as regulatory and tax approvals. A circular to shareholders of the Company, providing further details of the Transaction and convening a general meeting to approve the Transaction, and a prospectus in respect of the issue and admission of new shares in connection with the Transaction will be published by the Company as soon as practicable. It is anticipated that the Transaction will conclude in early Q4 2020.

The Company has consulted with a number of its major shareholders who have indicated their support for the Transaction.

Neil Rogan, Chairman of the Company, commented:

“We are thrilled that Murray Income was chosen in a highly competitive tender run by the Board of Perpetual Income and Growth, which is recognition of the strength of the people, process and performance of our investment management team led by Charles Luke. This transaction creates an equity income investment trust of significant scale and purpose, benefiting from a low ongoing charges ratio estimated to be 0.50%² and offering an attractive investment proposition for investors seeking income and total returns from UK equities. The Board recognises the importance of its AIC Dividend Hero status to shareholders and will continue to seek to provide a growing and sustainable income stream. I and the rest of your Board believe that the transaction is compelling for both sets of shareholders and we look forward to your support. With a strong management team, an excellent performance track record and an enlarged capital base leading to greater liquidity and lower costs, we can look forward with confidence to meeting our shareholders’ objectives long past our centenary year in 2023.”

Enquiries

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Notes

1 As at 28 July 2020, being the latest date prior to the publication of this announcement. Source: Bloomberg.

2 ASI is paid a variable management fee by MUT of 0.55% p.a. of the first £350m of net assets, 0.45% p.a. on the assets between £350 – 450m, and 0.25% p.a. on assets in excess of £450m. The weighted average annual management fee would be 0.38% p.a. and the estimated pro forma ongoing charges ratio would be 0.50% p.a., based on the net assets of MUT and PLI, assuming the cash option is fully taken-up, as at 24 July 2020. Source: ASI.

3 Source: FTSE, Morningstar.