

# The North American Income Trust plc

## Investment Trust

Performance Data and Analytics to 30 April 2019

### Investment objective

To provide investors with above average dividend income and long term capital growth through active management of a portfolio consisting predominantly of S&P 500 US equities.

### Reference benchmarks

Russell Value 1000 Index and S&P 500 Index.

### Cumulative performance (%)

	as at 30/04/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	1455.0p	3.2	8.6	13.1	19.8	78.0	108.9
NAV <sup>A</sup>	1481.1p	3.3	6.3	4.7	15.4	61.7	104.3
Russell 1000 Value		3.5	8.5	5.8	15.2	53.6	92.7
S&P 500		4.0	10.5	7.6	19.9	70.3	124.5

### Discrete performance (%)

Year ending	30/04/19	30/04/18	30/04/17	30/04/16	30/04/15
Share Price	19.8	7.9	37.7	8.8	7.9
NAV <sup>A</sup>	15.4	5.1	33.3	8.2	16.7
Russell 1000 Value	15.2	1.0	32.0	4.5	20.1
S&P 500	19.9	6.4	33.5	6.2	24.1

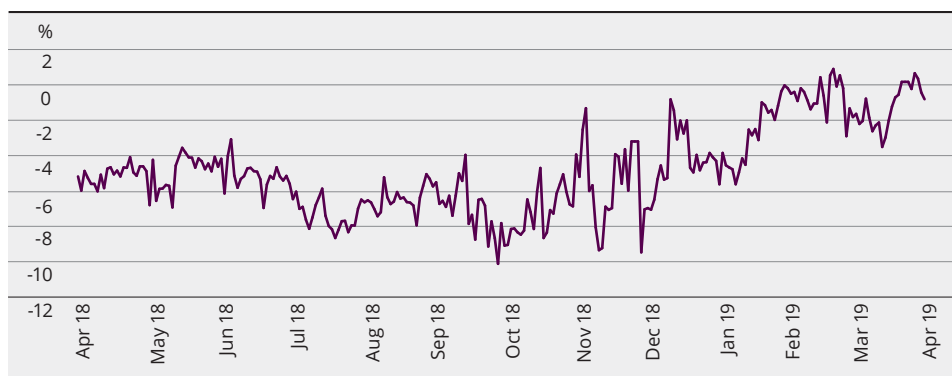
Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis.

Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value.

Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

### 1 Year Premium/Discount Chart (%)



<sup>A</sup> Including current year revenue.

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### Morningstar Rating™



<sup>B</sup> Morningstar Rating™ for Funds

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

### Team Awards



### Ten largest equity holdings (%)

Chevron	5.3
Cisco Systems	5.0
Citigroup	3.8
Philip Morris	3.7
BB&T	3.6
Johnson & Johnson	3.5
CME	3.2
Verizon Communications	3.1
Lockheed Martin	3.0
Bristol-Myers	2.9
<b>Total</b>	<b>37.1</b>

### Sector allocation (%)

Financials	25.6
Health Care	13.2
Energy	10.7
Materials	10.6
Consumer Staples	10.5
Communication Services	8.4
Information Technology	8.4
Industrials	5.4
Consumer Discretionary	4.3
Real Estate	1.7
Utilities	1.2
<b>Total</b>	<b>100.0</b>

All sources (unless indicated):  
Aberdeen Asset Managers Limited 30 April 2019.

Private investors 0808 500 0040  
Institutional investors  
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### Fund managers' report

Major North American equity indices continued their upward trajectory in April, buoyed by better-than-expected US economic data released during the month, as well as a strong start to the first-quarter 2019 US corporate earnings reporting season. We sense that investors slowly came around to the realisation that macroeconomic conditions are not nearly as bad as feared and that earnings estimates have been reduced too much since the start of the year. The Russell 1000 Value Index, the Trust's equity portfolio benchmark, rose 3.5% in sterling terms over the month. The financials, industrials and information technology sectors led the upturn in the index in April. Conversely, healthcare, energy and real estate recorded negative returns and were the weakest-performing sectors.

Regarding portfolio-related corporate news during the month, integrated oil and gas company Chevron initially reached an agreement to acquire oil and gas exploration and production company Anadarko Petroleum in a stock and cash transaction valued at roughly US\$33 billion (about £25.3 billion). However, in early May, Chevron announced that it would not increase its purchase offer and will take a US\$1 billion (approximately £770 million) termination fee from Anadarko and boost its stock buyback program by 25% to US\$5 billion (roughly £3.8 billion).

Several Trust holdings announced notable dividend actions in April. New Jersey-based commercial bank Provident Financial Services raised its quarterly payout by 9.5% to US\$0.23 per share, equivalent to an annualised yield of 3.7% at the closing share price at month-end. Diversified healthcare company Johnson & Johnson boosted its dividend by 5.6% to US\$0.95 per share, representing a 2.7% annualised yield at the stock price at the market close on 30 April. Consumer products maker Procter & Gamble announced a 4.0% increase in its quarterly payment to US\$0.75 per share, corresponding to an annualised yield of 2.8% at the stock's closing price at the end of the month.

We did not initiate any positions during the month. We added to the Trust's holdings in diversified financial services company Citi, specialty chemicals producer DowDuPont, and paper and packaging products maker International Paper. We exited the Fund's position in beverage and snack foods maker PepsiCo, and trimmed the holdings in tech giant Microsoft, semiconductor manufacturer Texas Instruments, and luxury goods retailer Tiffany & Co.

### Outlook

Our market outlook has not changed significantly over the past month, though we would add the following comments concerning incremental developments in April. We feel that US macroeconomic indicators improved for the most part during the month: jobless

### Fund managers' report continues overleaf

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

<sup>c</sup> Represents cash being used as collateral against open equity options positions, and therefore not available for investment.

<sup>d</sup> Expressed as a percentage of average daily net assets for the year ended 31 January 2019. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>e</sup> Calculated using the Company's historic net dividends and month end share price.

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

<sup>g</sup> Excludes cash being used as collateral against open option positions from cash/cash equivalents.

<sup>h</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

<sup>i</sup> Calculated as notional principal of outstanding divided by gross equity assets.

<sup>j</sup> Source: US Department of Commerce, March 2018

Geographic breakdown (%)	
USA	85.4
Canada	9.8
Cash available for investment	4.1
Other cash <sup>c</sup>	0.7
<b>Total</b>	<b>100.0</b>

Total number of investments	
Total number of equity investments	41
Total number of fixed income investments	11
<b>Total</b>	<b>52</b>

### Key information

#### Calendar

Year end	31 March
Accounts published	April
Annual General Meeting	June
Dividend paid	February, May, August, November
Established	1902
Fund managers	Ralph Bassett Fran Radano
Ongoing charges <sup>d</sup>	0.95%
Annual management fee	0.75% of net assets up to £350m; 0.6% of net assets between £350m; and £500m; 0.5% of net assets above £500m
Premium/(Discount)	(1.8)%
Yield <sup>e</sup>	2.8%
Net gearing <sup>f</sup>	2.3%
Net gearing <sup>fg</sup>	3.0%
Active share <sup>h</sup>	86.1%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

### Assets/Debt (£m)

Gross	451.8
Debt	30.7
Cash	21.2

Assets	%	£m
Equities	97.4	419.3
Fixed Income	2.6	11.3
<b>Total</b>	<b>100.0</b>	<b>430.6</b>

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### Fund managers' report - continued

claims continued to trend at very low levels; small business optimism rose; and most importantly, in our view, the initial first-quarter 2019 GDP growth reading was above 3%, exceeding expectations. While some "transitory" issues likely aided the GDP data and these may reverse in coming quarters, we think that the economy remains on firm footing and we still view the macroeconomic backdrop as conducive for reasonably strong fundamental performance. For example, first-quarter 2019 corporate results are largely coming in ahead of consensus expectations on both the top and bottom lines, and strategists' forecasts of an "earnings recession" now seem somewhat misplaced, in our opinion. While first- and second-quarter earnings growth in 2019 could be challenged by the tough year-over-year comparisons caused by the impact of tax reform in 2018, we see a strong likelihood of growth resuming in the second half of this year. It is important to note that, after falling for much of the year, corporate earnings estimates are now generally moving higher.

### Options

Number of open options positions	7
Equity sleeve optionised <sup>1</sup>	7.44%

### Capital structure

Ordinary shares	28,430,504
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### Allocation of management fees and finance costs

Capital	70%
Revenue	30%

### Trading details

Reuters/Epic/ Bloomberg code	NAIT
ISIN code	GB0000293620
Sedol code	0029362
Stockbrokers	WINS Investment Trusts
Market makers	SETSmm

Receive the factsheet by email as soon as it is available by registering at [www.investments.co.uk/ITemail](http://www.investments.co.uk/ITemail) or [www.northamericanincome.co.uk](http://www.northamericanincome.co.uk)

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### Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

#### Risk factors you should consider prior to investing:

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

#### Other important information:

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