

## September 2022

Monthly roundup | Investment companies

### Winners and losers in August 2022

August may have been a quiet month in terms of investment company news, but markets have certainly been noisy with fears that we're heading into a recession (or may already be in one) on top of everyone's minds. At the start of the month investors were upbeat, believing that enough had already been done to tackle inflation in the US, but a speech by the chairman of the Federal Reserve put paid to that. India was back among the top performers in August despite geopolitical tensions and an interest rate hike. The country's stock market had another good month, with the Nifty 50 registering gains of 3.5%. Meanwhile, the Vietnam-heavy country specialist sector also performed well, as the reopening of the country early this year brought with it the revival of the tourism sector. Infrastructure securities and environmental funds were also among the winners, but the overall top performers were insurance and reinsurance strategies funds. On the other hand, China/Greater China funds continued to suffer as COVID flare-ups, power rationing amid the worst heatwaves in decades, and the embattled property sector increased the pressure. Certain sectors in Europe were also hit, perhaps a reaction to the ECB's decision to increase rates further. Meanwhile, growth capital trusts remain out of favour, the sector took a significant hit from underperformance by Chrysalis and Seraphim Space (see [Appendix 1](#) for a breakdown of how all the sectors have performed so far this year).

August's median total share price return was 0.4% (the average was 0.4%) which compares with a median of 3.6% in July. Readers interested in recent briefings from the industry can click [here](#) to access our economic and political roundup.

#### Best performing sectors in August 2022 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 31/08/22 (%)	Median sector market cap 31/08/22 (£m)	Number of companies in the sector
Insurance & Reinsurance Strategies	19.8	4.6	(25.9)	31.2	2
India	7.1	7.6	(18.6)	282.2	4
Country Specialist	6.2	7.9	(17.7)	462.0	4
Infrastructure Securities	6.1	1.0	(2.9)	146.5	2
Environmental	5.9	(0.1)	(13.5)	85.6	3

Source: Morningstar, Marten & Co. Note: inclusive of sectors with at least two companies. Note: many alternative asset sector funds release NAV performance on a quarterly basis

#### Worst performing sectors in August 2022 by total price return

	Median share price total return (%)	Median NAV total return (%)	Median discount 31/08/22 (%)	Median sector market cap 31/08/22 (£m)	Number of companies in the sector
Property - Europe	(11.5)	0.0	(31.9)	397.7	5
Growth Capital	(9.1)	0.0	(41.3)	163.8	7
European Smaller Companies	(8.0)	(4.8)	(14.4)	431.1	4
UK All Companies	(6.9)	(4.7)	(13.5)	191.7	9
China / Greater China	(6.1)	2.3	(10.3)	278.1	4

Source: Morningstar, Marten & Co. Note: inclusive of sectors with at least two companies. Note: many alternative asset sector funds release NAV performance on a quarterly basis

## Winners and losers continued...

### Best performing funds in total NAV (LHS) and price (RHS) terms over August 2022

Fund	Sector	(%)	Fund	Sector	(%)
Geiger Counter	Commodities & Natural Resources	17.6	Schiehallion	Growth Capital	25.5
Biotech Growth	Biotechnology & Healthcare	14.7	Geiger Counter	Commodities & Natural Resources	21.4
Pershing Square	North America	11.8	Macau Property Opportunities	Property - Rest of World	19.9
Vietnam Enterprise	Country Specialist	11.5	Gulf Investment Fund	Global Emerging Markets	16.4
Scottish Oriental Smaller Companies	Asia Pacific Smaller Companies	11.3	Axiom European Financial Debt	Debt - Loans & Bonds	15.5
India Capital Growth	India	11.0	Independent IT	UK All Companies	15.5
VietNam Holding	Country Specialist	9.5	Biotech Growth	Biotechnology & Healthcare	14.0
UIL	Flexible Investment	9.5	Jupiter Green	Environmental	12.7
abrdn Latin American Income	Latin America	9.3	Marble Point Loan Financing	Debt - Structured Finance	12.4
Fair Oaks Income 2021	Debt - Structured Finance	9.3	CQS Natural Resources G&I	Commodities & Natural Resources	12.1

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/08/22

### Worst performing funds in total NAV (LHS) and price (RHS) terms over August 2022

Fund	Sector	(%)	Fund	Sector	(%)
Rights and Issues	UK Smaller Companies	(9.6)	Chrysalis	Growth Capital	(31.7)
abrdn UK Smaller Companies Growth	UK Smaller Companies	(9.2)	Seraphim Space	Growth Capital	(24.6)
Schroder UK Mid Cap	UK All Companies	(8.9)	Tritax Big Box	Property - UK Logistics	(14.8)
abrdn Smaller Companies Income	UK Smaller Companies	(8.5)	abrdn Private Equity Opportunities	Private Equity	(14.0)
ICG-Longbow Senior Sec. UK Prop Debt	Property - Debt	(8.4)	Civitas Social Housing	Property - UK Residential	(12.6)
JPMorgan Mid Cap	UK All Companies	(8.1)	Globalworth Real Estate	Property - Europe	(12.6)
Montanaro UK Smaller Companies	UK Smaller Companies	(8.0)	Rights & Issues	UK Smaller Companies	(12.5)
Montanaro European Smaller	European Smaller Companies	(7.7)	Phoenix Spree Deutschland	Property - Europe	(11.5)
BlackRock Smaller Companies	UK Smaller Companies	(7.4)	Tritax EuroBox	Property - Europe	(11.5)
Henderson Smaller Companies	UK Smaller Companies	(6.8)	Schroder UK Public Private	Growth Capital	(11.0)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/08/22

August saw a mix of winners in the investment company world, with no obvious trends to speak of, although a weak pound did have an impact. Nonetheless, **Geiger Counter** was the best performer in NAV terms (and second best in share price terms). Amidst all the noise around energy, nuclear is firmly back on the agenda for many western European governments. Takeover

bids in the biotech sector may be helping **Biotech Growth**, as businesses take advantage of relatively low valuations in the sector. As already mentioned, India and Vietnam had a good month which is reflected in the NAV performance of trusts invested in these areas including **India Capital Growth**, **Vietnam Enterprise** and **VietNam Holding**. Meanwhile, in share price terms, **Schiehallion** was the best performer, delivering an impressive 25%. Somehow, the trust has managed to power through the anti-growth sentiment unlike most of its peers. **Macau Property Opportunities** succeeded in selling off more of its portfolio. **Gulf Investment** continues to flourish as strong oil prices help those economies. **Axiom European Financial Debt** announced plans to wind up. **Independent Investment Trust** had a good month after it was announced it would be merging into Baillie Gifford's **Monks Investment Trust**. The decision came after the retirement of Independent's long-term manager, Max Ward, and we think that this is an elegant solution and one that will likely be welcomed by shareholders.

On the negative side, **Rights and Issues** saw its NAV fall by almost 10% and its share price by 12.5% over August. Its long-term manager Simon Knott announced his retirement in June and officially stepped down on 1 September. But it seems this wasn't the only reason for the trust's underperformance as a big chunk of the sector - including **abrdn UK Smaller Companies Growth**, **abrdn Smaller Companies Income**, **Montanaro UK Smaller Companies**, **BlackRock Smaller Companies** and **Henderson Smaller Companies** – also saw their NAVs suffer in August. The UK has had a lot to juggle this summer with the Conservative leadership election, record heatwaves and an increasingly worrying cost-of-living crisis heightened by the announcement of painful energy price caps. In share price terms, the growth capital sector (**Chrysalis** and **Seraphim Space**) and European property (**Globalworth Real Estate**, **Phoenix Spree Deutschland** and **Tritax EuroBox**) struggled in August.

## Moves in discounts and premiums

### More expensive (LHS) and cheaper (RHS) relative to NAV over August 2022

Fund	Sector	Disc/ Prem 31/08/22 (%)	Disc/ Prem 31/07/22 (%)	Fund	Sector	Disc/ Prem 31/08/22 (%)	Disc/ Prem 31/07/22 (%)
<b>Schiehallion</b>	<b>Growth Capital</b>	<b>15.1</b>	<b>(4.1)</b>	<b>Chrysalis</b>	<b>Growth Capital</b>	<b>(56.0)</b>	<b>(35.6)</b>
<b>Independent IT</b>	<b>UK All Companies</b>	<b>(2.6)</b>	<b>(19.2)</b>	<b>Seraphim Space</b>	<b>Growth Capital</b>	<b>(41.3)</b>	<b>(22.1)</b>
<b>Axiom European Financial Debt</b>	<b>Debt - Loans &amp; Bonds</b>	<b>(6.5)</b>	<b>(17.4)</b>	<b>Tritax Big Box</b>	<b>Property - UK Logistics</b>	<b>(31.0)</b>	<b>(18.8)</b>
<b>Aberforth Split Level Income</b>	<b>UK Smaller Companies</b>	<b>(7.9)</b>	<b>(18.7)</b>	<b>JPMorgan China Growth &amp; Income</b>	<b>China / Greater China</b>	<b>(10.2)</b>	<b>1.8</b>
<b>Jupiter Green</b>	<b>Environmental</b>	<b>(13.5)</b>	<b>(23.4)</b>	<b>Tritax EuroBox</b>	<b>Property - Europe</b>	<b>(31.9)</b>	<b>(20.2)</b>

Source: Morningstar, Marten & Co. Note: excludes alternative asset funds where there was no recorded change to the NAV over the month

**Schiehallion** has been all over the place this year, with its absurdly high premium (60%) coming back down to reality before finally swinging to a discount of 1% by the end of June. It looks as though the pendulum has gone back the other way, however, as the trust ended August trading on a premium of 15%. **Independent Investment Trust**, **Axiom European Financial** and the small cap sell-off that hit funds such as **Aberforth Split Level Income** were discussed above. After seeing its discount widen during the previous month, **Jupiter Green** saw a slight narrowing over August though it remains on a double-digit discount.

**Seraphim Space**, which has suffered from a widening discount in recent months, bounced back in July but that appears now to have been only temporary as it ended August on a 41% discount. Fellow growth capital peer **Chrysalis** announced a sharp fall in its NAV, which seemed to unnerve investors. **Tritax Big Box** suffered a double whammy for not only becoming cheaper in August but also for being downgraded by several brokers. Logistics-focused funds have struggled since Amazon said it was abandoning plans for new warehouses. Big Box's European counterpart **Tritax EuroBox** also saw its discount widen over the month.

## Money raised and returned

### Money raised (LHS) and returned (RHS) over August 2022 in £m

Fund	Sector	£m raised	Fund	Sector	£m returned
Capital Gearing	Flexible Investment	50.8	Scottish Mortgage	Global	(35.0)
Personal Assets	Flexible Investment	30.2	Monks	Global	(31.3)
Ruffer	Flexible Investment	21.1	Pershing Square	North America	(19.0)
Pantheon Infrastructure	Infrastructure	13.8	Finsbury Growth & Income	UK Equity Income	(17.8)
Ecofin Global Utilities & Infrastructure	Infrastructure Securities	8.4	Witan	Global	(13.9)

Source: Morningstar, Marten & Co. Note: excludes trusts with market caps below £15m at 31/08/22. Note: based on the approximate value of shares at 31/08/22

Only £144m of net new money was raised over the month, reinforcing the idea of August traditionally being a quiet month.

Capital Gearing, Personal Assets and Ruffer grew while Pantheon Infrastructure expanded as another tranche of its subscription shares was exercised. Ecofin Global Utilities expanded as its NAV continued to climb.

Share buybacks were led by Scottish Mortgage, Monks, Pershing Square, Finsbury Growth & Income and Witan.

Baillie Gifford has been managing investments since 1908. As a wholly independent partnership, with no external shareholders demanding short-term gains, we can focus on what we do best, seeking out long-term investment returns for our clients.

We are the largest manager of investment trusts in the UK with twelve trusts that give access to global, regional and income investment opportunities. We have an extensive range of OEIC sub-funds and manage investments globally for pension funds, institutions and charities.

As with all stock market investments, your capital is at risk. Baillie Gifford & Co Limited is authorised and regulated by the Financial Conduct Authority.



ADVERTISEMENT

## Major news stories and QuotedData views over August 2022

### Portfolio developments

- JLEN Environmental Assets bolsters battery storage exposure
- Foresight Sustainable Forestry acquires trio of afforestation projects and signs new RCF
- Invesco Asia holds up well in falling market
- NextEnergy Solar secures subsidised UK solar contracts
- Henderson Smaller Companies suffers in growth selloff
- Pantheon will battle discount with buybacks
- Schroder British Opportunities tops up Cera investment
- Invesco Select results a mixed bag
- SEED Innovations boosts investment in South West Brands
- Baillie Gifford US back to square one
- Small cap bias drags down Diverse Income
- HydrogenOne backs Strohm pipeline business
- Octopus Renewables buys stake in Crossdykes windfarm
- Bluefield Solar confirms subsidies secured for new projects
- SDCL Energy Efficiency backs US energy storage provider
- HICL Infrastructure adds to train set
- Oakley Capital invests in Affinitas Education
- Taylor Maritime announces all cash offer for Grindrod Shipping

### Property news

- Home REIT expands with £85m acquisitions
- Supermarket Income REIT goes on £76m shopping spree
- Circle Property sells Milton Keynes business park and progresses on sales in Birmingham and Staines
- Impact Healthcare REIT buys two new care homes
- Urban Logistics acquires five assets with significant value creation potential
- Picton Property Income acquires mixed-use property in Cheltenham

### Corporate news

- Independent and Monks combine forces
- Time's up for Axiom European Financial Debt

### Managers and fees

- JPMorgan American's Parton announces retirement, while trust reports tough start to 2022

### QuotedData views

- The logistics paradox – 5 August
- Meaningful mergers – 12 August
- Small is beautiful – 19 August

Visit [www.quoteddata.com](http://www.quoteddata.com) for more on these and other stories plus in-depth analysis on some funds, the tools to compare similar funds and basic information, key documents and regulatory news announcements on every investment company quoted in London

## Upcoming events

Here is a selection of what is coming up. Please refer to the Events section of our website for updates between now and when they are scheduled:

- Monks AGM 2022, 6 September
- abrdn new Dawn AGM 2022, 6 September
- SEED Innovations AGM 2022, 7 September
- Lindsell Train AGM 2022, 8 September
- Polar Capital Technology AGM 2022, 8 September
- Baillie Gifford UK Growth AGM 2022, 9 September
- Rockwood Strategic AGM 2022, 13 September
- Augmentum Fintech AGM 2022, 14 September
- Baillie Gifford US Growth AGM 2022, 16 September
- Odyssean Investment Trust AGM 2022, 21 September
- India Capital Growth AGM 2022, 21 September
- Miton UK Microcap AGM 2022, 27 September
- Aberdeen New India AGM 2022, 28 September
- MIGO Opportunities AGM 2022, 29 September
- Henderson Diversified Income AGM 2022, 4 October
- Invesco Select AGM 2022, 4 October
- Artemis Alpha AGM 2022, 13 October
- Diverse Income AGM 2022, 18 October
- QuotedData's Property Conference 2022, 19 October
- The London Investor Show 2022, 28 October
- QuotedData's Investment Strategies Conference 2022, 9 November
- QuotedData's Responsible Investing Conference 2022, 10 November

## Interviews

Have you been listening to our weekly news round-up shows? Every Friday at 11 am, we run through the more interesting bits of the week's news and we usually have a special guest or two answering questions about a particular investment company.

Friday	The news show	Special Guest	Topic
4 February	AEET, TENT	Sebastian Lyon	Personal Assets
11 February	THRG, SEC, TFIF, UKML	Richard Aston	CC Japan Income & Growth
18 February	CSH, HONY, NESF, TRIG, SUPR	Carlos Hardenberg	Mobius
25 February	BSIF, CRS, DGI9, JEFI	Ian Francis	New City High Yield
4 March	JRS, MCKS	Thomas Moore	Aberdeen Standard Equity Income
11 March	ATT, JEFI, SGEM	James Harries	Securities Trust of Scotland
18 March	FEET, RAV, TRIG	Tom Moore & Henrik Dahlström	Downing Renewables & Infrastructure
25 March	GRP, ANII, IGC, RKW	Blake Hutchins	Troy Income & Growth
1 April	FJV, ORIT, PSH	Ian Lance	Temple Bar
8 April	GRID, HGEN, INPP, SUPR	Yoojeong Oh	abrdn Asian Income
22 April	AEET, NESF, PHLL	Viktor Szabó	abrdn Latin American Income
29 April	NBPE, VEIL	Robert Guest	Foresight Sustainable Forestry
6 May	APAX, EPG, UKW, WKOF, WTAN, ACIC	Gary Moglione	Momentum Multi-Asset Value Trust
13 May	BSIF, CAPC, RNEW, JLEN, LXI, SIR, SHB	Richard Sem	Pantheon Infrastructure
20 May	HGEN, SMT	James Thom	Aberdeen New Dawn

27 May	BSIF, UKW, GRID, HOME	Paul Bridge	Civitas Social Housing
10 June	CHI, RII	Craig Martin	Vietnam Holding
17 June	BGHS, LTI, MTU	Laura Elkin	AEW UK REIT
24 June	T11, TEEC, SHED	Pedro Gonzalez de Cosio	BioPharma Credit
1 July	AIE, CHRY	Andrew Beal	Schroder BSC Social Impact
8 July	DGI9, HICL, SONG, IHR, ORIT, RHM	David Conlon & Joanne Fisk	GCP Asset-Backed Income
22 July	HDIV, PCT	Philip Kent	GCP Infrastructure
29 July	RNEW, JRS, SSIT	Stuart Widdowson	Odyssean Investment Trust
5 August	FEET, JLEN	Kamal Warraich	Canaccord Genuity Wealth Management
12 August	BPCR, IIT, MKNS, T11	David Smith	Henderson High Income
19 August	AXI BSIF	Fiona Yang	Invesco Asia
26 August	DGI9, RWK, SHED	Nick Brind	Polar Capital Global Financials
2 September	SDCL, T11	Tim Levine	Augmentum Fintech

## Coming up

9 September	AJOT	Joe Bauernfreund	AVI Japan Opportunity
16 September	ATST	Stuart Gray	Alliance Trust
23 September	BEMO	Matthias Siller	Baring Emerging EMEA Opportunities
30 September	SJG	Masaki Taketsume	Schroder Japan Growth

**SCOTTISH MORTGAGE INVESTMENT TRUST**

**Successful investing is as much about what you don't know.**

**So, we never stop learning.**

**Capital at risk.**  
A key information document is available by contacting us.

**Find out more**

**BAILLIE GIFFORD**

## Research notes published over August 2022

**Temple Bar**  
Investment companies | Update | 18 August 2022

**Time to shine**

It is coming up to two years since Redwheel (formerly RWC Partners) took over management responsibility for Temple Bar (TMPL), and performance figures show that the change has proven to be a good decision for the trust. Of course, the change in investor appetite from growth to value-style investing has helped it along its way, but the willingness of the managers – Ian Lance and Nick Purves – to go against the trend (by buying cyclical businesses at the lows, for example) shows the importance of stock-picking too. The managers say that valuations are a measure of appetite for risk, and that on that score we are back down to the lowest levels we have seen for about the past 25 years. It times like this (as seen during the global financial crisis, for example), they say, it pays to take on more risk.

**UK equity income and capital growth**

TMPL aims to provide growth in income and capital to deliver a long-term total return greater than its benchmark the FTSE All-Share Index, through investment primarily in UK equities. The company's policy is to invest in a broad spread of securities, with the majority of the portfolio typically selected from the constituents of the FTSE 250 Index.

Sector	UK equity income
Total	198.14
Size currency	GBP
Price	221.8p
NAV	203.17p
Premium/discount	6.2%
Yield	3.7%

The managers say the UK is currently 'incredibly cheap' compared to the other markets.

Dealing (turnover) was reduced in February, ahead of the war outbreak in Ukraine.

Redwheel's agreement coincided with an improvement in global market sentiment.

It is coming up to two years since Redwheel (formerly RWC Partners) took over management responsibility for Temple Bar (TMPL), and performance figures show that the change has proven to be a good decision for the trust. Of course, the change in investor appetite from growth to value-style investing has helped it along its way, but the willingness of the managers – Ian Lance and Nick Purves – to go against the trend (by buying cyclical businesses at the lows, for example) shows the importance of stock-picking too. The managers say that valuations are a measure of appetite for risk, and that on that score we are back down to the lowest levels we have seen for about the past 25 years. In times like this (as seen during the global financial crisis, for example), they say, it pays to take on more risk.

Measures being taken to tackle inflation are weighing on markets. Reflecting this, JPMorgan Multi-Asset Growth & Income (MATE) has also been affected, with falls in its net asset value (NAV) and share price. However, living up to its objective (see below), these falls have not been as severe as those of global equity markets. In the current environment, MATE's policy of growing its dividend at least in line with inflation should be attractive to investors. The managers have repositioned the portfolio to reflect the changed circumstances. They are looking for signs that the worst is priced in and markets are braced to recover, and will look to take advantage of this when the time is right.

**JPMorgan Multi-Asset Growth & Income**  
Investment companies | Update | 22 August 2022

**Navigating a changed landscape**

Measures being taken to tackle inflation are weighing on markets. Reflecting this, JPMorgan Multi-Asset Growth & Income (MATE) has also been affected, with falls in its net asset value (NAV) and share price. However, living up to its objective (see below), these falls have not been as severe as those of global equity markets. In the current environment, MATE's policy of growing its dividend at least in line with inflation should be attractive to investors. The managers have repositioned the portfolio to reflect the changed circumstances. They are looking for signs that the worst is priced in and markets are braced to recover, and will look to take advantage of this when the time is right.

**Income and capital growth from a multi asset portfolio**

MATE aims to generate income and capital growth, while seeking to maintain lower levels of portfolio volatility than a traditional equity portfolio. It operates a multi-asset strategy, maintaining a high degree of flexibility with respect to asset class, geography and sector of the investments selected for the portfolio.

Sector	Pacific Investment	MATE I.M.
Total	100.00	100.00
Size currency	USD	USD
Price	100.00	100.00
NAV	100.00	100.00
Premium/discount	0.0%	0.0%
Yield	4.2%	4.2%

Targeting attractive, inflation-proof income, 6% compound annual returns and lower volatility than equities.

In July, the team moved to a more growth-oriented strategy, where they see greater potential for return looking forward.

Falling markets have impacted on MATE's short-term performance.

**Gulf Investment Fund**  
Investment companies | Initiation | 18 August 2022

**Much more than just oil & gas**

Gulf Investment Fund (GIF) has built up an attractive track record of both absolute performance and outperformance of its index benchmark. For example, as we show on page 18, GIF outperforms competing open-ended funds over most time periods. Recent higher energy prices have bolstered sentiment toward the countries that comprise the Gulf Cooperation Council (GCC) – see below. Their governments are using the revenue windfall to fund vast infrastructure projects aimed at diversifying their economies. We think that this helps underpin the long-term case for an investment in the region and the fund.

GIF is unique within the investment company universe and offers exposure to an increasingly important region. Notwithstanding its impressive track record, as we discuss on page 18, institutional investors have taken advantage of stringent discount control mechanisms and have shaken the company. The board would like to see it re-adopt and we agree.

**Exposure to growth within the GCC economies**

GIF aims to capture the opportunities for growth offered by the GCC economies of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates by investing in listed or soon-to-be listed companies on one of the GCC exchanges.

Please note that GIF's accounts, net asset values (NAV's) and share price are all presented in US dollars, as is the performance data in this note. The strength of the dollar relative to the pound has had and will continue to have an influence on GIF's returns for a UK-based investor.

Sector	Global energy
Total	100.00
Size currency	USD
Price	2.07
NAV	2.21
Premium/discount	12.9%
Yield	2.4%

Access to diversification, infrastructure spending, expansion of the natural and gas sector, privatisation, and economic, social and capital market reforms.

Regional governments' finances are very healthy.

GCC stocks are an increasingly important, and often under-owned part of emerging market portfolios.

Gulf Investment Fund (GIF) has built up an attractive track record of both absolute performance and outperformance of its index benchmark. For example, as we show on page 18, GIF outperforms competing open-ended funds over most time periods. Recent higher energy prices have bolstered sentiment toward the countries that comprise the Gulf Cooperation Council (GCC) – see below. Their governments are using the revenue windfall to fund vast infrastructure projects aimed at diversifying their economies. We think that this helps underpin the long-term case for an investment in the region and the fund.

After a few difficult years, the North American Income Trust (NAIT) has plenty to feel good about in 2022. It has enjoyed a turnaround in performance as its value style of investing has come back in favour. As we discuss on page 4, investors have been rotating away from growth stocks on the back of inflation fears. Acknowledging these fears, NAIT's manager, Fran Radano, is confident that the trust can provide an income stream that should outpace US inflation. Meanwhile, the trust, which has been run in its current form since 2012, achieved 'next generation dividend hero' status this year (a commendation awarded by the Association of Investment Companies), as it has managed to increase its dividend every year for 10 consecutive years.

**North American Income Trust**  
Investment companies | Annual corridor | 8 August 2022

**Next generation dividend hero**

After a few difficult years, the North American Income Trust (NAIT) has plenty to feel good about in 2022. It has enjoyed a turnaround in performance as its value style of investing has come back in favour. As we discuss on page 4, investors have been rotating away from growth stocks on the back of inflation fears. Acknowledging these fears, NAIT's manager, Fran Radano, is confident that the trust can provide an income stream that should outpace US inflation. Meanwhile, the trust, which has been run in its current form since 2012, achieved 'next generation dividend hero' status this year (a commendation awarded by the Association of Investment Companies), as it has managed to increase its dividend every year for 10 consecutive years. It has also built up sufficient revenue reserves to cover more than a full year's dividend payment.

**Above-average income and long-term growth**

NAIT's objective is to invest for above-average dividend income and long-term capital growth, mainly from a diversified portfolio of dividend-paying S&P 500 US equities. It may also invest in Canadian stocks and US small- and mid-cap companies to provide for diversified sources of income as well as fixed income investments, which may include non-investment grade debt.

Sector	North America
Total	100.00
Size currency	USD
Price	304.8p
NAV	329.1p
Premium/discount	7.4%
Yield	3.52%

Fran thinks investors are finally focusing on value and the market has become more discerning – working in NAIT's favour.

NAIT has a track record of growing its annual dividend and this has been supported by the build-out of its revenue reserves.

Over one year, NAIT has been the second best performing fund out of its peers based on year-to-date.





## Invest in good company

**abrdn Investment Trusts**

We believe there's no substitute for getting to know your investments first hand. That's why we look to analyse and speak to companies intensively before we invest in their shares and while we hold them.

Focusing on first-hand company research requires a lot of time and resources. But it's just one of the ways we aim to seek out the best investment opportunities on your behalf.

Please remember, the value of shares and the income from them can go down as well as up and you may get back less than the amount invested.

Request a brochure: 0808 500 4000

[invtrusts.co.uk](http://invtrusts.co.uk)

Issued by Aberdeen Asset Managers Limited, registered in Scotland (SC108419) at 10 Queen's Terrace, Aberdeen, AB10 1XL, authorised and regulated in the UK by the Financial Conduct Authority. Please quote MARTEN.

## Guide

Our independent guide to quoted investment companies is an invaluable tool for anyone who wants to brush up on their knowledge of the investment companies' sector. Please register on [www.quoteddata.com](http://www.quoteddata.com) if you would like it emailed to you directly.



## Appendix 1 – median performance by sector, ranked by YTD total price return

YTD Rank	Sector	Share price TR YTD (%)	NAV TR YTD (%)	Share price TR Aug (%)	NAV TR Aug (%)	Disc. 31/08/22 (%)	Disc. 30/07/22 (%)	Change in disc. (%)	Median market cap 31/08/22 (£m)	No. of cos in sector
1	Insurance & Reinsurance Strategies	464.3	510.1	19.8	4.6	(25.9)	(35.4)	9.5	31.2	2
2	Leasing	40.8	13.5	1.2	0.0	(15.3)	(13.7)	(1.6)	108.7	8
3	Latin America	14.5	19.6	4.4	8.3	(15.0)	(10.0)	(5.0)	70.9	2
4	Renewable Energy Infrastructure	12.0	12.8	5.3	1.3	3.0	(0.0)	3.0	585.4	21
5	Infrastructure Securities	11.7	6.7	6.1	1.0	(2.9)	(7.2)	4.3	146.5	2
6	Commodities & Natural Resources	8.3	3.3	0.0	0.0	(12.2)	(15.0)	2.8	69.7	9
7	Hedge Funds	5.2	13.8	4.6	4.2	(12.5)	(13.7)	1.2	97.7	8
8	Debt - Structured Finance	3.8	3.5	5.1	3.9	(17.6)	(18.3)	0.7	156.3	6
9	Property - UK Commercial	3.2	11.9	(3.1)	0.3	(19.5)	(19.2)	(0.3)	311.7	14
10	Asia Pacific Smaller Companies	2.6	4.5	5.8	6.1	(12.6)	(10.5)	(2.2)	345.7	3
11	Royalties	1.7	17.1	3.3	2.3	(16.2)	(16.7)	0.5	857.3	2
12	North America	0.3	3.3	0.4	0.7	(10.0)	(9.6)	(0.4)	467.4	6
13	India	(0.6)	3.9	7.1	7.6	(18.6)	(16.8)	(1.8)	282.2	4
14	Property - UK Healthcare	(1.0)	7.0	(1.8)	1.5	(1.0)	1.4	(2.3)	574.9	2
15	Debt - Direct Lending	(1.5)	6.0	0.3	0.0	(11.3)	(12.0)	0.7	161.9	8
16	Infrastructure	(2.5)	2.9	0.6	0.0	6.1	5.9	0.2	1,001.9	11
17	Debt - Loans & Bonds	(3.0)	(4.0)	2.7	1.3	(5.8)	(7.4)	1.6	129.1	12
18	UK Equity & Bond Income	(3.8)	(5.9)	(3.4)	(4.6)	(1.0)	(0.5)	(0.6)	215.1	1
19	Property - Debt	(3.9)	1.9	1.4	0.7	(9.9)	(15.7)	5.8	207.0	4
20	Global Equity Income	(4.0)	(2.4)	0.0	0.5	(5.5)	(1.5)	(4.0)	336.6	7
21	Country Specialist	(6.5)	(2.0)	6.2	7.9	(17.7)	(14.5)	(3.2)	462.0	4
22	UK Equity Income	(6.6)	(8.4)	(1.7)	(4.0)	(2.6)	(4.9)	2.3	264.2	24
23	Property - UK Residential	(8.7)	4.7	(4.6)	1.1	(14.8)	(8.3)	(6.5)	385.1	6
24	Flexible Investment	(9.2)	(5.9)	0.1	0.0	(3.6)	(3.7)	0.1	92.4	22
25	Financials	(9.5)	(10.8)	(2.0)	2.4	(15.9)	(12.9)	(3.0)	410.6	2
26	Property - UK Logistics	(9.7)	17.2	(4.2)	0.0	(10.5)	(13.3)	2.7	802.4	3
27	Private Equity	(10.4)	6.8	0.6	0.0	(37.4)	(33.7)	(3.6)	482.8	18
28	Asia Pacific	(11.4)	(8.2)	2.3	4.9	(12.2)	(9.5)	(2.7)	497.4	6
29	Biotechnology & Healthcare	(11.4)	(4.8)	(1.5)	3.4	(7.7)	(3.0)	(4.7)	696.5	6
30	Global Emerging Markets	(11.6)	(8.0)	4.7	4.4	(12.1)	(10.9)	(1.2)	286.8	12
31	Global	(13.8)	(10.7)	(2.2)	(0.6)	(9.4)	(6.5)	(3.0)	441.0	16
32	Property - Rest of World	(14.3)	1.2	2.5	0.0	(63.3)	(65.7)	2.5	30.4	4
33	North American Smaller Companies	(15.7)	(5.8)	4.2	0.9	(11.4)	(14.2)	2.9	200.7	2

YTD Rank	Sector	Share price TR YTD (%)	NAV TR YTD (%)	Share price TR Aug (%)	NAV TR Aug (%)	Disc. 31/08/22 (%)	Disc. 30/07/22 (%)	Change in disc. (%)	Median market cap 31/08/22 (£m)	No. of cos in sector
34	Europe	(17.0)	(13.6)	(2.9)	(2.8)	(14.3)	(12.2)	(2.0)	344.4	7
35	Environmental	(18.0)	(10.0)	5.9	(0.1)	(13.5)	(23.4)	9.8	85.6	3
36	Japan	(19.6)	(12.9)	0.6	2.4	(10.0)	(9.4)	(0.7)	234.8	6
37	China / Greater China	(21.1)	(14.9)	(6.1)	2.3	(10.3)	(1.3)	(9.0)	278.1	4
37	Property - Europe	(21.2)	4.6	(11.5)	0.0	(31.9)	(23.6)	(8.3)	397.7	5
39	Japanese Smaller Companies	(22.6)	(18.2)	2.3	2.8	(10.2)	(8.0)	(2.3)	158.8	5
40	UK All Companies	(22.9)	(22.9)	(6.9)	(4.7)	(13.5)	(12.8)	(0.7)	191.7	9
41	UK Smaller Companies	(25.2)	(21.4)	(1.3)	(3.7)	(13.8)	(14.7)	0.8	134.5	24
42	Technology & Media	(29.2)	(18.4)	(3.9)	0.0	(14.6)	(9.9)	(4.7)	951.7	3
43	European Smaller Companies	(31.7)	(27.4)	(8.0)	(4.8)	(14.4)	(12.9)	(1.4)	431.1	4
44	Global Smaller Companies	(33.1)	(20.9)	(4.0)	(0.9)	(16.1)	(12.2)	(3.9)	775.6	5
45	Growth Capital	(38.3)	(11.2)	(9.1)	0.0	(41.3)	(30.9)	(10.4)	163.8	7
	<b>MEDIAN</b>	<b>(8.7)</b>	<b>(2.0)</b>	<b>0.4</b>	<b>0.7</b>	<b>(12.5)</b>	<b>(12.2)</b>	<b>(0.7)</b>	<b>282.2</b>	<b>6</b>

Source: Morningstar, Marten & Co



## IMPORTANT INFORMATION

This note was prepared by Marten & Co (which is authorised and regulated by the Financial Conduct Authority).

This note is for information purposes only and is not intended to encourage the reader to deal in the security or securities mentioned within it.

Marten & Co is not authorised to give advice to retail clients. The note does not have regard

to the specific investment objectives, financial situation and needs of any specific person who may receive it.

Marten & Co may have or may be seeking a contractual relationship with any of the securities mentioned within the note for activities including the provision of sponsored research, investor access or fundraising services.

This note has been compiled from publicly available information. This note is not directed at any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) the publication or availability of this note is prohibited.

**Accuracy of Content:** Whilst Marten & Co uses reasonable efforts to obtain information from sources which we believe to be reliable and to ensure that the information in this note is up to date and accurate, we make no representation or warranty that the information contained in this note is accurate, reliable or complete. The information contained in this note is provided by Marten & Co for personal use and information purposes generally. You are solely liable for any use you may make of this information. The information is inherently subject to change without notice and may become outdated. You, therefore, should verify any information obtained from this note before you use it.

**No Advice:** Nothing contained in this note constitutes or should be construed to constitute investment, legal, tax or other advice.

**No Representation or Warranty:** No representation, warranty or guarantee of any kind, express or implied is given by Marten & Co in respect of any information contained in this note.

**Exclusion of Liability:** To the fullest extent allowed by law, Marten & Co shall not be liable for any direct or indirect losses, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained in this note. In no circumstance shall Marten & Co and its employees have any liability for consequential or special damages.

**Governing Law and Jurisdiction:** These terms and conditions and all matters connected with them, are governed by the laws of England and Wales and shall be subject to the exclusive jurisdiction of the English courts. If you access this note from outside the UK, you are responsible for ensuring compliance with any local laws relating to access.

No information contained in this note shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

**Investment Performance Information:** Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates may also cause the value of underlying overseas investments to go down as well as up. Marten & Co may write on companies that use gearing in a number of forms that can increase volatility and, in some cases, to a complete loss of an investment.

QuotedData is a trading name of Marten & Co, which is authorised and regulated by the Financial Conduct Authority.

**123a Kings Road, London SW3 4PL  
0203 691 9430**

**www.QuotedData.com**

Registered in England & Wales number 07981621,  
2nd Floor Heathmans House,  
19 Heathmans Road, London SW6 4TJ

Edward Marten (em@martenandco.com)

David McFadyen (dm@martenandco.com)

Colin Edge (ce@martenandco.com)

Nick Potts (np@martenandco.com)

**INVESTMENT COMPANY RESEARCH:**

Jayna Rana (jr@martenandco.com)

Matthew Read (mr@martenandco.com)

James Carthew (jc@martenandco.com)

Richard Williams (rw@martenandco.com)