



Murray International Trust PLC

A high conviction global portfolio designed to deliver
a strong and rising income and to grow capital

Annual Report
31 December 2022

murray-intl.co.uk



Glasgow's Finnieston Crane, a symbol of the city's industrial heritage. The Company's roots can be traced back to Glasgow's thriving industrial and shipbuilding-based economy



"I am pleased to report that, despite the well-reported and widespread turbulence of global financial markets during 2022, the Company's net asset value ("NAV") posted a total return for the year ended 31 December 2022 (i.e. with net income reinvested) of +8.8%. The Company has no benchmark but this performance compares favourably with a total return for the Reference Index, the FSTE ALL World TR Index, of -7.3%"

David Hardie,
Chairman



"With global Central Banks increasingly devoid of policy options and tarnished by diminishing credibility, the outlook has rarely been so opaque. The Company's high conviction investment strategy will remain focused on avoiding the pitfalls of previous valuation excesses and emphasising unaffected opportunities where realistic growth and income prevails"

Bruce Stout,
abrdn Investments Limited

Performance Highlights

Net asset value total return^{AB} – 2022

+8.8%

2021

+14.1%

Share price total return^{AB} – 2022

+20.6%

2021

+7.2%

Reference Index total return^{BC} – 2022

–7.3%

2021

+20.0%

Premium/(discount) to net asset value^{AD} – 2022

+3.1%

2021

–6.8%

Dividends per share^{BE} – 2022

56.0p

2021

55.0p

Revenue return per share^B – 2022

60.1p

2021

51.7p

Retail Price Index^B – 2022

+13.4%

2021

7.5%

Ongoing charges ratio^{AD}

0.52%

2021

0.59%

^A Alternative Performance Measure (see pages 108 to 110).

^B For the year to 31 December.

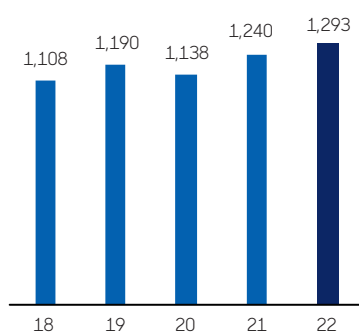
^C Reference Index is FTSE All World TR Index.

^D As at 31 December.

^E Dividends declared for the year to which they relate.

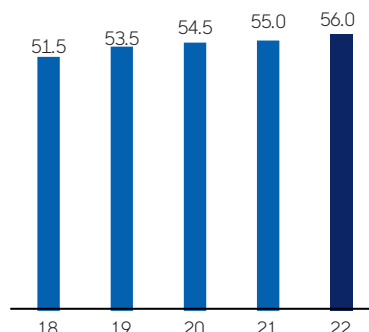
Net asset value per share

At 31 December – pence



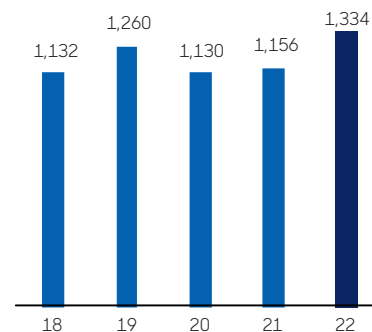
Dividends per share

Year ended 31 December – pence



Mid-Market price per share

At 31 December – pence



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Financial Calendar

Payment dates of future quarterly dividends	5 May 2023 16 August 2023 17 November 2023 16 February 2024
Financial year end	31 December
Online Shareholder Presentation	Monday 3 April 2023 at 11.00 a.m.
Annual General Meeting (Glasgow)	Friday 21 April 2023 at 12:30 p.m.
Record date for the Share Split and disablement in CREST of the existing ISIN for settlement	6:00 p.m. on 21 April 2023
Listing and Admission of the New Ordinary Shares expected to commence	8:00 a.m. on 24 April 2023
Expected date for crediting CREST accounts with New Ordinary Shares (where applicable)	24 April 2023
Expected date by which certificates in respect of New Ordinary Shares are to be dispatched to certificated shareholders	By 5 May 2023

Dividends

	Rate	Ex-dividend date	Record date	Payment date
1st interim	12.0p	7 July 2022	8 July 2022	16 August 2022
2nd interim	12.0p	6 October 2022	7 October 2022	18 November 2022
3rd interim	12.0p	5 January 2023	6 January 2023	17 February 2023
Proposed final	20.0p	6 April 2023	11 April 2023	5 May 2023
Total dividends	56.0p			

Financial Highlights

	31 December 2022	31 December 2021	% change
Total assets ^A	£1,816.6m	£1,760.9m	+3.2
Net assets	£1,616.8m	£1,561.1m	+3.6
Market capitalisation	£1,667.7m	£1,455.0m	+14.6
Net Asset Value per Ordinary share ^B	1,293.3p	1,240.3p	+4.3
Share price per Ordinary share (mid market) ^B	1,334.0p	1,156.0p	+15.4
Premium/(discount) to Net Asset Value per Ordinary share ^C	3.1%	-6.8%	
Net gearing ^C	11.2%	12.2%	
Revenue return per share	60.1p	51.7p	+16.3
Dividends per share ^D	56.0p	55.0p	+1.8
Dividend cover (including proposed final dividend) ^C	1.07x	0.94x	
Dividend yield ^C	4.2%	4.8%	
Revenue reserves ^E	£69.2m	£63.0m	
Ongoing charges ratio ^C	0.52%	0.59%	

^A See definition on page 121.

^B Capital values.

^C Considered to be an Alternative Performance Measure as defined on pages 108 and 109.

^D The figure for dividends per share reflects the years to which their declaration relates (see note 8 on page 88) and assuming approval of the final dividend of 20.0p (2021 – final dividend of 19.0p).

^E The revenue reserve figure does not take account of the third interim and final dividends amounting to £15,002,000 and £25,003,000 respectively (2021 – third interim dividend of £15,103,000 and final dividend of £23,813,000).

Strategic Report





Murray International Trust PLC is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company is an approved investment trust and aims to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities

Chairman's Statement

Performance

I am pleased to report that, despite the well-reported and widespread turbulence of global financial markets during 2022, the Company's net asset value ("NAV") posted a total return for the year ended 31 December 2022 (i.e. with net income reinvested) of +8.8%. The Company has no benchmark but this performance compares favourably with a total return for the Reference Index, the FSTE ALL World TR Index, of -7.3%. However, the Company's performance could not match an abnormal rise over the same period of +13.4% for the UK Retail Price Index (RPI). The share price posted a higher total return of +20.6%. Increased income per share amounted to 60.1p for the year (2021: 51.7p), enabling an ongoing improvement in the level of dividend and a return to a fully covered dividend.

Over three years, RPI has increased +23.5%, the Reference Index has returned +19.0% and the Company's NAV total return stands at +25.3%

It is also satisfying to note that the longer-term picture has improved. Over three years, RPI has increased +23.5%, the Reference Index has returned +19.0% and the Company's NAV total return stands at +25.3%.

The Manager's investment focus continues to emphasise both geographical and sector diversification across a broad range of quality companies as we continue to seek both long-term income and capital growth. Such characteristics tend not to be represented in the more concentrated Reference Index where a small number of growth stocks have tended to dominate in recent years. For this reason, relative performance in any shorter time period can, and does, deviate significantly on a comparative basis.

Dividends

Three interim dividends of 12.0p per share (2021: three interims of 12.0p) have been declared during the year. Your Board is now recommending an increased final dividend of 20.0p per Ordinary 25p share (2021: final dividend of 19.0p). If approved at the Annual General Meeting, this final dividend will be paid on 5 May 2023 to holders of Ordinary 25p shares on the register on 11 April 2023 (ex dividend 6 April 2023). If the final dividend is

approved, total Ordinary dividends for the year will amount to 56.0p (2021: 55.0p), an increase over the previous year of 1.8%. The level of increase reflects the fact that the Company already pays a competitively high dividend yield which stood at 4.2% at year end. This represents the 18th year of dividend increases for the Company, which remains an AIC 'Next Generation Dividend Hero'.

If the final dividend is approved, total Ordinary dividends for the year will amount to 56.0p (2021: 55.0p), an increase over the previous year of 1.8%

As a long-established investment trust, the Company had the benefit of £69.2 million of distributable reserves on its balance sheet at 31 December 2022, which have been accumulated by the Company over many years from retained earnings. The payment of the final dividend, if approved, will result in the movement of £5.2 million to the revenue reserves to strengthen them for the future. The dividend cover at year end was 1.07x (2021: 0.94x). The replenishment of reserves this year is in line with the policy that we have highlighted to shareholders in previous years. The Board intends to maintain the Company's progressive dividend policy. This means that, in some years, revenue will be added to reserves while, in others, some revenue may be taken from reserves to supplement revenue earned during that year, in order to pay the annual dividend. Shareholders should not be surprised or concerned by either outcome as, over time, the Company will aim to pay out what the underlying portfolio earns in sterling terms.

Currency fluctuations may also have an impact on income and therefore the level of dividend. The Board, however, is maintaining the present policy not to hedge the sterling translation risk of revenue arising from non-UK assets.

Gearing

At the year end, total borrowings amounted to £200 million, representing net gearing (calculated by dividing the total borrowings less cash by shareholders' funds) of 11.2% (2021: 12.2%), all of which is drawn in sterling. In May 2022, the Company utilised part of its £200m Loan Note Shelf Facility, of which £50m had already been drawn down, through the issuance of a £60 million 15 year Senior Unsecured Loan Note at an all-in-rate of 2.83%. The proceeds of the issue were used to repay the Company's £60 million fixed rate loan that matured at that time. Under the terms of the Loan Note Agreement, dated May 2021, up to an additional £90 million will also be available for drawdown by the Company until May 2026. The Board's current intention is to only use this additional amount to repay the Company's existing debt as it falls due over the coming years.

The Company is now considering options to replace the next fixed rate loan which amounts to £60m and is due to expire in May 2023. The Company will update shareholders in due course.

Ongoing Charges Ratio ("OCR")

The Board remains focused on controlling costs and on delivering value to shareholders. The OCR for 2022 has continued to trend downwards ending the year on 0.52% (2021: 0.59%). The continued improvement reflects the benefit of the reduction in management fee agreed with effect from 1 January 2022.

The OCR for 2022 has continued to trend downwards ending the year on 0.52% (2021: 0.59%)

Online Presentation and Annual General Meeting ("AGM")

In 2022 the Board for the second time held an online shareholder presentation in advance of the AGM. It was very well attended again and we hope that shareholders found it informative. It also provided a useful opportunity for the Board to receive feedback and views from shareholders and to answer your questions. Given the success of the online event, the Board has decided to repeat the exercise again in 2023. We will hold another

interactive online shareholder presentation at 11.00 a.m. on Monday 3 April 2023. This is in addition to the in-person AGM. At the online presentation, shareholders will receive updates from me, as Chairman, and the Investment Manager, and there will be an interactive question and answer session. Full details on how to join the online shareholder presentation can be found in my accompanying letter and further information on how to register for the event can be found at <https://www.workcast.com/register?cpak=4678784364872362>.

We will hold another interactive online shareholder presentation at 11.00 a.m. on Monday 3 April 2023

Following the online presentation, shareholders will still have almost three weeks during which to submit their proxy votes prior to the AGM and I would encourage all shareholders (whether or not they intend to attend the AGM in person) to lodge their votes in advance in this manner.

The AGM has been convened for 12:30 p.m. on 21 April 2023, at the Glasgow Royal Concert Hall, and will be followed by light refreshments and an opportunity to meet the Board and the investment management team.

Ahead of the online presentation and AGM, I would encourage shareholders to send in any questions that they may have for either forum to: murray-intl@abrdn.com.

Management of Discount and Premium

At the AGM held in April 2022, shareholders renewed the annual authorities to issue up to 10% of the Company's issued share capital for cash at a premium and to buy back up to 14.99% of the issued share capital at a discount to the prevailing NAV. During the year, 848,963 Ordinary shares were purchased for Treasury, representing 0.7% of the issued share capital. The Board will be seeking approval from shareholders to renew the buyback authority together with the authority to allot new shares or sell shares from Treasury at the AGM in 2023. As in previous years, new or Treasury shares will only be issued or sold at a premium to NAV and shares will only be bought back at a discount to NAV. Resolutions to this effect will be proposed at the AGM and the Directors strongly encourage shareholders to support these proposals.

Chairman's Statement

Continued

Your Board continues to believe that it is appropriate to seek to address temporary imbalances of supply and demand for the Company's shares which might otherwise result in a recurring material discount or premium. The Board believes that this process is in all shareholders' interests as it seeks to reduce volatility in the discount or premium to underlying NAV whilst also making a small positive contribution to the NAV. At the latest practicable date, the NAV (excluding income) per share was 1339.9p and the share price was 1339.0p, equating to a discount of 0.1% per Ordinary share compared to a premium of 3.1% per Ordinary share at the year end.

Proposed Sub-division of Ordinary Shares

The market price of the Company's existing Ordinary shares ("existing Ordinary shares") has increased in recent years to the point where the Ordinary shares regularly trade at a market price of over 1300 pence. In order to assist monthly savers, those who reinvest their dividends and those who are looking to invest smaller amounts such as younger investors, the Directors believe that it is appropriate to propose the sub-division of each of the existing Ordinary shares of 25 pence each into five new Ordinary shares of 5 pence each (the 'new Ordinary shares') (the "Sub-division"), thereby resulting in a lower market price per Ordinary share. The Sub-division will not itself affect the overall value of any shareholder's holding in the Company. The Directors believe the Sub-division may also improve the liquidity in and marketability of the Company's Ordinary shares, which will benefit all shareholders.

There will be no interruption to trading in the Ordinary shares on the London Stock Exchange when the Sub-division takes place. The new Ordinary shares will rank equally with each other and will carry the same rights and be subject to the same restrictions (save as to nominal value) as the existing Ordinary shares, including the same rights to participate in dividends paid by the Company.

The Sub-division requires the approval of shareholders and, accordingly, Resolution 12 in the Notice of AGM seeks this approval. The Sub-division is conditional on the new Ordinary shares being admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities. If Resolution 12 is passed, the Sub-division will become effective on admission. Further details of the proposed Sub-division are set out in the Directors' Report on pages 61 and 62 of the published Annual Report and financial statements for the year ended 31 December 2022.

Environmental, Social and Governance ("ESG") and Climate Change

The Company is not an ESG fund. However, as part of its responsible stewardship of shareholders' assets, your Board continues to engage actively with the Manager with regard to the ongoing assessment and further integration of ESG factors into the Manager's investment process. The Board receives regular assessments of the Company's holdings and portfolio, including a MSCI fund ratings report which currently gives the Company's portfolio a rating of 'AA' (2021: 'AA'). Further information on the important work undertaken on ESG and climate change by the Manager is provided in the 'Information About the Manager' section on pages 113 to 115.

Without becoming prescriptive on specific investment criteria, the Board's desire is for the Manager to continue to incrementally improve the portfolio's ESG credentials and to seek to exploit opportunities arising from a net zero economy, in so far as this is consistent with the Company's investment objective. A key ingredient in building such a portfolio is meaningful, regular and continuing dialogue between the Manager and investee companies, with a view not only to understanding the risk exposure and evolving business models better but also to influencing corporate behaviour.

Succession Planning

In June 2022, we welcomed Virginia Holmes to the Board as an independent non-executive Director following the culmination of an extensive search process using the services of an independent recruitment consultant. Virginia is the former CEO of AXA Investment Managers Limited and has brought significant senior asset management expertise and experience to the Board. She is currently Chair of Trustees at the Unilever UK Pension Fund, Senior Independent Director at both Syncona and European Opportunities Trust and Chair of the Remuneration Committee at Intermediate Capital Group plc. She was previously Chair of USS Investment Management and of BA Pension Trustees, a founder Director of the Investor Forum, Non Executive Director of Standard Life Investments plc and Chair of the Investment Committee at Alberta Investment Management Corporation.

This year marks the completion of my period of tenure on the Board following my appointment as a Director in 2014 and subsequent selection as Chairman in 2021, after the sad and untimely death of Simon Fraser. At the time of the AGM, I will have been on the Board of the Company for almost 9 years and the Board has asked me to remain as Chairman for a short while in order to complete the Board's succession planning exercise.

Excellent progress has been made and we expect to announce two new appointments to the Board over the coming months. I shall be standing down from the Board on 31 December 2023 and I am delighted to report that Virginia Holmes will take on the Chair role from that date. Following these changes, the Board is expected to return to its previous complement of six and is expected to be in compliance with the recommendations of the Parker Review on diversity in the UK boardroom.

abrdn Name Changes

In line with the Manager's ongoing rebranding exercise, during the year our Alternative Investment Fund Manager changed its name from Aberdeen Standard Fund Managers Limited to abrdn Fund Managers Limited, our Investment Manager became abrdn Investments Limited (from Aberdeen Asset Managers Limited) and our Company Secretary changed its name from Aberdeen Asset Management PLC to abrdn Holdings Limited. There is no intention to change the name of the Company.

Outlook

Looking forward, deep-rooted macroeconomic difficulties are likely to continue to impact the direction of financial markets. Seldom has the economic outlook seemed so uncertain. Numerous heavily indebted nations and corporates are confronted with significantly higher borrowing costs that will ultimately constrain future growth. The task of controlling inflation may exert significant damage on already fragile economies, suggesting that policymakers negotiating the treacherous tightrope between recovery and recession have little room for error. Whilst prices of goods and services should moderate as supply / demand dynamics normalise, wage inflation may prove more problematic. Meanwhile, businesses must quickly adapt to the unfolding backdrop of higher input, labour and capital costs occurring simultaneously with softening consumer demand and changes to global supply chains.

From a portfolio perspective, the Company's unconstrained global mandate continues to enable great investment flexibility under constantly changing circumstances. The past twelve months bears testimony to that. The re-emergence of inflation that unleashed a raft of negative surprises on so many unprepared companies in the West is not so unfamiliar elsewhere in the world. Inevitably attractive investment opportunities will emerge as asset prices readjust. Identifying companies that can exert some degree of pricing power, have favourable industry dynamics and seasoned management familiar with evolving realities will be key. Strict adherence to tried and trusted investment principles as always gives a degree of comfort during periods of such investment flux. The Manager believes strongly in its disciplined investment process as a means by which to identify appropriate opportunities to deliver the capital and income strategies of our mandate. Current portfolio positioning reflects this, with high conviction, diversified exposures designed to deliver the Company's long-term objectives.

Finally, as I wrote last year, your views matter. Your Board greatly values shareholder comments and I encourage you to email me with your views at:

DavidHardie.Chairman@abrdn.com.



David Hardie

Chairman
2 March 2023

The Manager believes strongly in its disciplined investment process as a means by which to identify appropriate opportunities to deliver the capital and income strategies of our mandate

Investment Manager's Review

Background

Thrift and abstinence are rarely recognised as advantageous attributes of contemporary investment management. In the current dynamic, digital world of conspicuous consumption and instant gratification, such pragmatic peculiarities regularly attract sanctimonious scorn from those at the vanguard of innovation and change. Incompatible with justifying the unjustifiable, such 'constraining characteristics' invariably attract maximum vitriol during periods of excessive exuberance when prevailing valuations reach unwarranted levels. Irrational expectations simply cannot entertain the reality of common sense when the next new investment paradigm is being unequivocally venerated. Yet thrift and abstinence feature prominently in long-term sustainable wealth creation. Perhaps even more so in wealth preservation! The sobering reality of the past twelve months simply reinforced that yet again "it's not different this time". Economics, commerce, business, social interaction and lifestyles constantly change and adapt but, when reflected in valuations of equities and bonds, what consistently matters most are ultimately profits, cash flows and interest rates. Unfolding financial events throughout 2022 looked no further than the past for vindication. Anyone remotely familiar with previous periods of inflation-induced policy tightening understands the consequences such actions have on prevailing market insanities. For seasoned investors well versed in macroeconomic history, the song remained very much the same.

With prices rising at the fastest pace in forty years, inflationary pressures were already well established long before the Russian invasion of Ukraine in late February 2022. Escalating conflict between two key global commodity producers undoubtedly poured fresh fuel on the fire of soaring food and energy prices, but the Developed World's mutating inflation problem harboured deeper historical heritage. Twenty years of Central Bank-orchestrated financial repression was about to be exposed as the untenable sham it always was. For centuries, printing money bequeaths inflation. Two decades spent doing exactly that, appeasing financial markets, inflating asset prices and abdicating responsibility for managing long-term price stability defines the incompetent legacy of recent Central Bank custodians. Throughout the period, excessive unconventional monetary policy postponed painful adjustment, providing superficial respite from harsh realities. But, having effectively monetised each and every financial crisis of the current century, huge unsustainable debt legacies were about to become increasingly

scrutinised through the lens of rising bond yields. With spiralling debt-servicing costs inherent in higher interest rate and inflationary conditions, spending without restraint comes with serious economic and financial consequences. As the penny dropped, the retrospective wisdom of policymakers and politicians alike proved deafening.

Experiencing an epiphany of belated inflation realisation, consensus opinion abruptly disposed of 'temporary' and 'transitory' from the popular lexicon. Hitherto transient inflation was allegedly now in danger of becoming entrenched, so drastic action ensued. As policymakers embarked on the most brutal series of interest-rate hikes for fifty years, it was hardly surprising significant wealth destruction occurred. Both fixed income and equity markets endured a torrid twelve months. Without their buyers of last resort (Governments), bond markets plunged. Investors, fearful of nominal fixed returns being eroded in an inflationary world, exited at seemingly any price. Beyond bond markets, the myth of non-profitable growth companies constantly performing in a rising yield environment crumbled in the face of such adversity. Having boomed for over a decade, speculative asset classes such as unlisted securities, private equity and cash-burning business models of the so-called 'new economy' were confronted with the new reality. The price of money was going up. For those followers of fashion, to whom present valuation is ignored in favour of future growth potential, the crushing weight of history was closing in. When liquidity contracts, such unproven investment requires strong stomachs. We are yet to find out just how strong.

Refusal to recognise macroeconomic realities and Covid induced distortions remained noticeably absent from progressive policies being pursued elsewhere in the world. Here fiscal and monetary restraint generally prevailed. Indeed the stark contrast between reactive interest rate rises throughout 2022 in the debt dependent Developed World and proactive monetary tightening enacted twelve months previously in 2021 across the Developing World couldn't have been more pronounced. With local interest rates free to price risk accordingly, pre-emptive policy actions in Asia and Latin America prevented undue inflationary concerns, providing a platform for imminent monetary easing. Out-with the arguably over-valued technology sectors in China and Taiwan, most Emerging Markets trod water over the period. International risk appetite remained unsurprisingly paralysed given events unfolding elsewhere, but subdued sentiment can rapidly change. China's year-end U turn on Covid policy undoubtedly enhances prospects for the country and

region, should consumer demand accelerate and domestic property markets stabilise. Unburdened by punitive debt obligations and free from unrealistic expectations, Asia and Latin America emerged relatively unscathed from the financial havoc unfolding elsewhere.

Nurturing high hopes of post Covid normalisation, the year began with investor optimism over promises, progress and prosperity. By period end, conventional wisdom had been battered, bruised and burned by the all too familiar investment bogeymen of inflation, rates and recession. Having been brought back to economic and financial sobriety, investor focus once again recalibrated from tomorrow's possibilities to today's profits. Given evolving global macroeconomic issues and rising geo-political uncertainty, such pragmatism is welcomed.

Portfolio Activity

Portfolio turnover was 11% of gross assets relative to 12% in 2021 and reflects a continuing decline to more normal levels over the twelve month period. Although market volatility occasionally spiked higher, most notably during the Russian invasion of Ukraine and the UK's politically induced meltdown of late September, periods of extended price distortions seldom prevailed. That said, the former presented opportunities to increase exposure to European equities, the latter to reflect on the beauty of the Trust's unconstrained, globally diversified mandate!

Exposure to **Emerging Market Bonds** continued to be reduced, thereby increasing overall equity exposure by year end to 103.1% compared to 102.5% at financial year-end 2021.

North American exposure decreased by the greatest amount on selective divestment of three established positions which had performed extremely well and were deemed to be fully valued. Consequently **Nutrien**, **Pepsico** and **Schlumberger** were sold outright, with a new purchase of leading global pharmaceutical company **Merck** slightly offsetting overall regional reduction.

Latin American exposure once again witnessed significant profit taking purely for reasons of valuation and strong performance. The reduction of Chilean lithium producer **Sociedad Quimica (SQM)** and Mexican airport operator **Grupo Asur** echoed similar capital re-allocation trades made last year, but large residual positions remain reflecting positive, long-term prospects for both companies.

Overall **Asian** exposure slightly declined on a net basis, with outright sales of **Castrol India** and **Indocement**. Profit taking in **Taiwan Semiconductor** and **GlobalWafers** also raised cash which was partially offset by additional investment in existing holdings of **Hon Hai Precision** and **Samsung Electronics** plus a newly established position in **Woodside Energy** in Australia.

European exposure increased significantly with the lion's share of re-cycled profits invested in the region. New positions were established in Dutch technology company **BE Semiconductor**, in leading global industrial conglomerate **Siemens** of Germany and in worldwide food processing company, **Danone** in France. Various existing holdings, such as **Nordea**, **Zurich Insurance** and **Enel** were added to during periods of weakness. Over the period there were no transactions within UK equities. Two bond holdings were fully divested, namely Mexican communications company **America Movil** and the shorter-dated Indian corporate **ICICI Bank**, taking the total number of equity and bond holdings at year end to 51 and 18 respectively.

From an overall investment perspective, the emphasis continues to favour diversified asset exposures in companies deemed beneficiaries of the evolving backdrop, maintaining a "barbell" strategy of owning both growth and cyclical stocks. Structurally higher inflation is supportive of companies owning real assets and those possessing pricing power, whilst selective growth companies should benefit from accelerating trends in industrial automation, semiconductor miniaturisation and digital communications. The greatest potential for positive cyclical momentum upside surprises can still be identified in Asia and other countries where substantial pent up demand from prolonged Covid effects still exists. Corporate earnings may be under recessionary threat elsewhere, but scope exists for upwards earnings and dividends revisions in **Latin America** and **Asia**. In such regions, sectors and businesses the portfolio remains meaningfully invested.

Investment Manager's Review

Continued

Performance

The NAV total return for the year to 31 December 2022 with net dividends reinvested was +8.8%. This compared favourably with the Reference Index (FTSE All World) total return of -7.3%. The top five and bottom five stock contributors are detailed below:

Top Five Stock Contributors	%*	Bottom Five Stock Contributors	%*
SQM	1.8	GlobalWafers	-1.8
Grupo Asur	1.7	Taiwan Semiconductor	-0.5
AbbVie	1.0	Samsung Electronic	-0.4
Schlumberger	0.9	Telenor	-0.2
Vale	0.9	CME Group	-0.2

* % relates to the percentage contribution to return relative to the Reference Index (FTSE All World TR Index)

Over the full financial year, the high single-digit total return on gross assets was welcomed although, in real terms the exceptionally high 13.4% rate of UK Retail Price Inflation proved a tough hurdle to match. Overall global equity market weakness was not reflected in the total gross asset return primarily due to broad portfolio diversification and strong defensive stock performance. In capital terms, **Latin America** delivered by far the strongest regional index returns in what proved to be a very tough year for capital growth. This was very much reflected in portfolio returns with a +38% contribution to overall performance from the Latin American region. Although the **UK** equity market proved to be the only other 'region' to deliver a positive return over the twelve month period, the portfolio's regional exposures fared much better with positive contributions recorded from five of the six regional asset areas. Strong stock selection prevailed in most areas, with only Asian holdings marginally declining in absolute terms. Sterling weakness against most portfolio currencies was modestly supportive, most noticeably against the US Dollar. **European** markets suffered the negative ripple effect consequences of war in Ukraine and Russian energy dependency, whilst **Asia** also declined in Sterling terms as China's zero Covid policy kept most investors cautious on equity markets. **North America** witnessed its weakest market returns for over a decade, with the Technology heavy Nasdaq declining -25.0% in Sterling terms. A positive **North American** portfolio return of +13.9% was achieved through high quality, defensive stock selection. Despite significant reductions to **Emerging Market Bond** exposures since the outbreak of Covid, portfolio returns in Sterling terms also continued to be positive. In what proved a particularly, problematic period for over-extended markets and growth stocks, it was

gratifying to record robust individual stock performance across a variety of sectors and industries. Companies operating in Basic Materials, Energy, Healthcare, Consumer Staples, Real Estate and Financials all contributed to overall positive returns, once again emphasising the importance of the diversified, quality-focused strategy.

Predicting dividend income over the financial year proved slightly more straight-forward than in the preceding two Covid-infected financial periods. As supply-side interruptions waned, some semblance of corporate normality was restored, albeit with business conditions constantly being impacted by higher wage and input costs plus growing fears over recession. Positive cash flows became an increasingly precious commodity, particularly when faced by equity markets beginning to be squeezed by tighter liquidity. Currency movements against Sterling experienced relatively normal volatility within an historical context (outwith the farcical forty-four days of the Truss Premiership), with the usual unpredictability of magnitude and direction. Sterling weakness against practically all portfolio currencies over the period proved modestly positive in translation of dividend income accrued from the portfolio's diversified global holdings. Dividend increases from portfolio companies generally exceeded conservative estimates, with 80% falling into this category. Whilst notoriously difficult to predict, sectors such as Basic Materials and Energy experienced familiar fluctuating income expectations, yet over the financial period the net effect from positive and negative "surprises" was negligible. Overall gross income accrued increased +12.8% year-on-year, with earnings per share growth of +16.3% reflecting the positive impact of share buybacks during the period.

Attribution Analysis

The attribution analysis below details the various influences on portfolio performance. In summary, of the 1650 basis points (before expenses) of performance above the Reference Index, asset allocation added 410 basis points and stock selection contributed 1240 basis points. Structural effects, relating to the fixed income portfolio and gearing net of borrowing costs, added 40 basis points of relative performance.

	Company		Reference index ^A		Contribution from:		
	Weight %	Return %	Weight %	Return %	Asset Allocation %	Stock Selection %	Total %
UK	7.7	36.6	3.8	5.3	-0.1	0.9	0.8
Europe ex UK	25.6	5.2	13.0	-9.6	0.1	3.4	3.5
North America	28.2	13.9	61.4	-8.8	0.5	6.7	7.2
Japan	-	-	6.3	-4.8	-0.2	-	-0.2
Asia Pacific ex Japan	24.6	-5.1	12.8	-5.9	0.4	0.2	0.6
Other International	13.9	18.0	2.7	30.4	3.4	1.2	4.6
Gross equity portfolio return	100.0	9.2	100.0	-7.3	4.1	12.4	16.5
Fixed income		0.6					
Gross portfolio return		9.8					
Management fees and admin expenses.		-0.6					
Tax charge		-0.6					
Finance costs		-0.2					
Technical differences		0.4					
Total return		8.8		-7.3			

^A Reference Index – FTSE All World TR Index

Notes to Performance Analysis

Asset Allocation effect – measures the impact of over or underweighting each asset category, relative to the benchmark weights.

Stock Selection effect – measures the effect of security selection within each category.

Technical differences – the impact of different return calculation methods used for NAV and portfolio performance

Source: abrdn & BNP Paribas Securities Services Limited. Figures may appear not to add up due to rounding.

Investment Manager's Review

Continued

Global Review

The deeply distorted business backdrop that greeted the onset of 2022 concealed the chasm of macroeconomic honesty and integrity that exists throughout the world. The transparent monetary orthodoxy prevailing in Developing economies versus the opaque policy unorthodoxy complicit with persistent profligacy in the so-called Developed World. Unrepentantly pursuing interest-rate policy inertia to cover up the cracks of unsustainable debt dependency, unjustified prosperity entitlement and widespread structural demise, a rude awakening belatedly descended on policymakers in the Developed World. Inflation was alive, well and most definitely unwelcome to Wall Street and those with their heads firmly in the sand.

What transpired in the **United States** exemplified yet again the financial pain that accompanies disrobing of delusions. The largest annual upward move in the US Federal Reserve's benchmark lending rate since 1973 caused US mortgage rates to soar. Widespread bond market weakness proved an inevitable consequence. Both domestic equity and bond markets sharply declined, the first such 'in tandem' occurrence for fifty years. Sanctuaries of capital preservation were unsurprisingly few and far between. The plunge caused significant value destruction to technology titans of the past decade, the new economy stocks of the Covid lockdowns, cryptocurrencies and numerous other unproven business concepts that so often characterise the final stages of a speculative bull market. Yet most events that defined 2022 in the **United States** came straight out of a macro-economic textbook! Unfortunately for bruised and battered investors the logical progression from here makes uncomfortable reading. Higher bond yields, a collapse in money supply, tightening affordability in the housing market and contracting manufacturing all point to at best recession, at worst, stagflation. Longer-term, financial markets still have many problems to digest. Corporate earnings expectations remain totally detached from reality; asset quality is likely to deteriorate as economic growth contracts; poor risk management, over-optimism and incompetence has led to the usual gross mis-allocation of capital into non-profitable, liquidity dependent businesses unlikely to survive in a higher interest rate environment. Irresponsible Federal Reserve policy directed at managing asset prices rather than price stability has created an enormous debt legacy needing to be addressed; in doing so, upward pressure on bond yields may constrain growth and prosperity beyond the confines of any normal business cycle. With US equity and bond markets increasingly expecting policymakers to once

again capitulate and do "whatever it takes" to appease short-term interests, great scope for disappointment exists in the medium-term outlook for US financial assets.

The **UK and European** financial markets faced similar issues related to belatedly recognising resurgent inflation and its accompanying consequences. Desperately detached from economic realities, The Bank of England and European Central Bank proved powerless to maintain their veneer of credibility. Frantically hiking interest rates retrospectively in response to spiralling prices fooled no one – bond markets sold off sharply and equities struggled to preserve capital. Whilst the narrow UK FTSE 100 ended in positive territory, broader indices of UK companies endured double-digit declines. The perceived "defensive" nature of the UK equity market primarily equates to significant index presence of Consumer Staples and Healthcare companies and their dividend paying culture. Yet globally such opportunities can increasingly be found elsewhere, often with higher growth characteristics and superior dividend potential. Historically the UK's energy and commodity sectors that remain over-represented in the market have tended not to provide robust downside protection when recession strikes. Consequently the current low portfolio weighting to the UK is unlikely to change. Perhaps somewhat paradoxically, given the ongoing war in Ukraine and evidence of increasingly strained EU political dynamics, the investment outlook for portfolio holdings in Europe is arguably more transparent. European Industrials such as **Epiroc, Atlas Copco, Siemens** and **BE Semiconductor** endured an extremely tough 2022. Constant downward earnings revisions, contracting equity price-earnings multiples and cautious trading statements prevailed throughout. But, at current valuations, future risk-reward prospects are undoubtably compelling, especially with sentiment being ubiquitously negative. Shunned by global investors in a world until recently infatuated with US Technology stocks, Europe offers intriguing opportunities against the current backdrop of higher interest rates and uncertainty.

Unburdened by systemic vulnerability and unfettered by secular, short-term interests, policy directives in the Developing World remained appropriate and prudent. All too familiar with how high inflation disproportionately decimates the purchasing power of low-income earners, policymakers throughout Asia and Latin America had anticipated the majority of 2022 developments. Significant proactive interest rate hikes in 2021 prepared the economic landscape for escalating inflationary pressures witnessed in 2022, consequently such foresight had prices controlled and declining by period end. Having anchored expectations, bond markets remained sanguine over

future prospects and equity markets weathered storms raging elsewhere. The one noticeable exception was China. Strict adherence to a zero Covid policy constrained Chinese economic growth for most of the period. Geo-political tensions with the United States also materially escalated at times and for the most part international investors divested Chinese assets amidst ongoing uncertainties. Yet by period end the outlook had materially changed. China's abrupt U turn on its zero Covid policy in December arguably enhances the outlook significantly, presenting numerous potential growth benefits for the country, region and beyond. Amongst potential beneficiaries are global commodity markets, Taiwanese manufacturers of semiconductors and electronic components, not to mention exporters of consumer

goods desired by China's rapidly expanding middle income population. Whilst improvement is unlikely to be instantaneous, the direction of travel looks encouraging.

For **Latin America**, where significant capital and income returns continue to contribute greatly to portfolio performance, the outlook remains as interesting as ever. The region delivered the best performance in Sterling terms in 2022 of any global geographical region, the ninth time this has happened in the past twenty years. Business prospects continue to flourish, whilst investment opportunities prosper often at discounted valuations given Mexico, Brazil and Chile unjustly remain ignored in an increasingly passive-investment obsessed world. With sustainable declining inflation in sight, let the monetary easing begin.

Summary of Investment Changes During the Year

	Valuation 31 December 2021 £'000 %		Appreciation/ (depreciation) £'000	Transactions £'000	Valuation 31 December 2022 £'000 %	
Equities						
UK	85,872	5.0	14,533	(31,634)	68,771	3.9
Europe ex UK	304,887	17.5	(1,512)	144,960	448,335	25.1
North America	496,896	28.6	44,285	(72,697)	468,484	26.2
Asia Pacific ex Japan	503,319	28.9	(41,459)	(17,557)	444,303	24.9
Latin America	184,065	10.6	57,512	(22,777)	218,800	12.3
Africa	15,794	0.9	(3,355)	-	12,439	0.7
	1,590,833	91.5	70,004	295	1,661,132	93.1
Preference shares						
UK	7,637	0.4	(1,368)	-	6,269	0.3
	7,637	0.4	(1,368)	-	6,269	0.3
Bonds						
Europe ex UK	6,023	0.4	737	11	6,771	0.4
Asia Pacific ex Japan	52,526	3.0	(1,173)	(4,274)	47,079	2.6
Latin America	66,703	3.8	(1,806)	(17,107)	47,790	2.7
Africa	15,590	0.9	7	182	15,779	0.9
	140,842	8.1	(2,235)	(21,188)	117,419	6.6
Total Investments	1,739,312	100.0	66,401	(20,893)	1,784,820	100.0

Investment Manager's Review

Continued

Outlook

For disciples of pragmatic financial fundamentalism, forecasting future prospects remain anchored in well-trodden historical paths. Whilst innovation, invention and change will always dictate improvement, advancement and growth, the investment valuations ascribed along the way invariably reflect the bi-polar extremes of human emotions. Therein lies the most toxic cocktail within investment management. When feelings and finance entwine, poor judgement tends to prevail. Endemic to each and every mania, panic and financial crash throughout the course of history is irrational valuation based ultimately on emotion. Having recently endured yet another prolonged period of such eccentric absurdity, some financial markets remain bloated with unsustainable excess. Through the unprejudiced prism of the past it is possible to assess some possible prospects for the future

In simplistic terms, what to avoid, and what to assert? Assuming inflation, recession and interest rates remain as influential as ever, some observations are worth emphasising. Global commodity prices are as unpredictable as they are volatile, so projecting peaks and troughs is futile. Such "cyclical" inflation comes and goes, but structural inflation found in wages, rents and index-linked government spending seldom subsides painlessly. Increasingly vulnerable to the latter, the debt-laden Developed World is perilously close to being deeply infected by such intransigence. Stronger inflation-fighting credentials by Central Banks in the Developing World suggest less ambiguity ahead. Similarly, sharply higher interest rates carry acutely divergent consequences for respective economies. Where there are deficits, debt and distrust, the odds of avoiding recession are slim. Paralysis of purchasing power and collapsing consumer confidence see to that. Where savings culture prevails and favourable demographics fuel growth, temporary tighter monetary policies prove less disruptive. Focusing on businesses in countries with such characteristics remains forefront to the Company's investment strategy.

Finally, the question of legacy must be addressed in any projected outlook. It would be naïve to ignore the past when considering the future. From the vast library of financial mistakes made throughout history, certain trends are clearly apparent. Acute equity market shocks tend to repair quickly when only one specific sector was excessively valued. Previous Energy and Consumer Staples-led dislocations are examples of this. Considerably more time is required to emerge from financial market crises related to systemic failures such as

Asia in the late 1990s and the banking failures of 2007/08. Most ominously, recession-linked asset bubbles fuelled by artificially manipulated interest rates and fixed income markets require long, slow and painful readjustment to cleanse the system of financial excess. Current evidence suggests the Developed World is descending towards the latter. With global Central Banks increasingly devoid of policy options and tarnished by diminishing credibility, the outlook has rarely been so opaque. The Company's high conviction investment strategy will remain focused on avoiding the pitfalls of previous valuation excesses and emphasising unaffected opportunities where realistic growth and income prevails.



Bruce Stout

Senior Investment Director



Martin Connaghan,
Investment Director



Samantha Fitzpatrick,
Investment Director

abrdn Investments Limited
2 March 2023

The Manager's Investment Process Including ESG

The Company's Alternative Investment Fund Manager is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to abrdn Investments Limited ("aIL"). aIL and aFML are collectively referred to as the "Investment Manager" or the "Manager". The ultimate parent of aIL and aFML is abrdn plc.

The Manager believes that deep fundamental research into companies, mediated through team debate and a rigorous stock selection process, is the key to unlocking investment insight and driving investment returns for clients such as the Company. The Manager utilises a truly bottom-up, fundamental stock-picking approach, where sector, regional and country allocations are a consequence of the bottom-up stock selection decisions, constrained by appropriate risk controls. The Manager operates a comprehensive risk system with tools that provide better insights for its individual fund managers and a more complete understanding of all risk exposures in the portfolios to ensure that the managers only take the sort of risk that the Manager is comfortable with and can back with insight from extensive first hand research.

The Manager takes a long-term quality approach by focusing on companies that the research analysts identify as high quality. This involves assessing each company on five key factors, namely the durability of the business model and moat, the attractiveness of the industry, the strength of the financials, the capability of management, and assessment of the company's ESG credentials. In the assessment of what is an appropriate valuation for a company, the Manager focuses primarily on earnings yields, free cashflow yields and dividend yields, set against expected long-term growth rates for those elements. The Manager targets a double digit implied annual return.

The Investment Process, Philosophy and Style

Idea Generation

The Manager's scale affords coverage of a wide and dynamic universe, with in-depth, locally-sourced insights with over 1,000 investment professionals across the world supporting fundamental stock research and insight generation. Research coverage is organised by region and on a sector basis, with analysts developing deep expertise which enables them to identify investment opportunities through fundamental knowledge at both the sector and stock level. The Manager has excellent access to the companies which it researches, through structured

meetings and regular conversations with key decision-makers and conducts several thousand company meetings per year, in addition to the many ESG engagements undertaken with companies. The Manager conducts over 6,000 company meetings each year and maintains a global coverage list of over 2,000 stocks.

Research

The Manager has developed a proprietary research platform used by all its equity, credit and ESG teams, giving instant access to research globally. The research is focused on four key areas:

- **Foundations** – the Manager analyses how the company makes money, the attractiveness and characteristics of its industry, and the strength and sustainability of the economic 'moat'. This includes a thorough evaluation of the ESG risks and opportunities of the company. Face-to-face meetings anchor how the Manager understands and challenges the key elements of a company's fundamentals: the evolution and growth of the business; the sustainable competitive advantage; management's track record of execution and managing risk; past treatment of minority shareholders; the balance sheet and financials; and ESG risks and opportunities of the company in question.
- **Dynamics** – the shorter- and longer-term dynamics of the business that will be the key determinants of its corporate value over time. Specifically the Manager looks for changes in the factors driving the market price of a stock, identifying the drivers that the wider market may not be pricing in. Understanding the dynamics behind these drivers allows the Manager to focus on the factors that will drive shareholder returns from a particular stock.
- **Financials and Valuation** – the Manager examines the strengths and weaknesses of the company's financials including a thorough analysis of the balance sheet, cash flow and accounting, the market's perception of the company's future prospects and value, and its own forecasts of future financials and how the stock should be priced. This includes significant focus on the dividend paying capability of each business, the potential for dividend growth and the sustainability of the payout.
- **Investment insight and risk** – the Manager articulates its investment thesis, explaining how it views a stock differently from the market consensus and how the Manager expects to crystallise value from the holding over time.

The Manager's Investment Process Including ESG

Continued

Integrated ESG and Climate Change Analysis

Whilst ESG factors are not the over-riding criteria in relation to the investment decisions taken by the Manager for the Company, significant attention is given to ESG and climate related factors throughout the Manager's investment process. The Manager gives particular weight to ESG factors when they are material to the investment case being made for an investee company.

In the Manager's view, companies that successfully manage climate change risks will perform better in the long term. It is important that the Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

The detailed analysis of the Manager's embedded ESG process is contained on pages 113 to 115.

Idea Capture

To ensure that the Manager captures the best ideas from the global research platform, the Global Equity Team is fully integrated into the regional research process. The Team mirrors the sector specialisms across the various regional desks and they contribute to, and participate in, the investment debate of the stocks in their sector. Being fully integrated allows the Team to be present at all stages along the investment journey and build their own conviction into the underlying investment cases.

The Team attends company meetings as well as the regional teams' sector review meetings, facilitating deep knowledge of the companies and the degree of conviction underpinning the investment insights. This allows the Team to capture effectively the highest conviction ideas and the most important news flow across the research platform.

Peer Review

Having a common investment language facilitates effective communication and comparison of investment ideas through peer review which is a critical part of the process. All investment ideas are subject to rigorous peer review, both at regular meetings and on an ad hoc basis – and all team members debate stocks, meet companies from all industries, and given their dual fund manager / analyst role are incentivised to fully participate in the entire process.

Portfolio Construction/Risk Controls

Portfolios are built from the bottom up, prioritising high conviction stock ideas in a risk aware framework, giving clients access to the best investment ideas. Portfolio risk budgets are derived from clients' investment objectives and required outcomes. Peer review is an essential component of the construction process with dedicated portfolio construction pods (smaller dedicated groups of senior team members that have clear accountability for the strategy) debating stock holdings, portfolio structure and risk profiles.

As an active equity investor the Manager has adopted a principled portfolio construction process which actively takes appropriate and intentional risk to drive return. The largest component of the active risk will be stock-specific risk, along with appropriate levels of diversification. Risk systems monitor and analyse risk exposures across multiple perspectives breaking down the risk within the portfolio by industry and country factors, by currency and macro factors, and by other fundamental factors (quality, momentum, etc.). Consideration of risk starts at the stock level with the rigorous company research helping the Manager to avoid stock specific errors. The Manager ensures that any sector or country risk is appropriately sized and managed relative to the overall objectives of the Company.

Operational Risk and Independent Governance Oversight

Risk management is an integral part of the Manager's management process and portfolios are formally reviewed on a regular basis with the Manager's Global Head of Equities, the Portfolio Managers, the Manager's Investment Governance & Oversight Team (IGO) and members of the Manager's Investment Risk Team. This third party oversight both monitors portfolio risk and also oversees operational risk to ensure client objectives are met.



Delivering the Investment Policy

Day-to-day management of the Company's assets has been delegated to the Manager. The Manager invests in a diversified range of international companies and securities in accordance with the investment objective.

The team is led by Bruce Stout with dedicated support from Martin Connaghan and Samantha Fitzpatrick. The management team utilises a "Global Coverage List" which is constructed by each of the specialist country management teams. This list contains all buy (and hold) recommendations for each management team, which are then used by the portfolio manager as the Company's investment universe. From this pool of companies the Manager looks to construct a focused portfolio of 40 - 60 companies, selecting those companies that have the most attractive quality and valuation characteristics, offering the best expected risk adjusted returns, within a diversified portfolio. Position sizes typically range from 1% to 5% of the portfolio and are considered on an absolute, rather than benchmark relative basis. Stock selection is the major source of added value over time.

Top-down investment factors are secondary in the Manager's portfolio construction, with stock diversification rather than formal controls guiding stock and sector weights. Market capitalisation is not a primary concern.

In addition to equity exposures, the investment mandate provides the flexibility to invest in fixed income securities. The process of identifying, selecting and monitoring both sovereign and corporate bonds follows exactly the same structure and methodology as that for equity investment, fully utilising the global investment resources of the Manager. As in the case of equity exposure, the total amount, geographical preference, sector bias and specific securities will ultimately depend upon relative valuation and future prospects.

At the year end, the Company's portfolio consisted of 51 equity and 18 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 holdings in the portfolio.

A comprehensive analysis of the Company's portfolio is disclosed on pages 41 to 43 including a description of the ten largest investments, the portfolio of investments by value and a sector and geographical analysis of investments. The portfolio attribution analysis is on page 15.

abrdn Investments Limited

2 March 2023

Investment Case Studies

The Manager takes into consideration many factors when deciding whether to invest in or divest from a company. These factors have been described in the previous sections covering The Manager's Investment Process and ESG and are further illustrated by the case studies below



In which year did the Company first invest?	2022
% Holding:	1.6%
Where is its head office?	Paris, France
What is its web address?	www.danone.co.uk

Business Fundamentals

Danone is one of the world's largest dairy food and water producers. The company is organised around three core activities: Essential Dairy and Plant-Based Products (EDP), Specialised Nutrition and Water.

What's Changing?

Senior management has had a complete strategic overhaul and consumers are becoming increasingly focused on sustainable, healthier eating habits. Danone had been a serial underperformer relative to its peers for a decade. Eventually, shareholder pressure resulted in the board replacing the former CEO and Chairman Emanuel Faber with Gilles Schnepp, formerly of Legrand Group, as chairman and Antoine de Saint Affrique as CEO from Barry Callebaut. In 2022 Danone's new and strengthened leadership team presented a new strategic plan: "Renew Danone" to enable the company to reconnect with a sustainable, profitable growth model. This plan followed a complete strategic review with the company's partner and other stakeholders worldwide and from all parts of the business including farmers, customers, and investors. The scale of the governance overhaul is unique and this is Danone's best chance of transforming itself.

Valuation & Investment Insight

Danone plans to focus on an end-to-end step-up in the quality of execution, a strengthened innovation model geared for scale and impact, increased investments in consumer value, brands and commercial development and to dispose of low returning assets. Danone could represent a very compelling turnaround story. The market is potentially under-appreciating the growth potential, led by attractive dynamics in around 60% of its portfolio, which should be higher growth such as plant-based, probiotics, premium waters and medical nutrition. The valuation at the point of initiation was close to the historical discount to peers, pricing in a worst-case scenario. The stock offers a free option for the turnaround story while offering an attractive yield of almost 4%.

ESG

Danone's board has undergone many changes following the decision taken in July 2021 to refresh the entire board over the 2022 and 2023 AGMs. Much of the abrdn engagement has been with the chairman and the lead independent director to get a better sense of the future size, shape and skill-set of the board. These meetings have been reassuring; Danone now has a far stronger board in terms of independence, diversity and experience. Danone is a leader in water management, food safety practices and environmental programmes that focus on engaging and supporting farmers in transitioning to regenerative agricultural practices. Danone's growing offering of plant based dairy alternatives and healthier food products has the opportunity to play a part in environmental and social themes, including responsible production and consumption and good health and well-being.



SIEMENS

In which year did the Company first invest?	2022
% Holding:	1.8%
Where is its head office?	Munich, Germany
What is its web address?	www.siemens.com

Business Fundamentals

One of the world's largest electronics and industrial engineering companies, Siemens makes everything from healthcare and building technologies to factory automation and power distribution equipment.

What's Changing?

Quite simply the world needs energy efficiency and automation solutions. Studies show that implementing digital strategies could reduce manufacturing costs by >25%, labour costs by >30%, and energy use by c24% while increasing productivity by over 25%. Payback periods before the current energy crisis were less than 5yrs and now they are getting even shorter. With inflation now ubiquitous and arguably sticking around, even if at lower rates, the imperative to drive efficiency across both new and existing industrial processes has rarely been as strong.

Siemens has shifted its portfolio strategy, giving its divisions more freedom while retaining the group's synergies. After a prolonged period of higher investments and structural change, there is an increased focus on simplification, execution and improving growth, margins, returns and cash. A fourth consecutive year of double-digit free cash flow margin should reinforce the point that the portfolio appears to have changed for the better.



Investment Case Studies

Continued

Valuation & Investment Insight

Siemens trades at the higher end of its relative discount to peers and in a challenging economic environment, it is aiming for organic earnings growth at the group level of between 6–9%. Consensus remains unconvinced of this, with expectations at the bottom of that range yet Siemens has a significant order backlog of €45bn for delivery in 2023. This represents around six months' cover which could buffer the business against any economic downturn. In recent trading, management has also cited strong visibility and demand in short-cycle businesses like Digital Industries and Smart Infrastructure. We expect the global transition to a more automated, digitalised and energy efficient world to continue as reshoring remains a key focus within capital markets. Siemens is well placed to benefit from this. The continued simplification of the conglomerate structure and reduction of the Siemens energy stake will give the management team the resources to derive more value for shareholders moving forward.

ESG

Siemens' environmental and social credentials have improved post the spin-out of Siemens Energy which has lowered its exposure to fossil fuels and that exposure will decrease further over time as it seeks to reduce the Siemens Energy stake. The remaining business is an attractive thematic opportunity, providing exposure to decarbonisation, energy efficiency and sustainable transport. Recent engagement has focused on changes to the board where three non-executive directors have recently stepped down. Martina Merz, the CEO of German industrial Thyssenkrupp, Dr Regina Dugan, the CEO of Wellcome Leap and Keryn James have joined the board and appear to be a good fit in terms of competence, experience and diversity.



Key Performance Indicators (KPIs)

The Board uses a number of financial and operating performance measures to assess the Company's success in achieving its investment objective and to determine the progress of the Company in pursuing its investment policy. The main KPIs (refer to glossary on page 121 for definition) identified by the Board in relation to the Company which are considered at each Board meeting are as follows:

KPI	Description
Dividend	<p>Absolute Growth: The Board's aim is to seek to increase the Company's revenues over time in order to maintain an above average dividend yield. Dividends paid over the past 10 years are set out on page 26 with a graph showing dividend growth against inflation on page 27.</p> <p>Relative Yield: The Board also measures NAV total return performance against the Reference Index and performance relative to investment trusts within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.</p>
NAV Performance	<p>Absolute Performance: The Board considers the Company's NAV total return figures to be the best indicators of performance over time and these are therefore the main indicators of performance used by the Board.</p> <p>Relative Performance: The Board also measures NAV total return performance against the Reference Index and performance relative to investment trusts within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.</p> <p>A graph showing the NAV and Reference Index total returns is shown on page 27.</p>
Share Price Performance	<p>Absolute Performance: The Board monitors the share price absolute return.</p> <p>Relative Performance: The Board also monitors the price at which the Company's shares trade relative to the Reference Index on a total return basis over time</p> <p>A graph showing absolute, relative and share price performance is shown on page 27 and further commentary on the performance of the Company is contained in the Chairman's Statement and Investment Manager's Review.</p>
Share Price Discount/Premium to NAV	<p>The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount/premium by the use of share buybacks and the issuance of new shares or the sale of Treasury shares, subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is shown on page 27.</p>
Gearing	<p>The Board's aim is to ensure that gearing as a percentage of NAV is kept within the Board's guidelines issued to the Manager as disclosed on page 28.</p>
Competitive Ongoing Charges Ratio	<p>Absolute Performance: The Board monitors the longer-term trend of the Company's OCR in absolute terms.</p> <p>Relative Performance: the Board also monitors the relative trend of the OCR versus the Company's peer group, taking into consideration the differing investment policies and objectives employed by those companies.</p> <p>Details of the annual OCR trend are disclosed on page 26.</p>

Performance Track Record

In accordance with the investment objective, the Company's performance is measured over the long term and annualised data covering the last ten years is presented below.

Total Return

	1 year % return	3 year % return	5 year % return	10 year % return
Share price ^{AB}	+20.6	+22.5	+33.0	+99.6
Net asset value per Ordinary share ^A	+8.8	+25.3	+30.2	+108.1
UK RPI	+13.4	+23.5	+29.6	+46.0
Reference Index ^C	-7.3	+19.0	+36.6	+158.9

^A Considered to be an Alternative Performance Measure (see page 110 for more details).

^B Mid to mid.

^C Reference Index comprising 60% FTSE World ex UK Index/40% FTSE World UK Index up to April 2020 and 100% FTSE All World TR Index from May 2020.

Source: abrdn, Morningstar & Lipper

Ten Year Financial Record

Year end	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total revenue (£'000)	63,717	62,609	67,020	77,333	79,471	77,105	82,417	68,918	78,737	88,745
Per Ordinary share (p):										
Net asset value	981.0	966.6	849.0	1,135.7	1,251.4	1,107.8	1,190.0	1,138.2	1,240.3	1,293.3
Share price	1,052.0	1,026.0	829.5	1,188.0	1,268.0	1,132.0	1,260.0	1,130.0	1,156.0	1,334.0
Net revenue return ^A	43.8	40.8	45.7	51.2	51.8	49.6	54.1	46.6	51.7	60.1
Dividends ^B	43.0	45.0	46.5	47.5	50.0	51.5	53.5	54.5	55.0	56.0
Dividend cover	1.03x	0.91x	0.99x	1.08x	1.04x	0.96x	1.01x	0.86x	0.94x	1.07x
Revenue reserves (£'000)	68,120	64,690	64,767	70,963	75,252	73,563	75,747	66,764	62,967	69,239
Shareholders' funds (£'000)	1,236,718	1,240,537	1,091,019	1,447,879	1,599,129	1,419,588	1,539,055	1,461,827	1,561,066	1,616,750
Ongoing charges ratio(%)^C	0.66	0.73	0.75	0.68	0.64	0.69	0.65	0.68	0.59	0.52

^A Net revenue return per Ordinary share has been based on the average Ordinary share capital during each year (see note 9 on page 89).

^B The figure for dividends per share reflects the years to which their declaration relates and not the years they were paid.

^C Considered to be an Alternative Performance Measure as defined on page 109.

Long Term*
NAV Return
7.8% p.a

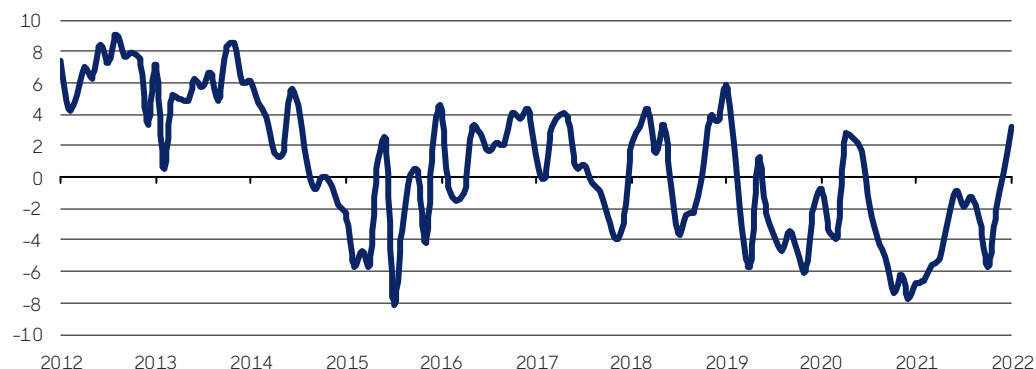
Long Term*
Dividend Growth
3.7% p.a.

Long Term*
UK RPI
4.6% p.a

* Long Term means the
average of the last ten years

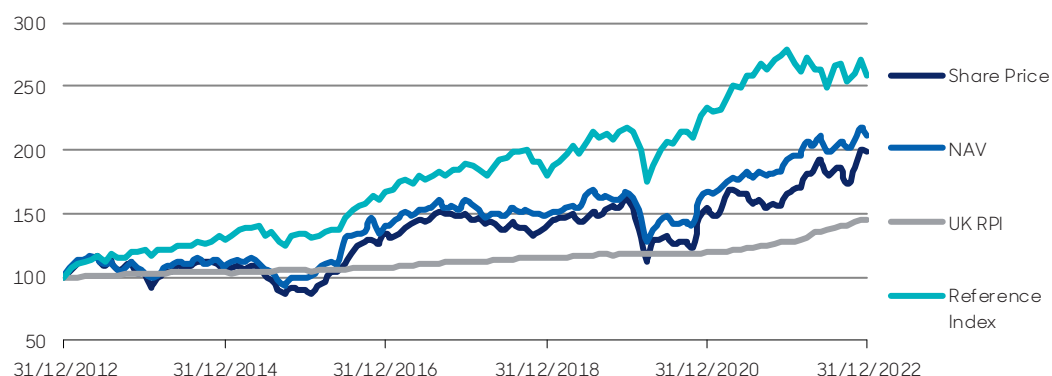
Share Price (Discount)/Premium to NAV (%)

Ten years to 31 December 2022



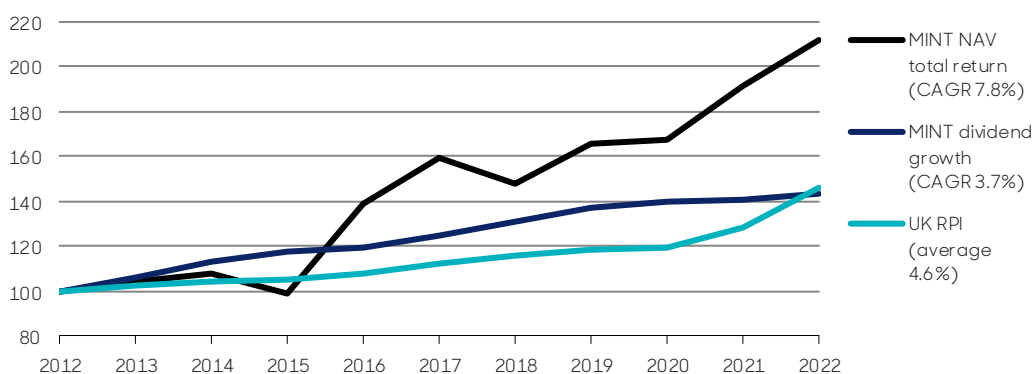
Net Asset Value and Share Price Total Return (with net dividends reinvested) rebased to 100

Ten years to 31 December 2022



Comparison of Net Asset Value Total Return and Dividend Growth to Inflation rebased to 100

Ten years to 31 December 2022



Investment Objective and Investment Policy

Investment trusts, such as the Company, are long-term investment vehicles. Typically, investment trusts are externally managed, have no employees, and are overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Manager) and is responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and enhancing shareholder value over the longer-term.

Reference Index

The Company does not have a Benchmark. However, performance is measured against a number of measures including a Reference Index, the FTSE All World TR Index, which was adopted in April 2020. Given the composition of the portfolio and the Manager's investment process, it is likely that the Company's investment performance may diverge, possibly significantly, from this Reference Index. Performance prior to April 2020 is measured against a blend of the old composite Benchmark (40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index) up to 27 April 2020 and the FTSE All World TR Index thereafter.

Investment Objective

The aim of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation, by investing principally in global equities.

Investment Policy

There are a number of elements set out in the investment policy delegated to the Manager which are set out below:

Asset Allocation

The Company's assets are currently invested in a diversified portfolio of international equities and fixed income securities spread across a range of industries and economies. The Company's investment policy is flexible and it may, from time to time, hold other securities including (but not limited to) index-linked securities, convertible securities, preference shares, unlisted securities, depositary receipts and other equity-related securities. The Company may invest in derivatives for the purposes of efficient portfolio management in the furtherance of its investment objective.

The Company's investment policy does not impose any geographical, sectoral or industrial constraints upon the Manager. The Board has set guidelines which the Manager is required to work within. It is the investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts), at the time of purchase. The Company currently does not have any investments in other investment companies. The Manager is authorised to enter into stocklending contracts and the Company plans to undertake limited stocklending activity in the future following the completion of the administrative set-up process.

Risk Diversification

The Manager actively monitors the Company's portfolio and attempts to mitigate risk primarily through diversification. The Company is permitted to invest up to 15% of its investments by value in any single holding (at the time of purchase) although, typically, individual investments do not exceed 5% of the total portfolio.

Gearing

The Board considers that returns to shareholders can be enhanced by the judicious use of borrowing. The Board is responsible for the level of gearing in the Company and reviews the position on a regular basis. Any borrowing, except for short-term liquidity purposes, is used for investment purposes or to fund the purchase of the Company's own shares.

Total gearing will not in normal circumstances exceed 30% of net assets with cash deposits netted against the level of borrowings. At the year end, there was net gearing of 11.2% (calculated in accordance with Association of Investment Companies guidance). Particular care is taken to ensure that any bank covenants permit maximum flexibility in investment policy.

Changes to Investment Policy

Any material change to the investment policy will require the approval of the shareholders by way of an ordinary resolution at a general meeting.

Promoting Your Company's Success

Introduction

The purpose of the Company, which is in its 117th year, is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's investment objective is disclosed on page 28. The activities of the Company are overseen by the Board of Directors of the Company.

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This s172 Statement, from 'Introduction' on page 29 up to and including "The Work of the Board and its Principal Decisions for the Year" on page 33, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

Our Business Model

The mechanics of how the Company operates are set out below. These mechanics, which have evolved over time, are designed to protect shareholders' interests:

Investors appoint the Board of Directors and approve the Company's investment objective

The Board appoints the Investment Manager to deliver the Company's investment objective utilising its investment process and ESG engagement (see page 19)

The Board oversees the affairs of the Company by:

1. Ensuring the Manager complies with the portfolio and other guidelines set by the Board (see investment process on page 19 and portfolio listing on page 40)
2. Reviewing the performance of the Manager against the Key Performance Indicators (see page 25) and other comparators (see page 27)
3. Using borrowings where expected benefits outweigh the costs and risks (see gearing disclosures on page 8)
4. Monitoring share price premium and discount, share issuance and buybacks (see Chairman's Statement on page 9)
5. Determining dividend policy and the level of revenue reserves (see Chairman's Statement on page 8)
6. Ongoing monitoring of risks including key man, cyber and information security, safekeeping of assets (see risk disclosures on page 35)
7. Appointing and monitoring other service providers – depositary, registrar, auditor, broker (see page 31)
8. Reviewing the Ongoing Charges Ratio (see Chairman's Statement on page 10)
9. Ensuring compliance with governance and regulatory requirements (see page 58)
10. Overseeing the Company's promotional programme and investor relations activities conducted by the Manager (see page 30)

Our Culture

The Board seeks to ensure that the Company and the Board operate with a transparent culture where all parties are treated with respect and are provided with the opportunity to offer practical challenge and participate in constructive debate which is focused on achieving the expectations of shareholders and other stakeholders. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

Promoting Your Company's Success

Continued

Company Policies

Environmental, Community, Social and Human Rights Issues

The Company has no employees as the Board has delegated day-to-day management and administrative functions to abrdn Fund Managers Limited. There are, therefore, no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined below.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter. The Company, therefore, is not required to make a slavery and human trafficking statement.

Marketing and Promotional Policy

The Board recognises the importance of communicating the long-term attractions of your Company to current and prospective investors both for improving liquidity and for enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment companies under its management. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. The Company's financial contribution to these programmes is matched by the Manager. The Manager reports at least quarterly to the Board providing an analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")

All of the Company's principal activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations (<40MWH/year) and exempt from Streamlined Energy and Carbon Reporting obligations.

Socially Responsible Investment Policy

The Company supports the UK Stewardship Code 2020, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager.

abrdn is a tier 1 signatory of the UK Stewardship Code 2020 which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

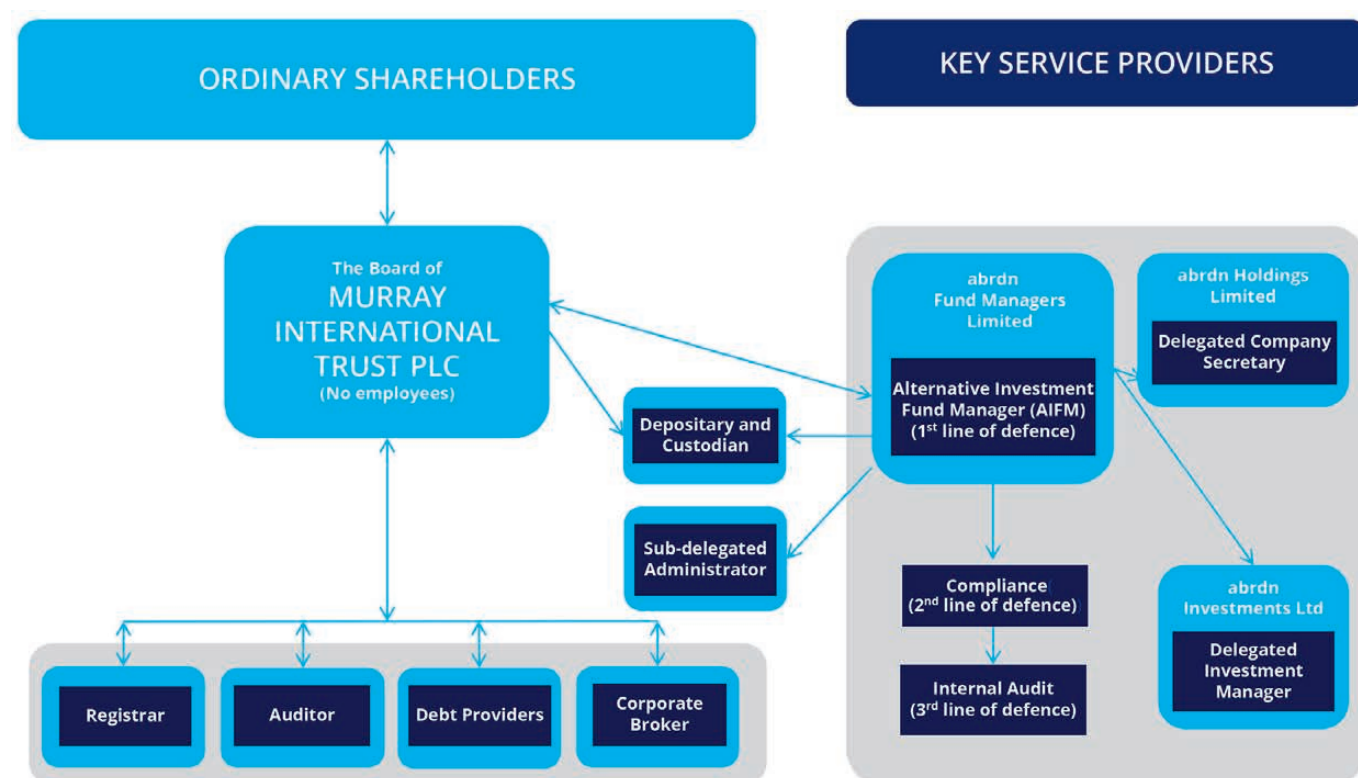
The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports to the Board at each meeting on stewardship (including voting) issues and further details on stewardship may be found on page 59.

Board Diversity Policy

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 December 2022, there were two male Directors and three female Directors on the Board. Further information on Board diversity may be found in the Directors' Report on page 54.

Our Engagement with Stakeholders

The diagram below illustrates the relationship with the Company and its key stakeholders.



Shareholders

Shareholders are key stakeholders in the Company – they look to the Manager to achieve the investment objective over time and to deliver a regular growing income together with some capital growth. Therefore the Directors place a great deal of importance on communication with shareholders and the table below provides further details on the various methods of interaction. The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the abrdr Group (either the Company Secretary or the Manager) in situations where direct communication is required and the Directors are available to meet major shareholders on an annual basis.

Promoting Your Company's Success

Continued

The following table describes some of the ways we engage with our shareholders:

AGM	The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM is scheduled for 21 April 2023 in Glasgow. The Board looks forward to seeing shareholders in-person at the AGM followed by refreshments and an opportunity for shareholders to meet the Directors.
Online Shareholder Presentation	Following the success of previous online shareholder presentations, the Board has decided to hold another Online Shareholder Presentation at 11.00 a.m. on Monday 3 April 2023 and shareholders are encouraged to register and attend, whether they are planning to attend the AGM or not. Further details are provided in the Chairman's Statement on page 9.
Annual and Half Yearly Reports	We publish a full Annual Report in March/April each year that contains a strategic report, governance section, financial statements and additional information; we also publish a Half Yearly Report each August/September. The reports are available on the Company's website and in paper format and are widely distributed to parties who have an interest in the Company's performance.
Company Announcements	We release a full set of financial results at the half year and full year stage. We also issue announcements for all substantive news relating to the Company. Shareholders can find these announcements on the Company's website. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes up to date performance information as well as a full monthly portfolio listing of our investments. Details of financial results, the investment process and Manager together with Company announcements and contact details can be found here: murray-intl.co.uk .
Other Shareholder Engagement	We seek regular engagement with the Company's major shareholders and also prospective shareholders through annual and interim roadshow meetings undertaken in conjunction with the Manager and Broker. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly in order to understand their views on governance and performance. In addition, the management team present at brokers' conferences and regularly conduct webcasts and webinars, some of which are available on the Company's website. Shareholders who wish to be kept updated on the Company can also register for email updates on the website.
Correspondence	The Board welcomes queries from shareholders and responds to letters and emails from shareholders on a range of issues. Refer to page 129 for contact details.

The Manager

The key service provider for the Company is the Alternative Investment Fund Manager. The performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on pages 19 to 21; further information on the Board's oversight of, and engagement with, the Manager is provided below and on pages 33 and 34.

Other Service Providers

The other key stakeholder group is that of the Company's other third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to review their performance and ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, in conjunction with the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail including consideration of complaints. The aim is to ensure that contractual arrangements are good value for money, remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager and other relevant stakeholders. Reviews include those of the Company's depositary and custodian, share registrar and broker. The Audit and Risk Committee reviews the terms of engagement of the auditor.

The Work of the Board and its Principal Decisions for the Year

Pursuant to the Board's aim of promoting the long-term success of the Company, the Directors have undertaken the following work and taken the following principal decisions during the year:

Fully Covered Dividend

The Board aims to ensure that dividends received each year from portfolio companies are sufficient to cover the Company's annual dividend payment to shareholders. The Covid-19 pandemic caused significant uncertainty and impacted the level of dividends paid out by portfolio companies and so the Board took the decision in 2020 and again in 2021 to use revenue reserves to top up earnings and to allow the Company to continue to grow its dividends in line with the investment objective. The Board is pleased to note that the Manager's focus on delivering the three year pathway referred to in the s172 statement published in last year's Annual Report has resulted in a return to a fully covered dividend this year ahead of schedule.

Increased Dividend

The Board's aim is to continue to pay a rising dividend. As in 2021, three interim dividends of 12.0p per share have been declared during the year. The Board is recommending an increased final dividend of 20.0p per share (2021: 19.0p). This is covered 1.07x by revenue income for the year and illustrates the success in returning to a fully covered dividend.

Improvement in Capital Performance

The Board monitors the Manager's delivery of the investment objective through, amongst other things, reviewing the portfolio's performance at every Board meeting. The Board challenged the Manager in 2021 to identify new dividend paying investment opportunities that also have attractive growth prospects; the aim being to improve the capital element of the total return performance. Stronger capital performance has been achieved in 2022. The Board recognises the dual requirement to deliver both income and capital growth for the Company's shareholders. Changes in the portfolio are referred to in the Investment Manager's Review.

Promoting Your Company's Success

Continued

ESG and Climate Change

The Board's responsibility for overseeing the work of the Manager is not limited solely to investment performance. Whilst the Company is not an ESG fund, the Board also has regard to environmental, social and governance matters that subsist within the portfolio companies. The Board has conducted regular meetings with the Manager and is supportive of the Manager's pro-active approach to ESG and climate change engagement to foster better societal outcomes from, and sustainable business models for, investee companies. At the Board's request, the Manager has continued to improve the quality and content of its ESG and associated reporting to the Board and discussions have taken place on how to improve communication in this area to shareholders and the wider public. The Company has maintained its MSCI ESG portfolio rating of 'AA'. The Board has reaffirmed its decision not to impose specific exclusion criteria within the Manager's mandate.

Cost Control and OCR

The Board is responsible for controlling the level of costs borne by the Company. During the year, the OCR has reduced from 0.59% to 0.52% in part from the reduced investment management fee which became effective from 1 January 2022.

Gearing

The use of gearing is a distinguishing feature of investment trusts and allows the Company to use borrowings to enhance shareholder returns over the longer-term. In May 2022, the Company utilised part of its £200m Loan Note Shelf Facility, of which £50m had already been drawn down, through the issuance of a £60 million 15 year Senior Unsecured Loan Note at an all-in-rate of 2.83%. The proceeds of the issue were used to repay the Company's £60 million fixed rate loan that matured at that time. The new long-term arrangement has provided the Company with a very attractive interest rate together with certainty in the rising interest rate environment and, should, in rising equity markets, continue to enhance Company returns in a cost effective manner.

Share Buybacks

During the year, the Board has continued to review the trading in the Company's shares and has regularly bought back Ordinary shares at times when the number of sellers has exceeded the number of buyers. The aim of the buybacks is to ensure that the discount to NAV does not become excessive compared amongst other things to the peer group, and to provide further liquidity to the market when it is beneficial to do so. During 2022, 848,963 shares were acquired at a cost of £9.99m.

Board Composition

The Board believes that shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board, and it has a long-term succession programme in place. This provides continuity and maintains the Board's open and collegiate style whilst ensuring a diversity of thought backgrounds and experience. In June 2022, we welcomed Virginia Holmes to the Board as an independent non-executive Director following the culmination of an extensive search process using the services of an independent recruitment consultant. An exercise is also underway to find two new independent non-executive Directors and shareholders will be updated when this process has been completed.

Shareholder Engagement

The Board seeks to engage with the Company's shareholders on a regular basis. For smaller, retail shareholders this is achieved through the AGM and Online Shareholder Presentations. For larger shareholders, the Manager organises semi-annual roadshow meetings around the annual and half yearly results and Directors join these meetings during the year in order to gain a first-hand understanding of how the Manager interacts with larger shareholders and the views of those shareholders.

Continuing Appointment of the Manager

It is the Board's duty to shareholders to ensure that the Investment Manager delivers on the investment objective. After a period where capital returns in particular have lagged peers, the Board is pleased to see the significant improvement in performance for the year to 31 December 2022 and will continue to engage regularly with abrdn to understand better the drivers of portfolio performance. The continuing appointment of the Manager is formally reviewed annually at the Management Engagement Committee (MEC) which the MEC has confirmed on the same terms.

Risk Management and Viability

The Board is responsible for setting and monitoring policies designed to manage risk and to ensure the long term viability of the Company.

Risk Management

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. A summary of the principal risks is set out below, together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's shares are published monthly on the Company's fact sheet and can also be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

The Board regularly undertakes a robust review of the principal risks and uncertainties facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board has prepared its own risk register which identifies potential risks relating to (i) Investment Strategy and Objectives; (ii) Investment Portfolio and Performance; (iii) Operations and Governance; (iv) Financial; and (v) Macro and Geo-Political. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed at least twice a year.

The Board discusses with the Manager areas where there may be risks emerging and maintains a register of these. Examples of emerging risks which the Board is monitoring include: the potential but as yet unknown consequences of the development of artificial intelligence and other technologies such as quantum computing. In the event

that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly.


The Board has kept the on-going risks related to the Covid-19 pandemic and the impact of the UK leaving the EU ("Brexit") to the Company's investment portfolio and its operations under review.

The Board notes the Manager's robust and disciplined investment process, which continues to focus on long-term company fundamentals including balance sheet strength and deliverability of sustainable earnings growth, as further described in the Investment Manager's Review on page 12 and on pages 19 to 21.

Many of the Company's third-party service providers, including the Manager, are likely to continue operating with some form of hybrid working practices. The Board, through the Manager, continues to monitor all third-party service arrangements closely.





The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. Further information about the Company's internal controls is included in the Directors' Report on pages 58 and 59.

Significant matters relating to the work of the Audit and Risk Committee are discussed in the Report of the Audit and Risk Committee on page 67 and further detail on financial risks and risk management is disclosed in note 18 to the financial statements. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the current financial year.

Principal Risks	Trend	Mitigating Action
Investment strategy and objectives – if the Company's investment objective becomes unattractive and the Company fails to adapt to changes in investor demand (including in relation to ESG and climate change) the Company may become unattractive to investors, leading to decreased demand for its shares and a widening discount.		The Board keeps the level of discount and/or premium at which the Company's shares trade as well as the investment objective and policy under review. The Board holds an annual strategy meeting where it reviews updates from the Manager and investor relations reports, and the Broker reports on the market. In addition, the Board is updated at each Board meeting on the makeup of and any movements in the shareholder register. The Directors attend meetings with, and respond to correspondence from, shareholders to keep abreast of investor opinion.

Risk Management and Viability

Continued

Principal Risks	Trend	Mitigating Action
Investment Portfolio Performance Risk – if the longer-term performance of the investment portfolio does not deliver income and/or capital returns in line with the investment objective and/or consistently underperforms market expectations, the Company may become unattractive to investors leading to decreased demand for its shares and a widening discount.		<p>The Board reviews the investment portfolio performance at each Board meeting and, amongst other things, seeks explanations from the Manager where performance deviates from expectations on either an absolute or relative basis. In addition, the Directors attend meetings with, and respond to correspondence from, shareholders to keep abreast of investor opinion. The Board considers the Manager's appointment annually at the Management Engagement Committee meeting where performance is comprehensively reviewed alongside other metrics relevant to reappointment.</p>
Operational and Governance Risks – the Company is dependent on third parties (and the abrdn Group in particular) for the provision of all services and systems. Any fraud, control failures, cyber threats, business continuity issues at, or poor service from, these third parties could result in financial loss or reputational damage to the Company.		<p>The Board receives reports from the Manager on internal controls and risk management at each Board meeting. It receives assurances from all its significant service providers, including the depositary, as well as back to back assurance from the Manager at least annually. Further details of the internal controls which are in place are set out on pages 58 and 59.</p>
Financial Risks – the level of the Company's gearing, if inappropriate, and the financial risks associated with the portfolio, including the impact of movements in foreign currency exchange rates, could result in capital losses and/or reduced income for the Company.		<p>The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Manager together with the assets and liabilities of the Company and reviews these at each Board meeting. In addition, aFML, as Alternative Investment Fund Manager, in conjunction with the Board, has set an overall leverage limit of 2.0x on a commitment basis (2.5x on a gross notional basis) and provides regular updates to the Board (see pages 118 and 119).</p> <p>The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements.</p>
Macro and Geo-Political Risks – the macroeconomic and geo-political environment including the risk of regional conflicts, supply chain interruptions, deglobalisation and future pandemics, within which the Company operates is inherently uncertain and therefore could affect the Company's performance or operations in unforeseen ways		<p>The Board discusses macroeconomic and geo-political issues with the Manager at each Board meeting and the steps being taken to limit their impact on the Company, its operations and portfolio.</p>

Viability Statement

The Company does not have a fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long-term investment vehicle but, for the purposes of this viability statement, has decided that a period of five years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long-term horizon and the inherent uncertainties of looking out further than five years.

In assessing the viability of the Company over the review period, the Directors have considered the operational resilience of the Company including the regular updates and reporting received from the Manager and have focused upon the following factors:

- The principal and emerging risks detailed in the Strategic Report on pages 35 and 36;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's shares evidenced by the historical level of premium and/or discount;
- The level of income generated by the Company and level of revenue reserves;
- The need to ensure that the Manager and the Company's other third party service providers have suitable processes and controls in place to enable them to continue to provide their services to the Company;

- The liquidity of the Company's portfolio – over 87% of the investments are categorised as level 1, held within active markets and realisable within seven days; and
- The profile of the Company's £200 million loan facilities and Loan Notes which mature between May 2023 and May 2037 and the ability of the Company to refinance or repay the £60m facility that matures in May 2023.

Accordingly, taking into account the Company's current position, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due for a period of five years from the date of this Report. In making this assessment, the Board has considered scenario modelling prepared by the Manager which analysed the impact of matters such as significant economic and stock market volatility which could result in a substantial reduction in the liquidity of the portfolio, changes in investor sentiment or a significant reduction in earnings which could all have an impact on the assessment of the Company's prospects and viability in the future.

David Hardie

Chairman

2 March 2023



Portfolio



The Company maintains a diversified portfolio of investments. At the year end, the Company's portfolio consisted of 51 equity and 18 bond holdings. The Manager is authorised by the Board to hold between 45 and 150 investments in the portfolio.

Ten Largest Investments

As at 31 December 2022



Aeropuerto del Sureste
Holding: 4.4%

Grupo Aeropuerto del Sureste operates airports in Mexico. The company holds long-term concessions to manage airports in leading tourist resorts and major cities.



AbbVie
Holding: 3.3%

AbbVie Inc is a global pharmaceutical company, producing a broad range of drugs for use in speciality therapeutic areas such as immunology, chronic kidney disease, oncology and neuroscience.



Philip Morris International
Holding: 3.2%

Spun out from the Altria Group in 2008, Philip Morris International is one of the world's leading global tobacco companies. It manufactures and sells leading recognisable brands such as Marlboro, Parliament and Virginia Slims.



Broadcom Corporation
Holding: 3.1%

Broadcom designs, develops and markets digital and analogue semiconductors worldwide. The company offers wireless components, storage adaptors, networking processors, switches, fibre optic modules and optical sensors.



Taiwan Semiconductor Manufacturing
Holding: 3.0%

Taiwan Semiconductor Manufacturing is one of the largest integrated circuit manufacturers in the world. The company is involved in component design, manufacturing, assembly, testing and mass production of integrated circuits.



TotalEnergies
Holding: 2.9%

The Company produces, transports and supplies crude oil, natural gas and low carbon electricity as well as refining petrochemical products. TotalEnergies also owns and manages gasoline filling stations worldwide.



Unilever
Holding: 2.6%

Unilever is a multinational consumer goods group which is focused in the areas of home care, beauty & personal care and food products. Focusing on leading global brands, the Company sells products in over 190 countries worldwide.



Oversea-Chinese Bank
Holding: 2.5%

Oversea-Chinese Banking Corporation offers a comprehensive range of financial services spread across four main business segments. These include Global Consumer/Private Banking; Global Wholesale Banking; Global Treasury & Markets; plus Insurance.



CME Group
Holding: 2.3%

Based in Chicago, USA CME Group operates a derivatives exchange that trades futures contracts and options, interest rates, stock indexes, foreign exchange and commodities.



Samsung Electronics
Holding: 2.2%

Korean based Samsung Electronics manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, computers, monitors, peripherals, televisions and home appliances. The company also has significant global market share of mobile phone handsets.

List of Investments

Company	Country	Valuation 2022 £'000	Total assets ^A %	Valuation 2021 ^B £'000
Aeroporto del Sureste	Mexico	79,049	4.4	70,058
AbbVie	USA	60,465	3.3	44,985
Philip Morris International	USA	58,914	3.2	49,097
Broadcom Corporation	USA	55,777	3.1	58,956
Taiwan Semiconductor Manufacturing	Taiwan	54,589	3.0	82,058
TotalEnergies	France	52,036	2.9	37,471
Unilever ^C	UK	47,964	2.6	45,390
Oversea-Chinese Bank	Singapore	45,297	2.5	37,459
CME Group	USA	41,931	2.3	57,349
Samsung Electronics	Korea	40,735	2.2	44,298
Top ten investments		536,757	29.5	
Sociedad Quimica Y Minera de Chile	Chile	39,819	2.2	29,780
Zurich Insurance	Switzerland	39,743	2.2	25,956
Bristol-Myers Squibb	USA	38,868	2.1	29,922
Tryg	Denmark	38,504	2.1	35,496
Vale do Rio Doce	Brazil	37,561	2.1	27,540
Johnson & Johnson	USA	36,277	2.0	25,254
British American Tobacco	UK	36,097	2.0	30,041
BHP Group	Australia	35,980	2.0	30,786
Verizon Communications	USA	32,754	1.8	38,362
Hon Hai Precision Industry	Taiwan	32,425	1.8	27,753
Top twenty investments		904,785	49.8	
Merck	USA	32,279	1.8	–
Telus	Canada	32,040	1.8	34,824
Siemens	Germany	31,792	1.8	–
Cisco Systems	USA	31,683	1.7	37,423
Shell	Netherlands	31,634	1.7	22,065
BE Semiconductor	Netherlands	31,001	1.7	–
Taiwan Mobile	Taiwan	29,425	1.6	30,688
Danone	France	29,090	1.6	–
GlobalWafers	Taiwan	28,907	1.6	71,090
Singapore Telecommunications	Singapore	28,673	1.6	22,870
Top thirty investments		1,211,309	66.7	

List of Investments

Continued

Company	Country	Valuation 2022 £'000	Total assets ^A %	Valuation 2021 ^B £'000
Kimberly Clark de Mexico	Mexico	28,164	1.6	22,331
Woodside Energy	Australia	27,948	1.5	–
Sanofi	France	27,898	1.5	26,027
Nordea Bank	Sweden	26,750	1.5	22,552
Epiroc	Sweden	26,728	1.5	31,306
China Resources Land	China	26,655	1.5	21,743
Atlas Copco	Sweden	26,578	1.5	32,574
Roche Holdings	Switzerland	26,098	1.4	30,719
Enel	Italy	26,018	1.4	23,660
Enbridge	Canada	24,347	1.3	21,651
Top forty investments		1,478,493	81.4	
Telkom Indonesia	Indonesia	24,031	1.3	25,114
TC Energy	Canada	23,149	1.3	24,029
SCB X	Thailand	23,114	1.3	25,262
Banco Bradesco	Brazil	20,714	1.1	19,859
Ping An Insurance	China	19,805	1.1	19,143
China Vanke	China	18,512	1.0	18,875
Republic of South Africa 7% 28/02/31 ^D	South Africa	15,779	0.9	15,590
Republic of Indonesia 6.125% 15/05/28 ^D	Indonesia	15,670	0.9	15,799
United Mexican States 5.75% 05/03/26 ^D	Mexico	15,422	0.8	13,601
Telefonica Brasil	Brazil	13,493	0.7	14,497
Top fifty investments		1,668,182	91.8	
MTN	South Africa	12,439	0.7	15,794
Republic of Indonesia 8.375% 15/03/34 ^D	Indonesia	11,709	0.7	11,618
Telenor	Norway	11,593	0.6	17,406
Republic of Dominica 6.85% 27/01/45 ^D	Dominican Republic	10,777	0.6	12,191
Petroleos Mexicanos 6.75% 21/09/47 ^D	Mexico	10,589	0.6	13,031
Lotus Retail Growth	Thailand	8,173	0.5	16,687
HDFC Bank 7.95% 21/09/26 ^D	India	7,603	0.4	7,928
Vodafone Group	UK	7,582	0.4	10,096
Power Finance Corp 7.63% 14/08/26 ^D	India	7,529	0.4	7,825
Petroleos Mexicanos 5.5% 27/06/44 ^D	Mexico	5,786	0.3	7,275
Top sixty investments		1,761,962	97.0	

Company	Country	Valuation 2022 £'000	Total assets ^A %	Valuation 2021 ^B £'000
Republic of Indonesia 10% 15/02/28 ^D	Indonesia	4,568	0.2	4,710
Republic of Turkey 8% 12/03/25 ^D	Turkey	3,460	0.2	2,962
Republic of Turkey 9% 24/07/24 ^D	Turkey	3,311	0.2	3,061
General Accident 7.875% Cum Irred Pref ^D	UK	3,164	0.2	3,612
Santander 10.375% Non Cum Pref ^D	UK	3,105	0.2	4,025
Republic of Ecuador 0.5% 31/07/35 ^D	Ecuador	2,448	0.1	3,101
Republic of Ecuador 0.5% 31/07/30 ^D	Ecuador	2,062	0.1	2,372
Republic of Ecuador 0.5% 31/07/40 ^D	Ecuador	508	–	644
Republic of Ecuador 0.0% 31/07/30 ^D	Ecuador	198	–	253
Indocement Tunggal Prakarsa	Indonesia	34	–	12,432
Top seventy investments		1,784,820	98.2	
Total investments		1,784,820	98.2	
Net current assets^A		31,796	1.8	
Total assets^E		1,816,616	100.0	

^A Excluding bank loans.

^B The 2021 column denotes the Company's holding at 31 December 2021.

^C The 2021 holding comprises UK and Netherlands securities, split £23,670,000 and £21,720,000 respectively.

^D Quoted preference share or bond.

^E See definition on page 121.

Summary of Net Assets

	Valuation 31 December 2022		Valuation 31 December 2021	
	£'000	%	£'000	%
Equities	1,661,132	102.7	1,590,833	101.9
Preference shares	6,269	0.4	7,637	0.5
Bonds	117,419	7.3	140,842	9.0
Total investments	1,784,820	110.4	1,739,312	111.4
Net current assets	31,796	2.0	21,568	1.4
Total assets	1,816,616	112.4	1,760,880	112.8
Prior charges ^A	(199,866)	(12.4)	(199,814)	(12.8)
Net assets	1,616,750	100.0	1,561,066	100.0

^A See definition on page 121.

Sector/Geographical Analysis

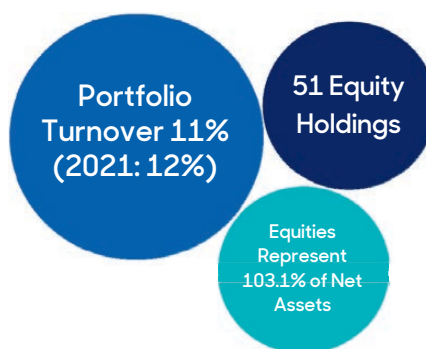
Sector/Geographical Analysis	United Kingdom %	North America %	Europe ex UK %	Asia Pacific ex Japan %	Latin America %	Africa %	2022 Total %	2021 Total %
Energy	-	2.6	4.6	1.5	-	-	8.7	7.0
Oil Gas and Coal	-	2.6	4.6	1.5	-	-	8.7	7.0
Basic Materials	-	-	-	2.0	4.3	-	6.3	7.4
Chemicals	-	-	-	-	2.2	-	2.2	4.1
Industrial Metals and Mining	-	-	-	2.0	2.1	-	4.1	3.3
Industrials	-	-	4.8	-	4.4	-	9.2	8.4
Construction & Materials	-	-	-	-	-	-	-	0.7
General industrials	-	-	1.8	-	-	-	1.8	-
Industrial Engineering	-	-	3.0	-	-	-	3.0	3.7
Industrial Transportation	-	-	-	-	4.4	-	4.4	4.0
Consumer Staples	4.6	3.2	1.6	-	1.6	-	11.0	10.1
Beverages	-	-	-	-	-	-	-	1.8
Food Producers	-	-	1.6	-	-	-	1.6	-
Personal Care Drug and Grocery Stores	2.6	-	-	-	1.6	-	4.2	3.8
Tobacco	2.0	3.2	-	-	-	-	5.2	4.5
Health Care	-	9.2	2.9	-	-	-	12.1	8.9
Pharmaceuticals & Biotechnology	-	9.2	2.9	-	-	-	12.1	8.9
Telecommunications	0.4	5.3	0.6	4.5	0.7	0.7	12.2	14.0
Telecommunications Service Providers	0.4	3.6	0.6	4.5	0.7	0.7	10.5	11.9
Telecommunications Equipment	-	1.7	-	-	-	-	1.7	2.1
Utilities	-	-	1.4	-	-	-	1.4	1.3
Electricity	-	-	1.4	-	-	-	1.4	1.3
Financials	-	2.3	5.8	4.9	1.1	-	14.1	13.8
Banks	-	-	1.5	3.8	1.1	-	6.4	5.9
Investment Banking and Brokerage Services	-	2.3	-	-	-	-	2.3	3.3
Life Insurance	-	-	-	1.1	-	-	1.1	1.1
Nonlife Insurance	-	-	4.3	-	-	-	4.3	3.5
Real Estate	-	-	-	3.0	-	-	3.0	3.2
Real Estate Investment and Services	-	-	-	3.0	-	-	3.0	2.3
Real Estate Investment Trusts	-	-	-	-	-	-	-	0.9

Sector/Geographical Analysis	United Kingdom %	North America %	Europe ex UK %	Asia Pacific ex Japan %	Latin America %	Africa %	2022 Total %	2021 Total %
Technology	-	3.1	1.7	8.6	-	-	13.4	16.2
Technology Hardware & Equipment	-	3.1	1.7	8.6	-	-	13.4	16.2
Total equities	5.0	25.7	23.4	24.5	12.1	0.7	91.4	90.3
Preference shares and bonds	0.4	-	0.4	2.6	2.5	0.9	6.8	8.5
Total investments	5.4	25.7	23.8	27.1	14.6	1.6	98.2	98.8
Net current assets							1.8	1.2
Total assets^A							100.0	100.0

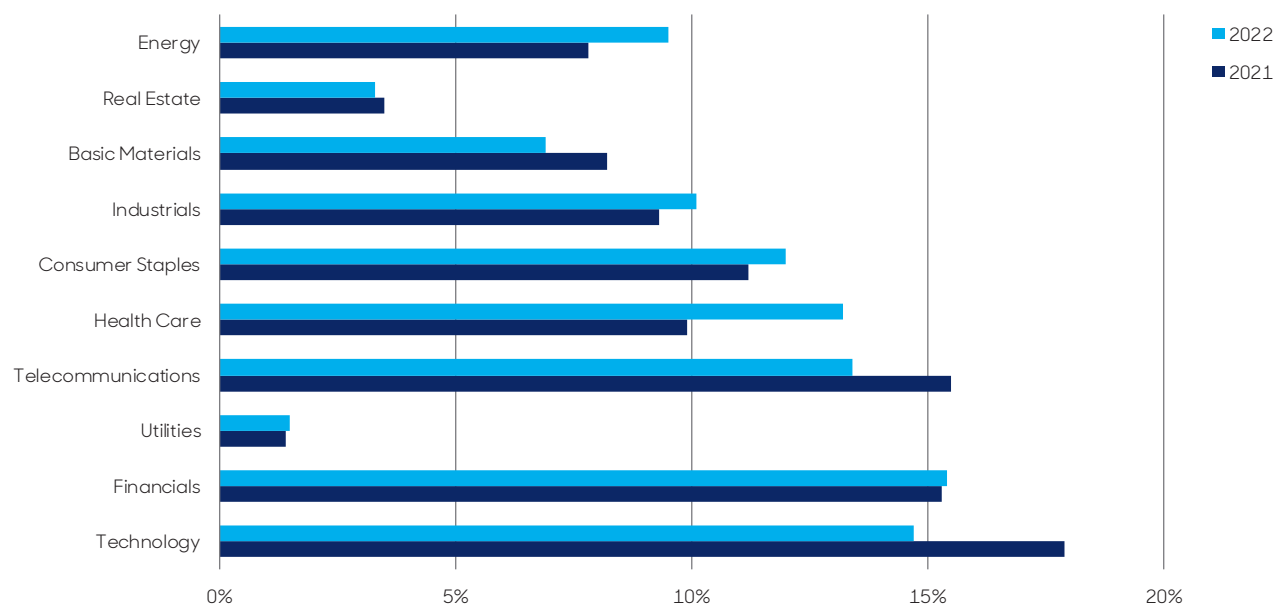
^A See definition on page 121.

Sector/Geographical Analysis

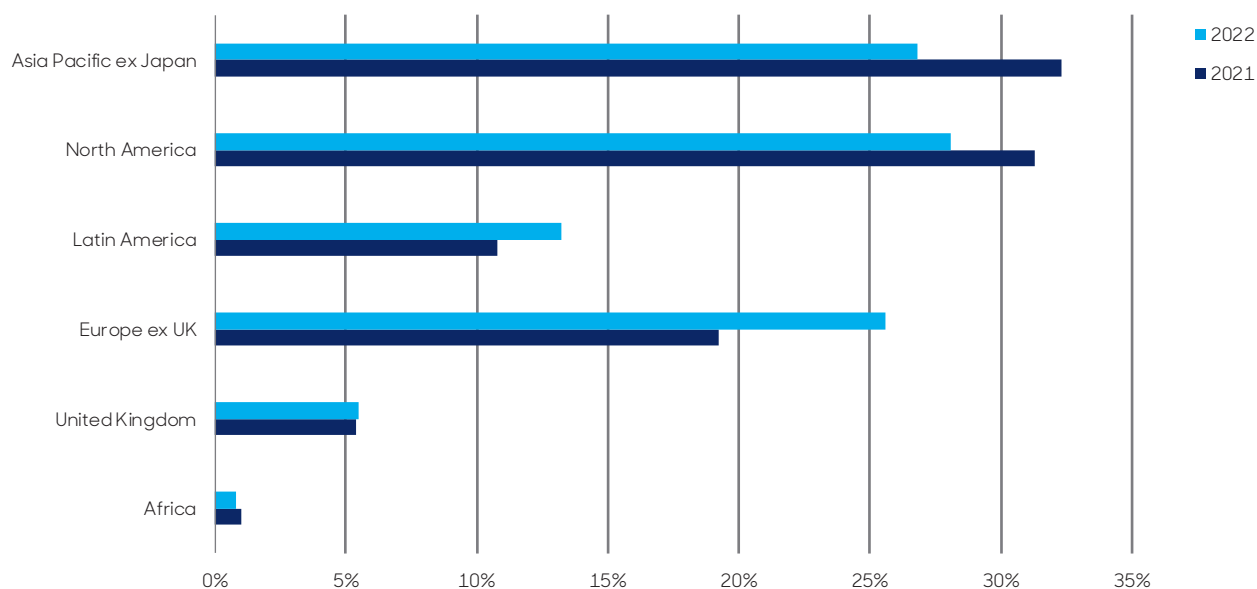
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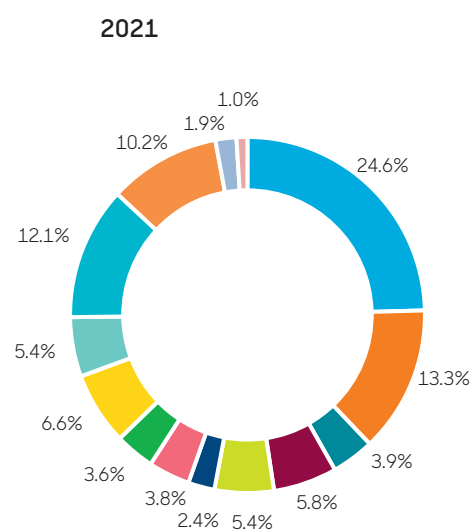
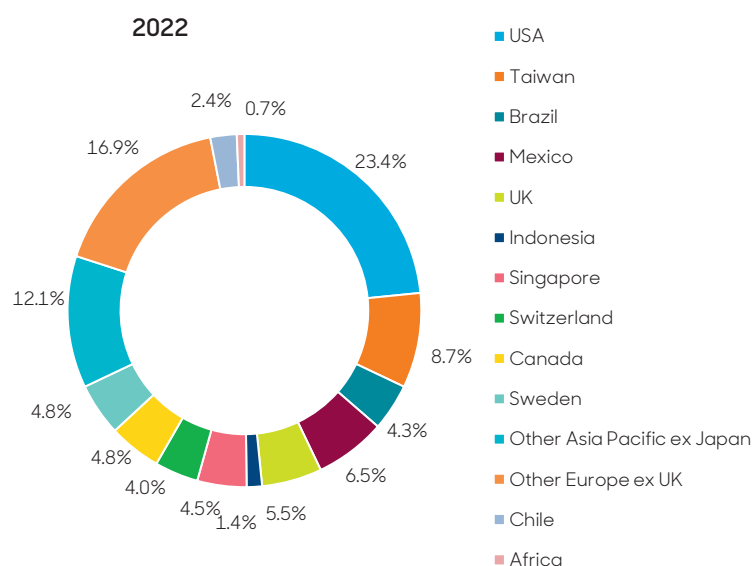
Total Equities Distribution by Sector



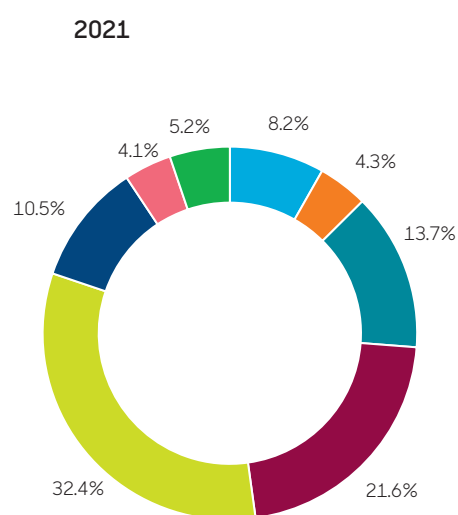
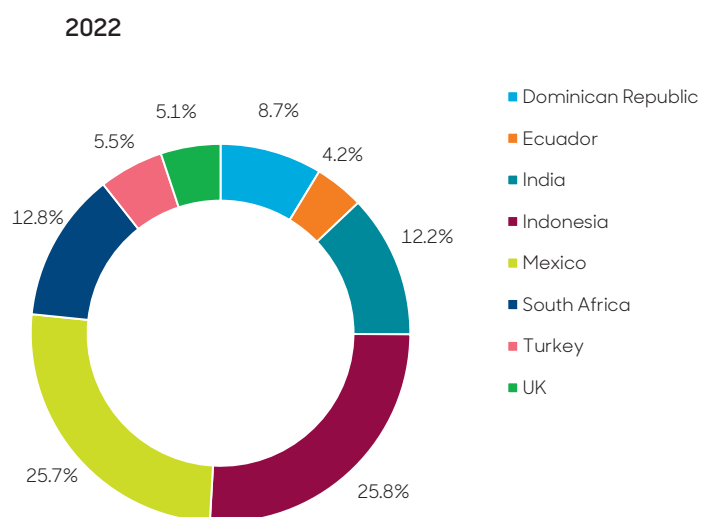
Total Equities Distribution by Geographic Region



Equities by Country



Preference Shares and Bonds by Country



Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance



Board of Directors



David Hardie

Chairman and Independent Non-Executive Director

Experience:

David is a corporate lawyer by background and was formerly a partner of UK law firm, Dundas & Wilson (now part of CMS), where he was a partner for over 30 years and where he held various positions including head of corporate, managing partner and chairman. David is also non-executive chairman of WNL Investments Limited.

Length of Service:

He was appointed a Director on 1 May 2014

Last re-elected to the Board:

22 April 2022

Contribution:

The Nomination Committee has reviewed the contribution of Mr Hardie and notes his scheduled retirement on 31 December 2023. Ahead of that retirement, he will be submitting himself for re-election at the AGM to be held in April 2023 and the Committee has concluded that he has continued to Chair the Company proficiently, leading the Company with skill and expertise as well as continuing to provide a wealth of legal experience and insight to the Board's deliberations through the year.

Committee membership:

Management Engagement Committee (Chairman) and Nomination Committee (Chairman)

Connections with Trust, Manager or other Directors:

None

Shareholding in Company:

16,317 Ordinary shares at 2 March 2023



Claire Binyon

Independent Non-Executive Director

Experience:

Claire is a chartered accountant who, following an early career in the City, held senior corporate development and strategic planning roles with global multinational businesses including inBev, Cadbury, DS Smith and Fenner (a Michelin group company). She is a non-executive director of JPMorgan American Investment Trust PLC and IG Design Group plc.

Length of service:

She was appointed a Director on 26 April 2018

Last re-elected to the board:

22 April 2022

Contribution:

The Nomination Committee has reviewed the contribution of Ms Binyon in light of her forthcoming re-election at the AGM to be held in April 2023 and has concluded that Ms Binyon continues to provide excellent global strategic and financial insight to the Board as well as expertly chairing the Audit and Risk Committee with due focus on the significant areas of accounting financial risk.

Committee membership:

Audit and Risk Committee (Chairman), Management Engagement Committee, Nomination Committee and Remuneration Committee.

Connections with Trust, Manager or other Directors:

None

Shareholding in Company:

1,255 Ordinary shares at 2 March 2023



Alexandra Mackesy

Senior Independent Non-Executive Director

Experience:

Alexandra is a former equity analyst, having spent the majority of her executive career in Asia with SBC Warburg, JP Morgan and Credit Suisse. She has some 18 years of experience as a director of UK listed investment trusts and is currently chairman of JPMorgan China Growth & Income Trust plc and a non-executive director of The Henderson Smaller Companies Trust plc. She is also a director of Board Level Partners Ltd, which provides board advisory services.

Length of Service:

She was appointed a Director on 1 May 2016

Last re-elected to the Board:

22 April 2022

Contribution:

The Nomination Committee has reviewed the contribution of Mrs Mackesy in light of her forthcoming re-election at the AGM to be held in April 2023 and has concluded that she has provided significant investment insight and investment trust expertise to the Board during the year.

Committee membership:

Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee (Chairman)

Connections with Trust, Manager or other Directors:

None

Shareholding in Company:

3,315 Ordinary shares at 2 March 2023



Nicholas Melhuish

Independent Non-Executive Director

Experience:

Nicholas joined Corpus Christi College, Oxford as Fellow and Bursar in 2018 following a portfolio management career most recently as Head of Global Equities at Amundi SA. He is a non executive director of JPMorgan Claverhouse Investment Trust PLC, a trustee of the Trusthouse Charitable Foundation and a director and trustee of The London Clinic. He also lectures at the Saïd Business School at Oxford University on Asset Management.

Length of Service:

He was appointed a Director on 1 May 2021

Last elected to the Board:

22 April 2022

Contribution:

The Nomination Committee has reviewed the contribution of Mr Melhuish in light of his forthcoming re-election at the AGM to be held in April 2023 and has concluded that he has delivered excellent global investment insight and challenge.

Committee membership:

Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Connections with Trust, Manager or other Directors:

None

Shareholding in Company:

3,502 Ordinary shares at 2 March 2023

Board of Directors

Continued



Virginia Holmes

Independent Non-Executive Director

Experience:

Virginia is the former CEO of AXA Investment Managers Limited and brings significant senior asset management expertise and experience to the Board. She is currently Senior Independent Director at both Syncona Limited and European Opportunities Trust PLC and Chair of the Remuneration Committee at Intermediate Capital Group plc. She is a current and past Chair and Trustee of a number of pension funds and was previously a founder director of the Investment Forum.

Length of Service:

Appointed on 22 June 2022

Last re-elected to the Board:

Proposed for election at the AGM on 21 April 2023

Contribution:

The Nomination Committee has reviewed the contribution of Ms Holmes in light of her forthcoming election at the AGM to be held in April 2023 and has concluded that she has already, in the short period of time since her appointment in June 2022, brought significant wider investment insight and challenge.

Committee membership:

Audit and Risk Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

Connections with Trust, Manager or other Directors:

None

Shareholding in Company:

2,000 Ordinary shares at 2 March 2023

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Results and Dividends

Details of the Company's results and proposed dividends are shown on pages 4 and 5 of this Report.

Investment Trust Status

The Company is registered as a public limited company (registered in Scotland No. SC006705) and has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 January 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2022 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Share Capital

The Company's capital structure is summarised in note 14 to the financial statements. At 31 December 2022, there were 125,012,893 fully paid Ordinary shares of 25p each (2021 – 125,861,856 Ordinary shares) in issue. At the year end there were 4,399,110 Ordinary shares held in Treasury (2021 – 3,550,147).

During the year 848,963 Ordinary shares were bought back for Treasury representing 0.6% of the Company's total issued share capital (2021 – 2,576,806 representing 2.0% of the Company's total issued share capital). Further details on buybacks are provided in note 14 to the financial statements.

Share Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends and, on a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

Management and Secretarial Arrangements

The Company has appointed abrdr Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrdr plc, as its alternative investment fund manager under the terms of an investment management agreement dated 14 July 2014 (as amended). Under the terms of the agreement, the Company's portfolio is managed by abrdr Investments Limited ("aIL") by way of a group delegation agreement in place between aFML and aIL. Investment management services are provided to the Company by aFML. Company secretarial, accounting and administrative services have been delegated by aFML to abrdr Holdings Limited.

Up to 31 December 2021, the annual management fee was charged on net assets (ie excluding borrowings for investment purposes), averaged over the six previous quarters ("Net Assets") on the following tiered basis: 0.5% of Net Assets up to £1,200m and 0.425% of Net Assets above £1,200m.

With effect from 1 January 2022, the management fee has been charged at the rate of 0.5% per annum of Net Assets up to £500m and 0.4% per annum of Net Assets above £500m. Save for the aforementioned changes, all other terms and conditions contained in the Company's Management Agreement dated 14 July 2014 (as amended) remain unaltered.

A fee of 1.5% per annum remains chargeable on the value of any unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves in line with the Board's long-term expectation of returns from revenue and capital. No fees are charged in the case of investments managed or advised by the abrdr Group.

The management agreement may be terminated by either party on the expiry of six months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due up to that date.

The Board considers the continued appointment of the Manager on the terms agreed to be in the interests of the shareholders as a whole because the abrdr Group has the investment management, secretarial, promotional and administrative skills and expertise required for the effective operation of the Company.

The Board

The Board currently consists of five non-executive Directors.

Directors' Report

Continued

The names and biographies of the current Directors are disclosed on pages 50 to 52 indicating their range of experience as well as length of service. Ms Holmes was appointed to the Board on 22 June 2022.

The Directors will retire at the AGM in April 2023 and, with the exception of Ms Holmes, each Director will stand for re-election (with Ms Holmes standing for election).

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively. The reasons for the re-election, where relevant, of the individual Directors are set out on pages 50 to 52.

In common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company. The Company's Articles of Association provide an indemnity to the Directors out of the assets of the Company against any liability incurred in defending proceedings or in connection with any application to the Court in which relief is granted.

Board Diversity

As indicated in the Strategic Report, the Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of, and will

give due regard to, the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. The Board takes account of the targets set out in the FCA's Listing Rules, which are set out below.

As an externally managed investment company, the Board employs no executive staff, and therefore does not have a chief executive officer (CEO) or a chief financial officer (CFO) – both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit and Risk Committee to be a senior board position and the following disclosure is made on this basis. Other senior board positions recognised by the FCA are chair of the board and senior independent director (SID). In addition, the Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes.

The following information has been voluntarily disclosed by each Director and is correct as at 31 December 2022. The Board expects the Company to be in compliance with the recommendations of the Parker Review on diversity in the UK boardroom by the end of the current financial year.

Board as at 31 December 2022

	Number of Board Members	Percentage of the Board	Number of Senior Positions on the Board
Men	2	40%	1
Women	3	60%	2
Prefer not to say	–	–	–
White British or other White (including minority-white groups)	5	100%	3
Minority Ethnic	0	0	0
Prefer not to say	–	–	–

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Management of Conflicts of Interest

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 21 to the financial statements and the Directors' Remuneration Report. No Directors had any other interest in contracts with the Company during the period or subsequently.

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors are required to disclose other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with their wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting. All proposed significant external

appointments are also required to be approved, in advance, by the Chairman and then communicated to other Directors for information.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Corporate Governance

The Corporate Governance Statement forms part of the Directors' Report. The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: frc.org.uk.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

Directors' Report

Continued

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The full text of the Company's Corporate Governance Statement can be found on the Company's website, murray-intl.co.uk.

The table below details Directors' attendance at scheduled Board and Committee meetings held during the year ended 31 December 2022 (with eligibility to attend the relevant meeting in brackets). In addition there were a number of other ad hoc Board meetings held during the year.

	Scheduled Board	Audit Com	Nom Com	MEC	Rem Com
D. Hardie ^A	6 (6)	n/a	2 (2)	1 (1)	n/a
C. Binyon	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
A. Mackesy	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)
V. Holmes ^B	4 (4)	2 (2)	n/a	n/a	1 (1)
N. Melhuish	6 (6)	3 (3)	2 (2)	1 (1)	1 (1)

^A Mr Hardie is not a member of either the Audit and Risk Committee or the Remuneration Committee but attended all Committee meetings by invitation

^B Ms Holmes was appointed to the Board on 22 June 2022

Board Committees

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website murray-intl.co.uk and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

Audit and Risk Committee

The Report of the Audit and Risk Committee is on pages 66 and 67 of this Annual Report.

Management Engagement Committee ("MEC")

The MEC comprises all of the Directors. Mr Hardie is the Chairman. The Committee reviews the performance of the Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms that have been agreed is in the interests of shareholders as a whole. The Committee is also responsible for the oversight and annual review of all other key service provider relationships.

Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which comprises the entire Board and is chaired by Mr Hardie. The Board's overriding priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on page 30. When Board positions become available as a result of retirement or resignation, the Company ensures that a diverse group of candidates is considered.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board. The Board also takes the view that independence is not necessarily compromised by length of tenure on the Board. However, in compliance with the provisions of the AIC Code, it is expected that Directors will serve in accordance with the time limits laid down by the AIC Code. It is the policy of the Board that the Chairman of the Company should retire once he or she has served as a Director for nine years in line with current best practice of the Financial Reporting Council. However there could be circumstances where it might be appropriate to ask a Chairman to stay on for a limited period and the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chairman clearly set out.

As part of its succession plans, Mr Hardie will be retiring from the Board on 31 December 2023 at which point he will have served nine years and seven months. As explained in the Chairman's Statement, Mr Hardie has agreed to oversee the Board's ongoing succession planning resulting in the short extension to his planned tenure.

The Company has initiated two separate searches for the appointment of two new independent non-executive Directors using the services of Fletcher Jones and Longwater Partners, both independent external recruitment consultants that have no other connections or conflicts with the Company. A key requirement of the recruitment process is to ensure the continuity of the Board's open and inclusive culture, policies and practices which are judged to be essential to the future success of the Company. The Company will update shareholders as soon as new appointments have been agreed.

The Committee has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self-evaluation and a performance evaluation of the Board as a whole. An external evaluation is currently being undertaken using the services of Lintstock, an independent external board evaluation service provider that does not have any other connections with the Company. This external evaluation includes the completion of questionnaires covering the Board, individual Directors, the Chairman and the Audit and Risk Committee Chairman. The detailed findings will then be considered by the Board and the Chairman will then meet each Director individually to review their responses and the Senior Independent Director will meet the Chairman to provide evaluation feedback.

In accordance with Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors of investment companies should be subject to annual re-election by shareholders, all the members of the Board, will retire at the forthcoming Annual General Meeting and will offer themselves for re-election (Ms Holmes will be offering herself for election). The Committee has reviewed each of the proposed reappointments and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their re-election at the forthcoming AGM. Details of the contributions provided by each Director during the year are disclosed on pages 50 and 52.

Remuneration Committee

The level of fees payable to Directors is considered by the Remuneration Committee which comprises the entire Board excluding the Chairman who attends by invitation and which is chaired by Mrs Mackesy.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 63 to 65.

Going Concern

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 37) and ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares and bonds. The equities and a majority of the bond portfolio are, in most circumstances, realisable within a very short timescale.

The Company has a £60 million fixed rate loan facility which is due to mature in May 2023. The Directors are currently reviewing options to replace the facility including the use of the Loan Note Shelf Facility. If acceptable terms are available, the Company expects to continue to access a similarly sized level of gearing. However, should the Board decide not to replace the facility, any maturing debt would be repaid through the proceeds of equity and/or bond sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 35 and 36 and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic environment, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Accountability and Audit

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware, and he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report

Continued

Independent Auditor

BDO LLP was appointed independent auditor to the Company with effect from the AGM on 27 April 2020. BDO LLP has expressed its willingness to continue to be the Company's independent auditor and a Resolution to re-appoint BDO LLP as the Company's auditor will be put to the forthcoming AGM, along with a separate Resolution to authorise the Directors to fix the auditor's remuneration.

Internal Controls and Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company including information on exposure to price risk, credit risk, liquidity risk and cash flow risk are set out in note 18 to the financial statements. The Board of Directors is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following the Financial Reporting Council's publication of "Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting" (the "FRC Guidance"), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the full year under review and up to the date of approval of the financial statements, and this process is regularly reviewed by the Board and accords with the relevant sections of the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to aFML within overall guidelines and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by aFML's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC Guidance and includes financial, regulatory, market, operational and reputational risk. This helps the Manager's internal audit risk assessment model to identify those functions for review. Any relevant weaknesses identified

through internal audit's review are reported to the Board and timetables are agreed for implementing improvements to systems, processes and controls. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review and up to the date of this Report are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria;
- there are specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Manager's investment process and financial analysis of the companies concerned include detailed appraisal and due diligence;
- as a matter of course the internal audit and compliance departments of aFML continually review the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers and monitoring reports are received from these providers when required;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Manager, has decided to place reliance on the Manager's systems and internal audit procedures; and
- twice a year, at its board meetings, the Board carries out an assessment of internal controls by considering documentation from the Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

In addition the Manager operates a 'three lines of defence' model over its activities with the abrdn business units responsible for adhering to applicable rules and regulations; the compliance team is then responsible for checking that the rules are being followed and then internal audit is responsible for independently reviewing these arrangements.

The Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Board meets annually with representatives from BNY Mellon and reviews a control report covering the activities of the depositary and custodian.

Representatives from the Internal Audit Department of the Manager report six monthly to the Audit and Risk Committee of the Company and have direct access to the Directors at any time.

The Board has reviewed the effectiveness of the Manager's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation". The Board has also reviewed the Manager's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, by their nature, can provide reasonable but not absolute assurance against material misstatement or loss.

Future Developments

A detailed outlook for the Company including any likely future developments is provided in the Chairman's Statement on pages 8 to 11.

There have been no post balance sheet events to report.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2022:

Shareholder	No. of Ordinary shares held	% held
Hargreaves Lansdown ^A	13,182,361	10.5
Rathbones	12,562,960	10.1
Interactive Investor ^A	12,360,732	9.9
abrdn Retail Plans ^A	10,329,429	8.3
Evelyn Partners	7,246,862	5.8
Charles Stanley	6,842,059	5.5
Investec Wealth & Management	5,033,971	4.0
AJ Bell	4,403,052	3.5

^A Non-beneficial interests

There have been no significant changes notified in respect of the above holdings between 31 December 2022 and 2 March 2023.

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders.

Discount Management Policy and Business of Annual General Meeting

Issue of Shares

In terms of the Companies Act 2006 (the "Act"), the Directors may not allot shares unless so authorised by the shareholders. Resolution 13 in the Notice of Annual General Meeting which will be proposed as an Ordinary Resolution will, if passed, give the Directors the necessary authority to allot shares up to an aggregate nominal amount of £3,125,322 (equivalent to 12,501,289 Ordinary shares of 25p or 10% of the Company's existing issued share capital at 2 March 2023, the latest practicable date prior to the publication of this Annual Report). Such authority will expire on the date of the 2024 Annual General Meeting or on 30 June 2024, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 561 of the Act provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 14 will, if passed, also give the Directors power to allot for cash equity securities up to an aggregate nominal amount of £3,125,322 (equivalent to 12,501,289 Ordinary shares of 25p or 10% of the Company's existing issued share capital at 2 March 2023, the latest practicable date prior to the publication of this Annual Report), as if Section 561 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority

Directors' Report

Continued

to allot pursuant to Resolution 13. This authority will also expire on the date of the 2024 Annual General Meeting or on 30 June 2024, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 13 and 14 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. Accordingly, issues will only be made where shares can be issued at a premium of 0.5% or more to NAV and there will never be any dilution for existing shareholders. The issue proceeds will be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. Resolution 14 will also disapply pre-emption rights on the sale of Treasury shares as envisaged above. Once again, the pre-emption rights would only be disapplied where the Treasury shares are sold at a premium to NAV of not less than 0.5%.

Share Buybacks

At the Annual General Meeting held on 22 April 2022, shareholders approved the renewal of the authority permitting the Company to repurchase its Ordinary shares.

The Directors wish to renew the authority given by shareholders at the last Annual General Meeting. The principal aim of a share buyback facility is to enhance shareholder value by acquiring shares at a discount to NAV, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to NAV per share, should result in an increase in the NAV per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the NAV per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not be more than the higher of (i) an amount equal to 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is the nominal value of the share. It is currently proposed that any purchase of shares by the Company will be made from the capital reserve of the Company. The purchase price will normally be paid out of the cash balances held by the Company from time to time.

Special Resolution 15 will permit the Company to buy back shares and any shares bought back by the Company may be cancelled or held as Treasury shares. The benefit of the ability to hold Treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital and improve liquidity in its shares. The Company would only sell on Treasury shares at a premium to NAV. When shares are held in Treasury, all voting rights are suspended and no distribution (either by way of dividend or by way of a winding up) is permitted in respect of Treasury shares. If the Directors believe that there is no likelihood of re-selling shares bought back, such shares would be cancelled. During the year to 31 December 2022 the Directors have successfully used the share buyback authority to acquire 848,963 shares for Treasury.

Special Resolution 15 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue at the date of the Annual General Meeting (amounting to 18,739,432 Ordinary shares of 25p as at 2 March 2023 or, if Resolution 12 relating to the proposed share sub-division is passed, 93,697,163 Ordinary shares of 5p each). Such authority will expire on the date of the 2024 Annual General Meeting or on 30 June 2024, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Proposed Sub-division of Ordinary Shares

As indicated in the Chairman's Statement on pages 9 and 10, subject to shareholder approval at the Annual General Meeting on 21 April 2023, the Directors intend to undertake a five for one share sub-division.

The market price of the Company's existing Ordinary shares of 25 pence each (the "existing Ordinary shares") has more than quadrupled over the last 20 years such that, as at 1 March 2023 (being the latest practicable date prior to publication of this document), the closing mid-market price of an existing Ordinary share was 1339.0 pence.

To assist monthly savers and those who reinvest their dividends or are looking to invest smaller amounts, the Directors believe that it is appropriate to propose the sub-division of each of the existing Ordinary shares of 25 pence each into five new shares of 5 pence each (the 'new Ordinary shares') pursuant to Resolution 12 at the Annual General Meeting (the 'Sub-division'), thereby resulting in a lower market price per Ordinary share. The Directors believe that the Sub-division may also improve the liquidity in and marketability of the Company's shares, which will benefit all shareholders.

Following the Sub-division, each shareholder will hold five new Ordinary shares for each existing Ordinary share they held immediately prior to the Sub-division. Whilst the Sub-division will increase the number of Ordinary shares the Company has in issue, the net asset value per share and market price immediately after the Sub-division are expected to become one-fifth of their respective values immediately preceding the Sub-division.

A holding of new Ordinary shares following the Sub-division will represent the same proportion of the issued Ordinary share capital of the Company as the corresponding holding of existing Ordinary shares immediately prior to the Sub-division. The Sub-division will therefore not itself affect the overall value of a shareholder's holding in the Company.

The new Ordinary shares will rank equally with each other and will carry the same rights and be subject to the same restrictions (save as to nominal value) as the existing Ordinary shares, including with respect to dividends.

The Sub-division should be treated as a reorganisation of the share capital of the Company for the purposes of UK Capital Gains Tax and UK Corporation Tax on chargeable gains in accordance with Part IV, Chapter II, Taxation of Chargeable Gains Act 1992. Accordingly, shareholders who are within the charge to UK tax in respect of their Ordinary shares should not be treated as disposing of their existing Ordinary shares and the new Ordinary shares received from the Sub-division should be treated as the same asset as the shareholder's holding of existing Ordinary shares and should also be treated as having been acquired at the same time, and for the same consideration, as that holding of existing Ordinary shares for UK tax purposes. On a subsequent disposal of the whole or part of the new Ordinary shares, such a shareholder may, depending upon their own personal circumstances, be subject to UK tax on the amount of any chargeable gain realised. Shareholders who are subject to tax in any jurisdiction outside of the UK are advised to seek their own tax advice on how the Sub-division should be treated for local tax purposes.

The Sub-division requires shareholder approval and, accordingly, Resolution 12 seeks such approval. The Sub-division is conditional on the new Ordinary shares being admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities ("Admission"). If the Company's Admission applications are accepted, it is proposed that the last day of dealings in the existing Ordinary shares will be 21 April 2023 (with the record date for the Sub-division being 6:00 p.m. on that day) and the effective date for dealings to commence in the new Ordinary shares will be on 24 April 2023.

The aggregate nominal value of the Company's issued share capital as at 2 March 2023 (being the latest practicable date prior to the publication of this document) was £32,353,000 divided into 125,012,893 existing Ordinary shares of 25 pence each and 4,399,110 Treasury shares of 25p each. Following the Sub-division becoming effective, the total aggregate nominal value of the Company's issued share capital will remain at £32,353,000 (on the assumption that there are no buy backs or issues of the Company's Ordinary shares between the date of this document and the date on which the Sub-division takes effect) but will be divided into 625,064,465 new Ordinary shares of 5 pence each and 21,995,550 Treasury shares of 5p each. A holding of new Ordinary shares immediately following the Sub-division will represent the same proportion of the issued share capital of the Company as the corresponding holding of existing

Directors' Report

Continued

Ordinary shares in issue immediately prior to the Sub-division.

The new Ordinary shares may be held in certificated or uncertificated form. Following the Sub-division becoming effective, share certificates in respect of the existing Ordinary shares will cease to be valid and will be cancelled. New certificates in respect of the new Ordinary shares will be issued to those shareholders who hold their existing shares in certificated form, and are expected to be dispatched by 5 May 2023. No temporary documents of title will be issued. Transfers of new Ordinary shares between the date of Admission of the new Ordinary shares and the dispatch of new certificates will be certified against the Company's register of members held by the Company's registrar. It is expected that the ISIN of the existing Ordinary shares will be disabled in CREST at the close of business on 21 April 2023 and that the new Ordinary shares will be credited to CREST accounts on 24 April 2023.

If Resolution 12 is passed, the Sub-division will become effective on Admission, which is expected to be at 8.00 a.m. on 24 April 2023 or such later date as the Directors may in their absolute discretion determine.

The new Ordinary Shares will retain the ticker of the existing Ordinary Shares (being MYI) but will have a new ISIN and SEDOL.

Recommendation

The Directors consider that the authorities requested above are in the best interests of the shareholders taken as a whole and recommend that all shareholders vote in favour of the resolutions, as the Directors intend to in respect of their own beneficial holdings of Ordinary shares amounting in aggregate to 26,389 shares, representing approximately 0.02% of the Company's issued share capital as at 2 March 2023.

By order of the Board of Murray International Trust PLC

abrdn Holdings Limited

Secretary

1 George Street, Edinburgh EH2 2LL
2 March 2023

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration.

Remuneration Committee

As recommended by the AIC Code, a Remuneration Committee has been established with written terms of reference, copies of which are available upon request from the Company Secretary and on the Company's website. The Remuneration Committee comprises the whole Board, excluding Mr Hardie, and I, Alexandra Mackesy, am the Chairman.

This Remuneration Report comprises three parts:

- **Remuneration Policy**, which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently approved at the 27 April 2020 AGM and for approval at the AGM in April 2023;
- **Implementation Report**, which provides information on how the Remuneration Policy has been applied during the year and which is subject to an advisory vote on the level of remuneration paid during the year; and
- **Annual Statement** confirming compliance with regulations.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on page 69.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. The Company currently has five independent non-executive Directors.

There have been no changes to the policy during the period of this Report nor are there any proposals for change in the foreseeable future. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered.

The Directors are non-executive and their fees are set within the limits of the Company's Articles of Association. The Board's policy on Directors' fees is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of

their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually and, if considered appropriate, increased accordingly.

Articles Limit on Directors' Fees

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors per annum to £300,000. The level of cap may be increased by shareholder resolution from time to time and was last increased in 2021.

Terms of Appointment

- The Company intends only to appoint non-executive Directors;
- All the Directors are non-executive and appointed under the terms of Letters of Appointment;
- Directors must retire and be subject to election at the first AGM after their appointment and annual re-election thereafter in line with the Articles of Association;
- It is the policy of the Board that the Chairman of the Company will normally retire once he or she has served as a Director for nine years (further details on page 56);
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (£30,000 for the year to 31 December 2023);
- No incentive or introductory fees will be paid to encourage a Directorship;
- The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits; and
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee;
- No Director has a service contract;
- No Director was interested in contracts with the Company during the period or subsequently;
- The terms of appointment provide that a Director may be removed without notice;
- Compensation will not be due upon leaving office; and
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' Remuneration Report

Continued

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors. The Company's Articles of Association provide an indemnity to the Directors out of the assets of the Company against any liability incurred in defending proceedings or in connection with any application to the Court in which relief is granted.

The Remuneration Policy was last approved by shareholders at the AGM on 27 April 2020 and will be proposed for approval at the AGM to be held on 21 April 2023. The Remuneration Policy is reviewed by the Remuneration Committee on an annual basis and the Remuneration Policy applies for the three year period ending 31 December 2025.

Implementation Report

Directors' Fees

The Directors' fee rates applicable for the year ended 31 December 2022 were as follows:

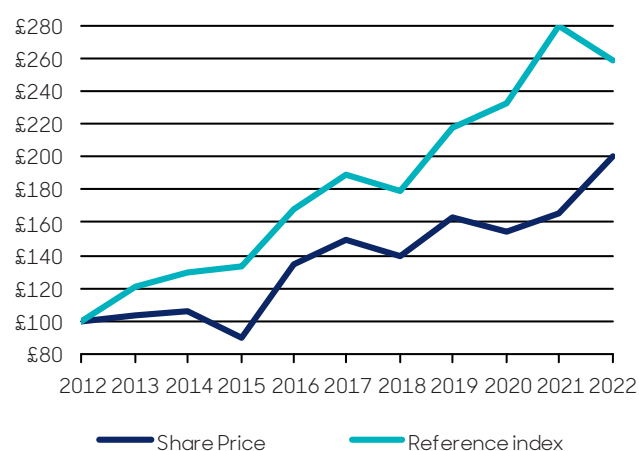
Shareholder	31 December 2022 £	31 December 2021 £
Chairman	48,000	48,000
Chairman of Audit and Risk Committee	34,000	34,000
Senior Independent Director	32,000	32,000
Director	28,000	28,000

The Remuneration Committee carried out a review of the level of Directors' fees during the year encompassing a review of fees payable to directors of peer group companies as well as the wider sector. The Committee concluded that with effect from 1 January 2023 the annual fees payable to Directors should be: Chairman £50,000, Audit and Risk Committee Chairman £36,000, Directors £30,000 with an extra £2,000 (reduced from £4,000) payable to the Senior Independent Director. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors and, other than for the Audit and Risk Committee, no extra fees are payable to Committee Chairmen. The Directors' fees were last increased in December 2019, with effect from 1 January 2020.

Company Performance

During the year, the Board also carried out a review of investment performance. The following graph compares the share price total return (assuming all dividends are reinvested) to Ordinary shareholders, assuming a notional investment of £100 into the Company on 31 December 2012, compared with the total shareholder total return on the Company's Reference Index.

Please note that past performance is not a guide to future performance.



Statement of Voting at General Meeting

At the Company's last AGM held on 22 April 2022, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 31 December 2021 and the following proxy votes were received on the resolutions:

Resolution	For* %	Against %	Withheld %
(2) Receive and Adopt Directors' Remuneration Report	42.95m (99.3%)	28,358 (0.07%)	139,588
(3) Approve Directors' Remuneration Policy**	38.6m (99.3%)	230,057 (0.6%)	86,458

* Including discretionary votes

** Last voted upon on 27 April 2020

Spend on Pay

As the Company has no employees, the Directors do not consider that it is relevant to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown overleaf.

Fees Payable (Audited)

The Directors who served in the year received the following fees which exclude employers' National Insurance:

Director	2022 £	2021 £
D Hardie ^A	48,000	38,280
C Binyon ^B	34,000	32,117
V Holmes ^C	14,700	n/a
A Mackesy ^D	32,000	29,570
N Melhuish ^E	28,000	18,667
K J Carter ^F	-	15,067
M Campbell ^F	-	10,672
S Fraser ^G	-	22,883
Total	156,700	167,256

^A Mr Hardie became interim Chairman in August 2021 and Chairman in October 2021.

^B Ms Binyon was appointed Audit and Risk Committee Chairman in April 2021.

^C Ms Holmes was appointed to the Board on 22 June 2022.

^D Mrs Mackesy was appointed Senior Independent Director in August 2021.

^E Mr Melhuish was appointed to the Board on 1 May 2021.

^F Dr Carter and Ms Campbell retired from the Board on 23 April 2021.

^G Mr Fraser died on 9 August 2021.

Annual Percentage Change in Directors' Remuneration

The table below sets out the annual percentage change in Directors' fees over the last three years.

Director	Year ended 31 December 2022 %	Year ended 31 December 2021 %	Year ended 31 December 2020 %
D Hardie ^A	25.4	24.6	18.2
C Binyon ^B	5.9	14.7	7.7
V Holmes ^C	n/a	n/a	n/a
A Mackesy ^D	8.2	5.6	7.7
N Melhuish ^E	50.0	n/a	n/a

^A Mr Hardie became interim Chairman in August 2021 and Chairman in October 2021.

^B Ms Binyon was appointed Audit and Risk Committee Chairman in April 2021.

^C Ms Holmes was appointed to the Board on 22 June 2022.

^D Mrs Mackesy was appointed Senior Independent Director in August 2021.

^E Mr Melhuish was appointed to the Board on 1 May 2021.

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the table above.

Directors' Interests in the Company (Audited)

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 31 December 2022 and 31 December 2021 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the following table.

	31 December 2022 Ordinary 25p	31 December 2021 Ordinary 25p
D Hardie	16,173	15,489
C Binyon	1,255	1,213
V Holmes	-	n/a
A Mackesy	3,315	975
N Melhuish	3,502	2,563

Subsequent to the period end Ms Holmes acquired 2,000 Ordinary shares on 16 January 2023; Mr Hardie's beneficial holding has increased to 16,317 Ordinary shares with the purchase of 1 share on 23 January 2023 and 143 shares on 20 February 2023 via dividend reinvestment. With the exception of these further disclosures, the Directors' holdings were unchanged at 2 March 2023, being the nearest practicable date prior to the signing of this Annual Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I, Alexandra Mackesy, Chairman of the Remuneration Committee, confirm that the Report on Remuneration Policy and the Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2022:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

The Directors' Remuneration Report was approved by the Board of Directors on 2 March 2023 and signed on its behalf by:

Alexandra Mackesy
Remuneration Committee Chairman
2 March 2023

Report of Audit and Risk Committee

The Audit and Risk Committee has prepared this report in compliance with the September 2014 Competition and Markets Authority Order.

Audit and Risk Committee

As recommended by the AIC Code, an Audit and Risk Committee has been established with written terms of reference, copies of which are available upon request from the Company Secretary and on the Company's website. The Audit and Risk Committee comprises the whole Board (excluding Mr Hardie) and I, Claire Binyon, am the Chairman. Mr Hardie is not a member of the Committee, but, as Chairman of the Company, he has a standing invitation to attend meetings and typically attends each Audit and Risk Committee as an observer. The members of the Audit and Risk Committee are each independent and free from any relationship that would interfere with our impartial judgement in carrying out our responsibilities. We have satisfied ourselves that at least one of the Committee's members has recent and relevant financial experience. We met three times during the year.

The terms of reference of the Audit and Risk Committee are reviewed and re-assessed for their adequacy on an annual basis. In accordance with those terms of reference:

- we review and monitor the internal control systems and risk management systems including review of non financial risks and the Manager's policy on information security (cyber risk) on which the Company is reliant. The Directors' statement on the Company's internal controls and risk management is set out in the Directors' Report;
- we consider whether there is a need for the Company to have its own internal audit function (refer to Directors' Report);
- we monitor the integrity of the half yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- we review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- we review the content of the Annual Report and financial statements and make recommendations to the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- we meet with the auditor to review the proposed audit programme of work and the findings of the auditor. The Directors also use this as an opportunity to assess the effectiveness of the audit process;
- we also meet in private with the auditor, without any representatives of the Manager being present, and we meet in private with a representative from the Manager's internal audit department;
- we develop and implement the policy on the engagement of the auditor to supply non-audit services. There were non-audit fees of £3,500 (2021: £3,500) paid to the auditor during the year under review in connection with assurance work conducted on the Half Yearly Report;
- we review a statement from the Manager detailing the arrangements in place within the abrdn Group whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- we make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor; and
- we monitor and review the auditor's independence, objectivity, effectiveness, resources and qualification.

Details of attendance at the Audit and Risk Committee meetings are shown in the Directors' Report.

The Board has received a report from BDO, its auditor, which notes that BDO has policies and procedures in place that instil professional values as part of its firm's culture and ensure that the highest standards of objectivity and independence and integrity are maintained.

The Company's policy on non-audit services is to ensure that best value for the Company is achieved whilst ensuring compliance with regulations that are in place to maintain the independence of the auditor.

The extent of on-audit services that can be provided by BDO is very limited. The Audit and Risk Committee has reviewed and approved the level of non-audit services provided by the independent auditor during the year, together with the independent auditor's procedures in connection with the provision of such services, and remains satisfied that the auditor's objectivity and independence is being safeguarded. The level of non-audit fees payable by the Company is not material in any way for BDO and the Audit and Risk Committee confirms its belief that BDO is independent in accordance with applicable ethical standards. Since its appointment, BDO has not provided any significant non-audit services to the Company. Deloitte and PwC provide ongoing local tax compliance services to the Company.

Significant Matters

During our review of the Company's financial statements for the year ended 31 December 2022, we considered the following significant matters:

Valuation and Ownership of Investments

Mitigation – The Board reviews monthly management accounts that include a full breakdown of the portfolio valuation. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 2(e) and 10 to the financial statements on pages 83 and 89. All investments are quoted and can be verified against daily market prices. 93.1% (2021: 91.5%) of investments are considered to be liquid and are therefore categorised as Level 1 in accordance with the FRS 102 fair value hierarchy. 6.9% (2021: 8.5%) of investments are considered to be subject to some risk of illiquidity and are therefore categorised as Level 2 within the FRS 102 fair value hierarchy. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts including a full portfolio listing are prepared each month and circulated to the Board. BNY Mellon has been appointed as custodian and depositary to safeguard the assets of the Company. The depositary checks the consistency and accuracy of its records on a monthly basis and reports its findings to aFML. Separately, the investment portfolio is reconciled regularly by the Manager.

Correct Calculation of Management Fees

Mitigation – The management fees are calculated by the Manager and reviewed annually by the Audit and Risk Committee and auditor.

Revenue Recognition

Mitigation – The recognition of investment income is undertaken in accordance with accounting policy 2(b) and note 3 to the financial statements on pages 82 and 85. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Manager provides monthly internal control reports to the Board which are reviewed together with monthly revenue forecasts and dividend schedules.

Review of Auditor

We have reviewed the work undertaken by BDO, which is in its third year following original appointment at the AGM on 27 April 2020, and are satisfied with the effectiveness of the auditor. The areas of focus included:

- independence – the auditor discusses with the Audit and Risk Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- quality of audit work including the ability to resolve issues in a timely manner – identified issues are satisfactorily and promptly resolved; its communications and presentation of outputs – the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and working relationship with management – the auditor has a constructive working relationship with the Board, the Committee and the Manager; and
- quality of people and service including continuity and succession plans – the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment company sector and retention or rotation of the partner.

BDO is in its third year as auditor to the Company and in accordance with present professional guidelines the Senior Statutory Auditor will be rotated after no more than five years and the year ended 31 December 2022 will be the third year for which the present Senior Statutory Auditor will serve. The Committee considers BDO, the Company's auditor, to be independent of the Company.

For and on behalf of the Audit and Risk Committee

Claire Binyon,

Audit and Risk Committee Chairman
2 March 2023

Statement of Directors' Responsibilities

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, the requirements of the Companies Act 2006 and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In accordance with their responsibilities, the Directors confirm that, to the best of their knowledge, the Annual Report and financial statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the position, performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on **murray-intl.co.uk**, the Company's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the company, together with a description of the principal risks and uncertainties that they face.

For Murray International Trust PLC

David Hardie

Chairman

2 March 2023

Independent Auditor's Report to the Members of Murray International Trust PLC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Murray International Trust PLC (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 27 April 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 3 years, covering the years ended 31 December 2020 to 31 December 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing the going concern assumption in light of market volatility and the present uncertainty in economic recovery;
- Assessing the liquidity position available to meet future obligations and operating expenses for the next twelve months;
- Reviewing the Directors' assessment, corroborating inputs used in the assessment to supporting documentation;
- Challenging Directors' assumptions and judgements made by performing an independent analysis of the liquidity of the portfolio; and
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors' forecasts and our sensitivity analyses.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent Auditor’s Report to the Members of Murray International Trust PLC

Continued

In relation to the Company’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2022	2021
	Revenue recognition	✓	✓
	Valuation and ownership of investments	✓	✓
Materiality		Company financial statements as a whole:	
		£16.2m (2021: £15.6m) based on 1% (2021: 1%) of Net Assets	

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition (Note 2(b) and 3 to the financial statements)	<p>Revenue is a key indicator of performance of the Company, as such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Judgement may be required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason we considered revenue recognition to be a key audit matter.</p>	<p>We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event.</p> <p>We analysed the whole population of dividend receipts to identify items that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature.</p> <p>Key observations:</p> <p>Based on our procedures performed we found the presentation and allocation of revenue to be appropriate.</p>
Valuation and ownership of investments (Note 2(e) and 10 to the financial statements)	<p>The investment portfolio at the year end comprised of listed equity and fixed income investments held at fair value through profit or loss.</p> <p>We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity.</p> <p>There is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. Given the nature of the portfolio is such that it comprises solely of listed level 1 and 2 investments, we do not consider the use of bid price to be subject to significant estimation uncertainty.</p> <p>There is also a risk of error in the recording of investment holdings such that those recording do not appropriate reflect the property of the Company.</p> <p>For these reasons and the materiality to the financial statements as a whole, they are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.</p>	<p>We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures:</p> <ul style="list-style-type: none"> • Confirmed the year end bid price was used by agreeing to externally quoted prices; • Assessing if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculating the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the year end. <p>Key observations:</p> <p>Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of listed equity and fixed income investments was not appropriate.</p>

Independent Auditor's Report to the Members of Murray International Trust PLC

Continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements		
	2022 £m	2021 £m
Materiality	16.2	15.6
Basis for determining materiality	1% of Net Assets	1% of Net Assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	12.2	11.7
Basis for determining performance materiality	75% of materiality based on our risk assessment and consideration of the control environment. We also considered the history of misstatements based on our knowledge obtained in the previous year, aggregation effect of planned nature of testing and the overall size complexity of the entity.	

Specific materiality

We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on revenue return before tax to be £4,200,000 (2021: £3,680,000). Specific materiality was determined using 5% (2021: 5%) of revenue return before tax. We further applied a performance materiality level of 75% (2021: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £210,000 (2021: £184,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none"> • The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate
Other Code provisions	<ul style="list-style-type: none"> • Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 35, 36 and 58; and • The section describing the work of the Audit and Risk Committee set out on page 66.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
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Independent Auditor's Report to the Members of Murray International Trust PLC

Continued

Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none">• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or• the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or• certain disclosures of Directors' remuneration specified by law are not made; or• we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the UK Listing Rules, the DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and FRS102. We also considered the Company's qualification as an Investment Trust under UK tax legislation.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- review of minutes of board and Audit and Risk Committee meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

We assessed the susceptibility of the financial statement to material misstatement including fraud and considered the fraud risk areas to be management override of controls.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)

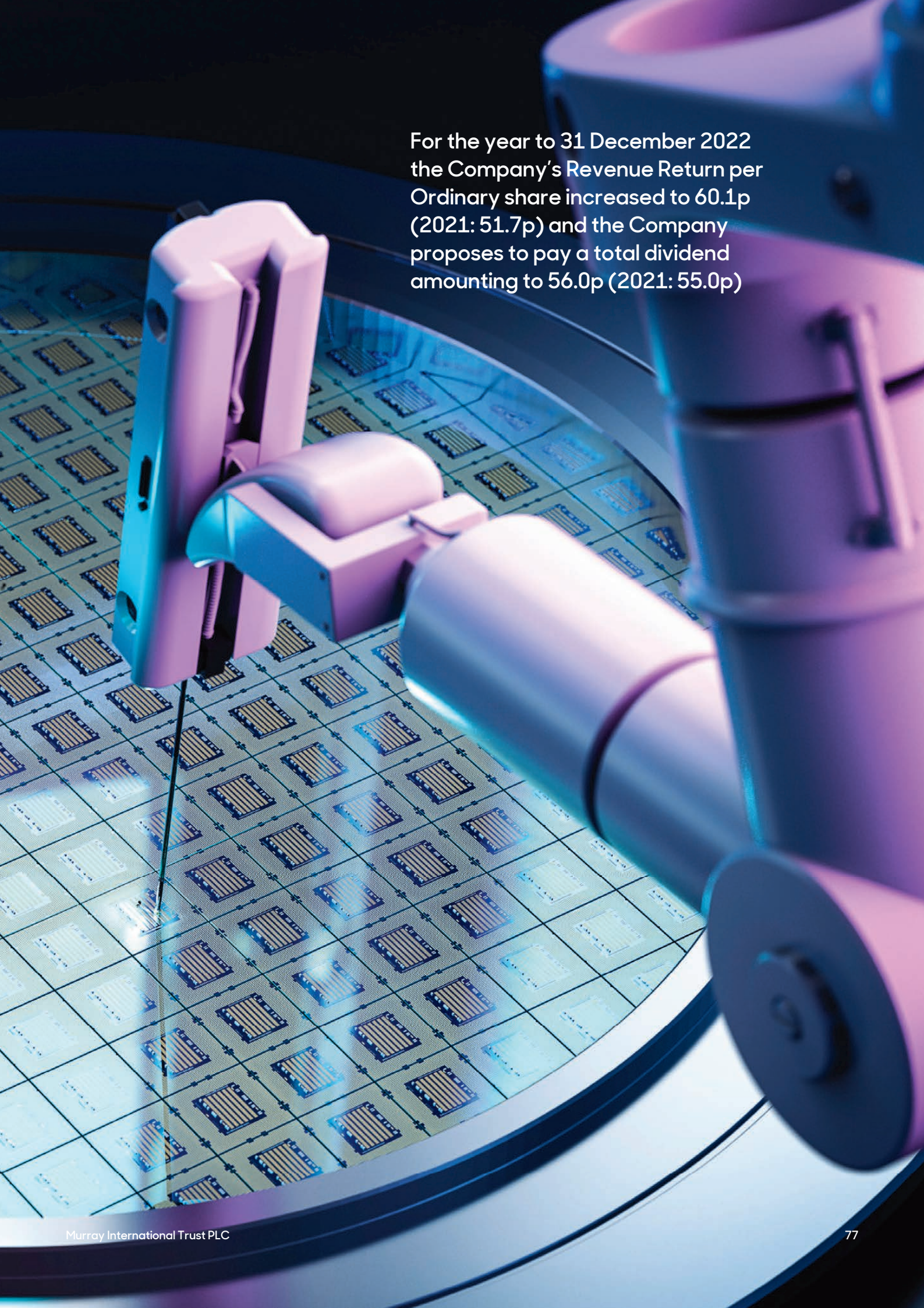
For and on behalf of BDO LLP, Statutory Auditor

London, UK

2 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements



For the year to 31 December 2022
the Company's Revenue Return per
Ordinary share increased to 60.1p
(2021: 51.7p) and the Company
proposes to pay a total dividend
amounting to 56.0p (2021: 55.0p)

Statement of Comprehensive Income

	Notes	Year ended 31 December 2022			Year ended 31 December 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	10	-	66,401	66,401	-	139,637	139,637
Income	3	88,745	-	88,745	78,737	-	78,737
Investment management fees	4	(2,024)	(4,724)	(6,748)	(2,086)	(4,867)	(6,953)
Currency gains/(losses)		-	84	84	-	(745)	(745)
Administrative expenses	5	(1,651)	-	(1,651)	(1,752)	-	(1,752)
Net return before finance costs and taxation		85,070	61,761	146,831	74,899	134,025	208,924
Finance costs	6	(1,409)	(3,286)	(4,695)	(1,216)	(2,838)	(4,054)
Return before taxation		83,661	58,475	142,136	73,683	131,187	204,870
Taxation	7	(8,405)	990	(7,415)	(7,554)	798	(6,756)
Return attributable to equity shareholders		75,256	59,465	134,721	66,129	131,985	198,114
Return per Ordinary share (pence)	9	60.1	47.4	107.5	51.7	103.1	154.8

The "Total" column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the return after taxation is also the total comprehensive income for the year. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

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

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

	Notes	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Non-current assets			
Investments at fair value through profit or loss	10	1,784,820	1,739,312
Current assets			
Prepayments and accrued income	11	7,195	8,475
Other debtors	11	9,306	6,902
Cash and short-term deposits		18,131	8,705
		34,632	24,082
Creditors: amounts falling due within one year			
Bank loans	12,13	(59,989)	(59,975)
Other creditors	12	(2,836)	(2,514)
		(62,825)	(62,489)
Net current liabilities		(28,193)	(38,407)
Total assets less current liabilities		1,756,627	1,700,905
Creditors: amounts falling due after more than one year			
Bank loans	12,13	(29,982)	(89,930)
Loan Notes	12,13	(109,895)	(49,909)
Net assets		1,616,750	1,561,066
Capital and reserves			
Called-up share capital	14	32,353	32,353
Share premium account		362,967	362,967
Capital redemption reserve		8,230	8,230
Capital reserve	15	1,143,961	1,094,549
Revenue reserve		69,239	62,967
Equity shareholders' funds		1,616,750	1,561,066
Net asset value per Ordinary share (pence)	16	1,293.3	1,240.3

The financial statements were approved and authorised for issue by the Board of Directors on 2 March 2023 and were signed on its behalf by:

David Hardie
Director

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2021		32,353	362,967	8,230	1,094,549	62,967	1,561,066
Return after taxation		-	-	-	59,465	75,256	134,721
Dividends paid	8	-	-	-	-	(68,984)	(68,984)
Buy back of shares to Treasury	14	-	-	-	(10,053)	-	(10,053)
Balance at 31 December 2022		32,353	362,967	8,230	1,143,961	69,239	1,616,750

For the year ended 31 December 2021

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2020		32,353	362,967	8,230	991,513	66,764	1,461,827
Return after taxation		-	-	-	131,985	66,129	198,114
Dividends paid	8	-	-	-	-	(69,926)	(69,926)
Buy back of shares to Treasury	14	-	-	-	(28,949)	-	(28,949)
Balance at 31 December 2021		32,353	362,967	8,230	1,094,549	62,967	1,561,066

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

	Notes	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Net return before finance costs and taxation		146,831	208,924
Increase/(decrease) in accrued expenses		265	(8)
Overseas withholding tax		(9,945)	(9,123)
Decrease in accrued income		1,401	706
Interest paid		(4,562)	(3,818)
Gains on investments		(66,401)	(139,637)
Currency (gains)/losses		(84)	745
(Increase)/decrease in other debtors		(29)	22
Corporation tax received		-	321
Net cash inflow from operating activities		67,476	58,132
Investing activities			
Purchases of investments		(187,490)	(177,090)
Sales of investments		208,417	224,171
Net cash from investing activities		20,927	47,081
Financing activities			
Equity dividends paid	8	(68,984)	(69,926)
Ordinary shares bought back to Treasury	14	(10,053)	(28,949)
Issue of Loan Notes		59,976	49,904
Loan repayment		(60,000)	(50,000)
Net cash used in financing activities		(79,061)	(98,971)
Increase in cash		9,342	6,242
Analysis of changes in cash during the year			
Opening balance		8,705	3,208
Effect of exchange rate fluctuations on cash held		84	(745)
Increase in cash as above		9,342	6,242
Closing balances		18,131	8,705

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC006705, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

- (a) **Basis of preparation.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ("AIC SORP") issued in July 2022. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 37) and ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares and bonds. The equities and a majority of the bond portfolio are, in most circumstances, realisable within a very short timescale.

The Company has a £60 million loan facility which is due to mature in May 2023. The Directors are currently reviewing options to replace the facility including the use of the Loan Note Shelf Facility. Should the Board decide not to replace the facility any maturing debt would be repaid through the proceeds of equity and/or bond sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 35 and 36 including the continuing global economic disruption caused by the uncertainty from the Russian invasion of Ukraine and have reviewed forecasts detailing revenue and liabilities. Notwithstanding the continuing uncertain economic environment, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The areas requiring most significant judgement and assumption in the financial statements are: the determination of the fair value hierarchy classification of quoted preference shares and bonds which have been assessed as being Level 2 as they are not considered to trade in active markets; and also the determination of whether special dividends received are considered to be revenue or capital in nature on a case by case basis. The Directors do not consider there to be any significant estimates within the financial statements.

- (b) **Income.** Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends are recognised on their due date. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to their circumstances.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income under taxation.

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

Interest receivable from cash and short-term deposits is accrued to the end of the year.

- (c) **Expenses.** All expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income. Expenses are charged against revenue except as follows:

- transaction costs on the acquisition or disposal of investments are charged against capital in the Statement of Comprehensive Income; and
- expenses are treated as a capital item in the Statement of Comprehensive Income and ultimately recognised in the capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 30% to revenue and 70% to the capital reserve to reflect the Company's investment policy and prospective income and capital growth.

- (d) **Taxation.** The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net return as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

- (e) **Investments.** The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value. For listed investments, the valuation of investments at the year end is deemed to be bid market prices or closing prices on recognised stock exchanges.

Gains and losses arising from changes in fair value are treated in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

Notes to the Financial Statements

Continued

- (f) **Cash and cash equivalents.** Cash comprises cash in hand and demand deposits. Cash equivalents includes short-term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.
- (g) **Short-term debtors and creditors.** Both short-term debtors and creditors are measured at amortised cost and not subject to interest charges.
- (h) **Borrowings.** Borrowings, which comprise interest bearing bank loans and unsecured loan notes are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 30% to revenue and 70% to capital in the Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.
- (i) **Nature and purpose of reserves**
- Called-up share capital.** The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue. This reserve is not distributable.
- Share premium account.** The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p and the proceeds of sales of shares held in Treasury in excess of the weighted average purchase price paid by the Company to repurchase the shares. This reserve is not distributable.
- Capital redemption reserve.** The capital redemption reserve arose when Ordinary shares were cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This reserve is not distributable.
- Capital reserve.** This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (h) above. This reserve is distributable for the purpose of funding share buybacks and paying dividends to the extent that gains are deemed realised.
- When the Company purchases its Ordinary shares to be held in Treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve.
- Revenue reserve.** This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.
- (j) **Foreign currency.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.
- (k) **Segmental reporting.** 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.
- (l) **Dividends payable.** Dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends are recognised in the financial statements in the period in which they are paid.

3. Income

	2022 £'000	2021 £'000
Income from investments (all listed)		
UK dividend income	10,607	8,547
Overseas dividends	66,536	58,240
Overseas interest	11,417	11,945
	88,560	78,732
Other income		
Deposit interest	49	1
Stock lending income	136	-
Interest on corporation tax reclaim	-	4
Total income	88,745	78,737

4. Investment management fees

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	2,024	4,724	6,748	2,086	4,867	6,953

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of investment management, secretarial, accounting and administration and promotional activity services.

With effect from 1 January 2022, the management fee has been charged on net assets (i.e. excluding borrowings for investment purposes) averaged over the six previous quarters at a rate of 0.5% per annum up to £500 million and 0.4% per annum thereafter. Prior to this, the management fee has been charged on net assets (i.e. excluding borrowings for investment purposes) averaged over the six previous quarters at a rate of 0.5% per annum up to £1,200 million and 0.425% per annum thereafter. A fee of 1.5% per annum is chargeable on the value of any unlisted investments. The investment management fee is chargeable 30% against revenue and 70% against realised capital reserves. During the year £6,748,000 (2021 – £6,953,000) of investment management fees was payable to the Manager, with a balance of £1,704,000 (2021 – £1,797,000) being due at the year end.

No fees are charged in the case of investments managed or advised by the abrdn Group. The management agreement may be terminated by either party on the expiry of six months' written notice. On termination the Manager is entitled to receive fees which would otherwise have been due up to that date.

Notes to the Financial Statements

Continued

5. Administrative expenses

	2022 £'000	2021 £'000
Promotional activities ^A	400	400
Registrars' fees	147	133
Directors' remuneration	157	167
Bank charges and custody fees	411	606
Depository fees	157	149
Stock exchange fees	97	86
Printing and postage	59	60
Irrecoverable VAT	-	14
Auditor's fees for:		
– Statutory Audit	44	32
– Other assurance services	3	3
Other expenses	176	102
	1,651	1,752

^A In 2022 £400,000 (2021 – £400,000) was payable to aFML to cover promotional activities during the year. At the year end £100,000 (2021 – £100,000) was due to aFML.

6. Finance costs

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loans and overdraft interest	815	1,901	2,716	1,002	2,339	3,341
Loan Notes	594	1,385	1,979	214	499	713
	1,409	3,286	4,695	1,216	2,838	4,054

7. Taxation

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Total tax charge						
Analysis for the year						
Current UK tax	195	-	195	163	-	163
Double taxation relief	(195)	-	(195)	(163)	-	(163)
Tax relief to capital	1,082	(1,082)	-	920	(920)	-
Irrecoverable overseas tax suffered	10,605	92	10,697	9,081	122	9,203
Overseas tax reclaimable	(3,282)	-	(3,282)	(2,447)	-	(2,447)
Total tax charge for the year	8,405	(990)	7,415	7,554	(798)	6,756

- (b) Factors affecting the tax charge for the year.** The UK corporation tax rate is 19% (2021 – 19%). The tax assessed for the year is lower than the corporation tax rate. The differences are explained below:

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	83,661	58,475	142,136	73,683	131,187	204,870
Return multiplied by the effective standard rate of corporation tax of 19% (2021 – 19%)	15,896	11,110	27,006	14,000	24,925	38,925
Effects of:						
Non taxable UK dividend income	(2,015)	-	(2,015)	(1,624)	-	(1,624)
Gains on investments not taxable	-	(12,616)	(12,616)	-	(26,531)	(26,531)
Currency (gains)/losses not taxable	-	(16)	(16)	-	142	142
Non taxable overseas dividends	(12,164)	-	(12,164)	(10,750)	-	(10,750)
Irrecoverable overseas tax suffered	10,605	92	10,697	9,081	122	9,203
Overseas tax reclaimable	(3,282)	-	(3,282)	(2,447)	-	(2,447)
Double taxation relief	(195)	-	(195)	(163)	-	(163)
Marginal tax relief	(440)	440	-	(544)	544	-
Expenses not deductible for tax purposes	-	-	-	1	-	1
Total tax charge for the year	8,405	(990)	7,415	7,554	(798)	6,756

Notes to the Financial Statements

Continued

The Company has not provided for deferred tax on chargeable gains or losses arising on the revaluation or disposal of investments as it is exempt from corporation tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset (2021 – same) arising as a result of there being no excess management expense to be utilised in future periods.

With effect from 1 April 2023 the standard rate of UK corporation tax will change from 19% to 25%.

8. Ordinary dividends on equity shares

	2022 £'000	2021 £'000
Amounts recognised as distributions paid during the year:		
Third interim for 2021 of 12.0p (2020 – 12.0p)	15,103	15,413
Final dividend for 2021 of 19.0p (2020 – 18.5p)	23,813	23,748
First interim for 2022 of 12.0p (2021 – 12.0p)	15,040	15,404
Second interim for 2022 of 12.0p (2021 – 12.0p)	15,028	15,361
	68,984	69,926

A third interim dividend was declared on 2 December 2022 with an ex date of 5 January 2023. This dividend of 12.0p was paid on 17 February 2023 and has not been included as a liability in these financial statements. The proposed final dividend for 2022 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158–1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £75,256,000 (2021 – £66,129,000).

	2022 £'000	2021 £'000
Three interim dividends for 2022 of 12.0p (2021 – 12.0p)	45,070	45,868
Proposed final dividend for 2022 of 20.0p (2021 – final dividend of 19.0p)	25,003	23,813
	70,073	69,681

The amount reflected above for the cost of the proposed final dividend for 2022 is based on 125,012,893 Ordinary shares, being the number of Ordinary shares in issue excluding those held in Treasury at the date of this Report.

9. Return per Ordinary share

	2022		2021	
	£'000	p	£'000	p
Returns are based on the following figures:				
Revenue return	75,256	60.1	66,129	51.7
Capital return	59,465	47.4	131,985	103.1
Total return	134,721	107.5	198,114	154.8
 Weighted average number of Ordinary shares	 125,306,203		 127,971,051	

10. Investments at fair value through profit or loss

	2022 £'000	2021 £'000
Opening book cost	1,330,337	1,324,155
Opening investment holdings gains	408,975	322,250
Opening fair value	1,739,312	1,646,405
 Analysis of transactions made during the year		
Purchases at cost	187,490	177,090
Sales proceeds received	(208,590)	(224,171)
Gains on investments	66,401	139,637
Accretion of fixed income book cost	207	351
Closing fair value	1,784,820	1,739,312
 Closing book cost	 1,363,483	 1,330,337
Closing investment gains	421,337	408,975
Closing fair value	1,784,820	1,739,312

The Company received £208,590,000 (2021 – £224,171,000) from investments sold in the period. The book cost of these investments when they were purchased was £154,551,000 (2021 – £171,259,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Notes to the Financial Statements

Continued

	2022 £'000	2021 £'000
The portfolio valuation		
Listed on stock exchanges:		
United Kingdom:		
– equities	100,405	85,872
– preference shares	6,269	7,637
Overseas:		
– equities	1,560,727	1,504,961
– fixed income	117,419	140,842
Total	1,784,820	1,739,312

Transaction costs. During the year 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 on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2022 £'000	2021 £'000
Purchases	199	322
Sales	198	185
	397	507

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

	2022 £'000	2021 £'000
Stock Lending		
Aggregate value of securities on loan at the year end	–	N/A
Maximum aggregate value of securities on loan during the year	81,723	N/A
Fee income from stock lending	136	N/A

During the year to 31 December 2022, the Company commenced stock lending. Stock lending is the temporary transfer of securities by a lender to a borrower, with an agreement by the borrower to return equivalent securities to the lender at an agreed date. Fee income is received for making the investments available to the borrower. The principal risks and rewards of holding the investments, namely the market movements in share prices and dividend income, are retained by the Company. In all cases the securities lent continue to be recognised on the Statement of Financial Position.

All stocks lent under these arrangements are fully secured by collateral. The value of the collateral held at 31 December 2022 was £nil.

11. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts due from brokers	173	–
Corporation tax refund	136	136
Overseas withholding tax	8,965	6,722
Prepayments	84	43
Other debtors	32	44
Accrued income	7,111	8,432
	16,501	15,377

None of the above amounts is overdue or impaired.

12. Creditors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Bank loans (note 13)	59,989	59,975
Investment management fees	1,704	1,797
Administrative expenses	639	280
Interest on bank loans and loan notes	493	437
	62,825	62,489
	2022 £'000	2021 £'000
Amounts falling due after more than one year:		
Bank loans (note 13)	29,982	89,930
Loan notes (note 13)	109,895	49,909
	139,877	139,839

All financial liabilities are measured at amortised cost.

Notes to the Financial Statements

Continued

13. Borrowings

	2022 £'000	2021 £'000
Unsecured bank loans repayable within one year:		
Fixed rate term loan facilities		
– £60,000,000 at 1.714% – 31 May 2022	–	59,975
– £60,000,000 at 2.328% – 31 May 2023	59,989	–
Unsecured bank loans repayable in more than one year but less than five years:		
Fixed rate term loan facilities		
– £60,000,000 at 2.328% – 31 May 2023	–	59,962
– £30,000,000 at 2.25% – 16 May 2024	29,982	29,968
Unsecured loan notes repayable in more than five years:		
– £50,000,000 at 2.24% – 13 May 2031	49,918	49,909
– £60,000,000 at 2.83% – 31 May 2037	59,977	–
	199,866	199,814

The terms of these loans and loan notes permit early repayment at the borrower's option which may give rise to additional amounts being either payable or repayable in respect of fluctuations in interest rates since drawdown. Since the Directors currently have no intention of repaying the loans and loan notes early, then no such charges are included in the cash flows used to determine their effective interest rate.

In May 2022, the Company utilised part of its £200m Shelf Facility, of which £50m had already been drawn down, through the issuance of a £60 million 15 year Senior Unsecured Loan Note at an all-in-rate of 2.83%. The proceeds of the issue were used to repay the Company's £60 million fixed rate loan with the Royal Bank of Scotland International Limited, London Branch "RBSI" that matured at that time. Under the terms of the Loan Note Agreement, dated May 2021, up to an additional £90 million will also be available for drawdown by the Company for a five year period and the Board's current intention is to only use this additional amount to repay the Company's existing RBSI debt as it falls due over the coming years. Financial covenants contained within the loan note agreement provide, inter alia, that borrowings shall at no time exceed 35% of net assets, that the Company must hold 40 investments or more and that the net assets must exceed £650 million. At 31 December 2022 the Company held 71 investments, net assets were £1,616,750,000 and borrowings were 12.4% thereof. The Company has complied with all financial covenants throughout the year.

The Company also has two fixed rate term loan facilities with RBSI, both of which are fully drawn down and have maturity dates of 31 May 2023 and 16 May 2024 respectively. Financial covenants contained within the relevant loan agreements provide, inter alia, that borrowings shall at no time exceed 40% of net assets and that the net assets must exceed £650 million. At 31 December 2022 net assets were £1,616,750,000, and borrowings were 12.4% thereof. The Company has complied with all financial covenants throughout the year.

14. Share capital

	2022		2021	
	Number	£'000	Number	£'000
Allotted, called up and fully paid Ordinary shares of 25p each:				
Balance brought forward	125,861,856	31,466	128,438,662	32,110
Ordinary shares bought back to Treasury in the year	(848,963)	(212)	(2,576,806)	(644)
Balance carried forward	125,012,893	31,254	125,861,856	31,466
Treasury shares:				
Balance brought forward	3,550,147	887	973,341	243
Ordinary shares bought back to Treasury in the year	848,963	212	2,576,806	644
Balance carried forward	4,399,110	1,099	3,550,147	887

At 31 December 2022, shares held in Treasury represented 3.5% (2021 – 2.8%) of the Company's total issued share capital.

During the year 848,963 Ordinary shares were bought back to Treasury representing 0.6% of the Company's total issued share capital (2021 – 2,576,806 representing 2.0% of the Company's total issued share capital) at a total cost of £10,053,000 (2021 – £28,949,000) net of expenses. Subsequent to the year end there have been no further issues or buybacks of Ordinary shares.

On a winding up of the Company, any surplus assets available after payment of all debts and satisfaction of all liabilities of the Company shall be applied in repaying the Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares according to the amount paid up on such shares respectively.

Voting rights. In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every 25p nominal amount of Ordinary shares held.

15. Capital reserve

	2022 £'000	2021 £'000
At 31 December 2021	1,094,549	991,513
Movement in fair value gains	66,401	139,637
Capital expenses (including taxation)	(7,020)	(6,907)
Buy back of shares to Treasury	(10,053)	(28,949)
Currency gains/(losses)	84	(745)
At 31 December 2022	1,143,961	1,094,549

Included in the total above are investment holdings gains at the year end of £421,337,000 (2021 – £408,975,000).

Notes to the Financial Statements

Continued

16. Net asset value per share

The net asset value per share and the net asset value attributable to the Ordinary shares at the year end, calculated in accordance with the Articles of Association and FRS 102, were as follows:

	As at 31 December 2022	As at 31 December 2021
Attributable net assets (£'000)	1,616,750	1,561,066
Number of Ordinary shares in issue (excluding Treasury)	125,012,893	125,861,856
Net asset value per share (pence)	1,293.3	1,240.3

17. Analysis of changes in net debt

	At 31 December 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements ^A £'000	At 31 December 2022 £'000
Cash and short-term deposits	8,705	84	9,383	-	18,172
Debt due within one year	(59,975)	-	60,000	(60,014)	(59,989)
Debt due after more than one year	(139,839)	-	(59,976)	59,938	(139,877)
	(191,109)	84	9,407	(76)	(181,694)

	At 31 December 2020 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements ^A £'000	At 31 December 2021 £'000
Cash and short-term deposits	3,208	(745)	6,242	-	8,705
Debt due within one year	(50,000)	-	50,000	(59,975)	(59,975)
Debt due after more than one year	(149,805)	-	(49,904)	59,870	(139,839)
	(196,597)	(745)	6,338	(105)	(191,109)

^A Figures reflect a movement in maturity dates and amortisation of finance costs.

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

18. Financial instruments and risk management.

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise listed equities and debt securities, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company may enter into derivative transactions for the purpose of managing market risks arising from the Company's activities in the form of swap contracts, forward foreign currency contracts, futures and options.

The Board has delegated the risk management function to abrdn Fund Managers Limited ("aFML") under the terms of its management agreement with aFML (further details of which are included in the Directors' Report). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

Risk management framework. The directors of aFML collectively assume responsibility for aFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

aFML is a fully integrated member of the abrdn Group ("the Group"), which provides a variety of services and support to aFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to abrdn Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Chief Risk Officer, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's Chief Executive Officer and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Group's corporate governance structure is supported by several committees to assist the board of directors of abrdn plc, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk management. The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, foreign currency risk and price risk), (ii) liquidity risk and (iii) credit risk.

- (i) **Market risk.** The fair value and future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and price risk.

Notes to the Financial Statements

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(i)(a) **Interest rate risk.** Interest rate risk is the risk that interest rate movements will affect:

- the fair value of the investments in fixed interest rate securities; and
- the level of income receivable on cash deposits.

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The Board reviews the values of the fixed interest rate securities on a regular basis.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate facilities, which are used to finance opportunities at low rates. Current bank covenant guidelines are detailed in note 13 on page 92.

Interest rate risk profile. The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

At 31 December 2022	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non- interest bearing £'000
Assets					
Sterling	-	-	6,269	17,090	136,385
US Dollar	21.05	5.55	32,368	759	541,270
Indian Rupee	3.67	7.79	15,132	-	-
Indonesian Rupiah	7.48	7.50	31,947	-	24,065
Mexican Peso	3.18	5.75	15,422	-	107,213
South African Rand	8.17	7.00	15,779	-	12,439
Turkish Lira	1.89	8.49	6,771	-	-
Other	-	-	-	282	839,760
Total assets			123,688	18,131	1,661,132
Liabilities					
Bank loans	0.74	2.30	(89,971)	-	-
Loan Notes	11.67	2.56	(109,895)	-	-
Total liabilities			(199,866)	-	-

At 31 December 2021	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000
Assets					
Sterling	–	–	7,637	8,143	116,658
US Dollar	22.06	5.52	38,866	267	527,077
Indian Rupee	4.18	7.71	20,399	2	17,061
Indonesian Rupiah	8.45	7.51	32,128	–	37,546
Mexican Peso	2.52	6.11	27,836	–	92,390
South African Rand	9.17	7.00	15,590	–	15,794
Turkish Lira	2.88	8.51	6,023	–	–
Other	–	–	–	293	784,307
Total assets			148,479	8,705	1,590,833
Liabilities					
Bank loans	1.22	2.07	(149,905)	–	–
Loan Notes	9.37	2.24	(49,909)	–	–
Total liabilities			(199,814)	–	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans and loan notes are based on the interest rate payable, weighted by the total value of the bank loans and loan notes. The maturity dates of the Company's bank loans and loan notes are shown in note 13 to the financial statements.

The fixed rate assets represents quoted preference shares and bonds.

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

The non-interest bearing assets represent the equity element of the portfolio.

Short-term debtors and creditors have been excluded from the above tables as they are not considered to be exposed to interest rate risk.

Interest rate sensitivity. The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the Statement of Financial Position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

Notes to the Financial Statements

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If interest rates had been 100 basis points higher or lower (based on the current parameter used by the Manager's Investment Risk Department on risk assessment) and all other variables were held constant, the Company's revenue return for the year ended 31 December 2022 would increase/decrease by £181,000 (2021 – increase/decrease by £87,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.

The capital return would decrease/increase by £5,183,000 (2021 – increase/decrease by £6,830,000) using VaR ("Value at Risk") analysis based on 100 observations of weekly VaR computations of fixed interest portfolio positions at each year end.

- (i)(b) **Foreign currency risk.** A significant proportion of the Company's investment portfolio is invested overseas whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investment holdings can result, indirectly, in changes in their valuations. Consequently the Statement of Financial Position can be affected by movements in exchange rates.

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Manager seeks, when deemed appropriate, to manage exposure to currency movements on borrowings by using forward foreign currency contracts as a hedge against potential foreign currency movements. At 31 December 2022 the Company did not have any forward foreign currency contracts (2021 – none).

The revenue account is subject to currency fluctuation arising on overseas income. The Company does not hedge this currency risk.

Currency risk exposure. Currency risk exposure (excluding fixed interest securities) by currency of denomination:

	31 December 2022			31 December 2021		
	UK and overseas equity investments £'000	Net monetary assets ^A £'000	Total currency exposure £'000	UK and overseas equity investments £'000	Net monetary assets ^A £'000	Total currency exposure £'000
US Dollar	541,270	759	542,029	527,077	267	527,344
Euro	220,707	9	220,716	108,878	12	108,890
Taiwan Dollar	145,346	310	145,656	211,589	281	211,870
Mexican Peso	107,213	-	107,213	92,390	-	92,390
Swedish Krone	80,056	-	80,056	86,431	-	86,431
Canadian Dollar	79,536	(37)	79,499	105,794	-	105,794
Singapore Dollar	73,970	-	73,970	60,329	-	60,329
Swiss Franc	65,841	-	65,841	56,674	-	56,674
Hong Kong Dollar	64,972	-	64,972	59,761	-	59,761
Danish Krone	38,504	-	38,504	35,496	-	35,496
Thailand Baht	31,287	-	31,287	41,949	-	41,949
Australian Dollar	27,948	-	27,948	-	-	-
Indonesian Rupiah	24,065	-	24,065	37,546	-	37,546
South African Rand	12,439	-	12,439	15,794	-	15,794
Norwegian Krone	11,593	-	11,593	17,406	-	17,406
Indian Rupee	-	-	-	17,061	2	17,063
	1,524,747	1,041	1,525,788	1,474,175	562	1,474,737
Sterling	136,385	(182,776)	(46,391)	116,658	(191,671)	(75,013)
Total	1,661,132	(181,735)	1,479,397	1,590,833	(191,109)	1,399,724

^A Reflects cash, short-term deposits and bank borrowings.

The asset allocation between specific markets can vary from time to time based on the Manager's opinion of the attractiveness of the individual markets.

Foreign currency sensitivity. The following table details the Company's sensitivity to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in sterling against the major foreign currencies in which the Company has exposure (based on exposure >5% of total exposure). The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates, being a reasonable range of fluctuations for the period.

Notes to the Financial Statements

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	2022 Capital ^A £'000	2021 Capital ^A £'000
US Dollar	54,203	52,734
Euro	22,072	10,889
Taiwan Dollar	14,566	21,187
Mexican Peso	10,721	9,239
Swedish Krone	8,006	8,643
Canadian Dollar	7,950	10,579
Total	117,518	113,271

^A Represents equity exposures to the relevant currencies.

- (i)(c) **Price risk.** Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments. The Company's stated objective is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

Management of the risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on pages 19 to 21, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Price risk sensitivity. If market prices at the Statement of Financial Position date had been 10% higher or lower, which is a reasonable range of annual price fluctuations, while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 December 2022 would have increased/decreased by £166,113,000 (2021 – increase/decrease of £159,083,000) and equity would have increased/decreased by the same amount.

- (ii) **Liquidity risk.** This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due in line with the maturity profile analysed below.

	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
At 31 December 2022							
Bank loans	60,000	30,000	-	-	-	-	90,000
Loan Notes	-	-	-	-	-	110,000	110,000
Interest cash flows on bank loans	1,371	337	-	-	-	-	1,708
Interest cash flows on Loan Notes	2,818	2,818	2,818	2,818	2,818	20,051	34,141
Cash flows on other creditors	2,343	-	-	-	-	-	2,343
	66,532	33,155	2,818	2,818	2,818	130,051	238,192

At 31 December 2021	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Bank loans	60,000	60,000	30,000	-	-	-	150,000
Loan Notes	-	-	-	-	-	50,000	50,000
Interest cash flows on bank loans	2,585	1,371	337	-	-	-	4,293
Interest cash flows on Loan Notes	1,120	1,120	1,120	1,120	1,120	5,040	10,640
Cash flows on other creditors	2,077	-	-	-	-	-	2,077
	65,782	62,491	31,457	1,120	1,120	55,040	217,010

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities (note 13).

- (iii) **Credit risk.** This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk

- where the Manager makes an investment in a bond, corporate or otherwise, the credit ratings of the issuer are taken into account so as to manage the risk to the Company of default;
- investments in quoted bonds are made across a variety of industry sectors and geographic markets so as to avoid concentrations of credit risk;
- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the daily review of failed trade reports. In addition, both stock and cash reconciliations to the custodian's records are performed daily to ensure discrepancies are investigated in a timely manner. The Manager's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's Risk Management Committee;
- cash is held only with reputable banks with acceptable credit quality. It is the Manager's policy to trade only with A- and above (Long-term rated) and A-1/P-1 (Short-term rated) counterparties.

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Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 December 2022 was as follows:

	2022		2021	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Quoted preference shares and bonds at fair value through profit or loss	123,688	123,688	148,479	148,479
Current assets				
Amounts due from brokers	173	173	-	-
Other debtors	32	32	44	44
Accrued income	7,111	7,111	8,432	8,432
Cash and short-term deposits	18,131	18,131	8,705	8,705
	149,135	149,135	165,660	165,660

None of the Company's financial assets is secured by collateral or other credit enhancements.

Credit ratings. The table below provides a credit rating profile using Moodys credit ratings for the quoted preference shares and bonds at 31 December 2022 and 31 December 2021:

	2022 £'000	2021 £'000
A3	-	14,235
Ba1	3,105	4,025
Baa1	-	13,601
Ba2	15,779	15,590
Baa2	47,369	32,127
Ba3	10,777	32,497
B1	16,375	-
Non-rated	30,283	36,404
	123,688	148,479

Whilst a substantial proportion of the fixed interest portfolio does not have a rating provided by Moodys, the Manager undertakes an ongoing review of their suitability for inclusion within the portfolio as set out in "Investment Process" and "Delivering the Investment Policy" on page 21. At 31 December 2022 Moodys credit ratings agency did not provide a rating for Ecuador bonds, Indian bonds, Turkish bonds and Irredeemable preference shares (2021 – Ecuador bonds, Indian bonds, Turkish bonds and Irredeemable preference shares) held by the Company and were accordingly categorised as non-rated in the table above. It was noted however that Fitch credit ratings agency does provide a B-rating for Ecuador bonds with a value of £5,216,000 (2021 – £6,370,000 with a B- rating) and a B rating for Turkish bonds with a value of £6,771,000 (2021 – £6,023,000 with a BB- rating).

Fair values of financial assets and financial liabilities. The fair value of borrowings has been calculated at £175,464,000 as at 31 December 2022 (2021 – £201,783,000) compared to a carrying amount in the financial statements of £199,866,000 (2021 – £199,814,000) (note 13). The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The carrying value of all other assets and liabilities is an approximation of fair value.

19. 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 shall have the following classifications:

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 in Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

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 Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 December 2022	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,661,132	-	-	1,661,132
Quoted preference shares	b)	-	6,269	-	6,269
Quoted bonds	b)	-	117,419	-	117,419
Total		1,661,132	123,688	-	1,784,820

Notes to the Financial Statements

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As at 31 December 2021	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	1,590,833	-	-	1,590,833
Quoted preference shares	b)	-	7,637	-	7,637
Quoted bonds	b)	-	140,842	-	140,842
Total		1,590,833	148,479	-	1,739,312

- 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) **Quoted preference shares and bonds.** The fair value of the Company's investments in quoted preference shares and bonds has been determined by reference to their quoted bid prices at the reporting date. Investments categorised as Level 2 are not considered to trade in active markets.

20. Capital management policies and procedures

The investment objective of the Company is to achieve an above average dividend yield, with long-term growth in dividends and capital ahead of inflation by investing principally in global equities.

The capital of the Company consists of bank borrowings and equity, comprising issued capital, reserves and retained earnings. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing which takes into account the Investment Manager's views on the market;
- the level of equity shares in issue; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

Details of the Company's gearing facilities and financial covenants are detailed in note 13 of the financial statements. The Company does not have any other externally imposed capital requirements.

21. Related party transactions and transactions with the Manager

Directors' fees and interests. Fees payable during the year to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on page 65.

Transactions with the Manager. The Company has agreements with aFML for the provision of management, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

Securities Financing Transactions Disclosure (unaudited)

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the accounting period are detailed below:

Absolute value of assets engaged in SFTs	£'000	% of lendable assets	% of net assets
31 December 2022			
Securities lending	-	-	-
31 December 2021			
Securities lending	N/A	N/A	N/A

Top ten collateral issuers and collateral received

Based on market value of collateral received.

For all issuers, only equity securities with a main market listing were lent and the custodian was BNY Mellon.

2022	£'000	2021	£'000
None	-	N/A	N/A
	-		N/A

	2022		2021	
	Market value of collateral held £'000	Proportion held in segregated accounts %	Market value of collateral held £'000	Proportion held in segregated accounts %
Collateral held per custodian				
BNY Mellon	-	-	N/A	N/A

One custodian is used to hold the collateral, which is in a segregated account.

	Market value of collateral received	
	2022 £'000	2021 £'000
Collateral analysed by currency		
None	-	N/A
Total collateral received	-	N/A

Securities lending Top Ten Counterparties per type of SFT ^A	Market value of securities lending £'000	Countries of counterparty establishment	Settlement and clearing
31 December 2022			
None	-	-	-
Total market value of securities lending	-		-
31 December 2021			
N/A	N/A	N/A	N/A
Total market value of securities lending	N/A		

^A All counterparties are shown

Maturity Tenor of SFTs (remaining period to maturity)

31 December 2022

Securities lending

The lending and collateral transactions are on an open basis and can be recalled on demand. As at 31 December 2022 there were no securities on loan (31 December 2021 – N/A).

The Company does not engage in any re-use of collateral.

	2022		2021	
Return and cost per type of SFT	£'000	%	£'000	%
Securities lending				
Gross return	160	115	N/A	N/A
Direct operational costs (securities lending agent costs) ^B	(24)	(15)	N/A	N/A
Total costs	(24)	(15)	N/A	N/A
Net return	136	100	N/A	N/A

^B The unrounded direct operational costs and fees incurred for securities lending for the 12 months to 31 December 2022 is £23,993.

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 FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount to net asset value per Ordinary share

The premium/(discount) is the amount by which the share price is higher or lower than the net asset value per share at the year end, expressed as a percentage of the net asset value.

		2022	2021
NAV per Ordinary share (p)	a	1,293.3	1,240.3
Share price (p)	b	1,334.0	1,156.0
Discount	(b-a)/a	3.1%	-6.8%

Dividend cover

Dividend cover measures the revenue return per share divided by total dividends per share, expressed as a ratio.

		2022	2021
Revenue return per share (p)	a	60.1	51.7
Dividends per share (p)	b	56.0	55.0
Dividend cover	a/b	1.07x	0.94x

Dividend yield

The annual dividend per Ordinary share divided by the share price at the year end, expressed as a percentage.

		2022	2021
Dividends per share (p)	a	56.0	55.0
Share price (p)	b	1,334.0	1,156.0
Dividend yield	a/b	4.2%	4.8%

Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided 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.

		2022	2021
Borrowings (£'000)	a	199,866	199,814
Cash (£'000)	b	18,131	8,705
Amounts due from brokers (£'000)	c	(173)	–
Shareholders' funds (£'000)	d	1,616,750	1,561,066
Net gearing	(a-b+c)/d	11.2%	12.2%

Ongoing charges ratio (OCR)

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and recurring administrative expenses, expressed as a percentage of the average daily net asset values with debt at fair value published throughout the year.

	2022	2021
Investment management fees (£'000)	6,748	6,953
Administrative expenses (£'000)	1,651	1,752
Less: non-recurring charges ^A (£'000)	(72)	(74)
Ongoing charges (£'000)	8,327	8,631
Average net assets (£'000)	1,604,867	1,510,301
Ongoing charges ratio (excluding look-through costs)	0.52%	0.57%
Look-through costs^B	–	0.02%
Ongoing charges ratio (including look-through costs)	0.52%	0.59%

^A Professional services comprising new Director recruitment costs and legal fees considered unlikely to recur.

^B Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes amongst other things, the cost of borrowings and transaction costs.

Alternative Performance Measures

Continued

Total return

NAV and share price total returns show how the NAV and share price have 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 Reference Index, respectively.

Year ended 31 December 2022		NAV	Share Price
Opening at 1 January 2022	a	1,240.3p	1,156.0p
Closing at 31 December 2022	b	1,293.3p	1,334.0p
Price movements	$c=(b/a)-1$	4.3%	15.4%
Dividend reinvestment ^A	d	4.5%	5.2%
Total return	c+d	+8.8%	+20.6%

Year ended 31 December 2021		NAV	Share Price
Opening at 1 January 2021	a	1,138.2p	1,130.0p
Closing at 31 December 2021	b	1,240.3p	1,156.0p
Price movements	$c=(b/a)-1$	9.0%	2.3%
Dividend reinvestment ^A	d	5.1%	4.9%
Total return	c+d	+14.1%	+7.2%

^A 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. 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.

Corporate Information

The Company's Manager is abrdn Investments Limited, a subsidiary of abrdn plc, whose group companies as at 31 December 2022 had approximately £500 billion of assets under management and administration

Information about the Manager

abrdn Investments Limited

The Company's Manager is abrdn Investments Limited, a subsidiary of abrdn plc, whose group companies as at 31 December 2022 had approximately £500 billion of assets under management and administration. The Manager has its headquarters in Edinburgh and invests globally, operating from over 60 offices around the world. Its investment teams are generally based in the markets or regions in which they invest; in the UK its main investment centres are in London and Edinburgh.

The abrdn Global Equity Team

The Global Equity Team at abrdn comprises thirteen individuals, predominantly based in Edinburgh, with two in the US. This team leverages the investment analysis and research work conducted at the regional level within abrdn. While the team can, and do, appraise investments as a combined group, the team is also arranged into smaller 'pods', driven by product focus. The global equity income pod at abrdn comprises five individuals. The rationale for having small groups focusing on various key client outcomes is that it allows research and idea generation to be explicitly focused on each specific client outcome. It also allows for greater accountability and a more flexible and nimble decision making process.

The management of the Company's assets is led by Bruce Stout who is assisted by Martin Connaghan and Samantha Fitzpatrick.



Bruce Stout

Senior Investment Director

Bruce Stout is a Senior Investment Director on the Global Equity Team which is responsible for the construction of global equity portfolios. Bruce joined abrdn (or acquired companies) in 1987 and has held a number of roles including investment manager on the emerging markets team. He has been directly involved in the management of the Company's assets since 1992 and Manager since 2004.



Martin Connaghan

Investment Director

Martin Connaghan is an Investment Director on the Global Equity team. Martin joined abrdn (or acquired companies) in 1998 and has held a number of roles including trader, credit analyst and ESG analyst. He has been focused on the management of global equity portfolios for the last fifteen years.



Samantha Fitzpatrick

Investment Director

Samantha Fitzpatrick is an Investment Director on the Global Equity Team at abrdn. Samantha joined abrdn (or acquired companies) in 1998 and has been involved in the management of global equity portfolios for the last fifteen years. She is a CFA Charter holder.

ESG and Climate Related Factors

Introduction

Whilst ESG factors are not the over-riding criteria in relation to the investment decisions taken by the Manager for the Company, significant attention is given to ESG and climate related factors throughout the Manager's investment process. The Manager gives particular weight to ESG factors when they are material to the investment case being made for an investee company.

The following pages highlight the way that ESG and climate change are considered by the Manager. These processes are reviewed regularly and are liable to change; the latest information will be available for download on the Company's website, murray-intl.co.uk.

Core beliefs: Assessing Risk, Enhancing Value

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the consideration of ESG factors is a fundamental part of the Manager's investment process. It is one of the key criteria on which the Manager assesses the investment case for any company in which it invests.

ESG Integration – Focusing on ESG Factors within the Manager's Investment Process

The Manager's bottom-up research process underpins both its investment insights and the assessment of the most material ESG factors a company faces; the assessment of ESG factors takes place within the overall structure of the investment research carried out on each

company. In assessing the business fundamentals of a company, the Manager analyses how the company makes money (including the evolution and growth of the company, its track record of execution and managing risk and the balance sheet fundamentals), the attractiveness and characteristics of its industry and the strength and sustainability of its competitive advantage. It also conducts a thorough evaluation of the ESG risks and opportunities of the company.

As well as assigning a proprietary rating (1 indicates best in class and 5 indicates laggards) to articulate the Quality attributes of each company the Manager also assigns an ESG Quality rating, discussed below.

The Manager believes that understanding ESG factors can complement broader understanding of the competitive positioning of a business and help to build an investment case. By integrating ESG analysis, it helps give both an information and analytical edge, and hence a competitive advantage.

Finally, by better understanding the quality of companies and with ESG being a component of quality, the Manager can act on a more informed and more rational basis during periods of volatility, giving a behavioural edge.

The Manager also evaluates the ownership structures, governance and management quality of the investee companies and assesses potential environmental and social risks and opportunities that the companies may face. These insights are captured in the company research notes and form a key part of our focus on quality.

Investment Managers	All abrdn equity investment managers and analysts seek to engage actively with companies to gain insight into their specific risks and provide a positive ongoing influence on their corporate strategy for governance, environmental and social impact
ESG Equity Analysts	abrdn has dedicated and highly experienced ESG equity analysts located around the world, working as part of individual investment teams, rather than as a separate department. These specialists are integral to pre-investment due diligence and post-investment ongoing company engagement. They are also responsible for taking thematic research produced by the central ESG Investment Team (see below), interpreting and translating it into actionable insights and engagement programmes for our regional investment strategies.
ESG Investment Team	This central team of more than 20 experienced specialists based in Edinburgh and London provides ESG consultancy and insight for all asset classes. Taking a global approach both identifies regions, industries and sectors that are most vulnerable to ESG risks and identifies those that can take advantage of the opportunities presented. Working with investment managers, the team is key to the Manager's active stewardship approach of using shareholder voting and corporate engagement to drive positive change.

ESG and Climate Related Factors

Continued

Climate Change

The Manager has a duty to consider all factors that may have a financially material impact on returns. Climate change is such a key factor.

The related physical and transition risks are vast and are becoming increasingly financially material for many of our investments. This is not only true in the obvious high-emitting sectors such as energy, utilities and transportation but also along the supply chain, providers of finance and in those reliant on agricultural outputs and water.

In the Manager's view, companies that successfully manage climate change risks will perform better in the long term. It is important that the Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

Adaptation measures are essential to help limit damages from the physical impacts of climate change.

It is generally accepted that companies are responsible for the effects of their operations and products on the environment. The steps they take to assess and reduce those impacts can lead to cost savings and reduce potential reputational damage. Companies are responsible for their impact on the climate and they face increased regulation from world governments on activities that contribute to climate change.

The Manager expects that companies will:

- identify, manage and reduce their environmental impacts
- understand the impact of climate change along the company value chain
- develop group-level climate policies and, where relevant, set targets to manage the impact, report on policies, practices and actions taken to reduce carbon and other environmental risks within their operations
- comply with all environmental laws and regulations, or recognised international best practice as a minimum.
- Where there are serious concerns regarding a board's actions or inaction in relation to the environment, the Manager will consider taking voting action on an appropriate resolution.

abrdn's position statement on the Environment--

<https://www.abrdn.com/docs?editionId=196e496a-51d7-4ba1-a127-4428542edb0c>

Regular engagement with high-emitting investee companies allows the Manager to better understand its exposure and management of climate change risks and opportunities. In actively managed investments, ownership provides a strong ability to challenge companies where appropriate. The Manager can also influence corporate behaviour positively in relation to climate-risk management.

The Manager believes that this is more powerful for an effective energy transition than a generic fossil fuel divestment approach. Through active engagement, it is possible to steer investee companies towards ambitious targets and more sustainable low-carbon solutions. The Manager strongly encourages companies to consider the social dimension of the energy transition to ensure it is inclusive and 'just'. This means worker and community needs are considered on the path to a low-carbon economy so they are not left stranded. Other social aspects, such as affordability and reliability of energy supply are also important.

The Manager also pledges to reduce its own operational carbon footprint. It has committed to reducing emissions from energy use by 50% by 2025, procuring 100% renewable electricity for its buildings, and offsetting those emissions that have not yet been eliminated.

From Laggards to Best in Class: Rating Company ESG Credentials

Companies are analysed for Quality against 5 key components:

- Industry
- Business Model
- ESG
- Management
- Financial Strength.

The ESG rating is between one and five as follows:

Analyst ESG Rating	1. Best in class	2. Above average	3. Average	4. Below average	5. Laggard
Key Considerations	<p>Exceptional ESG risk management</p> <p>Business is taking advantage of ESG opportunities and enhancing its competitive advantage</p> <p>Strong oversight and governance with robust control mechanisms</p>	<p>Strong ESG risk management and/or are utilising ESG factors to improve competitive advantage. But execution not as progressed as best in class peers</p> <p>Strong oversight and governance with robust control mechanisms</p>	<p>Business has identified material ESG factors. There may be instances of policy or process failure in recent history but these have been addressed</p> <p>Opportunities to enhance competitive advantage identified, but still nascent</p> <p>Governance and oversight more limited or lacks strong checks and challenge</p>	<p>Material ESG risks are under-managed and opportunities under-developed</p> <p>Lack of robust processes in place and there is serious potential for something to go wrong and severely impact the investment case</p>	<p>Business has likely had significant issues arise due to lack of processes and oversight</p> <p>Failure to properly manage most material ESG factors and no evidence of effort to address</p> <p>Significant risk to the investment case from poor management of ESG risks and failure to capture revenue opportunities</p>

Working with Companies: Staying Engaged, Driving Change

The Manager sees a programme of regular engagement as a necessary fulfilment of its duty as a responsible steward of clients' assets. It is also an opportunity to share examples of best practice seen in other companies and to use the Manager's influence to effect positive change. The Manager's engagement is not limited to the company's

management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's clients. What gets measured gets managed, so the Manager strongly encourages companies to set clear targets or key performance indicators on all material factors, including ESG.

The investment process consists of four interconnected and equally important stages:

Monitor	Contact	Engage	Act
<p>Ongoing due diligence</p> <p>Business performance</p> <p>Company financials</p> <p>Corporate governance</p> <p>Company's key risks and opportunities</p>	<p>Frequent dialogue</p> <p>Senior executives</p> <p>Board members</p> <p>Heads of departments and specialists</p> <p>Site visits</p>	<p>Exercise rights</p> <p>Attend AGM/EGMs</p> <p>Vote</p> <p>Explain voting decisions</p> <p>Maximise influence to drive positive outcomes</p>	<p>Consider all options</p> <p>Increase or decrease our shareholding</p> <p>Collaborate with other investors</p> <p>Take legal action if necessary</p>

Investor Information

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (murray-intl.co.uk) and the TrustNet website (trustnet.com). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

abrdrn Social Media Accounts

Twitter: @abrdrnTrusts

LinkedIn: abrdrn Investment Trusts

Investor Warning

The Board has been made aware by the Manager that some investors have received telephone calls from people purporting to work for the Manager, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares. These callers do not work for the Manager and any third party making such offers has no link with the Manager. The Manager never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact the Manager's investor services centre using the details provided below.

Dividend Tax Allowance

The annual tax-free personal allowance on dividend income is £2,000 for the 2022/2023 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

Direct Investment in Shares

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the abrdrn Investment Plan for Children, abrdrn Investment Trusts ISA and abrdrn Share Plan.

abrdrn Investment Plan for Children

abrdrn 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 (subject to the eligibility criteria as stated within the terms and conditions). 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 all purchases. 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 abrdrn 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.

abrdrn Share Plan

abrdrn 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%). 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 abrdrn 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.

abrdn Investment Trusts ISA

An investment of up to £20,000 can be made in an ISA in the tax year 2022/2023. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter 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. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer to abrdn

You can choose to transfer previous tax year investments to abrdn which can then be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000, subject to a minimum per trust of £250.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Link Asset Services at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, Murray International Trust PLC, 1 George Street, Edinburgh EH2 2LL or by email at CEF.CoSec@abrdn.com.

If you have any questions about an investment held through the abrdn Share Plan, abrdn Investment Trusts ISA or abrdn Investment Plan for Children, please telephone the Manager's Customer Services Department on 0808 500 0040 (free from a UK landline). Alternatively, email inv.trusts@abrdn.com or write to abrdn Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Literature Request Service

For literature and application forms for the Company and the abrdn range of investment trust products, please telephone: 0808 500 4000. For information on the abrdn Investment Plan for Children, abrdn Share Plan, abrdn Investment Trusts ISA or an ISA Transfer to abrdn please write to abrdn Investment Trust Administration, PO Box 11020, Chelmsford, Essex, CM99 2DB or telephone the Manager's Customer Services Department on 0808 500 00 40 (free from a UK landline). Terms and conditions for the abrdn managed savings products can be found under the literature section of invtrusts.co.uk.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found via the following link on the Company's website:

https://docs.publifund.com/kiduk/GB0006111909/en_GB

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell Youinvest; Barclays Smart Investor; Charles Stanley Direct; Fidelity; Halifax; Hargreaves Lansdown; Interactive Investor (a wholly owned abrdn subsidiary); Novia; Transact; and Standard Life.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at pimfa.co.uk.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit unbiased.co.uk.

Investor Information

Continued

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: **0800 111 6768**

Website: <https://register.fca.org.uk/>

Email: register@fca.org.uk

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of global companies by investment in a relatively risk averse investment trust and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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.

AIFMD Disclosures (Unaudited)

The Company has appointed abrdn Fund Managers Limited as its alternative investment fund manager and BNY Mellon as its depositary under the AIFMD. abrdn and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website murray-intl.co.uk. There have been no material changes to the disclosures contained within the PIDD since its last publication in March 2022.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets is subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 18 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the Company's Investment Policy risk limits detailed on page 28, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by aFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretaries, abrdn Holdings Limited on request (see contact details on page 129) and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2022 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 December 2022	1.23:1	1.24:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the gearing agreements. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which aFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on pages 116 to 119 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by abrdn Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority

Glossary of Terms

aFML

abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn PLC and acts as the Alternative Investment Fund Manager for the Company. aFML is authorised and regulated by the Financial Conduct Authority.

AIC

The Association of Investment Companies – the AIC is the trade body for closed-ended investment companies (theaic.co.uk).

AIFMD

The Alternative Investment Fund Managers Directive – The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.

Alternative Performance Measure or APM

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Common Reporting Standards or CRS

Under CRS the Company is required to provide personal information to HMRC on certain investors that purchase shares in the Company. This information will be provided annually to the local tax authority of the tax residencies of a number of non UK based certificated shareholders and corporate entities.

Compound Annual Growth Rate or CAGR

CAGR is an estimate of the rate of return per year. The CAGR is the effective rate of growth that, if compounded annually, is equivalent to the actual rate achieved over a period of time.

Discount

The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share (see also 'Premium').

Disclosure Guidance and Transparency Rules or DTRs

The DTRs are issued by the Financial Conduct Authority (FCA) and contain requirements for publishing and distributing annual financial reports, half-yearly financial reports and other regulatory statements, and are applicable to investment companies which are listed on the main market of the London Stock Exchange.

Dividend Cover

Revenue return per share divided by dividends per share expressed as a ratio.

Dividend Entitlements

The Ordinary shares carry the right to receive the revenue profits (including accumulated revenue reserves) of the Company available for distribution as dividend and determined to be distributed by way of interim and/or final dividend and at such times as the Directors may determine.

Electronic Communications

Any registered shareholders wishing to receive future communications from the Company electronically should contact Link Asset Services at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 (lines are open 9.00 a.m. – 5.30 p.m. Mon–Fri).

Environmental, Social and Governance or ESG

ESG refers to the three key factors that can be used to measure the sustainability and impact on society of an investee company.

Gearing

Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return, however, a geared investment is riskier because of the borrowed money.

Investment Manager or Manager

The Company's Alternative Investment Fund Manager is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day-to-day management of the portfolio is delegated to abrdn Investments Limited ("aIL"). aIL and aFML are collectively referred to as the "Investment Manager" or the "Manager".

Key Information Document or KID

The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation requires the Manager, as the Company's PRIIP "manufacturer," to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Key Performance Indicator or KPI

In accordance with the Companies Act 2006, the Strategic Report section of the Annual Report is required to contain Key Performance Indicators. These are factors by reference to which the development, performance or position of the business of the Company can be measured.

Listing Rules

The Financial Conduct Authority's (FCA) Listing Rules are a set of regulations that are applicable to all companies that are listed on the London Stock Exchange.

MiFID

The Markets in Financial Instruments Directive 2004/39/EC (MiFID) is a European Union law that provides harmonised regulation for investment services across the 31 member states of the European Economic Area.

Net Asset Value or NAV

The value of total assets less liabilities. Liabilities for this purpose includes current and long-term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.

Net Gearing/(Cash)

Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.

Ongoing Charges Ratio (OCR)

Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.

PIDD or Pre-Investment Disclosure Document

The Manager and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD'), a copy of which can be found on the Company's website.

Premium

The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.

Prior Charges

The name given to all borrowings including debentures, long-term loans and short-term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Reference Index

The Company does not have a Benchmark. However, performance is measured against a number of measures including a Reference Index, the FTSE All World TR Index, which was adopted from May 2020. Given the composition of the portfolio and the Manager's investment process, it is likely that the Company's investment performance may diverge, possibly significantly, from this Reference Index. Performance prior to 27 April 2020 was measured against a composite Benchmark Index (40% of the FTSE World UK Index and 60% of the FTSE World ex-UK Index) up to 27 April 2020 and the FTSE All World TR Index thereafter.

Total Assets

The total assets less current liabilities as shown on the Balance Sheet with the addition of Prior Charges (as defined above).

Total Return

Total Return involves reinvesting the net dividend in the month that the share price goes ex dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.

Voting Rights

In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every 25p nominal amount of Ordinary shares held.

Winding-Up Entitlements

On a winding up of the Company, any surplus assets available after payment of all debts and satisfaction of all liabilities of the Company shall be applied in repaying the Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares *pari passu* according to the amount paid up on such shares respectively.

General



The 2023 Annual General Meeting of the Company
will be held at 12:30 p.m. on 21 April 2023 at
The Glasgow Royal Concert Hall, 2 Sauchiehall Street,
Glasgow G2 3NY

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the one hundred and fifteenth Annual General Meeting of Murray International Trust PLC (registered in Scotland under company number SC006705) will be held at 12:30 p.m. on 21 April 2023 at The Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow G2 3NY for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 13 (inclusive) will be proposed as Ordinary Resolutions and resolutions 14 and 15 will be proposed as Special Resolutions:

Ordinary Resolutions

1. To receive and adopt the Directors' Report, the Auditor's Report and audited financial statements for the year ended 31 December 2022.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 December 2022 (other than the Directors' Remuneration Policy).
3. To approve the Directors' Remuneration Policy, the full text of which is contained in the Directors' Remuneration Report for the year ended 31 December 2022.
4. To re-elect Ms C Binyon* as a Director of the Company.
5. To re-elect Mrs A Mackesy* as a Director of the Company.
6. To re-elect Mr N Melhuish* as a Director of the Company.
7. To elect Ms V Holmes* as a Director of the Company.
8. To re-elect Mr D Hardie* as a Director of the Company.
9. To re-appoint BDO LLP as independent auditor of the Company to hold office from the conclusion of the Annual General Meeting of the Company until the conclusion of the next general meeting at which financial statements are laid before the Company.
10. To authorise the Directors to fix the remuneration of the independent auditor of the Company.
11. To declare a final dividend of 20.0p per Ordinary share in respect of the year ended 31 December 2022 to be paid on 5 May 2023 to holders of the Ordinary shares of the Company on the register at close of business on 11 April 2023.
12. THAT each of the issued ordinary shares of 25p each in the capital of the Company be and hereby is sub-divided into five ordinary shares of 5p each in the capital of the Company (the "New Ordinary Shares"), the New Ordinary Shares having the same rights and being subject to the same restrictions and obligations (save as to nominal value) as the existing ordinary shares of 25p each in the capital of the Company, as set out in the Company's articles of association, such sub-division being conditional on, and to take effect on, admission of the New Ordinary Shares to the Official List of the Financial Conduct Authority and to trading on London Stock Exchange plc's main market for listed securities, such admission to occur by no later than 8.00 a.m. on 24 April 2023 (or such later time and/or date as the Directors of the Company may in their absolute discretion determine).
13. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot Ordinary shares in the Company ("Ordinary Shares") and to grant rights to subscribe for, or to convert any security into, Ordinary Shares ("Rights") in the Company up to an aggregate nominal amount of £3,125,322 (being equal to approximately 10% of the Company's issued Ordinary Share capital (excluding Treasury shares) as at 2 March 2023) such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company after the passing of this resolution and 30 June 2024 (unless previously renewed, varied or revoked by the Company in general meeting), but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require Ordinary Shares to be allotted or Rights to be granted after such expiry and the

Notice of Annual General Meeting

Continued

Directors shall be entitled to allot shares and grant Rights in pursuance of such an offer or agreement as if such authority had not expired

Special Resolutions

14. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority given in accordance with section 551 of the Act by Resolution 13 as if section 561 of the Act did not apply to any such allotment, provided that this power shall:-

- i. expire on the earlier of the conclusion of the next annual general meeting of the Company after the passing of this resolution and 30 June 2024 (unless previously renewed, varied or revoked by the Company in general meeting), but so that this power shall enable the Company to make, before the expiry of this authority, offers or agreements which would or might require equity securities to be allotted after the expiry of this power and the Directors shall be entitled to allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- ii. be limited to the allotment of equity securities up to an aggregate nominal amount of £3,125,322 (being equal to approximately 10% of the Company's issued Ordinary Share capital (excluding Treasury shares) as at 2 March 2023); and
- iii. be limited to the allotment of equity securities at a price not less than 0.5% above the net asset value per Ordinary share from time to time (as determined by the Directors and excluding Treasury shares).

This power applies to a sale of Treasury shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this Resolution 14 the words 'pursuant to the authority given in accordance with Section 551 of the Act by Resolution 13' were omitted.

15. THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors from time to time determine, PROVIDED ALWAYS THAT:

- i. the maximum aggregate nominal value of Ordinary Shares hereby authorised to be purchased is £4,684,858 (or, if less, the amount of nominal value representing 14.99% of the issued Ordinary Share capital of the Company (excluding shares held in Treasury) as at the date of the passing of this Resolution 15);
- ii. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share shall be the nominal value of that share;
- iii. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall not exceed the higher of (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out;
- iv. any purchase of Ordinary Shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary Share (as determined by the Directors);
- v. the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 30 June 2024, whichever is earlier, unless such authority is previously revoked, varied or renewed by the Company in general meeting prior to such time; and

- vi. the Company may, at any time prior to the expiry of the authority hereby conferred, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

* The biographies of the Directors and reasons for re-election are detailed on pages 50 and 52 of this Annual Report.

By order of the Board
abrdn Holdings Limited
 Secretary
 2 March 2023

Registered Office
 1 George Street
 Edinburgh
 EH2 2LL

Notes

- i. Only those shareholders registered in the register of members of the Company at close of business on 19 April 2023 shall be entitled to attend and/or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time ("the specified time"). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of shareholders to attend and/or vote at the adjourned meeting. If the Meeting is adjourned for a longer period, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and/or vote at the adjourned meeting is the close of business two days (excluding non working days) prior to the time of the adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.
- ii. As at 2 March 2023 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital consisted of 125,012,893 Ordinary shares carrying one vote each on a poll and 4,399,110 Treasury shares. Therefore, the total voting rights in the Company as at 2 March 2023 are 125,012,893 and the Treasury shares represent 3.4% of the total issued Ordinary share capital (inclusive of treasury shares).
- iii. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her, provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A Form of Proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. Completion and return of the Form of Proxy will not preclude shareholders from attending or voting at the Annual General Meeting, if they so wish. Details of how to appoint the Chairman of the Meeting as your proxy using the Form of Proxy are set out in the note to the Form of Proxy. In the event that a Form of Proxy is returned without an indication as to how the proxy shall vote on the resolutions, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes. You may also submit your proxy electronically using The Share Portal service at signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. In order to utilise The Share Portal, Shareholders will need to use the unique personal identification Investor Code, which can be found on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.
- iv. To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power or authority) must be deposited with the Company's Registrar, for this purpose being PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible, but in any event not later than 12.30 p.m. on 19 April 2023. If you have any queries relating to the completion of the Form of Proxy, please contact Link Group on 0371 664 0300 (lines are open 9.00am to 5.30pm Mon-Fri). Link Group cannot provide advice on the merits of the business to be considered nor give any financial, legal or tax advice. Alternatively, if the shareholder holds his or her shares in uncertificated form (i.e. in CREST) they may vote using the CREST System (see note (x) below).
- v. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office or the address specified in note (iv) above before the commencement of the meeting or adjourned meeting at which the proxy is used.

Notice of Annual General Meeting

Continued

- vi. Where there are joint holders of any share, any one of such persons may vote at any meeting, and if more than one of such persons is present at any meeting personally or by proxy, the vote of the senior holder who tenders the vote shall be accepted to the exclusion of the votes of other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company.
- vii. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the shareholder who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that shareholder, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interests in the Company (including any administrative matter). The statement of the rights of shareholders in relation to the appointment of proxies in notes (iii) to (v) does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
- viii. Any corporation which is a shareholder may authorise such person as it thinks fit to act as its representative at this meeting. Any person so authorised shall be entitled to exercise on behalf of the corporation which he/she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of the same shares, they vote the shares in the same way). To be able to attend and vote at the Annual General Meeting, corporate representatives will be required to produce prior to their entry to the Meeting evidence satisfactory to the Company of their appointment.
- ix. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (a) to give to members of the Company entitled to receive notice of the Meeting, notice of any resolution which may properly be moved and is intended to be moved at the Meeting and/or (b) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date that is six weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

- x. Notes on CREST Voting:
 - 1. CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which is available to download from the Euroclear UK & International ("Euroclear") website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
 - 2. In order for a proxy appointment or instruction made using the CREST system to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 12:30 p.m. on 19 April 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications Host) from which the issuer's agent is able to retrieve the message. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will

therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or CREST sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by a particular time. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case, a proxy form must be received by the Company's registrars no later than 12:30 p.m. on 19 April 2023.

- xi. Proxymity Voting – If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:30 p.m. on 19 April 2023 in order to be considered valid or, if the Annual General Meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
- xii. Shareholders are advised that unless otherwise provided, the telephone numbers and website addresses which are set out in this Notice or the Form of Proxy/Letter of Direction are not to be used for the purpose of serving information or documents on the Company including the service of information or documents relating to proceedings at the Company's Annual General Meeting.
- xiii. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's shares already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- xiv. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website murray-intl.co.uk.
- xv. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a shareholder attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
- xvi. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006, that the shareholders propose to raise at the Annual General Meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on the website.
- xvii. Participants in the abrdn Share Plan, Plan for Children and ISA are entitled to vote by completing the enclosed Letter of Direction and returning it to the Company's registrars.

Shareholder Information

Stock Exchange Codes	SEDOL	ISIN
Ordinary shares of 25p each (<i>up to 21 April 2023</i>)	0611190	GB0006111909
Ordinary shares of 5p each (conditional upon approval of Share Sub Division)	BQZCCB7	GB00BQZCCB79

Annual General Meeting

The Annual General Meeting will be on Friday 21 April 2023 at 12:30 p.m. at The Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow G2 3NY.

Online Shareholder Presentation

The Directors will be holding an Online Shareholder Presentation on Monday 3 April 2023 at 11:00 a.m.. Further details and how to register are included in the Chairman's Statement.

Recent Ordinary Share Capital History

Year ended 31 December	Shares Issued Ordinary 25p	Share Buybacks Ordinary 25p	Shares in Issue Ordinary 25p
2018	357,665	n/a	128,143,545
2019	1,188,458	n/a	129,332,003
2020	80,000	973,341	128,438,662
2021	-	2,576,806	125,861,856
2022	-	848,963	125,012,893

History

Murray International Trust PLC started its life in 1907 as The Scottish Western Investment Company Limited. The Scottish Western of the early days was very highly geared but it was mainly invested in bonds, though the international spread resembled today's, with countries such as Argentina, China, Japan, Canada and many others appearing in the portfolio. Although the range of currencies was much smaller, multi currency or even gold-backed bonds were commonplace, as many of the era's bond certificates show. The big move into equities came after the 1930s slump, when bond defaults forced the purchase of higher yielding equities to fund the costs of the Company's gearing. The Managers were not slow to spot an opportunity, but it started as Hobson's choice, and was only later hailed as brilliant foresight.

In 1929 just under 20% of the assets were in equities, in 1940 38%, in 1948 51% of the assets, which were still only £2.65 million. After deducting the preference shares (which were repaid in 1999) and debentures, the Company was effectively over 100% geared into equities by the start of the great post war boom. After a number of amalgamations, the Company emerged as a generalist investment trust. However, there was an excess of trusts with a similar broad remit, so towards the end of the 1970s the Board defined the investment brief more narrowly as the achievement of growth in income and capital through a well diversified portfolio. Symbolised by the name change from Murray Western to Murray International Trust PLC in 1984, the focus has since been on a relatively high yielding portfolio of equities in a well diversified mix of world markets.

In 2008 the Board circulated to all shareholders a short booklet to commemorate the centenary of the incorporation of the Company on 18 December 1907. In 2018 the Centenary Booklet was updated. Copies are available on the website, murray-intl.co.uk or from the Company Secretary.

Contact Addresses

Directors

D Hardie (Chairman)
C Binyon
V. Holmes
A Mackesy (Senior Independent Director)
N Melhuish

Secretaries and Registered Office

abrdn Holdings Limited
1 George Street
Edinburgh EH2 2LL

E-mail: CEF.CoSec@abrdn.com

Registered in Scotland as an Investment Company

Company Number SC006705

Website

murray-intl.co.uk

Points of Contact

The Chairman, the Senior Independent Director and the Company Secretary at the registered office of the Company

Email: DavidHardie.Chairman@abrdn.com

Manager

abrdn Investments Managers Limited

Customer Services Department: 0808 500 0040
(free when dialling from a UK landline)

AIFM

abrdn Fund Managers Limited

Broker

Stifel Nicolaus Europe Limited

Registrars

Link Group
10th Floor, Central Square
29 Wellington Street
Leeds LS1 4DL

Tel: 0371 664 0300
(lines are open 9.00am–5.30pm Mon–Fri)

Tel International: (+44 208 639 3399)

E-mail: enquiries@linkgroup.co.uk
Share portal: signalshares.com

Depository

The Bank of New York Mellon (International) Limited

Independent Auditor

BDO LLP

United States Internal Revenue Service FATCA Registration Number (GIIN)

8Y8Z2N.99999.SL.826

Legal Entity Identifier (LEI)

549300BP77JO5Y8LM5



For more information visit

murray-intl.co.uk