



Murray International Trust PLC

The Global Macro Outlook for 2024

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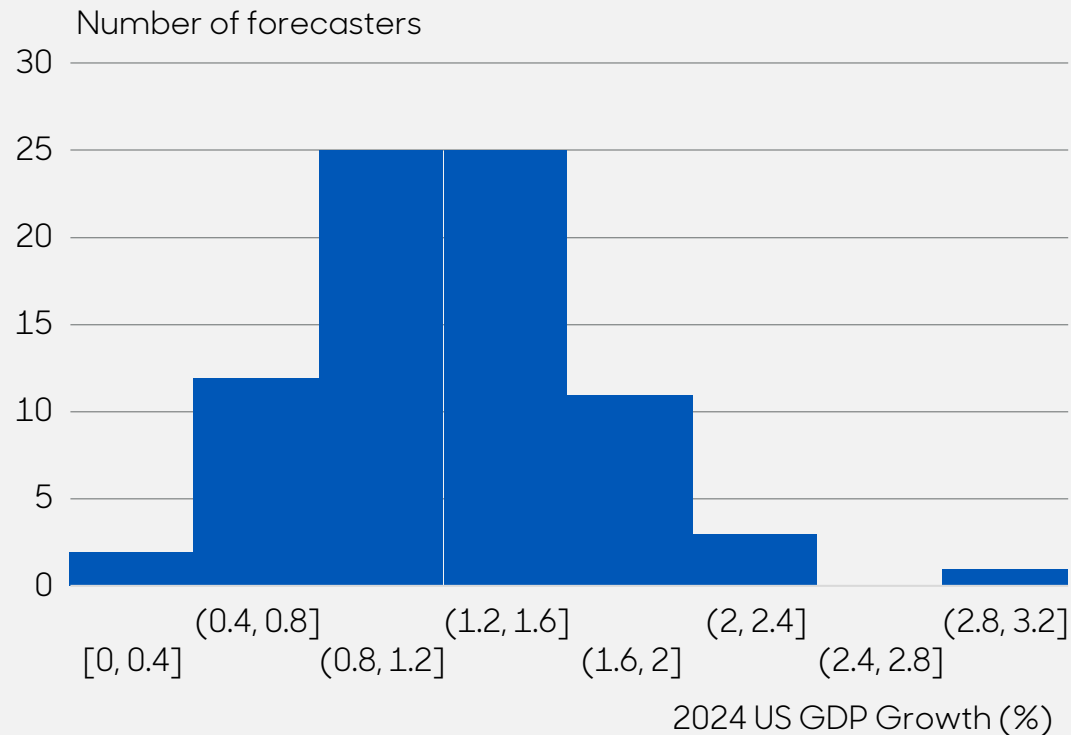


The Outlook for 2024

2024 starts with expectations of soft landing and substantial easing

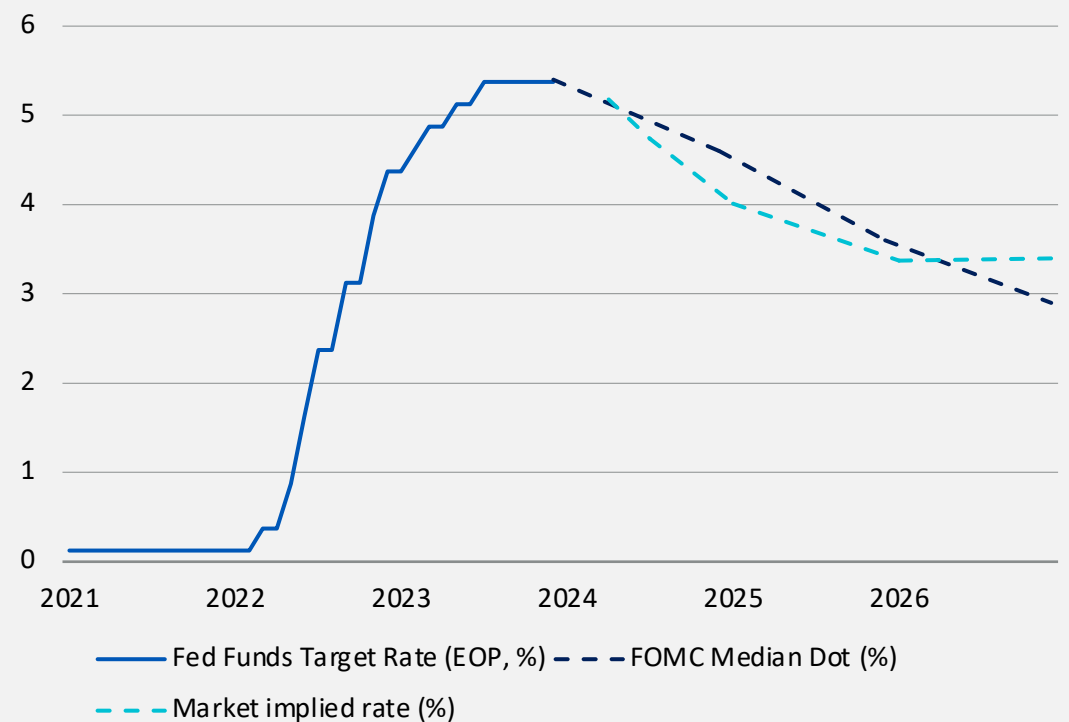
A consensus has formed around inflation being under control and growth moderating into a soft landing, with early cuts from the US Fed and easing from most other major central banks

Consensus forecasts are skewed towards below potential, but non-recessionary, growth in the US. This would be an unusual outcome after a sharp monetary tightening cycle – but this cycle has not been normal



Source: abrdn, Haver, Bloomberg, February 2024

Market pricing is something of a moving target. The probability of a March cut has declined somewhat, but a 25bps rate cut is more than fully priced by May

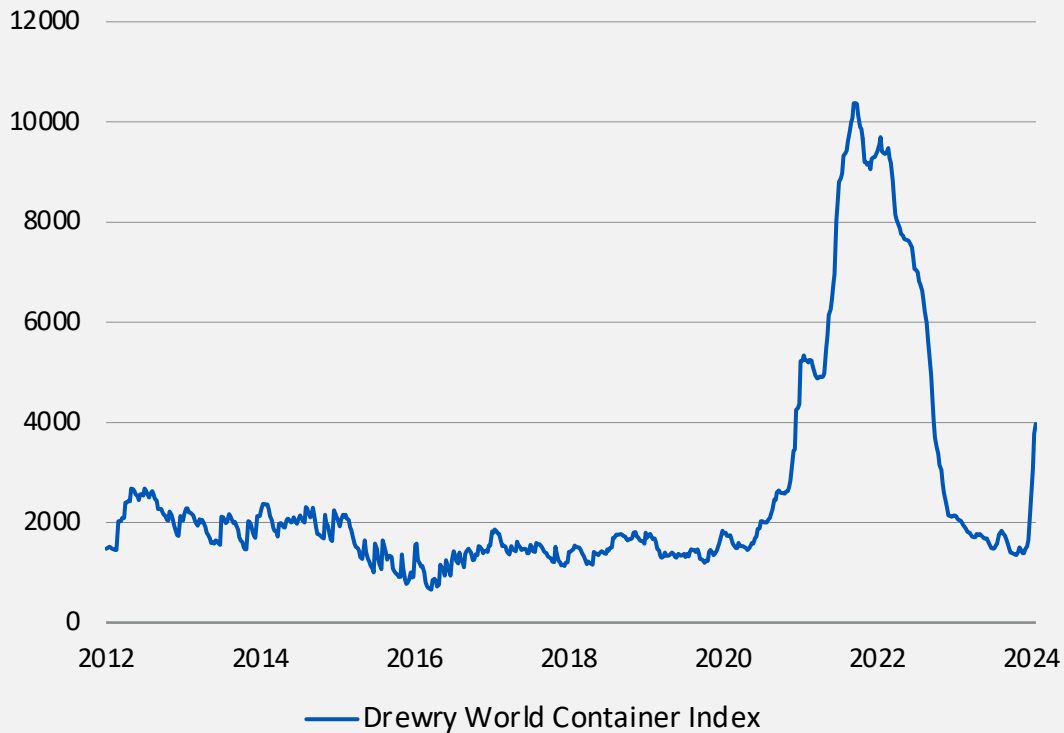


Source: abrdn, Haver, Bloomberg, February 2024

Events in the Red Sea shouldn't derail global disinflation

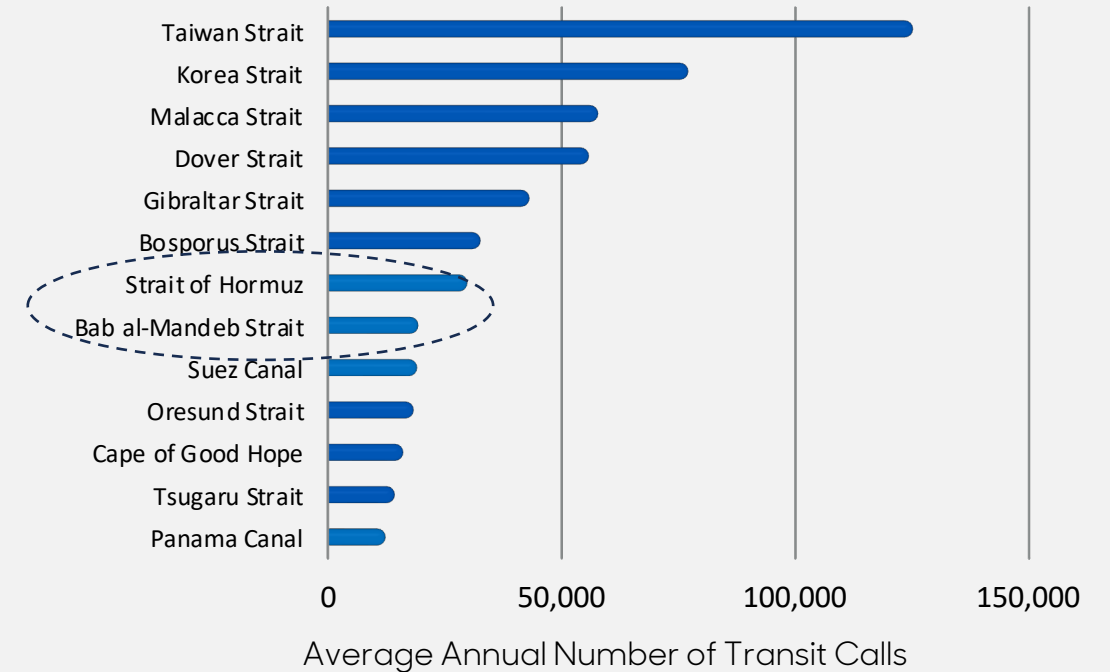
If sustained, higher maritime freight rates would add perhaps 0.7% to headline inflation. We think disruptions won't be sustained – but the risk that they are will likely stay central bankers' hand in the very near term

Global shipping rates have roughly doubled since the start of Houthi attacks – and gone up by much more on China-Europe routes. However, this still pales in comparison to the pandemic



Source: abrdn, Bloomberg, February 2024

Relative to the pandemic, global goods demand is weaker and indeed below trend. Meanwhile, although the Red Sea is important, the biggest maritime chokepoints are in Asia

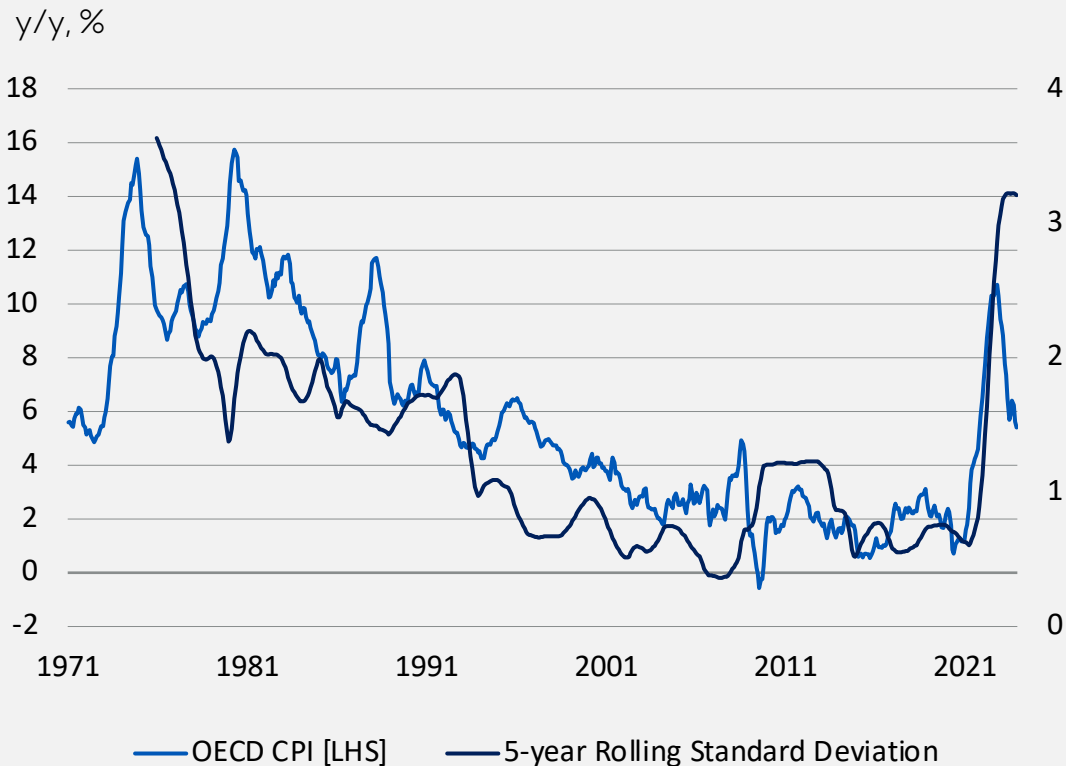


Source: : abrdn, IMF Portwatch, February 2024

Inflation volatility to remain high even as headline returns to target

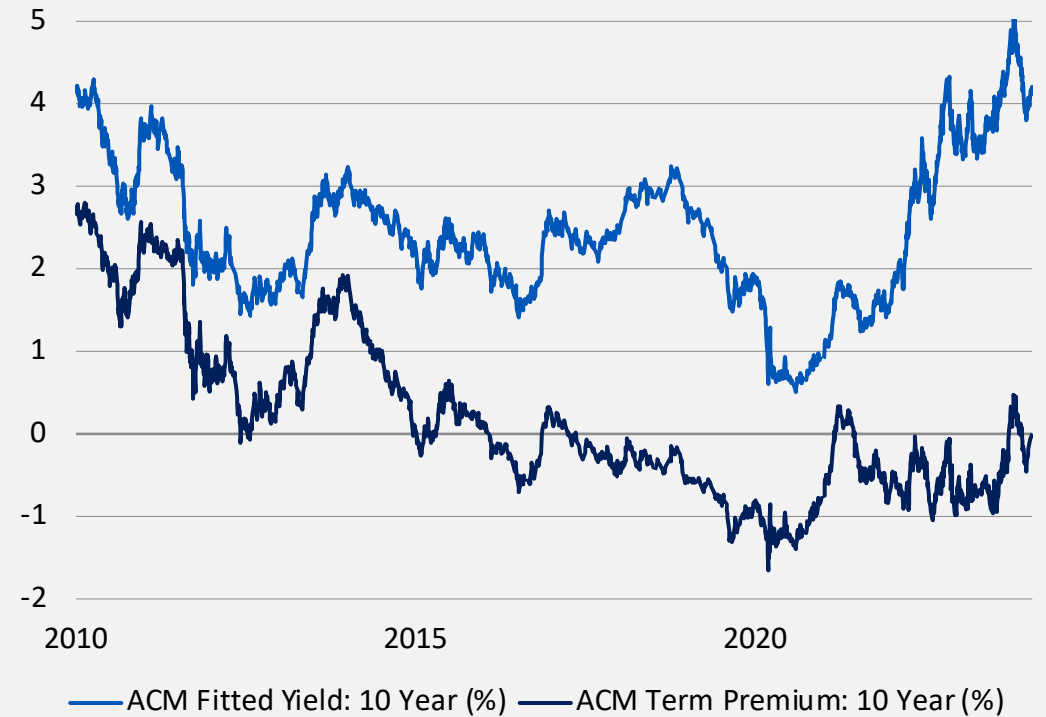
Credible central banks and anchored inflation expectations can return inflation to 2% in the long run. But more supply-side shocks, including from geopolitics and climate, may structurally increase inflation *volatility*

Both the rate and the volatility of inflation were very low during the "Great Moderation". But we may now be in a regime of higher inflation volatility



Source: abrdn, Haver, February 2024

Higher inflation volatility should lead to a structurally higher term premia due to greater uncertainty about the path of inflation and interest rates



Source: abrdn, Haver, February 2024



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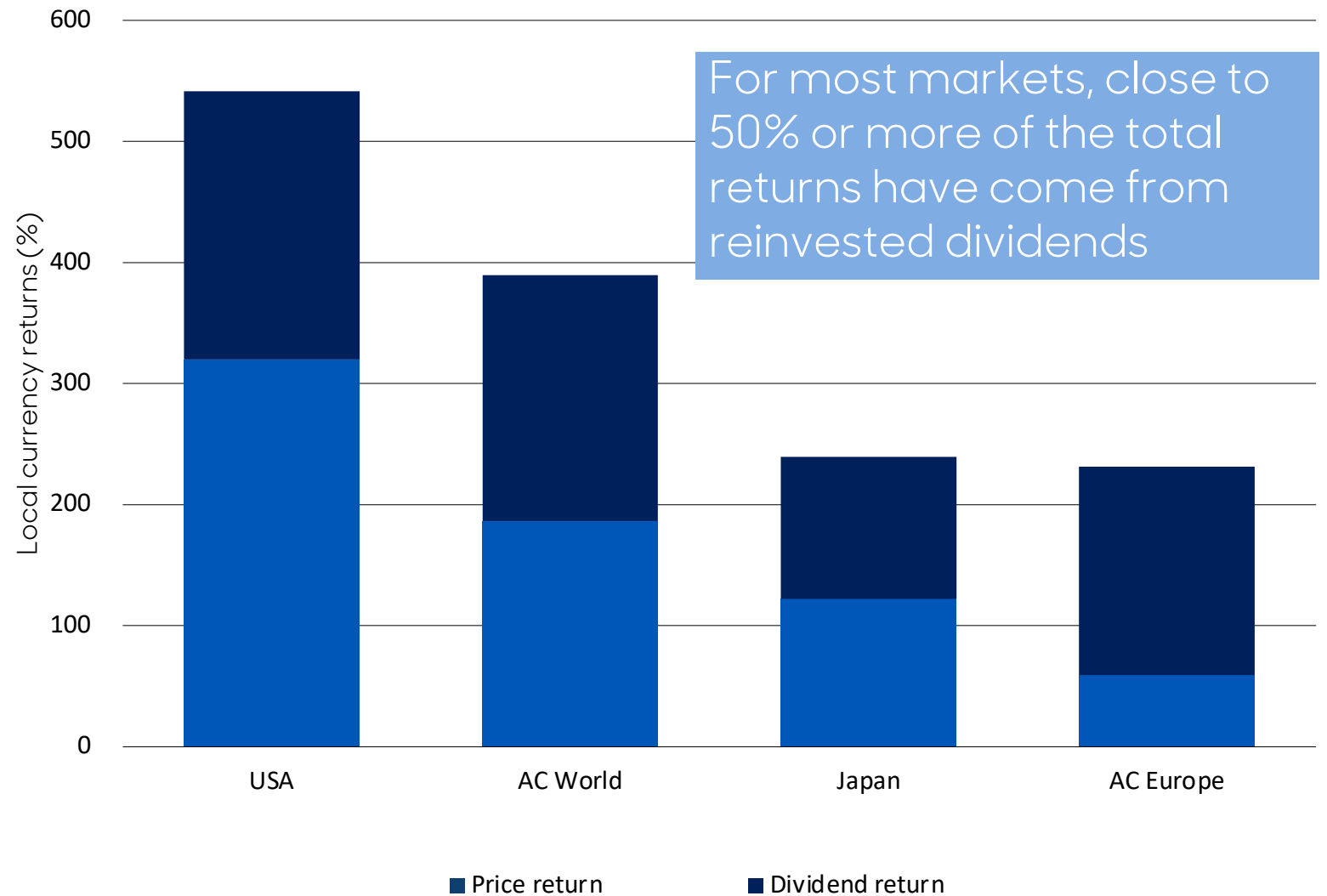
Dividends: A major contributor to total returns



Source: Factset, Jefferies

¹Using MSCI universe as it existed in the past. Based on local currency performance. Gross reinvested dividends without considering the impact of taxes

Price return vs dividend return – 31 December 2001 to 31 December 2023¹

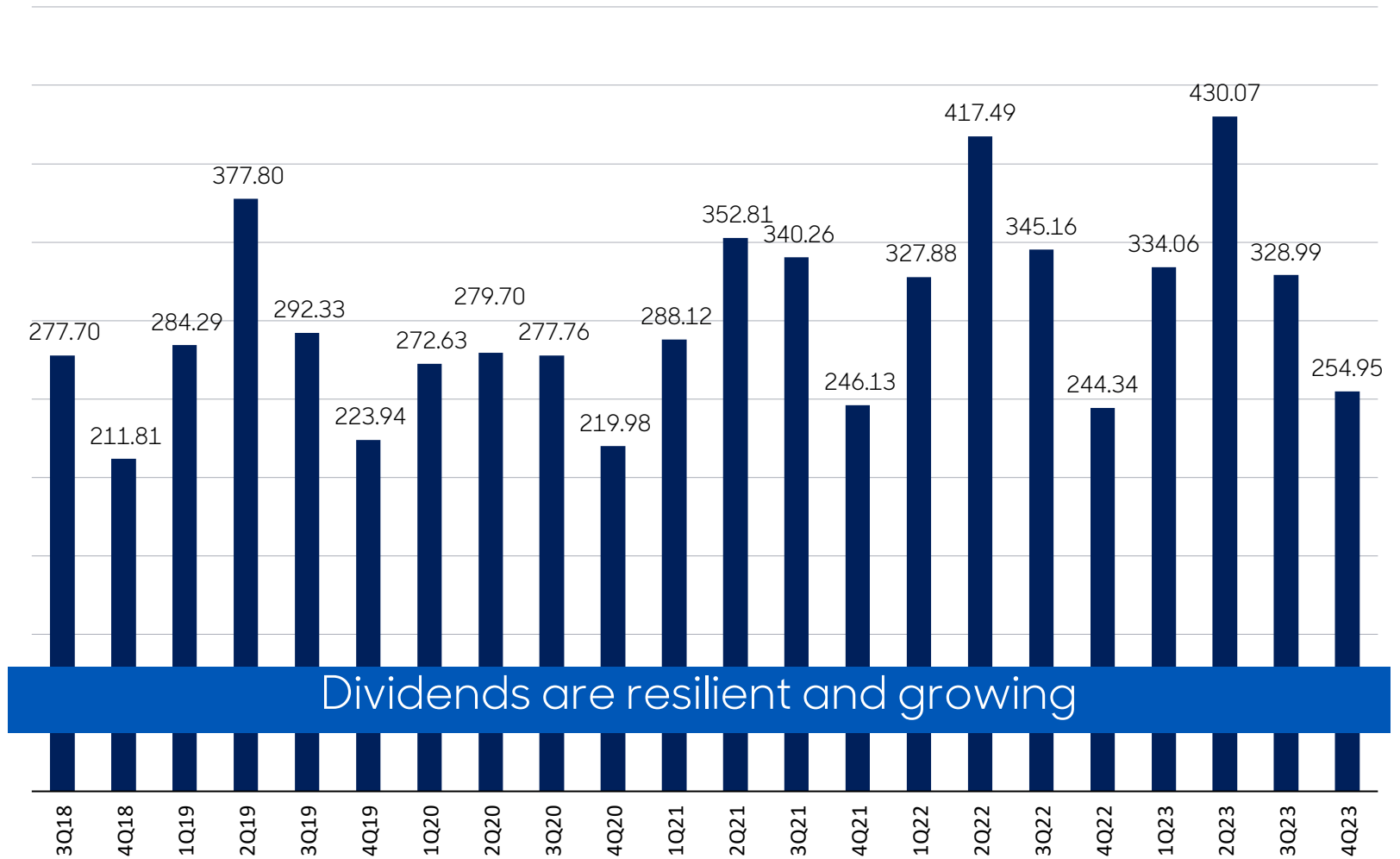


Past performance does not predict future results

Global equities: A long history of reliable dividends



MSCI AC World Total Return Net Composition – Quarterly Stock Dividends (USD bn)



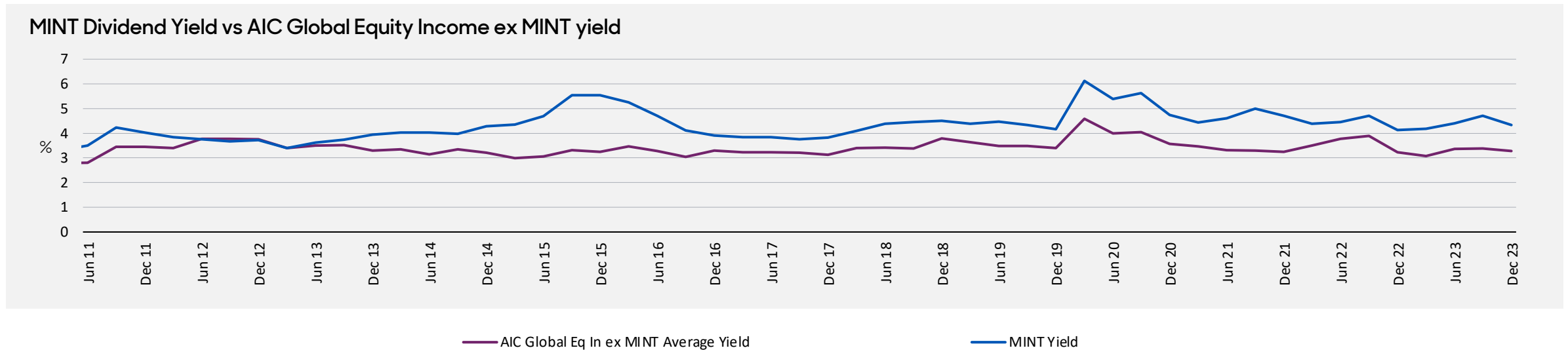
Dividends are resilient and growing

Source: abrDN, Bloomberg, MSCI, 31 December 2023
 For illustrative purposes only. Data above is based on MSCI AC World Total Return Net Composition Stock Dividend Amount on quarter basis (USDbn)

Past performance does not predict future results

Murray International Trust PLC Investment Objective

The Company's investment 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.



As at 31 December 2023

- 19 consecutive years of annual dividend growth
- Dividend growth ahead of inflation (UK RPI) in 15 of the last 20 years (7% CAGR)
- Total NAV return ahead of inflation in 14 of the last 20 years (10% annualized return in £)

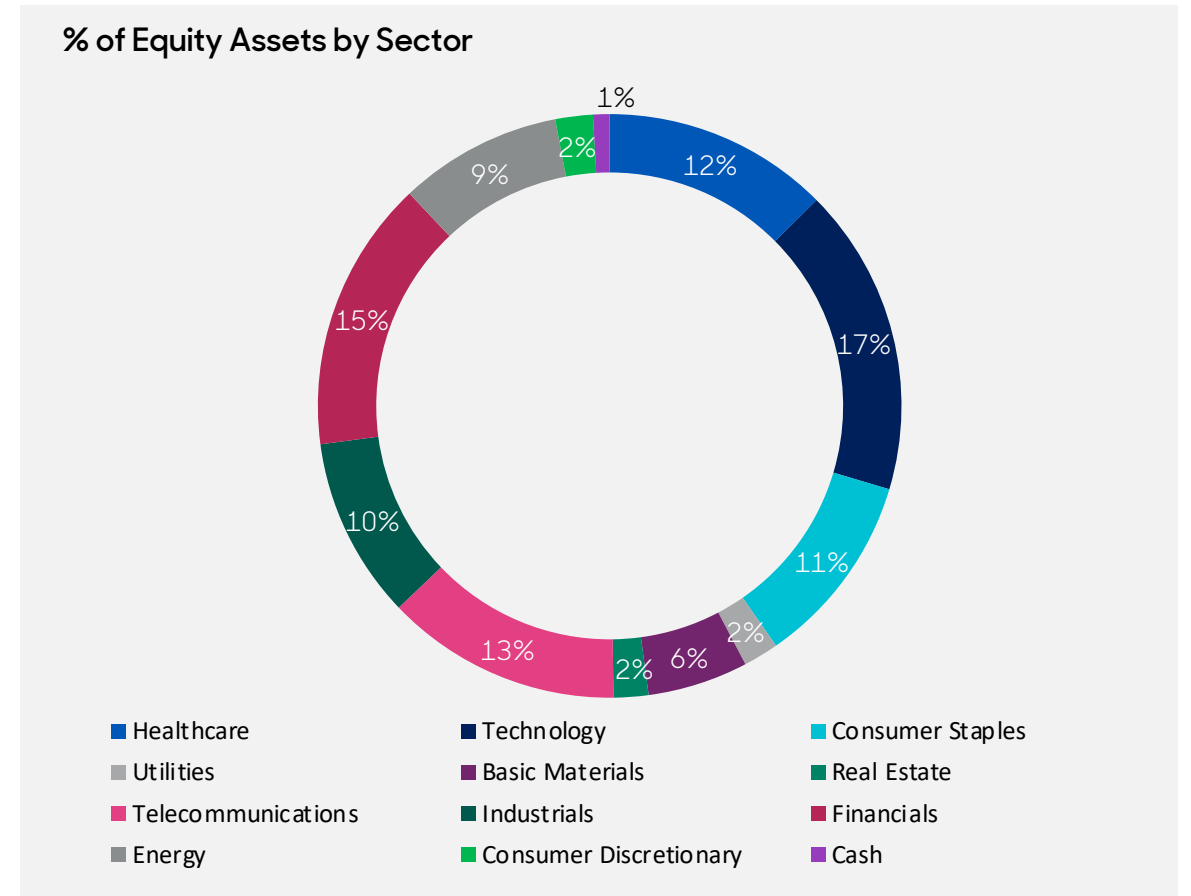
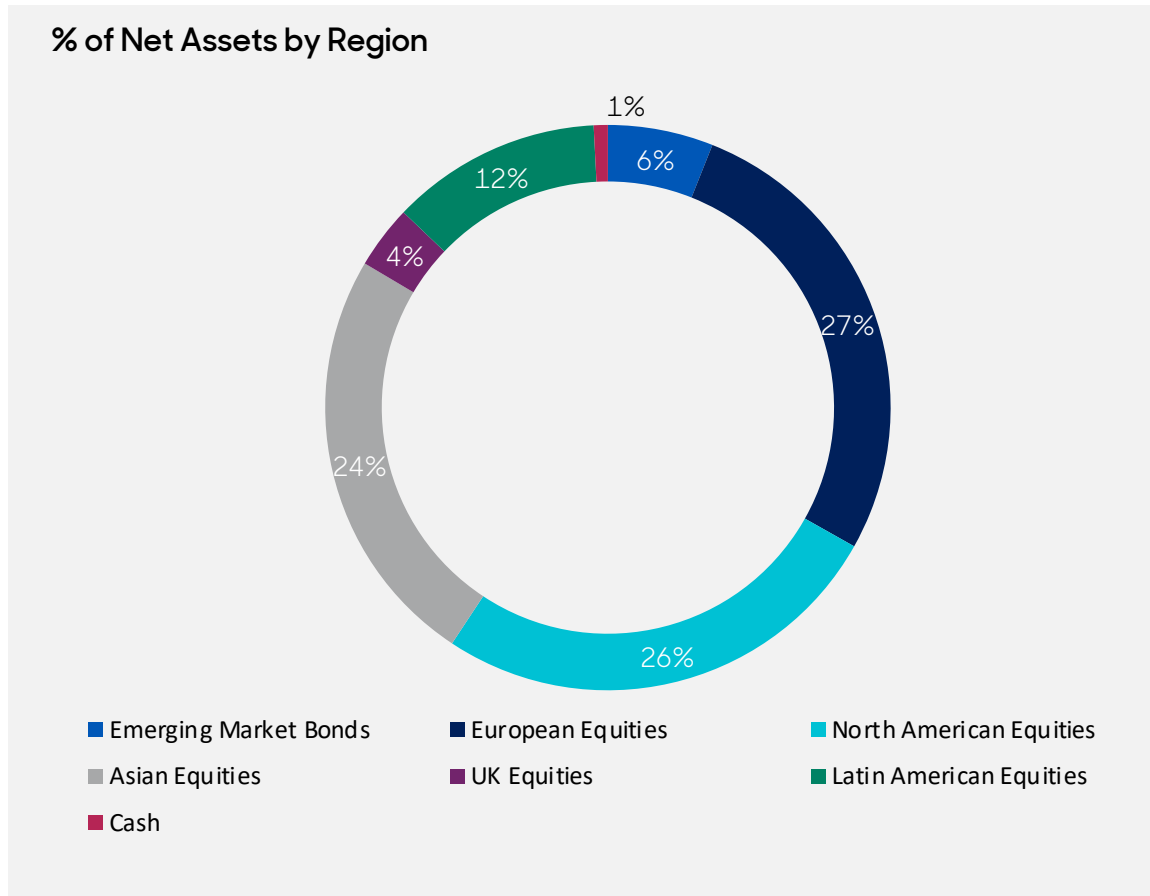
Source: AIC, Bloomberg, 31 December 2023. Murray International Trust Annual and Semi-Annual Reports 2000-2023. For illustrative purposes only. No assumptions regarding future performance should be made. Costs, and performance, may increase or decrease as a result of currency and exchange rate fluctuations. This may impact what an investor gets back
MINT: Murray International Trust

Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested
- Past performance does not predict future returns
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares
- The Company may charge expenses to capital which may erode the capital value of the investment
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen
- With funds investing in bonds there is a risk that interest rate fluctuations could affect the capital value of investments. Where long term interest rates rise, the capital value of shares is likely to fall, and vice versa. In addition to the interest rate risk, bond investments are also exposed to credit risk reflecting the ability of the borrower (i.e. bond issuer) to meet its obligations (i.e. pay the interest on a bond and return the capital on the redemption date). The risk of this happening is usually higher with bonds classified as 'subinvestment grade'. These may produce a higher level of income but at a higher risk than investments in 'investment grade' bonds. In turn, this may have an adverse impact on funds that invest in such bonds
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends
- The Company invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down

Geographical and Sector Diversification



Source: abrdn, 31 December 2023. Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance

A history of FTSE All World Index returns in Sterling

	UK	North America	Europe ex UK	Japan	Pacific ex Japan	Latin America
1998	+16.2	+28.3	+31.5	+5.4	-6.3	-36.3
1999	+20.0	+24.5	+19.9	+77.8	+44.8	+67.0
2000	-4.6	-1.1	+1.7	-23.3	-14.3	-7.9
2001	-13.1	-10.5	-20.0	-27.4	-0.4	+0.6
2002	-22.3	-29.8	-27.0	-18.0	-17.6	-28.4
2003	+18.7	+15.4	+29.7	+23.0	+28.7	+59.3
2004	+11.7	+4.1	+13.8	+7.9	+17.1	+31.0
2005	+21.0	+18.9	+24.1	+39.7	+35.6	+65.8
2006	+14.8	+1.7	+20.1	-7.4	+12.6	+28.4
2007	+7.1	+5.6	+15.7	-6.4	+29.4	+50.2
2008	-28.3	-13.3	-24.0	-1.1	-31.0	-33.0
2009	+28.0	+14.8	+20.1	-5.8	+53.8	+84.4
2010	+12.2	+19.1	+5.8	+19.0	+24.4	+20.6
2011	-2.3	+1.2	-14.7	-12.9	-12.9	-19.6
2012	+10.6	+10.7	+17.8	+3.3	+17.7	+2.9
2013	+19.9	+28.3	+25.2	+25.0	+2.8	-13.9
2014	+0.6	+19.6	+0.2	+2.7	+5.0	-7.1
2015	-0.8	+5.4	+5.3	+17.6	-4.4	-28.1
2016	+18.9	+34.1	+19.7	+22.7	+31.7	+58.4
2017	+11.8	+11.3	+17.5	+14.4	+20.3	+10.4
2018	-9.2	+0.8	-9.5	-7.7	-6.8	+0.9
2019	+18.1	+26.5	+20.4	+14.8	+14.9	+18.9
2020	-11.7	+16.5	+8.4	+11.1	+15.2	-18.8
2021	+18.4	+28.1	+17.6	+2.5	-0.1	-7.7
2022	+5.3	-8.8	-9.6	-4.8	-5.9	+24.1
2023	+8.5	+19.4	+15.7	+13.3	+2.3	+29.3

Source: Bloomberg, 31 December 2023. For illustrative purposes only. No assumptions regarding future performance should be made. Costs, and performance, may increase or decrease as a result of currency and exchange rate fluctuations. This may impact what an investor gets back

Top 10 holdings

A high conviction and well diversified portfolio with balance to growth and yield

Top 10 holdings	Fund (%)	Dividend Yield (%)
Broadcom	4.8	1.9
Grupo ASUR	4.6	1.9
BE Semiconductor (BESI)	4.0	2.1
Taiwan Semiconductor Manufacturing Corp (TSMC)	3.8	2.4
AbbVie	3.0	4.0
TotalEnergies	2.9	4.8
Philip Morris International	2.9	5.5
CME Group	2.7	2.1
Oversea-Chinese Banking Corp (OCBC)	2.6	6.2
Samsung Electronics	2.5	2.3

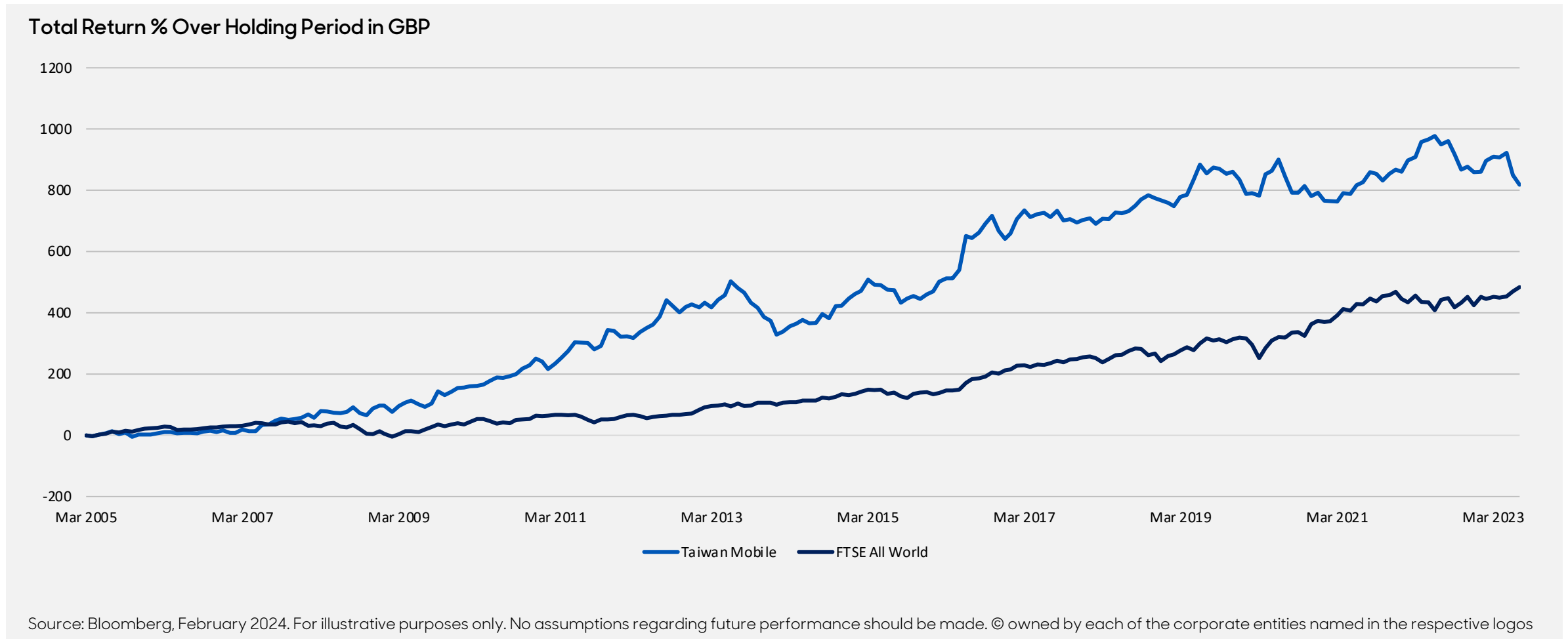


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A disposal – Not all telcos are boring ...



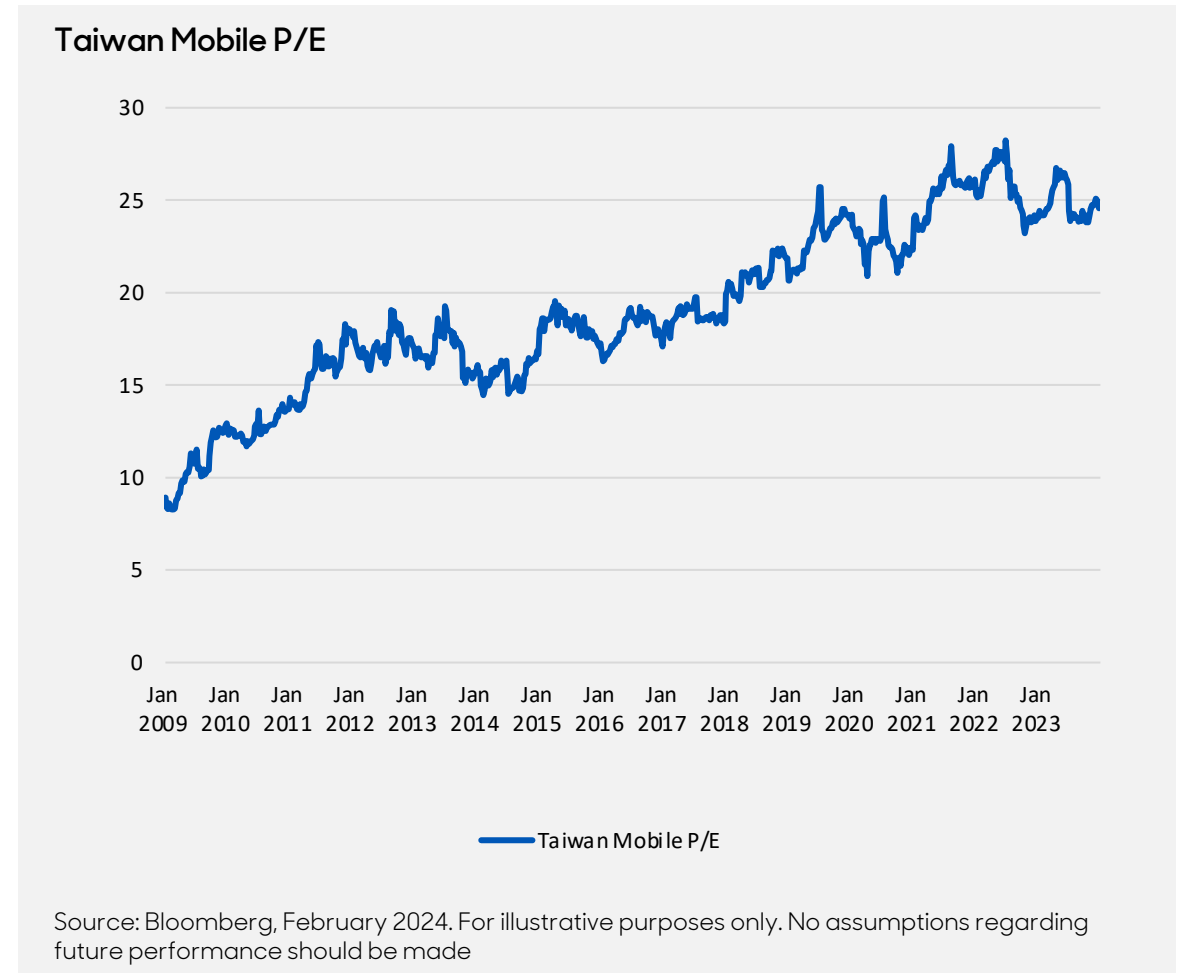
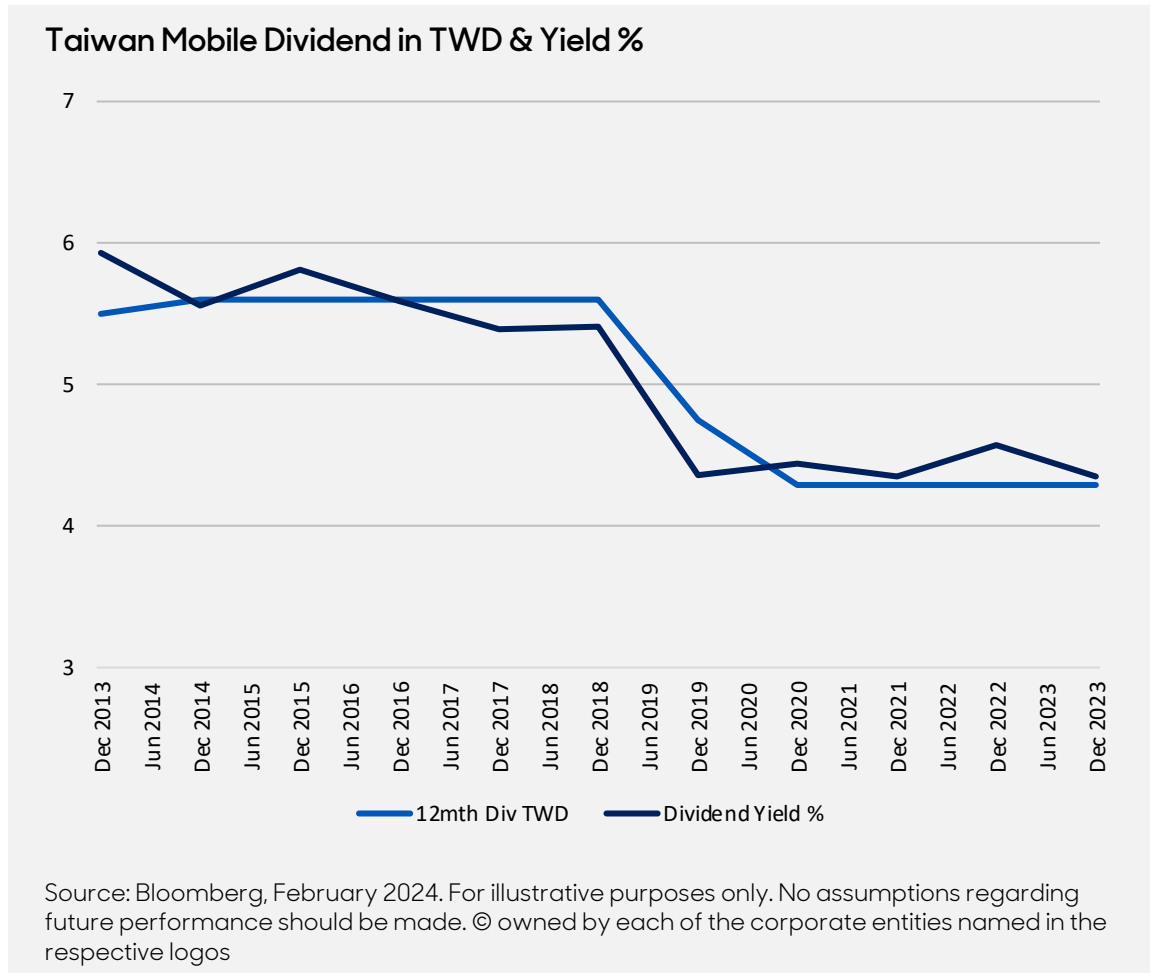
Annualised return from holding of 12.7% pa over nearly 19 years



A disposal – But what is the investment thesis ?



Dividend growth stalling against an increasingly expensive valuation

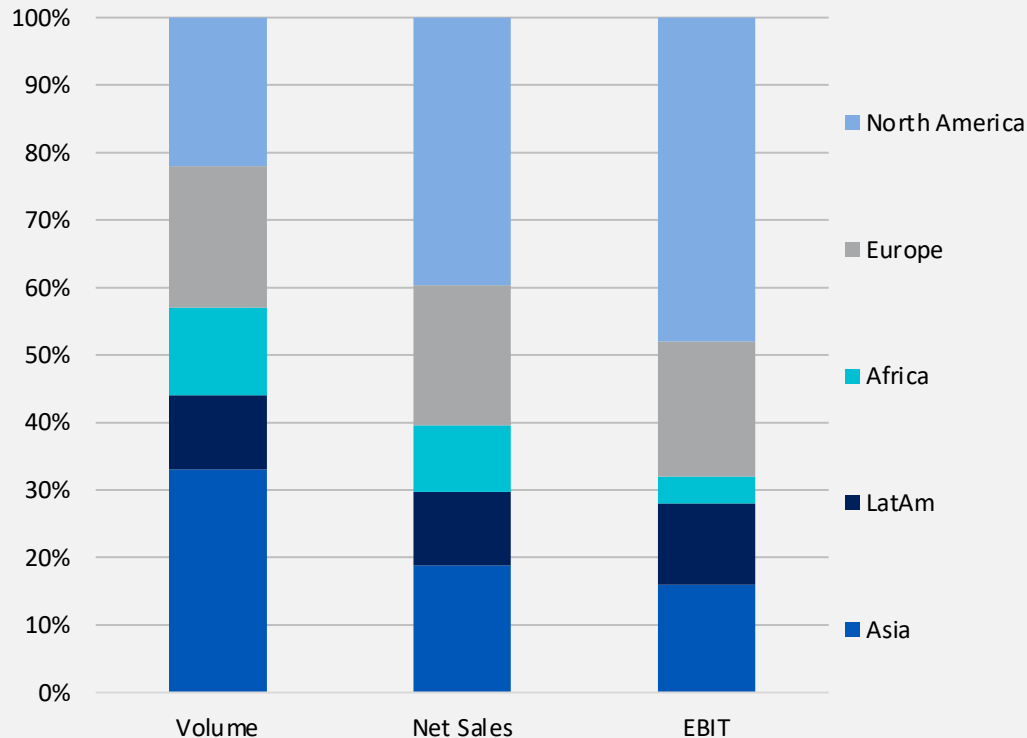


An initiation – A sobering 2023 and uncertain environment

DIAGEO

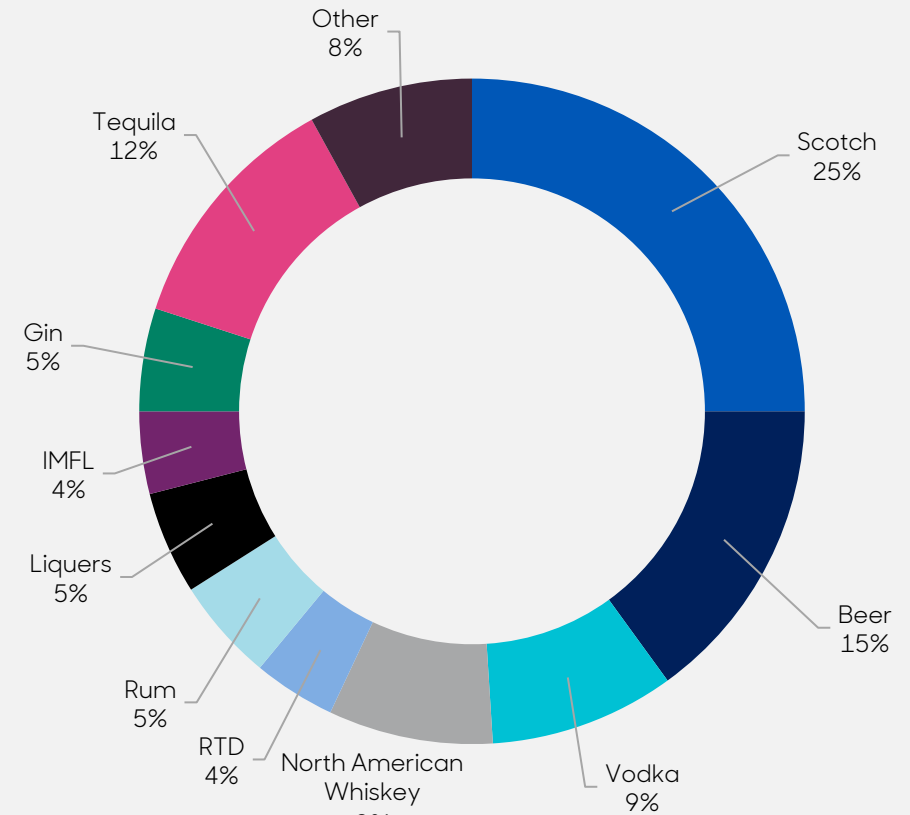
Latin America & US slowing down, however a strong and well diversified portfolio remains

Geographic Breakdown FY23



Source: Diageo, Bloomberg February 2024. © owned by each of the corporate entities named in the respective logos. For illustrative purposes only. No assumptions regarding future performance should be made

Net Sales by Category FY23

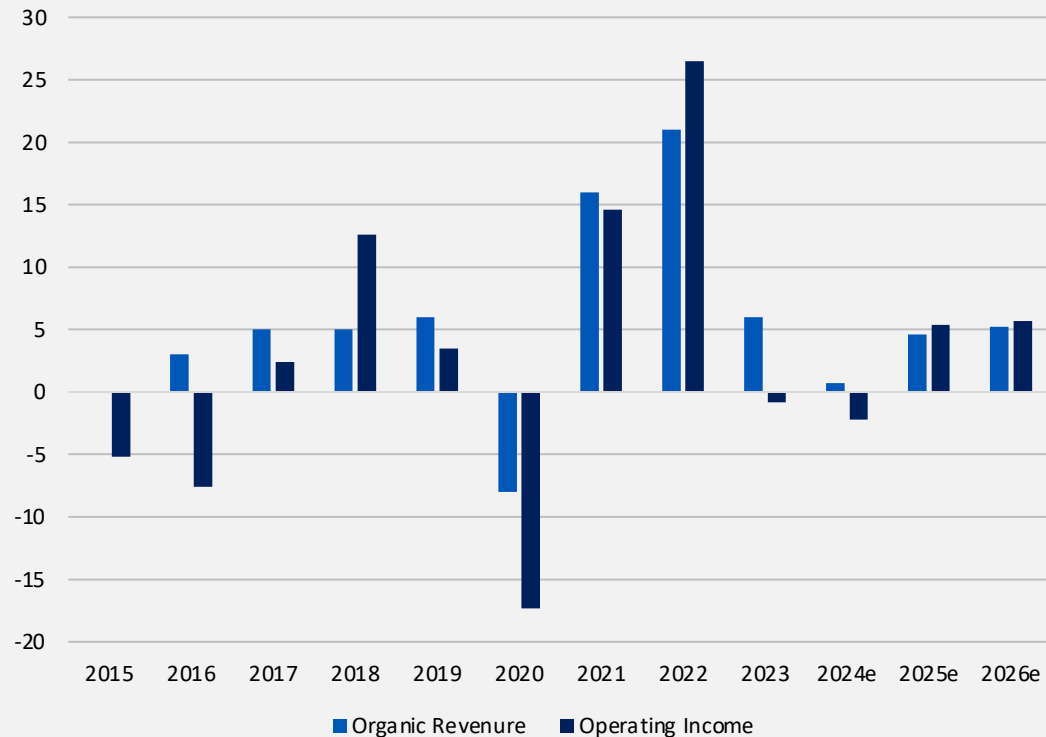


Source: Diageo, Bloomberg February 2024. For illustrative purposes only. No assumptions regarding future performance should be made

An initiation – Is it broken and what is in the price ?

We believe the hangover will pass and it remains a high quality compounder over the long term

Organic Revenue / Adj Operating Income Growth %YoY



Source: Bloomberg February 2024. Forecasts are not a reliable indicator of future results and there can be no guarantee that these will be achieved. © owned by each of the corporate entities named in the respective logos. For illustrative purposes only. No assumptions regarding future performance should be made

BEST P/E Ratio (DGE LN Equity)



Source: Bloomberg February 2024. For illustrative purposes only. No assumptions regarding future performance should be made



Appendix

Performance

To 31 December 2023

Returns (%)	2023	2022	2021	2020	2019
Share Price	1.1	20.7	7.2	(5.3)	16.5
NAV*	8.2	10.6	14.3	0.7	12.4
Reference Index	15.7	(7.3)	20.0	7.0	21.1

Investment objective

The Company's investment 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.

Source: abrdn, Lipper and Morningstar, 31 December 2023

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Costs, and performance, may increase or decrease as a result of currency and exchange rate fluctuations. This may impact what an investor gets back

Reference Index – FTSE All World Index

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