

# The Diverse Income Trust plc

## INVESTMENT OBJECTIVE

The Company's investment objective is to provide Shareholders with an attractive level of dividends coupled with capital growth over the long-term.

## TOP 20 HOLDINGS

	%
1. CMC Markets plc	3.3
2. Centamin plc	2.9
3. Highland Gold Mining Ltd	2.0
4. Strix Group plc	1.9
5. Admiral Group plc	1.9
6. Morrison (Wm) Supermarkets plc	1.8
7. IG Group Holdings plc	1.7
8. Concurrent Technologies plc	1.7
9. Randall & Quilter Inv Holdings Ltd	1.6
10. FRP Advisory Group plc	1.6
11. Direct Line Insurance Group plc	1.6
12. Diversified Gas & Oil plc	1.6
13. Pan African Resources plc	1.5
14. Polymetal International plc	1.5
15. Amino Technologies plc	1.5
16. National Grid plc	1.5
17. Legal & General Group plc	1.5
18. Phoenix Group Holdings	1.4
19. Sabre Insurance Group plc	1.4
20. Rio Tinto plc	1.3

Total	35.2
No of holdings	127

## INDEX WEIGHTING Source: Bloomberg/Miton %

1. FTSE AIM	34.4
2. FTSE 100	26.1
3. FTSE 250	16.6
4. FTSE Small Cap	11.3
5. UK-listed non-indexed shares	3.0
6. Overseas	2.4
7. FTSE Fledgling	2.2
8. Bonds	1.3
9. Other	0.7
10. Cash	2.0

## AWARDS AND RATINGS



Ratings are not a recommendation.

Source: Morningstar. Launch date: 28.04.2011.

- Based on initial NAV of 48.75p (after launch expenses) on a Cum Fair NAV basis.
- Total Return, net income reinvested GBP.

## PORTFOLIO ACTIVITY

During July, several pandemic hotspots became more critical. Stock markets around the world had recovered substantially from the March lows, however the adverse news flow meant many fell during the month. The NAV of the Trust rose by 1.11%.

The key differentiator between the Trust and most mainstream equity income strategies is that it has a much broader investment universe. During the pandemic, numerous quoted companies have suffered a cashflow setback. When set alongside a surplus of debt, they have had to cease paying dividends, with some cancelling dividends they had already declared.

The Trust has a wider investment universe which offers the potential to invest in equity income stocks that are continuing to pay good and growing dividends, irrespective of whether they are listed on the LSE or AIM exchanges, or are part of the mainstream FTSE 350 Index. We believe that the portfolio focus on companies with strong balance sheets, often operating in markets that are less correlated with the economic cycle, is one of the reasons the Trust has outperformed its peers over 2020.

Link Group have recently published their analysis of the UK stock market dividend patterns over the first half of 2020, and their projections for the full year. They now anticipate that UK dividends will decline by between 43 and 49% over 2020. Whilst some of the Trust's holdings have suffered dividend cuts, the board has already stated that the Trust's dividends for the year to May 2020 will be at least maintained with that of 2019, using revenue reserves to make up for the revenue shortfall.

## PERFORMANCE ANALYSIS

### Performance since launch (%)



### Cumulative performance (%)

	1m	6m	1yr	3yrs	5yrs	Launch
Trust NAV <sup>1</sup>	1.11	-5.76	-0.14	-0.23	20.05	150.90
Trust Share Price (Bid) <sup>2</sup>	0.00	-9.71	-2.20	-9.28	7.49	118.77
IT UK Equity Income Sector	-2.76	-24.17	-18.59	-15.95	-1.48	64.70

### Discrete annual performance (%)

	31.07.19	31.07.18	31.07.17	31.07.16	31.07.15
Trust NAV <sup>2</sup>	-0.14	-6.47	6.82	17.50	2.41
Trust Share Price (Bid) <sup>2</sup>	-2.20	-14.22	8.13	14.47	3.51
FTSE All-Share Index	-17.76	1.27	9.15	14.90	3.82
FTSE Small Cap (ex IT) Index	-12.81	-9.35	2.14	23.44	2.10
FTSE AIM All-Share Index	-3.90	-13.60	12.53	32.10	2.08

## RISKS

- The performance information presented in this factsheet relates to the past. Past performance is not a reliable indicator of future returns.
- The value of investments can fall as well as rise and investors may not get back the full amount invested.
- Past distributions of dividends are not a guide to future distributions.
- The Company may borrow money which can then be used to make further investments (gearing). In a rising market, this 'gearing' can magnify the gains or in a falling market, the losses on your investment.
- The Trust does not use derivatives extensively, although it may use them in an attempt to reduce risk, reduce costs and to generate additional income. Investing in derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions. Derivatives may expose the Trust to credit risks of counterparties, who may not meet payment obligations. The use of derivatives may result in the trust being leveraged (where economic exposure and thus the potential for loss by the trust exceeds the amount it has invested) and in these market conditions the effect of leverage will magnify losses.
- Forecasts are not reliable indicators of future performance.

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## KEY FACTS

Total market value	£293.6m
Total net assets	£321.8m
No. of shares in issue	358,045,105
Gearing	0.0%
Net Cash	£9.6m
NAV ex Income	88.92p
NAV with Income	89.89p
Share Price	82.00p
Premium (Discount)	(8.8%)

## DIVIDENDS

XD date	Pay date	Dividend
26 Mar 2020	29 May 2020	0.9000p
24 Dec 2019	28 Feb 2020	0.8500p
26 Sep 2019	29 Nov 2019	1.2600p*
27 Jun 2019	30 Aug 2019	0.9000p
Historical net yield**		4.77%

\*Includes a special dividend of 0.1600p

\*\*Yield refers to the dividends received by a holder of company shares. The historic yield reflects distributions paid over the last 12 months as a percentage of their mid-market price as at the date shown.

## GLOSSARY

### Bond

A loan in the form of a security, either issued by a UK or overseas government (government bonds) or company (corporate bonds), which pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

### Capital Growth

Increase in the value of an asset or an investment over time. If a fund states that its objective is 'to seek capital growth', the underlying investments will be those the investment manager believes have the potential to grow in value over time.

### Dividends

Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

### Equities

Share of ownership in a company. Equities are traded on an 'Equity Market'.

### FTSE 100 Put Option

A financial instrument that gives the holder the right, but not the obligation, to sell securities, such as the FTSE 100 Index, at an agreed-upon price and before a certain date.

### Gearing

The trust may borrow money to invest in further investments, this is known as gearing. A negative cash figure indicates the Trust is using its loan facility.

### NAV

Net Asset Value: the total value of the investments it holds after any debts have been accounted for, divided by the number of shares in issue.

### Share price

A share price is the price of a particular company's shares at a particular time.

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## CODES & FEES

Bloomberg	DIVI LN
SEDOL	B65TLW2
Management fee on market cap	0.9% per annum up to £300m market cap, 0.8% per annum between £300m and £500m market cap, 0.7% per annum above £500m market cap
Ongoing charges <sup>1</sup>	1.16%

1. The ongoing charges figure disclosed includes direct costs to the fund, such as the annual management fee, custodian charge and administration fee. It excludes interest charged on any borrowing and is based on expenses for the period ending 31.05.2019.

## COMPANY INFORMATION

Launch date	28 April 2011
Morningstar sector	IT UK Equity Income
Benchmark	None
Trust managers	Gervais Williams & Martin Turner
Directors	Michael Wrobel (Chairman) Paul Craig, Calum Thomson, Michelle McGrade, Andrew Bell, Caroline Kemsley-Pein
Redemption facility	The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis.

## FINANCIAL CALENDAR

Year end	31 May
AGM date	October
Results announced (annual/interim)	February/August
Annual report (annual/interim)	Jul/Jan

## IMPORTANT INFORMATION

Premier Miton Investors does not give investment advice, if you are unsure of the suitability of this investment you should speak to a financial adviser. The views expressed are those of the fund manager at the time of writing and are subject to change without notice. They are not necessarily the views of Miton and do not constitute investment advice.

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Investors should read the Trust's product documentation before investing including, the latest Annual Report and Accounts and the Alternative Investment Fund Managers Directive (AIFMD) Disclosure Document as they contain important information regarding the trust, including charges, tax and specific risk warnings and will form the basis of any investment. This documentation is available from Premier Portfolio Managers Limited, the AIFM of the Trust at premiermiton.com.

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