

# 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

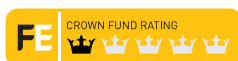
	%
1. Charles Taylor plc	2.5
2. Randall & Quilter Inv Holdings Ltd	2.0
3. Diversified Gas & Oil plc	1.7
4. Legal & General Group plc	1.5
5. Strix Group plc	1.5
6. 4imprint Group plc	1.5
7. Highland Gold Mining Ltd	1.5
8. Kenmare Resources plc	1.4
9. 888 Holdings plc	1.3
10. Lloyds Banking Group plc	1.3
11. IG Group Holdings plc	1.3
12. Tesco plc	1.2
13. Jadestone Energy Inc	1.2
14. Centamin plc	1.2
15. Sabre Insurance Group plc	1.2
16. Hilton Food Group plc	1.2
17. Aviva plc	1.2
18. CMC Markets plc	1.2
19. FTSE 100 Put Option 18/12/20	1.2
20. Rank Group plc	1.2

Total	28.3
No of holdings	139

## INDEX WEIGHTING Source: Bloomberg/Miton %

1. FTSE AIM	33.2
2. FTSE 100	19.9
3. FTSE Small Cap	17.6
4. FTSE 250	16.6
5. UK-listed non-indexed shares	1.9
6. FTSE Fledgling	1.8
7. Bonds	1.8
8. Overseas	1.7
9. FTSE 100 Put Option	1.1
10. Other	0.7
11. Cash	3.7

## AWARDS AND RATINGS



Ratings are not a recommendation.

Source: Morningstar. Launch date: 28.04.2011.

1. Based on initial NAV of 48.75p (after launch expenses) on a Cum Fair NAV basis.

2. Total Return, net income reinvested GBP.

## PORTFOLIO ACTIVITY

Returns on mainstream UK shares have been fluctuating in recent month. Interestingly, the returns on smaller quoted companies have followed a different trajectory with the FTSE Smaller Companies Index (excluding Investment Companies) falling in each of the four months to August, and then rising by 2.87% in September and a further 0.53% in October. The FTSE AIM All-Share Index had a particularly weak August (down 6.35%) but like other smaller companies this index has gently risen subsequently, rising 0.33% in September and 2.07% in October.

The NAV of the Trust rose by just 0.53% during October, which reflected the combination of a setback in the FTSE 100 Index, and the rise in the FTSE AIM All-Share Index.

The portfolio is fairly fully invested at present, as the trust continues to top up numerous stocks that we believe are particularly undervalued. We increased our holding in Insurance broker, Hastings where we believe the leadership of its CEO, who was appointed about 18 months ago, is transforming its prospects and scope to take market share. The company is paying a dividend yield of 7.0%, with room to grow from here.

Over October, the cash balance on the trust fell from 6.8% to 3.7%.

We believe that smaller companies are overdue a period of performance catch-up in the coming quarters.

## PERFORMANCE ANALYSIS

### Performance since launch (%)



### Cumulative performance (%)

	1m	6m	1yr	3yrs	5yrs	Launch
■ Trust NAV <sup>1</sup>	0.53	-1.00	0.94	13.55	42.82	150.77
■ Trust Share Price (Bid) <sup>2</sup>	-0.99	-2.91	-3.78	11.70	31.53	132.67
■ IT UK Equity Income Sector	0.88	0.24	4.00	18.44	32.00	103.76

### Discrete annual performance (%)

	31.10.18	31.10.17	31.10.16	31.10.15	31.10.14
	31.10.19	31.10.18	31.10.17	31.10.16	31.10.15
Trust NAV <sup>2</sup>	0.94	-2.55	15.43	2.75	22.41
Trust Share Price (Bid) <sup>2</sup>	-3.78	1.32	14.57	-2.39	20.63
FTSE All-Share Index	6.79	-1.47	13.39	12.22	2.99
FTSE Small Cap (ex IT) Index	-0.18	-8.05	21.87	6.70	13.14
FTSE AIM All-Share Index	-7.47	-4.90	28.13	13.13	3.85

## 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.

# The Diverse Income Trust plc

## KEY FACTS

Total market value	£340.8m
Total net assets	£353.3m
No. of shares in issue	378,289,047
Gearing	0.0%
Net Cash	£13.6m
NAV ex Income	91.72p
NAV with Income	93.41p
Premium (Discount)	(3.5%)

## DIVIDENDS

XD date	Pay date	Dividend
27 Jun 2019	30 Aug 2019	0.9000p
28 Mar 2019	31 May 2019	0.8500p
27 Dec 2018	28 Feb 2019	0.8000p
27 Sep 2018	30 Nov 2018	1.2300p*
28 Jun 2018	31 Aug 2018	0.8500p
Historical net yield**		4.25%

\*Includes special dividend of 0.2300p.

\*\*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 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.

## 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 £600m market cap, 0.7% per annum above £600m 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, Jane Tufnell, 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	9 Oct 2019
Results announced (annual/interim)	May/Nov
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 PRIIPs Key Information Document (KID), 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. Because shares in an investment trust are listed on the London Stock Exchange their price is affected by supply and demand. This means that the share price may be different from the NAV.

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