



# Dunedin Income Growth Investment Trust PLC

Targeting income and long-term growth from mainly UK companies chosen for their quality and commitment to improving sustainability

Performance Data and Analytics to 30 September 2024

## Investment objective

To achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the United Kingdom that meet the Company's Sustainable and Responsible investing criteria as set by the Board.

## Benchmark

FTSE All-Share Index total return.

## Cumulative performance (%)

	as at 30/09/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	284.0p	(2.1)	2.5	4.4	10.9	0.3	32.2
NAV <sup>A</sup>	319.8p	(1.6)	2.1	3.2	10.5	13.1	34.7
FTSE All-Share		(1.3)	2.3	6.1	13.4	23.9	32.2

## Discrete performance (%)

	30/09/24	30/09/23	30/09/22	30/09/21	30/09/20
Share Price	10.9	6.7	(15.3)	38.6	(4.9)
NAV <sup>A</sup>	10.5	18.0	(13.3)	23.7	(3.8)
FTSE All-Share	13.4	13.8	(4.0)	27.9	(16.6)

Total return; NAV cum income, with 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. Source: abrdn Investments Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

<sup>A</sup> Including current year revenue.

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## Morningstar Sustainability Rating™



## Morningstar Rating™



### <sup>B</sup> Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.



## Twenty largest equity holdings (%)

Unilever	6.9
National Grid	6.2
TotalEnergies	6.0
AstraZeneca	5.3
RELX	5.2
London Stock Exchange	4.2
Diageo	4.2
Morgan Sindall	3.1
Chesnara	3.1
SSE	3.0
Prudential	2.7
Games Workshop	2.7
Sirius Real Estate	2.5
Convatec	2.5
Intermediate Capital	2.4
M&G	2.3
Taylor Wimpey	2.3
Telecom Plus	2.3
Assura	2.3
Sage	2.3
<b>Total</b>	<b>71.5</b>

**Total number of investments 35**

All sources (unless indicated): abrdn: 30 September 2024.



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## 1 Year Premium/Discount Chart (%)



## Fund managers' report

UK equities dropped back in September, giving up some of the gains of the year so far. There were a number of significant geopolitical and macro-economic developments during the month. First, the Federal Reserve of the United States opted to cut interest rates by a larger than expected 0.5%, reflecting some concerns over the health of the labour market. Alongside this there was a further escalation of tensions in the Middle East with the intensity of the conflict in Lebanon deepening, while we also saw a significant rally in Chinese related equities as investors speculated over the prospects for significant government support for the economy. As a result, metals prices gained sharply following a period of extended softness, as did companies with significant exposure to China. Domestic economic data continued to be mixed, particularly regarding the labour market and possible sources of inflation, the Bank of England opted to hold interest rates at their September meeting.

This was a quiet period for activity in the portfolio. Having reduced our position on relative strength in recent months we exited our small remaining holding in building materials manufacturer Marshalls, given a valuation that we felt more than reflected a recovery in their end markets. Alongside this, several options were written to generate additional income.

Within the Trust we saw strong returns over the month from companies exposed to Chinese demand and perceived as potential beneficiaries of government stimulus such as life insurer Prudential, animal genetics developer Genus and mining equipment manufacturer Weir Group. In contrast, Close Brothers was weak after releasing subdued results, weaker capital formation and realising a somewhat underwhelming price for the sale of their asset management division.

## Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 January 2024. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

<sup>d</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>e</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

<sup>f</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

## Sector allocation (%)

Financials	17.9
Industrials	14.3
Consumer Discretionary	14.0
Health Care	11.8
Consumer Staples	11.1
Utilities	9.1
Energy	7.5
Technology	6.3
Real Estate	4.8
Telecommunications	2.3
Cash	1.0
<b>Total</b>	<b>100.0</b>

## Key information

### Calendar

Year end	31 January
Accounts published	March
Annual General Meeting	May
Dividend paid	February, May, August, November
Established	1873
Fund managers	Ben Ritchie Rebecca Maclean
Ongoing charges <sup>c</sup>	0.64%
Annual management fee	0.45% on the first £225m, 0.35% on the next £200m and 0.25% over £425m per annum of the net assets of the Company.
Premium/(Discount) with Debt at Par	(10.1)%
Premium/(Discount) with Debt at fair value	(11.2)%
Yield <sup>d</sup>	4.8%
Active share <sup>e</sup>	76.5%

## Gearing (%)

Net cash/(gearing) <sup>f</sup>	(9.8)
Net cash/(gearing) with debt at market value <sup>f</sup>	(2.9)

## AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

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## Fund managers' report – continued

We continued to buy back our own shares in the market, seeing the discount to net assets as very attractive, particularly when we believe the underlying portfolio is excellent value.

The UK macroeconomic picture, while still subdued, looks more encouraging than it did at the turn of the year. An easing of monetary policy will also help support this. Meanwhile the starting valuation of the market, and the portfolio, reflects low expectations and this could provide the opportunity for strong prospective returns. M&A remains a prominent feature and stock buy backs a helpful support. There have been ongoing signs of international investors returning. A cocktail of a steady economy, declining interest rates and a softer pound could be very compelling for UK equities. Alongside this, more support for the global economy could also be helpful given the UK equity market's significant exposure to overseas revenues. That said, risks remain, particularly from elevated geopolitical tensions and a potentially polarising US election result in November. We shall continue to seek a balance to our positioning, giving ourselves the potential to perform in a range of market environments and seek to participate in new opportunities in good companies with attractive long-term prospects that at the same time meet our sustainable investing criteria.

## Assets/Debt

Gross Assets	£'000	%
Equities – UK	392,836	88.0
– Overseas	93,079	20.9
Total investments	485,915	108.9
Cash & cash equivalents	4,866	1.1
Other net assets	4,090	0.9
Short-term borrowings	(18,804)	(4.2)
3.99% Senior Secured Note 2045	(29,745)	(6.7)
<b>Net assets</b>	<b>446,322</b>	<b>100.0</b>

## Capital structure

Ordinary shares	141,305,828
Treasury shares	12,372,107

## Allocation of management fees and finance costs

Capital	60%
Revenue	40%

## Trading details

Reuters/Epic/Bloomberg code	DIG
ISIN code	GB0003406096
Sedol code	0340609
Stockbrokers	J.P. Morgan Cazenove
Market makers	SETSmm



## Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.abrdn.com/trustupdates](http://www.abrdn.com/trustupdates) [www.abrdn.com/DIG](http://www.abrdn.com/DIG)



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The risk outlined overleaf relating to gearing is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given. Important information overleaf



## 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 is not a guide to future results.
- 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.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- 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.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- 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.

### Other important information:

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