

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. Diversified Gas & Oil plc	2.1
2. SafeCharge International Group Ltd	1.9
3. Zotefoams plc	1.8
4. Randall & Quilter Investment Holdings Ltd	1.8
5. Charles Taylor plc	1.7
6. Phoenix Group Holdings	1.6
7. 4imprint Group plc	1.6
8. A&J Mucklow Group plc	1.6
9. FTSE 100 Put Option 18/12/20	1.5
10. Morses Club plc	1.5
11. Stobart Group Ltd	1.4
12. Legal & General Group plc	1.4
13. Manolete Partners plc	1.3
14. IG Design Group plc	1.3
15. Strix Group plc	1.3
16. Royal Dutch Shell plc*	1.2
17. Amigo Holdings plc	1.2
18. Hilton Food Group plc	1.2
19. Highland Gold Mining Ltd	1.1
20. Jadestone Energy Inc	1.1

Total 29.6

No of holdings 143

*Royal Dutch Shell shares amalgamated to give a true position.

INDEX WEIGHTING Source: Bloomberg/Miton %

1. FTSE AIM	33.4
2. FTSE 100	24.2
3. FTSE Small Cap	14.8
4. FTSE 250	10.1
5. UK-listed non-indexed shares	4.8
6. Overseas	3.3
7. FTSE Fledgling	1.9
8. Bonds	1.9
9. FTSE 100 Put Option	1.4
10. Other	0.6
11. Cash	3.6

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

The NAV of the Trust and its share price rose in April by 3.75% and 3.26% respectively, while the FTSE All-Share Index rose 2.68%. House builders and retailers, which suffered a period of underperformance last year, have led the market rise this year. The Trust isn't greatly exposed to these kinds of holdings, as the portfolio is dominated by more resilient holdings rather than those reliant on a significant economic improvement.

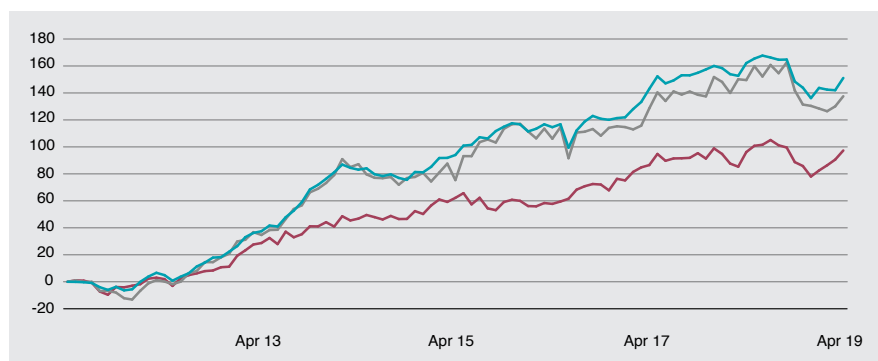
The largest detractor has been the FTSE 100 Put Option, which had risen in value at the end of last year as markets fell back. With the recovery of equities in 2019, this has fallen back in price. Savannah Petroleum was also weak pending a transformational transaction in Nigeria. Highland Gold was weak in the month having performed strongly prior. The main positive contributors were KCOM Group which received a takeover approach, Amigo Holdings and Charles Taylor after a period of weak share price performance.

We believe that companies with excessive debt, or those where losses persist for longer than anticipated, are vulnerable to disproportionately weak share prices if the current slowdown in world growth persists.

In contrast, we are rather more upbeat about the returns on many UK quoted companies. We believe that the valuations of UK stocks have fallen below previous norms given the uncertainty over Brexit.

PERFORMANCE ANALYSIS

Performance since launch (%)



Cumulative performance (%)

	1m	6m	1yr	3yrs	5yrs	Launch
Trust NAV ¹	3.75	1.97	-3.36	18.03	38.34	153.32
Trust Share Price (Bid) ²	3.26	-0.90	-3.97	16.29	28.02	139.64
IT UK Equity Income Sector	3.54	7.30	3.14	28.29	37.84	102.37

Discrete annual performance (%)

	30.04.18	30.04.17	30.04.16	30.04.15	30.04.14
	30.04.19	30.04.18	30.04.17	30.04.16	30.04.15
Trust NAV ²	-3.36	7.85	13.26	10.62	5.95
Trust Share Price (Bid) ²	-3.97	9.15	10.95	17.49	-6.30
FTSE All-Share Index	2.62	8.16	20.14	-5.69	7.48
FTSE Small Cap (ex IT) Index	-5.31	6.09	22.29	3.83	3.76
FTSE AIM All-Share Index	-6.73	10.65	34.53	-2.08	-7.25

RISKS

- Past performance is not a guide to 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	£364.6m
Total net assets	£370.6m
No. of shares in issue	383,787,239
Gearing	up to 15%
NAV ex Income	94.70p
NAV with Income	96.55p
Premium (Discount)	(1.6%)

DIVIDENDS

XD date	Pay date	Dividend
27 Dec 2018	28 Feb 2019	0.8000p
27 Sep 2018	30 Nov 2018	1.2300p*
28 Jun 2018	31 Aug 2018	0.8500p
22 Mar 2018	31 May 2018	0.8000p
Historical net yield**		3.93%

*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	DIV LN
SEDOL	B65TLW2
Management fee on market cap	1.0% up to £300m market cap, 0.8% above £300m market cap
Ongoing charges ¹	1.13%

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 31.05.2018.

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	October 2018
Results announced (annual/interim)	May/Nov
Annual report (annual/interim)	Jul/Jan

IMPORTANT INFORMATION

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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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