

Portfolio manager
David Moss

Manager Commentary

Stocks were very strong in March, with the FTSE All-Share Index rising 4.75% (total return) during the month. Most sectors were positive and there was a definite sign of improved sentiment towards the UK and UK companies. The budget was benign at worst; inflation and other economic data were positive, helping bond yields fall back. We began to see more takeover bids for UK companies, again highlighting the very attractive valuations on offer in the UK.

The Trust's performance was positive, with the net asset value rising 5.2% (total return) as borrowing added to performance in a rising market. Despite a generally more positive view, performance was largely driven by stock-specific impacts, particularly results with seemingly similar businesses seeing very different share-price movements. UK bank **NatWest** was the biggest single contributor to performance as good results and a confident outlook were perceived well, especially relative to a very attractive valuation. In contrast, specialist buy-to-let lender **OneSavings Bank** was weak despite an arguably more attractive valuation and was the biggest single detractor from performance after the company gave cautious (and we believe overly conservative) guidance for margins in the year ahead. UK housebuilder **Vistry** was a top contributor as it continued to execute strongly on its strategic move to more partnerships, whereas the UK's largest brick-builder **Ibstock** was weak following a cautious guide on brick demand for the year ahead. Other strong positive contributors included life insurer **Phoenix** after the company announced a well-received change to its dividend policy and property company **LondonMetric**, where the first commentary following the merger with **LXi REIT** was positive.

Activity was limited during the month, with no new positions added nor any stocks sold completely – it was rather focused on reducing strong-performing stocks with lower dividend yields and recycling this capital into higher-yielding stocks. Examples of the former include **SAP**, **Intermediate Capital**, **RELX** and **CF Richemont**, while examples of the latter include **Mercedes Benz**, **Legal & General** and **Supermarket Income REIT**.

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. A fund investing in a specific country carries a greater risk than a fund diversified across a range of countries. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance.

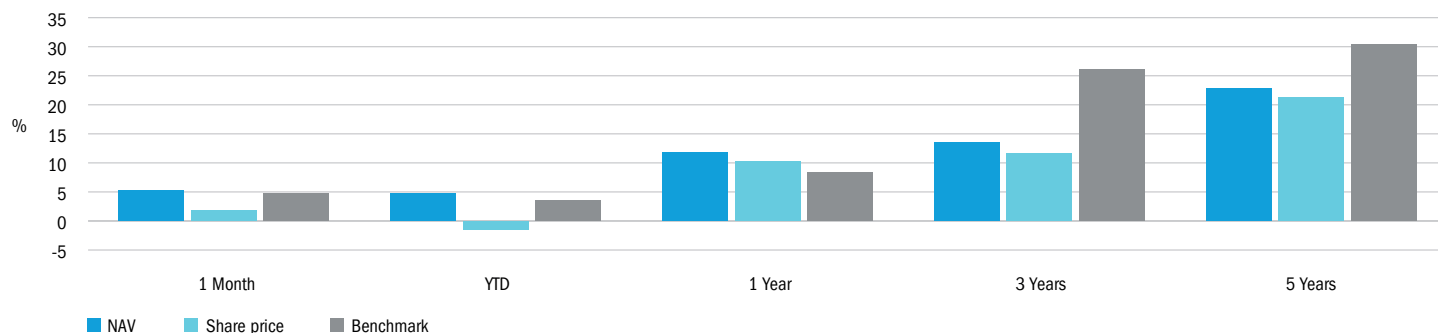
Key facts as at 31.03.24

Trust aims: To provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth. In pursuit of this objective, the Company invests predominantly in UK equities and equity-related securities of companies across the market capitalisation spectrum.

Benchmark:	FTSE All-Share Index
Fund type:	Investment Trust
Launch date:	1 March 2007
Total assets:	£122.9 million
Share price:	84.50p
NAV:	94.59p
Discount/premium(-/+):	-10.67%
Dividend payment dates:	Feb, May, Aug, Nov
Net yield[†]:	6.65%
Net gearing:	12.43%
Management fee rate^{**}:	0.60%
Ongoing charges^{**}:	1.02%
Year end:	31 March
Sector:	UK Equity Income
Currency:	Sterling
Website:	ctukhighincome.co.uk

^{**}Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.

Fund performance as at 31.03.24



Cumulative performance as at 31.03.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	5.22	4.72	11.88	13.51	22.74
Share price	1.81	-1.38	10.24	11.61	21.31
Benchmark	4.75	3.57	8.43	26.14	30.34

Discrete annual performance as at 31.03.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	11.88	-0.44	1.91	37.57	-21.40
Share price	10.24	0.64	0.59	40.77	-22.78
Benchmark	8.43	2.92	13.03	26.71	-18.45

Past performance is not a guide to future performance. Source: Lipper and Columbia Threadneedle Investments. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

Trust codes

Stock exchange code		Sedol
CT UK High Income	CHI	B1N4G29
CT UK High Income B	CHIB	B1N4H59

Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
Shell	8.08	7.23	0.85	Energy
AstraZeneca	6.48	6.69	-0.21	Health Care
Rio Tinto	5.47	2.32	3.15	Basic Materials
GSK	4.22	2.91	1.31	Health Care
Phoenix Group	4.01	0.17	3.84	Financials
Legal + General Group	3.66	0.64	3.02	Financials
RELX	3.62	2.75	0.87	Consumer Discretionary
NatWest	3.59	0.61	2.98	Financials
Imperial Brands	3.56	0.66	2.90	Consumer Staples
Compass Group	3.50	1.68	1.82	Consumer Discretionary

All figures are subject to rounding. Not all holdings are in the FTSE All-Share Index.

Net dividend distributions pence per share (paid)/(declared)						
	2019	2020	2021	2022	2023	2024
February	1.25	1.29	1.29	1.32	1.32	1.32
May	1.29	1.34	1.43	1.55	1.55	1.66
August	1.29	1.29	1.29	1.32	1.32	
November	1.29	1.29	1.29	1.32	1.32	
Total	5.12	5.21	5.30	5.51	5.51	2.98

All figures are subject to rounding.

Glossary	
Bid price	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
Dividend	Income paid to shareholders by the company they invest in.
Net asset value	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

Total summary	% of investment portfolio
FTSE 100	70.04
FTSE 250	17.89
Overseas	6.00
Non-Index	4.62
AIM	1.45

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All data as at 31.03.2024 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. All percentages are based on gross assets, unless stated otherwise. †The aggregate distribution for the financial year to 31 March 2024 will be 5.62 pence per share. The yield is therefore calculated using a rate of 5.62 pence per share and the closing share price at the end of the relevant month. *Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. **Ongoing charges as at 31 March 2023. Please refer to the latest annual report as to how the management fee is structured. Ongoing charges are calculated in accordance with AIC recommendations. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously.

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CT UK High Income Trust PLC is an investment trust and its Ordinary Shares are traded on the main market of the London Stock Exchange.

English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6A. Email: inv.trusts@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

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